

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2415  
COMMISSIONERS OF  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

Place: 3400 Hwy 73  
Port Arthur, Texas

Date: March 19, 2024

Present: Commissioners  
Richard Beaumont  
Albert Moses, Jr.  
James Gamble, Sr.  
Lester Champagne  
Matthew Vincent  
Phil Kelley, General Manager

Visitors: Allen Sims, DD7  
Toby Davis, DD7  
Dean Depew, DD7  
Brady Girouard, DD7  
Brian McZeal, DD7  
Garrett Boudoin, DD7  
Kirby Johnson, DD7  
Barron Cook, DD7  
Terry Wade, DD7  
Bruce Kirkgard, DD7  
Guy Hilgemeier, Duck's Dragline Service  
Scott Hilgemeier, Duck's Dragline Service  
Prince Evans, GP Evans Contractors  
Sam Gregson, Cummins Westlake, LLC  
Kim Carroll, Texan Engineering & Associates (Via Zoom)

The meeting was called to order at 2:00 p.m. by Chairman Beaumont after ascertaining that the Notice of Meeting had been posted in accordance with the law. Commissioner Moses gave the invocation.

Minutes of Meeting No. 2414

The Minutes of Meeting No. 2414 was approved as read.

Consider Resolution Authorizing Amended Tax Abatement Agreement with Linde, Inc.

Resolution No. 511 regarding authorizing an Amended Tax Abatement Agreement with Linde, Inc. was presented for consideration. Mr. Phil Kelley introduced Mr. Sam Gregson with Cummins Westlake LLC. Mr. Gregson stated that the District approved the Linde, Inc. tax abatement on April 4, 2023. The project has been delayed due to supply chain issues. Mr. Kelley stated that Jefferson County Commissioners Court has approved the Amended Tax Abatement with Linde, Inc. and he recommends approval of the Amendment. Commissioner Vincent motioned to approve Resolution No. 511 authorizing the Amended Tax Abatement Agreement with Linde, Inc. Commissioner Moses seconded the motion. The motion carried. A copy of Resolution 511 is attached hereto and made a part of these minutes.

Consider Award of Bid for Roof Replacement at Central Pump Station

Mr. Phil Kelley stated that the proposals for the roof replacement at the Central Pump Station were opened at the board meeting held on March 5, 2024. Mr. Toby Davis stated that the responding companies were Mike Burnett Construction and High Country Roofing. However, High Country Roofing mistakenly omitted the final page of the bid form which contained their total base bid; therefore, High Country Roofing's bid had to be disqualified. Upon further examination of Mike Burnett Construction's bid documents, it was discovered that there was a calculation error. The bid documents stated that the total base bid was \$153,410.00, with the corrected and acknowledged total base bid being \$145,361.30. In the bid proposal, it states that informalities may be waived at the District's discretion. Mike Burnett Construction failed to include the conflict of interest form with the original bid packet. The conflict of interest form is not required until the contract is

executed. Because the form was not material to the bid, the form was allowed to be supplied the following day. Mr. Kelley stated that this project is not only for roof replacement but also includes structural repairs and additional structural support required by the District's insurance provider.

A recommendation letter was submitted by Kirby Johnson, P.E. recommending that Mike Burnett Construction be awarded the bid in the amount of \$145,369.30. Commissioner Champagne moved to approve awarding the bid for the roof replacement at Central Pump Station to Mike Barnett Construction. Commissioner Vincent seconded the motion. The motion carried.

Consider Award of Bid for Asbestos Abatement / Demolition of Former Taft Elementary School

Mr. Phil Kelley stated that the proposals for the Asbestos Abatement / Demolition of the Former Taft Elementary School were opened at the March 5, 2024, meeting. The responding companies were RNDI Companies, Inc., AAR, Incorporated, Inland Environments Ltd., Grant Makay Demolition Co., and Sitek Omni Services, LLC. Inland Environments Ltd. was the low bidder with a bid of \$278,880.00. Recommendation letters were submitted by Barron Cook, P.E., and sub-consultant Honesty Environmental Services, Inc. recommending that Inland Environments Ltd. be awarded the bid. Commissioner Moses moved to approve awarding the bid for the Asbestos Abatement / Demolition of Former Taft Elementary School to Inland Environments, Ltd. for \$278,880.00. Commissioner Champagne seconded the motion. The motion carried.



Mr. Sims stated that the total base bid is for one round of mowing. Commissioner Champagne moved to table the bids submitted for study and review by the District's engineer and staff and award the bid for Calendar Year 2024 Seasonal Mowing Services at the next meeting board meeting. Commissioner Gamble seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Project Summary

Mr. Allen Sims stated there is no significant construction progress to report and the weekly update meetings on miscellaneous projects continue. Allen Sims, Toby Davis, and Commissioner Champagne attended meetings in Washington D.C. at the USACE Headquarters with Eddie Belk, Chief of Civil Works, Eric Bush, Head of Planning, Tab Brown, Head of Policy, and Wes Coleman, Director of Programs. The Post Authorization Change Report and the 20% limit on the growth of the project were discussed. The USACE Division Manager is authorized to approve up to a 20% increase in project cost. Any increase above 20% must be approved by the USACE Headquarters in Washington, D.C. The estimated cost of the project is over 20%. Mr. Belk requested that the District submit the necessary paperwork as soon as possible for approval so that construction can continue.

A meeting was also held with the District's two local representatives and senators to discuss the Water Resources Development Act of 2024 (WRDA-24) and HTRW issues. Under the WRDA-86 the cost of relocating utilities or purchasing land associated with taxing entities would count as part of the District's 35% cost share. The District is requesting that Congress add terms to the WRDA-24 stating that all USACE projects conform to WRDA-86 resulting in all costs being considered applicable to the 35% cost

share. There appears to be a path forward on the HTRW issues. The District is requesting the USACE policy be revised to state that if a site has been cleaned to acceptable state regulatory standards, the site is suitable for USACE projects. Currently, the USACE standard is that a site must meet residential clean standards to be acceptable. The District is requesting that Congress add language to the WRDA-24 that states if a site has been cleaned to state regulatory standards it is acceptable for federally funded projects. These items would not only provide a path forward for the Sabine Pass to Galveston Bay Project but also several projects around the United States.

#### Manager Reports

Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ending February 29, 2024, and gave a collateral securities report as of February 29, 2024.

Mr. Kelley stated that the District's current depository interest rate is 1.08%, and he would like to explore moving to a new depository that offers a higher interest rate. Another depository is working on a proposal to present to the board. Chapter 49 of the Water Code states that a board can pass a resolution to utilize one or more depositories. Bids are not required. Mr. Kelley stated that he would like to make a recommendation at the next board meeting.

#### Executive Session - Consider and Take Action, if any, on Items Discussed in Executive Session

No executive session was held.

#### Checks & Purchase Orders

##### Maintenance Fund

Ck. No. 23868 – Colwell Electric Company, Inc.  
\$3,265.00 – Repair/Replace Control Panel Service PS 6

Ck. No. 23869 – Duck’s Dragline Service, Inc.  
\$6,190.00 – Equipment Rental – Office Upgrade & Tiger Bayou

Ck. No. 23870 – Fidelity Exterminating Company  
\$225.00 – Quarterly Pest Control for Control Center

Ck. No. 23871 – FMW, P.C.  
\$4,600.00 – Accounting Services

Ck. No. 23872 – Function 4 LLC  
\$402.81 – Konica Copier Lease Payment

Ck. No. 23873 – GFL Plant Services, LP  
\$3,053.55 – Rollbox & Holding Tank Rental – Multiple PS’s

Ck. No. 23874 – Groves Equipment Rental Co., Inc.  
\$600.00 – Carry Deck Pickup and Delivery

Ck. No. 23875 – Herc Rentals, Inc.  
\$3,005.85 – Dump Truck Rental, License Fee

Ck. No. 23876 – Jefferson Central Appraisal District  
\$89,317.19 – 2<sup>nd</sup> Quarter Entity Allocations

Ck. No. 23877 – Kansas City Southern  
\$125.00 – Drainage Pipe Annual Rent

Ck. No. 23878 – KT Trucking & Cattle Co.  
\$1,350.00 – Equipment Transport Fees

Ck. No. 23879 – Kyla Dean  
\$290.14 – Reimbursement for 2024 TWCA Annual Conference

Ck. No. 23880 – LAWCO  
\$17,500.00 – Administration Building Seeding

Ck. No. 23881 – LJA Engineering, Inc.  
\$18,209.59 – Data Collection, Stormwater Management, Rodair Gully Detention, General Engineering & PS 5 Roof Replacement

Ck. No. 23882 – LJA Environmental Services, Inc.  
\$1,200.00 – A-3-A Detention HMGP Project

Ck. No. 23883 – M & S Unlimited Services, LLC  
\$900.00 – Equipment Transport Fees PS’s 6 & 11

Ck. No. 23884 – Port Arthur News  
\$598.24 – Advertisement – 2024 Seasonal Mowing & Equipment Provision Services

Ck. No. 23885 – Richard Beaumont  
\$234.70 – Health Insurance Payment

Ck. No. 23886 – Ron Lewis & Associates  
\$3,500.00 – Legislative Consulting

Ck. No. 23887 – Sam & Tash Services, Inc.  
\$1,569.62 – Janitorial Services for Administration Building

Ck. No. 23888 – Survey Support, Inc.  
\$775.00 – Admin Site – Equipment – Shed Layout

Ck. No. 23889 – Thorpe Plant Services Corporation  
\$168.04 – Monthly Scaffold Rental PS 10

Ck. No. 23890 – United of Omaha  
\$2,186.50 – Health Insurance Payment

Ck. No. 23891 – W-Industries  
\$16,562.50 – Update Data Operations – Control Center

Ck. No. 23892 – Wave Solutions  
\$3,864.00 – Email Service and Monthly IT Service – March 2024

Ck. No. 23893 – Waukesha-Pearce Industries, Inc.  
\$8,077.00 – Sabine Pass to Galveston Bay Project – Work in Kind

Ck. No. 23895 – Blue Cross Blue Shield of Texas  
\$145.56 – Health Insurance Payment

Ck. No. 23917 – Lester Champagne  
\$2,018.92 – Travel Reimbursement – National Waterways Conference & Texas Water Day, Washington, DC

GLO Fund

Ck. No. 5059 – LJA Environmental  
\$60,803.92 – Sabine Pass to Galveston Bay Project

Ck. No. 5060 – LJA Surveying, Inc.  
\$39,343.50 – Sabine Pass to Galveston Bay Project – PAV02 Surveying



Ck. No. 5061 – Texan Engineering

\$38,195.07 – Sabine Pass to Galveston Bay Project – PAV03A, PAV03C, PAV03C Utility Relocations

Ck. No. 5062 – Union Pacific Railroad Company

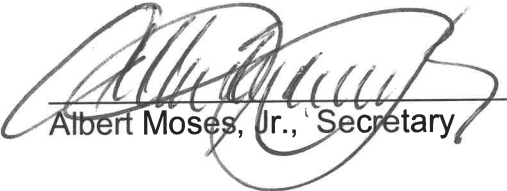
\$5,526.65 – Sabine Pass to Galveston Bay Project

Commissioner Vincent moved that the checks from the Maintenance Fund, and GLO Fund accounts be approved for payment. Commissioner Moses seconded the motion. The motion carried.

Chairman Beaumont asked if there was any other business to come before the Board. There was none.

At 3:00 p.m., Commissioner Gamble moved that the meeting be adjourned. Commissioner Vincent seconded the motion. The motion carried.

  
Richard Beaumont, Chairman

  
Albert Moses, Jr., Secretary

**RESOLUTION NO. 511  
AUTHORIZING AMENDED TAX ABATEMENT AGREEMENT  
WITH LINDE, INC. LLC FOR PROPERTY  
LOCATED IN THE LINDE REINVESTMENT ZONE**

STATE OF TEXAS

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COUNTY OF JEFFERSON

WHEREAS, Jefferson County Drainage District No. 7 (the "District") adopted Resolution 258 on October 15, 1996, setting forth its policy concerning tax abatements; and

WHEREAS, the District has memorialized, restated, and amended its tax abatement policy several times through the years, with its last amendment being by Resolution 502 on July 5, 2023, adopting the Jefferson County Amended Uniform Tax Abatement Policy-2023 as its tax abatement policy; and

WHEREAS, the District entered into a Tax Abatement Agreement with Linde, Inc., for property located within the Linde Reinvestment Zone for the construction of a new industrial gases production complex that consists of air separation units and an auto thermal reactor unit that produces hydrogen and related improvements (the "Project") on April 4, 2023; and

WHEREAS, Linde, Inc., as owner of the real property made the basis of the subject Abatement Agreement, desires to delay the beginning date of tax abatement period and obligations outlined in the abatement agreement due to reasons beyond its control; and

WHEREAS, it is in the best interest of the District to enter into an Amended Tax Abatement Agreement (in the form and content of that approved by the Commissioners' Court of Jefferson County) with Linde, Inc. and to authorize the District's Manager, Phil Kelley, to execute the Amended Tax Abatement Agreement on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7:

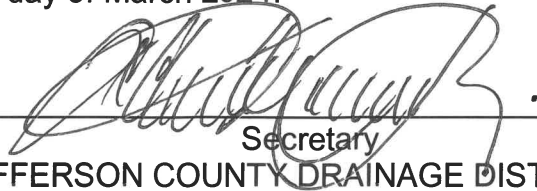
THAT it is in the best interest of the District to enter into an Amended Tax Abatement Agreement with Linde, Inc. for property located within the Linde Reinvestment Zone for the construction of an industrial gas production complex that consists of air separation units and an auto thermal reactor unit that produces hydrogen and related improvements to extend the completion date until the first quarter of 2025; and authorize its Manager, Phil Kelley, to execute on behalf of the District the Amended Tax Abatement Agreement attached hereto as Exhibit "A" and made a part hereof by reference. All other terms and conditions of the original Abatement Agreement will remain in full force and effect.

THAT the terms of the Amended Tax Abatement Agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the Board of Commissioners of the District under Section 312.002, Texas Tax Code.

THAT the Manager be, and hereby is, authorized to take any and all action and is authorized to execute any and all instruments, documents, or filings in connection with the accomplishment of the transactions outlined in this resolution and to certify the adoption of such resolutions to such parties which such Manager deems necessary or appropriate.

I, Albert Moses, Jr., Secretary of the Board of Commissioners of Jefferson County Drainage District No. 7, do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Commissioners of Jefferson County Drainage District No. 7, at their meeting No. 2415 held on the 19<sup>th</sup> day of March 2024, upon motion made by Commissioner Vincent and seconded by Commissioner Moses and adopted unanimously by said Board, a quorum being present.

Given under my hand this 19<sup>th</sup> day of March 2024.

A handwritten signature in black ink, appearing to be "D. H. ...", written over a horizontal line. The signature is cursive and somewhat stylized.

Secretary

JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7