

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

This Second Amendment (this "Second Amendment") to the Interlocal Agreement Between the Gulf Coast Protection District ("GCPD"), the Orange County Drainage District ("OCDD"), and Orange County ("OC", and together with OCDD, "Orange County") is entered into and made effective as of November 13, 2024 (the "Effective Date"), by and between GCPD, OCDD, and OC (collectively referred to as the "Parties," and, each, individually, referred to as a "Party").

RECITALS

WHEREAS, the Parties entered into that certain Interlocal Agreement, dated December 14, 2021, as amended effective November 9, 2022 (the "Original Agreement");

WHEREAS, pursuant to the Original Agreement, the Parties agreed, among other things, to utilize funds available pursuant to Section 18.52 of Senate Bill 1, 87th Texas Legislature, Regular Session, 2021 ("SB 1"), upon request by the GCPD to GLO, to reimburse or advance payment to (i) Orange County for payment of Design Participation Costs or (ii) USACE for payments of the 35% Non-federal design cost share payments pursuant to the PPA; and

WHEREAS, the GCPD and the GLO entered into that certain Local Cooperation Agreement (GLO Contract No. 22-047-000-D188), effective September 1, 2021, for the allocation of state appropriations provided under SB 1 (as amended from time to time, the "SB 1 LCA") to fund a portion of the non-Federal share of the remaining design costs, including any deferred Non-Federal share of total design costs under the DA, and "construction costs" as defined in the PPA, and Design Participation Costs for additional Orange County Design Participation Work needed for the Project, which is essential for Orange County's ongoing participation in the engineering and design of the Project as the representative and liaison of the GCPD in the Design of the Project;

WHEREAS, state appropriations provided under Article VI – Natural Resources, General Land Office and Veterans' Land Board, Section 22 (Gulf Coast Protection District (GCPD) of House Bill 1, 88th Texas Legislature, Regular Session, 2023, effective September 1, 2023 ("HB 1"), are available to GLO for partially funding the GCPD to meet the Non-Federal cost sharing requirements applicable to S2G with additional state funding subject to Legislative appropriations, potential ad valorem tax receipts and other sources of income;

WHEREAS, the GCPD and the GLO have entered into that certain Local Cooperation Agreement (GLO Contract No. 24-109-000-E394), effective September 17, 2024, for the allocation of state appropriations provided under HB 1 (as amended from time to time, the "HB 1 LCA") to fund a portion of the non-Federal share of the remaining design costs, including any deferred Non-Federal share of total design

costs under the DA, and "construction costs" as defined in the PPA, and Design Participation Costs for additional Orange County Design Participation Work needed for the Project, which is essential for Orange County's ongoing participation in the engineering and design of the Project as the representative and liaison of the GCPD in the Design of the Project;

WHEREAS, the Parties now wish to amend the Original Agreement to provide for additional terms and conditions related to funds allocated to the Project pursuant to the SB 1 LCA and the HB 1 LCA, as set forth in this Second Amendment (together with the Original Agreement, the "Agreement"); and

NOW THEREFORE, in consideration of these premises and of the mutual promises, obligations, covenants, and benefits herein contained, the GCPD, OCDD, and OC each contract and agree as follows:

AGREEMENT

Section 1. The recitals set forth above are declared true and correct and are hereby incorporated as part of this Second Amendment. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings given them in the Original Agreement.

Section 2. Subsection b, Section 1. (Orange County's Responsibilities). is hereby deleted in its entirety and replaced with the following:

"b. submit requests for reimbursement and/or advance payments for funds from SB 1 or HB 1, as applicable, to GCPD to fund payments for the Design Participation Costs incurred or to be incurred by Orange County pursuant to paragraph 1.a. above. Requests for advance funds may be made to cover anticipated Design Participation Costs for the entire fiscal year ending on September 30th of each year;"

Section 3. Section 1. (Orange County's Responsibilities). is amended by adding new subsections h, i, and j as follows:

"h. use its best efforts to comply with standards imposed upon Orange County as a recipient of funds allocated by the SB 1 LCA and the HB 1 LCA, including, without limitation, standards related to travel expenditures;

i. upon request by the GCPD, take further actions or provide supporting documentation, in each case, for any purpose that GCPD may deem reasonably necessary, including, without limitation, to (x) support GCPD's request(s) to GLO for reimbursement or advance payment pursuant to the SB 1 LCA and the HB 1 LCA; (y) comply with GCPD's reporting and audit obligations under the SB 1 LCA and the HB 1 LCA; and (z) confirm proper and timely expenditure of funds allocated by the SB 1 LCA and the HB 1 LCA towards an authorized purpose; and

j. establish a separate account for funds received pursuant to the SB 1 LCA and the HB 1 LCA; provided, further that if such funds are received on a cash advance basis, then Orange County should ensure that all funding received is held in an interest-bearing account. Any interest earned by Orange County from such funding, when spent, must be spent on eligible expenses for which purpose such funding was advanced to Orange County pursuant to the SB 1 LCA or the HB 1 LCA. If feasible, any interest earned must be expended prior to, or in conjunction with, any advance requests submitted by Orange County to the GCPD pursuant to Section 1.b. of this Agreement and reported to the GCPD in the next expenditure report when expended."

Section 4. Section 2. (GCPD Responsibilities). is amended by deleting subsections e. and f. in their entirety, respectively, and replacing such subsections with the following:

"e. submit requests for reimbursement and/or advance payments from funds from SB 1 or HB 1, as applicable, to the GLO for payments to Orange County for the Design Participation Costs, and remit payments to Orange County for the payment of such Design Participation Costs;


f. submit requests for reimbursement and/or advance payments from funds from SB 1 or HB 1, as applicable, to the GLO for payments of the 35% Non-Federal design cost share payments to the Government, to the extent that such funds are available to the GLO for such purpose, and remit payments to the Government for the 35% Non-Federal cost share as required by the PPA; and"

Section 5. Except as specifically amended in this Second Amendment, the Original Agreement shall remain in full force and effect in accordance with its original terms and conditions.


[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their authorized officers the day and year first above written.

ORANGE COUNTY
By: 
John Gothia
County Judge
Judge

GULF COAST PROTECTION DISTRICT
By: 
Rachael N. Sunstrum
Executive Director

ATTEST:


ATTEST:


ORANGE COUNTY DRAINAGE
DISTRICT
By: 

Neal Ford
General Manager

ATTEST:

