RENEWAL AND EIGHTH AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN TRAVIS COUNTY HEALTHCARE DISTRICT AND CITY OF AUSTIN, TEXAS

This Renewal and Eighth Amendment to the Interlocal Agreement between the Travis County Healthcare District and the City of Austin, Texas ("Eighth Amendment") is entered into this ___ day of November, 2008, and is effective as of October 1, 2008.

Whereas, the Travis County Healthcare District (the "District") and the City of Austin, Texas (the "City") entered into an interlocal agreement, effective on October 1, 2004, as amended ("Interlocal Agreement") under which the City manages community health centers and provides certain other services to the District; and

Whereas, Section 10(b) of the agreement provides that the agreement will terminate on September 30, 2008, unless otherwise extended in writing by the parties; and

Whereas, the City acknowledges that the District has provided reasonable assurance that the District has appropriated sufficient funds and taken sufficient steps to provide for the prompt, non-discretionary payment of all applicable Service Payments, and that the District's budget (as approved by the County) for the applicable Service Payments and other terms are consistent with the scope of services and obligations requested of the City for the applicable period, as demonstrated by new Exhibit J to the Interlocal Agreement; and

Whereas, the District and the City wish to renew the Interlocal Agreement for a five-month period, beginning October 1, 2008, and ending February 28, 2009, unless extended as provided below, and

Whereas, the District and the City wish to amend the Interlocal Agreement to address the hiring of additional employees by City and certain issues related to the transition of Clinic operations and employees to the District, and

Whereas, the District and the City also wish to amend the Interlocal Agreement to address the District's Fiscal Year 2009 budget and revised payments due under the Interlocal Agreement for Fiscal Year 2009;

NOW, THEREFORE, the District and the City hereby agree as follows:

1. Except as amended herein, the terms of the Interlocal Agreement, as amended and renewed to date, are renewed through February 28, 2009.

2. The District may make additional investments in the District Clinics to expand services and has considered potential funding amounts as part of its Fiscal Year 2009 budget. The Service Payments as set out in Exhibit H have been modified to reflect this additional funding. It is anticipated that, during the renewal term, the City will hire up to

twenty-one (21) additional full-time equivalents (FTEs) in the Community Care Services Department. The Service Payments set out in Exhibit H have been modified to include funding for the hiring of these additional 21 FTEs during the renewal term.

3. In 2007, the City and District submitted an application to the United States Health Resources and Services Administration ("HRSA") requesting that HRSA approve a successor-in-interest transfer of the City's public entity Federally Qualified Health Center ("FQHC") Section 330 grantee designation to the District, and requested that such transfer become effective on February 28, 2009. The City and District anticipate that this transfer will become effective on February 28, 2009, and agree that if HRSA provides official written notice of approval of the transfer, including a notice of grant award in the District's name, as anticipated, the Interlocal Agreement shall terminate on such date. In order to prepare for this transfer, the parties agree to complete the following documents and take the following actions in accordance with completion dates set forth below:

a) Execution of documents necessary to implement the transition of Community Care Services employees to the District or to the 501(c)(3) non-profit corporation affiliated with the District, as applicable.

b) Negotiate and execute a new interlocal agreement to govern any issues the parties wish to address regarding the period that will follow transfer of the Section 330 grant status and termination of this Agreement, including but not limited to the continued provision of certain services.

City and District agree that if the District does not receive official written notice of approval of the Section 330 transfer application from HRSA, including a notice of grant award in the District's name by February 28, 2009, the District will provide written notice to City and the parties shall promptly seek approval from their respective governing bodies to execute an amendment and renewal to the Interlocal Agreement for an additional seven months (through September 30, 2009), or for a shorter period as agreed upon by the parties.

4. The portion of Exhibit G entitled "Operating Budget" is amended in its entirety to read as follows:

Attached hereto as Exhibit G-1 is the original operating budget for the Services for Fiscal Year 2005. The total amount of payments to be made from October 1, 2004 through September 30, 2005, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $41,752,392, which shall be paid to the City in accordance with the schedule on Exhibit H, as amended by the First Amendment to the Interlocal Agreement, effective March 1, 2005.

Attached hereto as Exhibit G-2 is the operating budget for the Services for Fiscal Year 2006. The total amount of payments to be made from October 1, 2005 through September 30, 2006, from the District to the City for those operations, which payments

are in addition to the collections made by the City and applied to the cost of the Services, is $45,084,126, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-3 is the operating budget for the Services for Fiscal Year 2007. The total amount of payments to be made from October 1, 2006 through September 30, 2007, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $26,910,624, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-4 is the operating budget for the Services for Fiscal Year 2008. The total amount of payments to be made from October 1, 2007 through September 30, 2008, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $28,554,851.58, which shall be paid to the City in accordance with the schedule on Exhibit H.

Attached hereto as Exhibit G-5 is the operating budget for the Services for October 1, 2008 through February 28, 2009. The total amount of payments to be made from October 1, 2008, through February 28, 2009, from the District to the City for those operations, which payments are in addition to the collections made by the City and applied to the cost of the Services, is $12,545,714, which shall be paid to the City in accordance with the schedule on Exhibit H.

5. Exhibit H, entitled "Service Payments," shall be amended to insert the following schedule of payments after the schedule currently in Exhibit H and before the text "as supported by the schedule attached hereto as Attachment 1" to read as follows:

10/08	$2,509,142.80	02/09	$2,509,142.80
11/08	$2,509,142.80		
12/08	$2,509,142.80		
01/09	$2,509,142.80		

6. The following exhibit is added to the Agreement as Exhibit J to read as follows:

EXHIBIT J
CERTIFIED MINUTES OF THE COMMISSIONERS COURT APPROVING FISCAL YEAR 2009 DISTRICT BUDGET AND DISTRICT FISCAL YEAR 2009 BUDGET

IN WITNESS WHEREOF, this Renewal and Eighth Amendment has been executed and delivered on behalf of the District and the City by their duly authorized representatives in one or more counterparts, which together shall constitute one agreement.

TRAVIS COUNTY HEALTHCARE DISTRICT

By:

_____

By: Patricia A. Young Brown
President and Chief Executive Officer

CITY OF AUSTIN, TEXAS

By:_____

Title:_____