

MINUTES
GULF COAST PROTECTION DISTRICT

August 9, 2023

The Board of Directors (the “Board”) of Gulf Coast Protection District (the “District”) met in regular session, open to the public, on the 9th day of August, 2023, at the Kaila M. Sullivan Chapel & Hall, 5000 NASA Rd 1, Seabrook, Texas 77586, inside the boundaries of the District, and the roll was called of the members of the Board:

Michel Bechtel	President
Bob Mitchell	Vice President
Roger Quiroga	Secretary
Sally Bakko	Assistant Secretary
Roger Guenther	Director
Michael VanDerSnick	Director
Lori Traweek	Director
Billy Combs	Director
Adrian Garcia	Director
Allan Ritter	Director
Kirk Roccaforte	Director

and all of the above were present except Directors Quiroga, Guenther, and VanDerSnick, thus constituting a quorum.

Also present at the meeting were: Nicole Sunstrum, Executive Director of the District; Grace Bader, Administrative Assistant for the District; Don Carona and Martin Dies of Orange County Drainage District (“OCDD”); Allen Sims, Phil Kelley, and Toby Davis of Jefferson County Drainage District No. 7 (“DD 7”); Ray Russo, representing OCDD and DD 7; Will Carter of the Office of U.S. Congressional District 36 Representative Brian Babin; Kristen Lee and Doug Peterson of the Office of Harris County Commissioner Adrian Garcia, Precinct 2; Bee Kothuis of Netherlands Business Support Office-Texas; Maj. Ian O’Sullivan, Bobby Petty, Kelly Burks-Copes, Capt. Aaron Brown, Nicole Snyder, Toni Addison, and Shamekia Chapman of the U.S. Army Corps of Engineers (“USACE”); Tony Williams, Elizabeth Ozuna, and Melissa Washington of the Texas General Land Office (“GLO”); Capt. Clint Winegar of the Houston Pilots; Andrea Lavorgna of the Greater Houston Port Bureau; Dawn Pilcher of Tidewater Professional Services LLC; Chris Sallese of DEC; Darrell Morrison of Ardurra; Samantha Haritos of the City of Friendswood; Alan Black of Quiddity Engineering, LLC; Coraggio Maglio of DCCM; David Oliver, Duggan Baker, and Kristen Hogan of Allen Boone Humphries Robinson LLP (“ABHR”); Cindy Grimes of Municipal Accounts & Consulting, L.P.; Leslie Hollaway and Brittany Little of Hollaway Environmental and Communications Services, Inc.; Austin Ficken of Masterson Advisors LLC; Larry Wise of Baird & Associates; Robert Esenwein and Jeff Scarborough of Stantec; Norman Kramer of Tetra-Tech; Cris Weber of APTIM; Jonathan S. Marks of Concentric Construction Corporation, LLC; Colton Bontke of Fugro; Frederick Sunderman of ATSER; Leigh Martin, Mark Dessens, and Steve Floyd of Schaumburg & Polk, Inc.; Diego de Veyga of Brizo Construction; Bobby Adams and Sam Hinojosa of HALFF; Jay Luckritz of Black & Veatch; Eric Potts and Tony Risko of Freese and Nichols; Peggy Zahler of Wellby Financial; Simon VanDyk and Calep Estes of Touchstone District Services; Stan Duitscher of D. Engineers; and other members of the public.

ROLL CALL

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

PUBLIC COMMENTS

Mr. Duitscher commented on the projects included in the Coastal Texas Protection and Restoration Project (“Coastal Texas”).

MINUTES OF PREVIOUS MEETING(S)

The Board considered approving the minutes of the July 12, 2023, regular meeting. Director Bakko presented a revision to the minutes. After review and discussion, Director Garcia moved to approve the minutes as revised. Director Ritter seconded the motion, which passed unanimously.

DIRECTOR MATTERS

The Board considered approving the Sworn Statements, Bonds, and Oaths of Office of Directors Quiroga, Combs, Garcia, Ritter, and Roccaforte in connection with their reappointment to the Board for terms ending June 16, 2027. The Board next considered reorganization and concurred for the 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 director terms. After review and discussion and upon a motion made by Director Garcia and seconded by Director Traweck, the Board voted unanimously to approve the Sworn Statements, Bonds, and Oaths of Office of Directors Quiroga, Combs, Garcia, Ritter, and Roccaforte, authorize filing of an updated District Registration Form with the TCEQ, and direct that these documents be filed appropriately and retained in the District’s official records.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2023

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 \$15,000-\$18,000 to conduct the District’s audit for the fiscal year end September 30, 2023. After review and discussion, Director Mitchell made a motion to authorize MGSB to proceed with preparation of the audit for fiscal year end September 30, 2023, for a cost not to exceed \$18,000, pursuant to the engagement letter. Director Garcia 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 and Ghia Lewis as the District’s bookkeeper and investment officers. 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 Garcia moved to accept the disclosure statements as presented and to authorize they be appropriately filed. Director Roccaforte 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 have any recommended changes. After review and discussion, Director Garcia 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 Ritter 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. In response to a question from the Board, Mr. Oliver said a comparison of the 2022 and 2023 lists of qualified broker/dealers will be provided at the next meeting. After review and discussion, Director Garcia 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 Roccaforte seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET

Ms. Grimes reviewed the bookkeeper's report, including the list of checks for payment of District bills, a copy of which is attached. She next presented and reviewed the District's proposed budget for the fiscal year ending September 30, 2024. In response to questions from the Board, Ms. Grimes said footnotes will be added to the budget to describe the GLO funding categories and to note the estimated expenses for the final two months of the current fiscal year. Ms. Sunstrum discussed a quote from Esri Inc. for renewal of the District's ArcGIS subscription, which is reflected in the proposed budget. After review and discussion, Director Ritter moved to approve the bookkeeper's report and payment of the bills and adopt the budget for the fiscal year end September 30, 2024, with the requested footnotes. Director Bakko seconded the motion, which carried unanimously.

REPORT FROM GENERAL LAND OFFICE

Mr. Williams reported on the status of GLO projects. He also discussed recent and upcoming meetings with stakeholders and other entities.

REPORT FROM BOARD PRESIDENT

Director Bechtel reported on recent meetings with various stakeholders and elected officials.

Director Bakko reported on an event she and Ms. Sunstrum attended to meet with business leaders and elected officials regarding District projects.

REPORT FROM EXECUTIVE DIRECTOR

Ms. Sunstrum reported on meetings and presentations during the past month.

REPORT FROM ORANGE COUNTY DRAINAGE DISTRICT AND JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7; REPORT FROM DISTRICT PROGRAM MANAGEMENT TEAM AND YEAR 2 SCOPE OF WORK

Mr. Sallèse reported on the Orange County Separable Element of the Sabine Pass to Galveston Bay Coastal Storm Risk Management Program (“S2G”) and coordination efforts with USACE on task refinement. He discussed an upcoming environmental workshop with USACE and reported on USACE award of a geotechnical contract. Mr. Sallèse next reviewed DEC’s proposed scope of work for year two program management and engineering services for the District, to be approved and adopted as an attachment to that certain Professional Engineering Services Agreement between the District and DEC (such scope of work, the “Year 2 Scope of Work”). Messrs. Sallèse and Carona responded to questions from the Board regarding costs and timing and meetings with USACE on paths forward. Mr. Sallèse noted that task no. 10 of the scope of work is a contingency item for bridge support related to Coastal Texas on an as-needed basis. After discussion, the Board requested a timeline reflecting the schedule and action items.

Mr. Sims updated the Board on the Jefferson County Separable Element of S2G and the status of projects. He said project 3A should be awarded this month, which includes front wall protection for three pump stations in connection with raising the levee. Mr. Sims updated the Board on environmental matters, noting a pending decision from USACE on how to proceed. He then responded to questions regarding the work included in DD 7’s S2G projects. Ms. Burks-Copes noted that the work included in the various projects is described in the online story maps. After discussion, the Board requested that project details be shown at Board meetings when discussing specific projects.

UPDATE FROM REGION 6 STATE FLOOD PLANNING GROUP

Director Bakko reported that the Region 6 San Jacinto Regional Flood Planning Group will conduct its next meeting on August 10, 2023, to discuss next steps for coordination with the Texas Water Development Board on incorporation of the Regional Flood Plans into a State Flood Plan for submittal to the Texas Legislature by September 1, 2024.

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

At 11:20 a.m., Director Bechtel announced that the Board was convening in executive session pursuant to Section 551.071, Texas Government Code, to discuss legal matters related to the Year 2 Scope of Work.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 11:40 a.m., Director Bechtel announced that the Board was reconvening in open session.

REPORT FROM DISTRICT PROGRAM MANAGEMENT TEAM AND YEAR 2 SCOPE OF WORK, continued

The Board considered approving the Year 2 Scope of Work. Following review and discussion, Director Combs moved to approve the Year 2 Scope of Work as presented. Director Mitchell seconded the motion, which passed unanimously.

SCHEDULE AND LOCATION FOR NEXT MEETING

Director Bechtel reported that the District's next meeting is tentatively scheduled for September 13th at 10:00 a.m. at the Kaila M. Sullivan Chapel & Hall.

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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