

MINUTES  
GULF COAST PROTECTION DISTRICT

November 13, 2024

The Board of Directors (the “Board”) of Gulf Coast Protection District (the “District”) met in regular session, open to the public, on the 13th day of November, 2024, at the Bridge City Community Center, 105 Parkside Drive, Bridge City, Texas 77611, inside the boundaries of the District, and the roll was called of the members of the Board:

Michel Bechtel	President
Bob Mitchell	Vice President
Sally Bakko	Secretary
Larry Taylor	Assistant Secretary
Roger Guenther	Director
Lori Traweek	Director
Billy Combs	Director
Tina Petersen	Director
Allan Ritter	Director
Kirk Roccaforte	Director
Sharon D. Hulgan	Director

and all of the above were present except Directors Taylor, Traweek, and Combs, thus constituting a quorum.

Also present for all or part of the meeting were: Nicole Sunstrum, Executive Director of the District; Grace Bader, Administrative Assistant for the District; Dedrea Norman, Chief Financial Officer for the District; The Honorable John Gothia, Orange County Judge; Don Carona of Orange County Drainage District (“OCDD”); Toby Davis of Jefferson County Drainage District No. 7 (“DD 7”); Ray Russo, representing OCDD and DD7; The Honorable Aaron Roccaforte, City of Bridge City Council Member Place 1; The Honorable Sherby Dixon, City of Bridge City Council Member Place 6; Lt. Col. Ian O’Sullivan, Dr. Kelly Burks-Copes, and Peter Battung of the U.S. Army Corps of Engineers (“USACE”); Tony Williams, Sarah Purdon, Elizabeth Ozuna, Rhonda Masters, and Mary Davison of the Texas General Land Office (“GLO”); Dawn Pilcher of Tidewater Professional Services LLC; Chris Sallese of Gannett Fleming, Inc.; Ross Gordon of Gordon Consulting Group; David Oliver, Duggan Baker, Kristen Hogan, and Cheryl Panozzo of Allen Boone Humphries Robinson LLP (“ABHR”); Leslie Hollaway of Hollaway Environmental and Communications Services, Inc.; Yvonne Hernandez of Terracon Consultants, Inc. (“Terracon”); Clint Renard of Rigid Constructors; Michael Roberts of The Coastal Trust; Jeff Scarborough and Juan Moya of Stantec; Nick Cox of Moffatt & Nichol; Sina Amini of LAN; Eric Potts of Freese and Nichols; Jay Luckritz of Black & Veatch; Simon VanDyk and Calep Estes of Touchstone District Services; and other members of the public.

ROLL CALL

Ms. Sunstrum called roll and confirmed a quorum was present.

## PUBLIC COMMENTS

There were no public comments.

## MINUTES OF PREVIOUS MEETING(S)

The Board considered approving the minutes of the October 9, 2024, meeting. After review and discussion, Director Ritter moved to approve the minutes as submitted. Director Roccaforte seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Norman reviewed the bookkeeper's report, including the list of checks for payment of District bills, a copy of which is attached. She discussed a request made to GLO for an advance from funds appropriated by House Bill 1, 88<sup>th</sup> Texas Legislature, Regular Session ("HB 1"). After review and discussion, Director Roccaforte moved to approve the bookkeeper's report and payment of the bills. Director Guenther seconded the motion, which carried unanimously.

## AMENDED ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL

Ms. Norman reviewed an amended Administrative Policies and Procedures Manual for the District. After review and discussion, Director Mitchell moved to adopt a Resolution Adopting Administrative Policies and Procedures Manual and Authorizing Executive Director, Chief Financial Officer, and Chief Operating Officer to Sign Certain Disbursements and Approve Certain Expenditures of Funds. After review and discussion, Director Petersen seconded the motion, which passed unanimously.

## REORGANIZATION OF DISTRICT COMMITTEES

Ms. Sunstrum reviewed the District's current Committees and members and proposed new Committees and members. Discussion ensued. After review and discussion, Director Bakko moved to adopt a Resolution Establishing Committees of the Board of Directors of the Gulf Coast Protection District reflecting the new Committees and Committee memberships. Director Mitchell seconded the motion, which passed unanimously.

## FIRST AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN GULF COAST PROTECTION DISTRICT AND JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

Mr. Baker reviewed a proposed First Amendment to Interlocal Agreement between Gulf Coast Protection District and Jefferson County Drainage District No. 7 (the "First Amendment") to allow for funds from HB 1 to be transferred to DD 7 for expenditures towards DD 7's non-federal sponsor obligations for the Jefferson County Separable Element of Sabine to Galveston (the "Jefferson County Project"). He said the First Amendment also incorporates provisions for administrative compliance with the terms and conditions of the Local Cooperation Agreements between the District and GLO. After review and discussion, Director Ritter moved to approve the First Amendment. Director Roccaforte seconded the motion, which passed unanimously.

SECOND AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN GULF COAST PROTECTION DISTRICT, ORANGE COUNTY, AND ORANGE COUNTY DRAINAGE DISTRICT

Mr. Baker reviewed a proposed Second Amendment to Interlocal Agreement between Gulf Coast Protection District and Orange County/Orange County Drainage District (the "Second Amendment") to allow for funds from HB 1 to be transferred to Orange County/OCDD for expenditures towards Orange County/OCDD's design participation costs for the Orange County Separable Element of Sabine to Galveston (the "Orange County Project"). He said the Second Amendment also incorporates provisions for administrative compliance with the terms and conditions of the Local Cooperation Agreements between the District and GLO. After review and discussion, Director Mitchell moved to approve the Second Amendment. Director Bakko seconded the motion, which passed unanimously.

REPORT FROM GENERAL LAND OFFICE

Ms. Purdon stated that GLO is working on the proposed agreement with the District for ecosystem restoration segment G-28, Bolivar Peninsula and West Bay Gulf Intracoastal Waterway Shoreline and Island Protection ("G-28"), a project included in the Coastal Texas Protection and Restoration Feasibility Study ("Coastal Texas"). She said GLO is waiting for a scope of work to finalize the G-28 agreement and corresponding amendment to the Local Cooperation Agreement between GLO and the District for funding appropriated by Senate Bill 1, 87<sup>th</sup> Texas Legislature, Regular Session ("SB 1").

Ms. Purdon reported that GLO received a notice to proceed with design of M-8, East Matagorda Bay Shoreline Protection, a project included in Coastal Texas.

Ms. Purdon discussed GLO's South Padre Island beach nourishment project and issues associated with projects that are both locally and federally authorized.

Ms. Purdon updated the Board on continuing coordination with the City of Houston regarding the feasibility of accessing sediment sources in the San Jacinto River at Lake Houston for beach nourishment projects.

Ms. Purdon reported on a work-in-kind tracker system created in coordination with District representatives.

Ms. Purdon reported that GLO is working on its legislative appropriation request to the 89<sup>th</sup> Texas Legislature for funding for ecosystem restoration projects. Ms. Purdon and Mr. Williams responded to questions regarding the benefits of the District and GLO coordinating support for their respective appropriations requests. Mr. Williams also responded to questions regarding funding available to address erosion damage at Follett's Island from Hurricane Beryl.

Ms. Davison discussed the balance remaining from SB 1 funds and efforts to provide the HB 1 funds requested by the District. Ms. Davison and Ms. Norman discussed uses of earned interest, an effort to reallocate SB 1 funds based on cost categories, the plans for submittal of legislative appropriations requests, and coordination on internal review of invoices.

## REPORT FROM EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

Ms. Sunstrum discussed her decision to resign from the District, effective November 15, 2024. She expressed her thanks to the Board and various District partners and her willingness to assist however possible in the future.

Ms. Norman said she had nothing to report.

Board members expressed their appreciation for Ms. Sunstrum's service, noting her role in getting the District set up and underway over many years and her extraordinary leadership and interpersonal skills and relationships.

## REPORT FROM PRESIDENT OF THE BOARD

Director Bechtel reported on recent and upcoming meetings and events with stakeholders and elected officials regarding District projects and funding.

Director Bechtel next reviewed a Resolution Authorizing the Issuance of a Proclamation of the Board of Directors of the Gulf Coast Protection District expressing the Board's appreciation for Ms. Sunstrum's invaluable contributions to the District. Upon a motion made by Director Bakko and seconded by Director Hulgan, the Board voted unanimously to adopt the Resolution. On behalf of the Board, Director Bechtel presented Ms. Sunstrum with the executed proclamation.

## AMENDMENT NO. 4 TO LOCAL COOPERATION AGREEMENT NO. 22-074-000-D188; AND COASTAL TEXAS MATTERS, INCLUDING INTERLOCAL PROJECT COOPERATION AGREEMENT FOR G-28

Ms. Sunstrum referred to Ms. Purdon's report that GLO is waiting on additional information to complete these agreements. The Board tabled these items.

## SABINE TO GALVESTON MATTERS AND DISTRICT PROGRAM MANAGEMENT MATTERS

Messrs. Sallese and Gordon gave a presentation on District program management matters related to the Orange County Project.

Mr. Gordon discussed new policy guidance established by USACE on the method for formulating the interior drainage system for coastal storm risk management projects. He discussed additional analyses necessary to demonstrate compliance with the new policy and ensure the project is eligible for cost sharing. Mr. Gordon said USACE requested that the District perform the additional analyses as work-in-kind. He recommended Board approval of a task order for the supplemental interior drainage analyses in an amount not to exceed \$500,000. Directors Hulgan and Mitchell questioned the USACE policy change and the costs associated with such changes. Mr. Gordon responded to questions and concerns and discussed the importance of defining the project scope in connection with the Post-Authorization Change Report ("PACR") efforts. Discussion ensued. After discussion, Director Mitchell moved to authorize execution of a task order amendment to the Professional Engineering Services Agreement between the District and Gannett Fleming, Inc. for the supplemental interior drainage analyses in an amount not to exceed \$500,000.

Director Ritter seconded the motion, Director Hulgan voted nay, and the motion passed by majority vote.

Mr. Gordon next updated the Board on the PACR efforts for the Orange County Project. He reviewed the PACR schedule and the next steps.

Mr. Sallese reviewed the status and schedule for the various rounds of phase II environmental site assessments by Geotest Engineering, Inc. and Terracon. He stated that the next round of borings may begin upon environmental clearance from USACE.

Mr. Sallese updated the Board on the status of design of the Dow Levee and Arlanxeo Levee projects.

Mr. Sallese reviewed a summary of recent program management activities for the Orange County Project and upcoming program management activities for the next 30-60 days. He also reviewed financials for the program management team.

Mr. Sallese then responded to questions from the Board regarding environmental remediation procedures and acquisition of public lands. Mr. Carona discussed efforts with congressional leaders to pursue changes to the existing federal policy requiring non-federal sponsors of USACE projects to pay the full cost for acquiring public lands, including relocations, for projects included in or authorized subsequent to Bipartisan Budget Act of 2018 (“BBA 2018”).

Mr. Carona discussed the interior drainage analysis process and the additional analyses required by the new policy guidance issued by USACE to determine whether the project is eligible for cost sharing. He noted that USACE is exploring options to address cost increases across all BBA 2018 projects.

Mr. Carona addressed delays due to environmental clearances and challenges in navigating U.S. Fish and Wildlife requirements restricting the times of year when work may be performed.

Mr. Baker then discussed the phase II environmental site assessment reports and coordination with special counsel engaged by the District for guidance on findings and determinations.

#### REPORT FROM ORANGE COUNTY DRAINAGE DISTRICT AND JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

Mr. Carona noted that he did not have anything additional to report.

Mr. Davis gave a presentation on the status of construction contracts, utility relocations, and right-of-way acquisitions for the Jefferson County Project. He also discussed a joint project with the Texas Department of Transportation (“TxDOT”) for a segment of levee section beneath a TxDOT bridge.

UPDATE FROM REGION 6 STATE FLOOD PLANNING GROUP

Director Bakko updated the Board on the Region 6 San Jacinto Regional Flood Planning Group.

SCHEDULE AND LOCATION FOR NEXT MEETING

Director Bechtel reported that the District's next meeting is scheduled for December 11, 2024, at 10:00 a.m. at 1150 Gemini St., Houston, Texas 77058.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONSULT WITH ATTORNEYS

At 12:05 p.m., the Board convened in executive session pursuant to Section 551.071, Texas Government Code, to discuss legal matters related to phase II environmental site assessments for the Orange County Project. Present at the closed meeting were Directors Bechtel, Mitchell, Bakko, Guenther, Petersen, Ritter, Roccaforte, and Hulgán, Mr. Sallese, Mr. Gordon, Mr. Carona, Ms. Sunstrum, Ms. Norman, Mr. Oliver, Mr. Baker, and Ms. Panozzo.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 12:44 p.m., the Board reconvened in open session. No action was taken.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in executive session pursuant to Section 551.072, Texas Government Code.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

At 12:44 p.m., the Board convened in executive session pursuant to Section 551.074, Texas Government Code, to discuss employment matters related to District personnel. Present at the closed meeting were Directors Bechtel, Mitchell, Bakko, Guenther, Petersen, Ritter, Roccaforte, and Hulgán, Mr. Sallese, Mr. Gordon, Mr. Carona, Ms. Sunstrum, Ms. Norman, Mr. Oliver, Mr. Baker, and Ms. Panozzo.

At 1:10 p.m., Ms. Sunstrum left the closed meeting.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 1:22 p.m., the Board reconvened in open session.

Director Bakko moved to accept the resignation of Ms. Sunstrum, effective November 15, 2024, and authorize execution of the Separation Letter Agreement with Ms. Sunstrum. Director Hulgán seconded the motion, which passed unanimously.

Director Guenther moved to authorize posting of the job description for Executive Director for the District. Director Bakko seconded the motion, which passed unanimously.

Director Roccaforte moved to appoint Director Bechtel to act as interim Executive Director for the District. Director Ritter seconded the motion, which passed unanimously.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

  
Secretary, Board of Directors

(SEAL)



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