



AMENDMENT NO. 2 TO GLO CONTRACT NO. 22-074-000-D188

The **GENERAL LAND OFFICE** (the "GLO") and the **GULF COAST PROTECTION DISTRICT** (the "District" or "GCPD"), each a "Party" and collectively "the Parties" to GLO Contract No. 22-074-000-D188 (the "Contract"), desire to amend the Contract.

WHEREAS, the Parties desire to revise or replace certain language in the Contract to correct certain administrative errors and update certain required language and terms; and

WHEREAS, the Parties desire to update the estimated budget and add funding to the Contract;

NOW, THEREFORE, the Parties hereby agree as follows:

1. In **SECTION 1.01** of the Contract, the definition of "[Administrative and Audit Regulations](#)" is deleted and replaced by the following definition:

["Administrative and Audit Regulations"](#) means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including: the Texas Grant Management Standards; and Chapters 321 and 791 of the Texas Government Code.

2. **SECTION 1.01** of the Contract is further amended to add the following definitions:

["Travel Regulations"](#) means all applicable statutes, regulations, laws, and Comptroller guidance related to reimbursement of travel expenses, including: Title 34, Section 5.22, of the Texas Administrative Code; Chapter 660 of the Texas Government Code; the General Appropriations Act; and *Textravel*, the Comptroller's travel regulation guidance available on the Comptroller's website.

["TxGMS"](#) means the Texas Grant Management Standards issued by the Comptroller.

3. **SECTION 3.01** of the Contract with the heading "**PROJECTED FUNDING REQUESTS**" is deleted in its entirety and replaced with the following:

"3.01 PROJECTED FUNDING REQUESTS

During the term of this Contract, the GLO will reimburse or provide advance funding to the District for allowable Project costs in accordance with the terms of this Contract and the Projected Funding Requests in **Attachment A**, not to exceed the total amount of funds made available to the GLO under Section 18.52 (Contingency for Senate Bill

1160), General Appropriations Act (Senate Bill 1), 87th Texas Legislature, Regular Session, 2021. The Parties agree that the funds made available to GLO through the aforementioned Senate Bills shall only be distributed to GCPD and not to any other special purpose district or governmental entity.

4. **SECTION 3.02** of the Contract with the heading "**ADVANCE FUNDING REQUESTS**" is deleted in its entirety and replaced with the following:

"3.03 ADVANCE FUNDING REQUESTS

The District may request advance funding for Project costs, as detailed in **Attachment A**. Advance funding requests must:

- (a) prominently display the GLO contract number and be submitted on the forms and in the manner approved by the GLO;
- (b) specify the detailed and total estimated expenses for each Projected Funding Request cost category as set forth in **Attachment A**; and
- (c) provide any other information that, in the judgment of the GLO, is necessary to properly review the request.

Disbursement of advance funding will be allowed at the GLO's sole discretion and based on the GLO's determination that providing such funding is necessary for the Project and/or in the best interest of the State. Following review of each advance funding request, the GLO will notify the District of its determination whether a disbursement of funds will be made and, if so, any additional terms and conditions that will apply to the disbursement.

For any advanced funds, the District must submit monthly expenditure reporting and supporting cost documentation, as costs are incurred, that complies with **Section 3.02 and 3.03** of this Contract. In addition, the District must provide a written reconciliation at the end of each Fiscal Year stating the total amount of advanced funds received, total Project costs incurred, and the balance of advanced funds as of the date of reconciliation.

All costs must be allowable, allocable, reasonable, and otherwise consistent with the standards in TxGMS and all applicable federal and state laws and regulations."

5. The following **SECTION 3.04** is added in its entirety to the Contract:

"3.04 FUNDING DISTRIBUTIONS

- (a) The GCPD shall submit all reimbursement requests and advance funding requests to the GLO to VendorInvoices@glo.texas.gov. Failure to submit requests as instructed may significantly delay distributions.
- (b) The GLO shall distribute funding to the GCPD in accordance with **Attachment A** and as follows:
 - (i) **GCPD Operations – Attachment A cost categories 01A & 01B**. For funding that the GCPD requests to pay for its operational expenses, the GCPD will submit funding requests to the GLO as follows: (a) the first funding request shall cover the period through September 30, 2023; and (b) thereafter future funding requests

shall be submitted on a semiannual basis for the subsequent 6 months. The GLO will either (a) respond to the GCPD that the request is rejected for deficiencies within 20 days of the GLO's receipt of the funding request, or (b) approve and transfer funds to the GCPD within 60 days of the GLO's receipt of the funding request.

- (ii) **Cost Share Contributions – Attachment A cost categories 02 - 08.** For funding that the GCPD requests to use as cost share contributions to the U.S. Army Corps of Engineers (USACE), the GCPD will submit funding requests to the GLO as needed for timely contribution to the USACE. The GLO will either (a) respond to the GCPD that the request is rejected for deficiencies within 20 days of the GLO's receipt of the funding request, or (b) approve and transfer funds to the GCPD within 60 days of the GLO's receipt of the funding request.
- (iii) **Non-Federal Sponsor Requirements – Attachment A cost categories 03 - 08.** For funding that the GCPD requests to pay for U.S. Army Corps of Engineers (USACE) non-federal sponsor requirements for work-in-kind or real estate, the GCPD will submit funding requests to the GLO as follows; (a) the first funding request shall cover the period through September 30, 2023; and (b) thereafter future funding requests shall be submitted on a semiannual basis for the subsequent 6 months. The GLO will either (a) respond to the GCPD that the request is rejected for deficiencies within 20 days of the GLO's receipt of the funding request, or (b) approve and transfer funds to the GCPD within 60 days of the GLO's receipt of the funding request.
- (c) If the GLO needs additional information to approve and complete a GCPD funding request or transfer, the GCPD shall promptly provide such information.
- (d) If any GCPD funding request exceeds or otherwise does not conform to the budget set forth in **Attachment A**, as may be amended, the Parties must first execute a formal, written amendment to **Attachment A** to ensure adequate funds are budgeted to accommodate the request. The GLO will transfer such funds to the GCPD within 60 days of the final execution of the related amendment."

6. The following **SECTION 3.05** is added in its entirety to the Contract:

"3.05 TRAVEL EXPENSES

The GLO will only reimburse or pay travel expenses under this Contract at the rates established or adopted by the Comptroller, as outlined in the Travel Regulations.

The GCPD understands and acknowledges that any travel expense reimbursement or payment by the GLO is not a per diem. The GLO will only reimburse or pay actual, allowable expenses in accordance with the Travel Regulations. The GCPD must submit itemized receipts to support any request for reimbursements or payments for travel expenses."

7. The following **SECTION 4.04** is added in its entirety to the Contract:

"4.04 INTEREST EARNED

Any interest earned by the GCPD from funding identified in this Contract must be spent on expenses necessary to establish and operate the GCPD as outlined in the cost categories of **Attachment A.**"

8. **ATTACHMENT A-1** to the Contract, **Revised Projected Funding Request**, is deleted in its entirety and replaced with the **Revised Projected Funding Request** attached hereto as **ATTACHMENT A-2.**

9. This Amendment shall be effective upon the date of the last signature.

10. The terms and conditions of the Contract not amended herein shall remain in force and effect.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE FOR AMENDMENT NO. 2 TO
GLO CONTRACT NO. 22-074-000-D188**

GENERAL LAND OFFICE

GULF COAST PROTECTION DISTRICT

DocuSigned by:



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Mark A. Havens, Chief Clerk/
Deputy Land Commissioner
Date of execution: 2/10/2023

DocuSigned by:



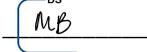
687E04CFE5844BT...
Name: Michel Bechtel
Title: President
Date of execution: 2/10/2023

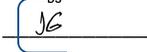
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PM 

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ATTACHED TO THIS AMENDMENT:

ATTACHMENT A-2 – Revised Projected Funding Request

Revised Projected Funding Request

This Amendment No. 2 to Attachment A is intended to replace Attachment A-1 to the Local Cooperation Agreement, GLO Contract No. 22-074-000-D188, between the General Land Office (the “GLO”) and the Gulf Coast Protection District (“GCPD” or the “District”).

The GLO will provide advance funding to the GCPD for operating expenses necessary to establish and operate the GCPD as the anticipated non-federal sponsor for portions of the Sabine Pass to Galveston Bay, Texas Coastal Risk Management Project and the Coastal Storm Risk Management features within the District identified in the Coastal Texas Protection and Restoration Feasibility Study pursuant to the Local Cooperation Agreement (“LCA”) and in accordance with the following schedule for each Cost Category.

Advance funding for expenses necessary to establish and operate the District cannot exceed \$200,000,000.00 during the period of September 1, 2021, to August 31, 2023.

Cost Categories**01 – GCPD Administrative Costs, Program Management, and Engineering Costs****01A – GCPD Administrative Costs**

- Funding is for administrative costs for operation of the GCPD, including salaries, board meetings, legal fees, travel, office supplies, conferences, public outreach, and communication services.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$500,000.00 | \$0.00 | \$500,000.00 |
| 2023 | \$1,005,987.00 | \$1,064,163.00 | \$2,070,150.00 |

01B – GCPD Program Management, and Engineering Costs

- Funding is to the GCPD to fulfill overall program management roles and responsibilities for the Coastal Texas and the Orange County Element, S2G project, and to engage and participate in USACE design and construction of the Orange County Element, S2G project, which include the cost of outside engineers and other Design Participation Costs as defined in Cost Category 04.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$3,500,000.00 | \$3,500,000.00 |

02 – Orange County Element, S2G 35% Cash Contributions

- The GCPD has entered into a Project Partnership Agreement to provide cash contributions to the U.S. Army Corps of Engineers (USACE) to cover 35% of Total Project Costs covered under the GCPD’s Project Partnership Agreement with USACE for the Orange County Element, S2G project.
- The GLO will distribute advance funds directly to the GCPD to cover the costs for anticipated and past USACE design contract awards and for labor. The table below is the anticipated schedule of not-to-exceed advance funds distributions based on the USACE design and construction schedule dated July 2022. Amounts shown for each year are estimates, with distributions not to exceed the amounts shown.
- The GLO will make distributions based on USACE’s written estimates of funds required, in amounts not to exceed a total of \$33,800,000 for Federal fiscal years 2022 and 2023. The Federal fiscal year is from October 1st through September 30th.
- The GCPD must submit to the GLO quarterly expenditure reports documenting disbursements of funds to USACE to meet non-Federal sponsor obligations, and all other expenditures of State funding that comply with this Contract. These quarterly expenditure reports may be included with the quarterly progress reports submitted to the GLO.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$33,800,000.00 | \$33,800,000.00 |

03 – Orange County Element, S2G Engineering and Design Work In-Kind

- The GLO will distribute funds directly to the GCPD for funding of in-kind design services approved by the Galveston District, USACE for Phase II Environmental Assessments.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$1,500,000.00 | \$1,500,000.00 |

04 – OCDD and Orange County’s Design Participation Work/Design Participation Costs

- “Design Participation Costs” means the reasonable and direct costs incurred by the Orange County Drainage District and Orange County (“Orange County”) to engage and participate in USACE design and construction of the Orange County Element, S2G project, which include the cost of outside engineers and other costs for “Design Participation Work,” including:

- Reviews of engineering analyses, studies, scopes of work, designs, plans and specifications, and other documents pertaining to the Orange County element, S2G project;
 - Development of data and information specifically requested by the USACE or its consultants;
 - Coordination and communications with local governments, industry, stakeholders, utilities, and citizens on actions associated with the planning, engineering, and design of the Orange County Element, S2G project;
 - Assistance to USACE's Real Estate Division, and to the USACE's outside consultants for matters relating to determining real estate required for the project, including communications with owners, and escorting-related services.
 - Any necessary related legal review and/or work.
 - Any other actions reasonably requested by USACE or its consultants for the study, engineering, design, and development of plans and specifications for the Orange County Element, S2G project (collectively, the "Design Participation Work").
- The table below is the anticipated schedule of not-to-exceed advance funds distributions for each calendar year for Design Participation Work. Amounts shown for each year are estimates.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$600,000.00 | \$700,000.00 | \$1,300,000.00 |

05 – Port Arthur & Vicinity, S2G – DD7 Relocations

- The GLO will distribute advance funds to the GCPD for the GCPD to subsequently distribute to DD7 for the payment of design and construction costs of utilities/facilities relocation performed that are directly related to construction, operation, and maintenance of the Project.
- The cost for a relocation will be based on applicable principles of just compensation as negotiated between DD7 and the Utility/Facility Owner.
- Relocation costs include actual costs of performing the relocation; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the USACE.
- For all utility relocations, DD7 must provide to the GCPD (and the GLO, upon request):
 - PDF copy of any existing DD7 permit requiring the utility owner to pay the costs of relocation.
 - Notification of any utility relocation which is not subject to an existing DD7 permit.

- For all relocations that have DD7 permit language requiring the utility owner to pay the costs of relocation, DD7 must request the owner to comply with the permit and fund the relocation.
- Documentation if the utility owner cannot reasonably comply with the request.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|----------------------------|------------|-----------------|-----------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$65,000,000.00 | \$65,000,000.00 |

06 – Port Arthur & Vicinity, S2G – DD7 35% Cash Contributions

- The GLO will distribute advance funds to the GCPD for the GCPD to subsequently distribute to DD7 for contribution to the USACE, Galveston District.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|----------------------------|------------|-----------------|-----------------|
| FY 2023 Q1 | \$0.00 | \$0.00 | \$0.00 |
| FY 2023 Q2 | \$0.00 | \$64,485,838.77 | \$64,485,838.77 |

07 – Port Arthur & Vicinity, S2G – DD7 Engineering and Design Work In-Kind

- The GLO will distribute funds directly to the GCPD for funding of in-kind design services approved by the Galveston District, USACE for Phase 2 Environmental Assessments, and other investigations required for the preparation of plans and specifications.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|----------------------------|------------|----------------|----------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$1,000,000.00 | \$1,000,000.00 |

08 – Coastal Texas – Non-Federal Sponsor 35% Contributions

- The GCPD anticipates entering into a Memorandum of Understanding and a Design Agreement with the U.S. Army Corps of Engineers (USACE) for the Coastal Texas CSRM Project and the table below is the anticipated schedule of not-to-exceed funds as 35% cash contribution provided to USACE, and for any work in kind services accomplished by the GCPD. Amounts shown for each year are estimates, with distributions not to exceed the amounts shown.
- The GLO will make distributions to the GCPD based on USACE's written estimates of funds required, for Federal fiscal years 2022 and 2023. The Federal fiscal year is from October 1st through September 30th.

- The GLO will distribute funds directly to the GCPD for funding of in-kind services approved by the Galveston District, USACE.
- The GCPD must submit to the GLO quarterly expenditure reports documenting disbursements of funds to USACE to meet non-Federal sponsor obligations, and all other expenditures of State funding that comply with this Contract. These quarterly expenditure reports may be included with the quarterly progress reports submitted to the GLO.

| State of Texas Fiscal Year | Old Budget | Amended amount | New Budget |
|-----------------------------------|-------------------|-----------------------|-------------------|
| 2022 | \$0.00 | \$0.00 | \$0.00 |
| 2023 | \$0.00 | \$26,844,011.23 | \$26,844,011.23 |