

MINUTES
GULF COAST PROTECTION DISTRICT

August 14, 2024

The Board of Directors (the “Board”) of Gulf Coast Protection District (the “District”) met in regular session, open to the public, on the 14th day of August, 2024, at 1150 Gemini Street, Suite 1050, Houston, Texas 77258, 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
Adrian Garcia	Director
Allan Ritter	Director
Kirk Roccaforte	Director
Sharon D. Hulgan	Director

and all of the above were present except Directors Garcia, Ritter, and Hulgan, thus constituting a quorum.

Also present at 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; Don Carona of Orange County Drainage District (“OCDD”); Phil Kelley, Allen Sims, Toby Davis, and Alex Thibodeaux of Jefferson County Drainage District No. 7 (“DD 7”); Ray Russo, representing OCDD and DD7; Will Carter of the Office of U.S. Congressional District 36 Representative Brian Babin; Brie Little of the Office of Texas Senate District 11 Senator Mayes Middleton; Lt. Col. Ian O’Sullivan, Col. Rhett Blackmon, Dr. Kelly Burks-Copes, Toni Addison, Stephen Moen, and Nicole Snyder of the U.S. Army Corps of Engineers (“USACE”); Tony Williams, Sarah Purdon, Melissa Washington, Carlos Ruiz, and Mary Davison of the Texas General Land Office (“GLO”); Willi Gerami of West Gulf Maritime Association; Timothy Loveday of the U.S. Coast Guard; Captain Clint Winegar, J.J. Plunkett, and Luke Tezza of the Houston Pilots; Captain Mark Saunders of the Galveston-Texas City Pilots; Eric Carrero of the Greater Houston Port Bureau; Dawn Pilcher of Tidewater Professional Services LLC; Chris Sallese of Gannett Fleming, Inc.; Ross Gordon of Gordon Consulting Group; David Oliver, Duggan Baker, and Kristen Hogan of Allen Boone Humphries Robinson LLP; Justin Tassin, Blythe Payne, and Connor Stokes of Hollaway Environmental and Communications Services, Inc.; Michael Roberts of The Coastal Trust; Yvonne Hernandez of Terracon Consultants, Inc.; Jeff Scarborough and Juan Moya of Stantec; Ray Devlin and Nick Cox of Moffatt & Nichol; Lars Zetterstrom of LAN; Marc Broussard of Callan Marine; Burton Johnson of AECOM; Peggy Zahler of Clear Creek Watershed Steering Committee; Rick Robertson of Jacobs; Ruthie Freeman of HK Dredging; Coraggio Maglio and JR Reddish of DCCM; Darrell Morrison of Ardurra; Larry Wise of Baird & Associates; Tony Sartori of Half; Jay Luckritz of Black & Veatch; Simon VanDyk and Calep Estes of Touchstone District Services; Tina Petersen, director appointee; Doug Peterson; 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 July 17, 2024, regular meeting. After review and discussion, Director Combs moved to approve the minutes as submitted. Director Mitchell seconded the motion, which passed unanimously.

DIRECTOR MATTERS

Director Bechtel reported that Harris County appointed Tina Petersen to the Board to replace Adrian Garcia for the term expiring June 16, 2027. Dr. Petersen introduced herself and presented her executed Sworn Statement, Oath of Office, and Official Bond in connection with her appointment. After review and discussion, Director Taylor moved to approve the Sworn Statement, Oath of Office, and Official Bond of Tina Petersen and direct that the Oath of Office be filed with the Texas Secretary of State. Director Roccaforte seconded the motion, which passed unanimously.

The Board considered reorganization and concurred for Dr. Petersen to serve in the position of Director, and for the other Board members to retain their current offices and positions. The Board then considered authorizing the filing of an updated District Registration Form with the Texas Commission on Environmental Quality to reflect the new Board member. Director Mitchell moved to authorize execution and filing of an updated District Registration Form with the TCEQ reflecting the new Board member. Director Traweck seconded the motion, which passed unanimously.

Mr. Oliver discussed the Texas Open Meetings Act and Texas Public Information Act training requirements and stated that each elected or appointed public official is required to complete training courses regarding responsibilities of the governmental body and its members under the Open Meetings Act and the Public Information Act. He stated that Dr. Petersen previously completed both training courses and provided copies of her completion certificates for the District's records.

Mr. Oliver reviewed a memorandum regarding conflicts of interest under Chapters 171 and 176 of the Texas Local Government Code and abstentions and disclosures required by such statutes. He stated that pursuant to Chapter 176 of the Texas Local Government Code, the District is required to maintain a List of Local Government Officers. Mr. Oliver reviewed the List of Local Government Officers with the Board. After review and discussion, Director Roccaforte made a motion to approve and authorize execution of the List of Local Government Officers. Director Guenther seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board discussed the District's evergreen engagement with McCall Gibson Swedlund Barfoot PLLC ("MGSB") for conduct of annual audits for the District. The Board reviewed a letter

from MGSB reflecting an estimated cost of \$15,500-\$18,500 to conduct the District's audit for the fiscal year end September 30, 2024. After review and discussion, Director Combs made a motion to authorize MGSB to proceed with preparation of the audit for fiscal year end September 30, 2024, for a cost not to exceed \$18,500, pursuant to the engagement letter. Director Bakko seconded the motion, which passed unanimously.

RESOLUTION APPOINTING ADDITIONAL INVESTMENT OFFICER

The Board considered appointing Ms. Norman as an additional Investment Officer of the District. After review and discussion, Director Bakko moved to adopt a Resolution Appointing Additional Investment Officer to appoint Ms. Norman as an Investment Officer of the District, in addition to Mark Burton and Ghia Lewis. Director Traweck seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of Mark Burton, Ghia Lewis, and Ms. Norman as the District's bookkeeper and Investment Officers, respectively. Mr. Oliver explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District, and the disclosure statements will be filed with the Texas Ethics Commission and the District. After review and discussion, Director Combs moved to accept the disclosure statements as presented and to authorize they be appropriately filed. Director Mitchell seconded the motion, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Mr. Oliver stated that neither ABHR nor the bookkeeper or Investment Officers have any recommended changes. After review and discussion, Director Combs made a motion to adopt a Resolution Regarding Annual Review of Investment Policy and to direct that the resolution be filed appropriately and retained in the District's records. Director Bakko seconded the motion, which carried unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Oliver reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. He noted that the list of qualified broker/dealers provided by the District's bookkeeper is attached as an exhibit to the Resolution. After review and discussion, Director Guenther moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Traweck seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, BUDGETS FOR FISCAL YEARS ENDING SEPTEMBER 30, 2024, AND SEPTEMBER 30, 2025, AND DEPOSITORY PLEDGE AGREEMENT

Ms. Norman reviewed the bookkeeper's report, including the list of checks for payment of District bills, a copy of which is attached. She next reviewed an amended budget for the fiscal year ending September 30, 2024.

Ms. Norman reviewed the District's proposed budget for the fiscal year ending September 30, 2025. Ms. Sunstrum responded to questions regarding considerations included in budgeted amounts and the status of reviewing responses to the job posting for communications personnel.

The Board then considered approval of a Depository Pledge Agreement with First Citizens Bank for the District's operating account.

After review and discussion, Director Combs moved to approve the bookkeeper's report and payment of the bills, adopt the amended budget for the fiscal year ending September 30, 2024, adopt the District's budget for the fiscal year ending September 30, 2025, and approve and authorize execution of the Depository Pledge Agreement with First Citizens Bank. Director Guenther seconded the motion, which carried unanimously.

REPORT FROM GENERAL LAND OFFICE

Ms. Purdon reported on the status of execution of the memorandum of understanding for design work with USACE.

Ms. Purdon next reported on efforts to finalize the Local Cooperation Agreement with the District for funds available from House Bill 1, 88th Texas Legislature, Regular Session.

Ms. Purdon discussed 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 discussed the agreements that need to be in place to accomplish the project.

Ms. Purdon reported on continued coordination with the U.S. Department of Fish and Wildlife on South Padre beach nourishment efforts. She said a similar process will be required for Coastal Texas projects.

Ms. Purdon responded to questions regarding credit for work-in-kind.

Ms. Purdon then reported on preliminary data from the study conducted to determine whether sediment from Lake Houston could be used for beach nourishment projects.

REPORT FROM PRESIDENT OF THE BOARD

On behalf of the Board, Director Bechtel expressed appreciation for Adrian Garcia's service on the Board and directed staff to send a letter of appreciation from the Board. Director Bechtel also expressed appreciation for attendance at Board meetings by Congressman Babin's staff.

REPORT FROM EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

Ms. Sunstrum reported on execution of the Design Agreement for Coastal Texas between the District and USACE. She reported on the status of additional agreements between the District and GLO. Director Bakko requested that a copy of the fully executed Design Agreement be sent to the Board members.

Ms. Norman said she had nothing to report.

COASTAL TEXAS MATTERS

There was no discussion on this item.

SABINE TO GALVESTON MATTERS

Mr. Baker discussed the notice letters that were distributed to certain owners of real property located in Orange County, Texas, identified by USACE as priority parcels, for the performance of cultural resources investigations for the Orange County Separable Element of Sabine Pass to Galveston Bay (the “Orange County Project”). After review and discussion, Director Mitchell moved to authorize execution of an Authorization for Entry for Survey & Exploration to utilize the District’s right of entry powers pursuant to Section 49.221, Texas Water Code, to perform testing and surveys on such real property parcels identified by USACE as critical for the Orange County Project alignment. Director Taylor seconded the motion, which passed by unanimous vote.

DISTRICT PROGRAM MANAGEMENT MATTERS

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

Mr. Sallese discussed the acquisition of DEC by Gannett Fleming, Inc. (“GFI”) and a request from GFI for District consent to the assignment of the Professional Engineering Services Agreement between the District and DEC to GFI. After review and discussion, Director Petersen moved to consent to the assignment. Director Roccaforte seconded the motion, which passed unanimously.

Mr. Sallese next reviewed GFI’s proposed scope of work for year three program management and engineering services for the District for the 12-month period beginning October 1, 2024, to be approved and adopted as a Task Order pursuant to the Professional Engineering Services Agreement between the District and DEC, as assigned to GFI (such scope of work, the “Year 3 Scope of Work”). After review and discussion, Director Mitchell moved to approve and authorize execution of the Year 3 Scope of Work, subject to final review by ABHR. Director Guenther seconded the motion, which passed unanimously.

Mr. Sallese next discussed and recommended Board authorization for the Executive Director to execute Texas Archaeology Permit Applications for cultural resources monitoring of 16 phase II environmental site assessments on public lands owned by the City of Orange, the Port of Orange, and the Texas Parks and Wildlife Department (“TPWD”). After review and discussion, Director Traweek moved to authorize execution of the Texas Archaeology Permit Applications for cultural resources

monitoring of the phase II environmental site assessments. Director Mitchell seconded the motion which passed unanimously.

Mr. Sallese also discussed Surface Use Agreements between Terracon Consultants and TPWD for phase II environmental site assessments to be conducted on TPWD land. He recommended Board authorization for the Executive Director to execute such Agreements if the District is included as a party, based on the terms and conditions. Following review and discussion, Director Taylor moved to authorize execution of the Surface Use Agreements with Texas Parks and Wildlife Department for phase II environmental site assessments if necessary, subject to final review by ABHR. Director Bakko seconded the motion, which passed unanimously.

Mr. Gordon updated the Board on the Post-Authorization Change Report (“PACR”) for the Orange County Project and reported on comments received on the revised Project Management Plan, Review Plan, Risk Register, and Schedule from USACE’s Southwest Division. He reviewed the PACR schedule and the next steps pending further interior drainage and environmental discussions with USACE and other agencies. Mr. Gordon then responded to questions from the Board regarding the PACR process and the factors and considerations associated therewith.

Mr. Sallese updated the Board on the status of design of the Dow Levee and Arlanxeo Levee projects. He discussed delays in the design schedule due to Hurricane Beryl and said future presentations will include original and current timelines for each step in the design process. Mr. Gordon discussed additional mitigation requirements that may be required for wetland bottom analyses, which could impact design. He said the program management team is developing a scope of work for USACE approval to perform wetlands hydrology modeling required for USACE modeling and analysis to determine any additional mitigation requirements. Mr. Gordon recommended that the Board authorize the Executive Director to execute a task order proposal from the District’s program management team for this work, subject to ABHR review. After discussion, Director Roccaforte moved to authorize execution of a task order proposal in an amount not to exceed \$250,000, subject to final review by ABHR, and to delegate approval of the task order proposal to Director Bechtel if the cost is in excess of \$250,000. Director Bakko seconded the motion, which passed unanimously.

Mr. Sallese reviewed a summary of recent program management activities for the Orange County Project, including the status of phase II environmental site assessments. He then reviewed upcoming program management activities for the next 30-60 days. He also reviewed a financial summary for the Orange County Project as of July 30, 2024, and financials for the program management team.

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

Following Mr. Sallese’s report, Mr. Carona noted that he did not have anything additional to report.

Mr. Sims updated the Board on the status of contracts for the Jefferson County Separable Elements of Sabine Pass to Galveston Bay (the “Jefferson County Project”). He also discussed upcoming events.

UPDATE FROM REGION 6 STATE FLOOD PLANNING GROUP

Director Bakko reported that the Texas Water Development Board is meeting on August 15th to adopt the State Flood Plan. She noted the rankings of the Coastal Texas project, Orange County Project, and Jefferson County Project.

SCHEDULE AND LOCATION FOR NEXT MEETING

Director Bechtel reported that the District's next meeting is scheduled for October 9th at 10:00 a.m. at 1150 Gemini St., Houston, Texas 77058.

In response to a question from Director Bechtel, Lt. Col. O'Sullivan reported that Major General Butch Graham was selected as the next Chief of Engineers of USACE, subject to Senate confirmation.

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

At 11:43 a.m., Director Bechtel announced that the Board would convene in executive session pursuant to Section 551.071, Texas Government Code, to discuss legal matters related to the Local Cooperation Agreement (GLO Contract No. 24-109-000-E294) between the District and GLO for funds appropriated by House Bill 1, 88th Texas Legislature, Regular Session ("LCA").

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 12:18 p.m., Director Bechtel announced that the Board would reconvene in open session.

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 12:18 p.m., Director Bechtel announced that the Board would convene in executive session pursuant to Section 551.074, Texas Government Code, to discuss employment matters related to Coastal Texas program management personnel. At 12:31 p.m., Ms. Sunstrum left the executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 12:45 p.m., Director Bechtel announced that the Board would reconvene in open session.

LOCAL COOPERATION AGREEMENT BETWEEN THE DISTRICT AND TEXAS GENERAL LAND OFFICE FOR FUNDS APPROPRIATED BY HOUSE BILL 1, 88TH TEXAS LEGISLATURE, REGULAR SESSION

Director Combs made a motion to authorize execution of the LCA, subject to finalization by ABHR. Director Bakko seconded the motion, which passed unanimously.

EMPLOYMENT MATTERS RELATED TO COASTAL TEXAS PROGRAM MANAGEMENT PERSONNEL

Director Mitchell made a motion to re-open the job posting for a senior project manager for Coastal Texas with the discussed revisions. Director Guenther seconded the motion, which passed by unanimous vote.

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.

ADJOURNMENT

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




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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