

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2354
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

Place: 4749 Twin City Highway, Suite 300
Port Arthur, Texas

Date: August 17, 2021

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

Visitors: Allen Sims, DD7
Dean Depew, DD7
Garrett Boudoin, DD7
Kim Carroll, Texan Engineering & Consulting, LLC (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. 2353

The Minutes of Meeting No. 2353 was approved as read.

Consider Proposed Tax Rate for Purposes of Publishing Notice of Public Hearing on Tax Rate

Mr. Phil Kelley submitted several tax rate scenarios for the Board's consideration. Mr. Kelley said he had previously stated at the last Board meeting that the consensus was no tax increase and he thought that the effective rate could be recalculated to bring in approximately the same amount of revenue as the District brought in last year with no tax increase. The Tax Office calculation worksheet goes through a series of tax

calculations and even though a tax rate of \$0.284775/\$100 would be a decrease and would bring in about \$135,848.00 less in revenue than last year, this would actually be an increase of \$23.33 per \$100 on an average appraised value home of \$110,603 as shown on one scenario. The other scenarios all show a greater decrease in revenue, and the rate that would result in a \$0 tax increase on the individual homeowner would create approximately a \$2.5 million decrease in revenue. With increased costs of maintenance and operation, costs associated with various improvement projects, matching grant funds which are generally 25% local share and the Sabine Pass to Galveston Project matching grant fund at 35% local share, Mr. Kelley recommends adopting the rate that will bring in the least deficit in revenue for the District and which would not increase the taxes on the average residence homestead by more than eight percent so as to not cause a forced election. Mr. Kelley further stated the decision is ultimately up to the Board and he will support whatever decision is made. Commissioners Champagne, Gamble and Vincent all commented on their opinions and various discussion was had. Commissioner Vincent moved to approve a proposed rate of 0.284775 per \$100 value for purposes of publishing the Notice of Public Hearing on Tax Rate. Commissioner Champagne seconded the motion. The motion carried.

Consider Resolution Adopting Written Investment Policy

Resolution No. 477 Adopting Written Investment Policy was presented to the Board for consideration. Mr. Phil Kelley stated this is an annual routine formality and the proposed Investment Policy is the same as approved for the last several years. Commissioner Moses moved to approve Resolution No. 477 Adopting Written

Investment Policy. Commissioner Vincent seconded the motion. The motion carried. A copy of Resolution No. 477 is attached to and made a part of these minutes.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard gave a brief update on the Sabine Pass to Galveston Bay Project Summary (SP2GB). Contract 1 is under construction and good progress is being made. It is anticipated this Contract will be complete by December 2021 pending weather delays. Geotechnical and Survey Work should begin next week on Contract 2, with most of all the right-of-entry issues resolved. The District has engaged the consultants to do the work to go toward its work-in-kind credit and will be advancing approximately \$500,000 for the work. Contract 3 is making progress with the Valero relocates. The contract on the first big pipe rack relocate will be awarded soon, which is estimated to be \$1.5 million. Contract 3B has reach 100% design level. A meeting has been held with KCS Railroad on technical issues which must be worked out prior to the District completing its obligation to acquire the new right of way. A local firm has been engaged on Contract 3A on behalf of the City of Port Arthur to design mainly the water and sewer relocates and potentially some paving relocates. Contracts 4 and 5 do not have a lot of activity currently. The scope of work has not been fully defined on these contracts, and, therefore, the District is focusing on the other contracts. Contracts 4 and 5 are primarily earthen levee sections on the west end which have many pipelines for which variances will need to be requested. Mr. Kelley stated the Corps is pushing an aggressive schedule on the S2G project for the relocates; however,

the Corps has not issued a Notice to Proceed to tell the District what kind of right-of-way will be required. The District's staff is working very hard on all tasks.

Manager's Miscellaneous Reports/Financials

Since the date of the last Commissioner's meeting, the following work has been done:

HFPL Maintenance/Herbicide Crew

Herbicide Application:

- Johns Gully, HFPL Surface, Mains A, B, C & D, Pear Ride Main 1
- Atlantic Main, Atlantic Main Lat. 1, A3, A3A, A3A Bypass, A3B, Atlantic Main Ext.
- Airport Viterbo Lats. 1, 2 and 3, Main C Loop & Ext., Star Lake

Levee:

- Painted entrance and exit gates at Seawall Drive

Misc.:

- Boat maintenance

Contractor:

- GP Evans Contractors: Mowing HFPL and District Rights-of-Ways, Areas: 1,2, 3 and 4

Control Center Operation and Pump Station Maintenance Report

Dean Depew submitted photos of the sump pump ready for installation at Pump Station No. 19.

Construction Notes - Alligator Bayou Pump Station Annex

July 26, 2021 – August 6, 2021

Monday, July 26:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were dry.

Allco's superintendents (2) on site (Terrell and Joe) with (5) operators/laborers reported.

Allco's crew is moving the cut-off sheet piling off the cofferdam to be able to start digging dirt out from the middle of the cofferdam.

Diver Dan has (3) representatives on site. The crew is cutting the sheet piling off the cofferdam.

Tuesday, July 27:

Alligator Project; Allco worked on site today. Weather conditions were partly cloudy. The site conditions were dry.

Allco's superintendent (2) on site (Terrell and Joe) with (5) operators/laborers reported.

Allco's crew is moving support beams on top of the cofferdam to start digging dirt out from the inside of the cofferdam.

Wednesday, July 28:

Alligator Project; Allco worked on site today. Weather conditions were partly cloudy. The site conditions were dry.

Allco's superintendent (2) on site (Terrell, Joe) with (5) operators/laborers reported.

Allco is digging dirt out from the middle of the cofferdam.

Thursday, July 29:

Alligator Project; Allco worked on site today. Weather conditions were partly cloudy to sunny. The site conditions were dry.

Allco's superintendent (3) on site (Terrell, Joe, and Rodger) with (10) operators/laborers reported.

Allco is digging dirt out of the cofferdam. Rodger's crew and Allco's welder is installing a manifold pipe to the fuel return tank on the second floor. The guys tested the fuel return line, filled tanks, and the level switches worked with the pumps coming on. They pumped the fuel back to the main tanks and found no leaks on the manifold, but (3) unions are still leaking in the fuel room. The crew reapplied thread sealant and tightened the unions again.

Motiva had a crew of people come out and tour the station.

Friday, July 30:

Alligator Project; Allco is not working on site today. Weather conditions were partly cloudy to sunny. The site conditions were dry.

Allco's superintendent (1) on site (Terrell) with (5) operators/laborers reported.

Allco's working on the cofferdam.

DD7's Scott and Tony tested the fuel return pipes by pumping the fuel into Unit #2's fuel return pipe down to the return tank on the second floor. They found no leaks at this time. The fuel return system came on and pumped the fuel to the main tanks outside. There are still (2) unions that are dripping in the fuel room.

Monday, August 2:

Alligator Project; Allco worked on site today. Weather conditions were cloudy. The site conditions were dry.

Allco's superintendent (2) on site (Terrell and Joe) with (5) operators/laborers reported.

Allco's crew is working with Diver Dan's crew on the cofferdam.

Diver Dan has (3) representatives on site. Crew is cutting the sheet pile off the cofferdam.

Tuesday, August 3:

Alligator Project; Allco worked on site today. Weather conditions held rain on and off throughout the day. The site conditions were dry.

Allco's superintendent (1) on site (Terrel) with (5) operators/laborers reported.

Allco's crew is mobilizing equipment further back on the cofferdam and moving the trackhoe supports so that they can start digging dirt out of another section.

Wednesday, August 4:

Alligator Project; Allco worked on site today. Weather conditions were partly cloudy. The site conditions were dry.

Allco's superintendent (2) on site (Terrell and Joe) with (6) operators/laborers reported.

Allco's crew is working on the cofferdam, beginning to dig dirt out of another section.

DD7 is training (4) new men on how to operate the system. The crew is running (5) engines, pumping down the canal.

Thursday, August 5:

Alligator Project; Allco worked on site today. Weather conditions sunny. The site conditions were dry.

Allco's superintendent (2) on site (Terrell and Joe) with (6) operators/laborers reported.

Allco's crew is digging dirt out of the cofferdam.

Friday, August 6:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were dry.

Allco's superintendents (1) on site (Terrell) with (6) operators/laborers reported.

Allco is cutting I-beams out from inside of the cofferdam.

DD7's Tony is training (2) new men on the station's operation.

Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ended July 31, 2021, and gave a collateral securities report as of July 31, 2021.

Mr. Phil Kelley submitted a preliminary Special Projects Worksheet for next year's budget. He went over changes he made to existing projects and discussed the new project lines. The dollar amounts may change slightly but Mr. Kelley does not anticipate many changes. He also advised the Board that the District will be applying for grant funds through a new grant program called Building Resilient Infrastructure and Communities (BRIC) and will be applying for any eligible grants that become available.

Commissioner Vincent asked Mr. Kelley if he has had any contact with the Port Neches Groves School District regarding what the plans may be for the Taft Elementary School property once the school is torn down and if it could benefit the District with reference to the Groves Detention Project. Mr. Kelley stated he has expressed interest in the property and talked with several people, but he has not approached the school board at this time. It is a possibility that the District could get the property which would increase the detention that is being planned in that area.

Permits

Mammoet USA South – Proposed Heavy Haul Crossing of HFPL at Ramp G. Mr. Garrett Boudoin recommended approval with a \$550.00 permit fee and no bond required subject to the special conditions contained within the permit. Commissioner Moses moved to approve Mr. Boudoin's recommendation. Commissioner Gamble seconded the motion. The motion carried.

Checks & Purchase Orders Maintenance Fund

Ck. No. 18832 – Asco Power Services, Inc.
\$1,202.50 – Alligator Bayou Pump Station

Ck. No. 18833 – DTN, LLC

\$3,252.00 – Weather Monitoring at Control Center

Ck. No. 18834 – Duck's Dragline Service, Inc.

\$13,590.00 – Rental LS250X3 Trackhoe 7/30-8/10/21,
Rental LS250X4 Trackhoe 7/30-8/12/21, Rental Dozer
51PX 8/3/21 and Move Trackhoe

Ck. No. 18835 – FILMR, LLC

\$84.00 – Social Media Posts

Ck. No. 18836 – GP Evans Contractors

\$23,100.00 – Mowing Levee

Ck. No. 18837 – Groves Equipment Rental Co., Inc.

\$2,700.00 – Rental 15-Ton Crane, 7/17-8/16/21

Ck. No. 18838 – Jeffrey S. Ward & Associates, Inc.

\$5,833.33 – Groves and Halbouty Detention HMGP Projects

Ck. No. 18839 – LJA Engineering, Inc.

\$32,429.42 – Stormwater Management Plan, Data System and GIS
Project 21, Nederland, Groves, Port Neches, Port Arthur
Coalition and Halbouty Detention HMGP

Ck. No. 18840 – LJA Environmental Services, LLC

\$470.00 – A-3-A Detention HMGP Project and Groves Detention
HMGP Project

Ck. No. 18841 – LJA Surveying, Inc.

\$57,817.50 – Rodair Gully Easement (3), Main Outfall, Main A, B, C
Bathymetric Survey (2), Sabine to Galveston #3 Chevron Lease
Tract Boundary Inside Valero, Contract 3 Exploratory Digs,
Lateral C-10 Boundary and Alligator Bayou Piles and
Bathymetric Survey

Ck. No. 18842 – Nerbert Frelow

\$4,260.00 – Rental of Dump Truck, 8/2-8/13/21

Ck. No. 18843 – Port Arthur Newsmedia, LLC

\$514.64 – Advertising HMGP Projects General

Ck. No. 18844 – Ron Lewis & Associates
\$3,500.00 – Legislative Consulting Fees

Ck. No. 18845 – Soutex Surveyors, Inc.
\$6,000.00 – Rodair Gully Improvements

Ck. No. 18846 – Sprint Waste Services, LP
\$2,744.88 – Removal of Waste from Pump Stations July 2021 (5)

Ck. No. 18847 – Sunbelt Rentals
\$182.25 – Rental Concrete Vibrator 8/5-8/9/21

Ck. No. 18848 – Survey Support, Inc.
\$4,612.50 – Sabine to Galveston Contract 3 Exploratory Digs and
Loop Extension Topo of Ditch Engineering Fees

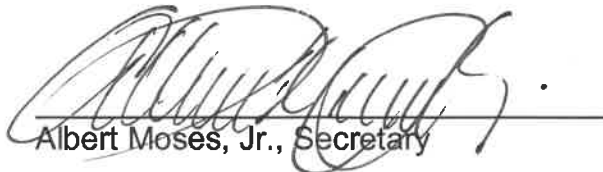
Ck. No. 18849 – Tidal Basin Government Consulting, LLC
\$7,507.50 – Rodair Detention HMGP Project

Commissioner Vincent moved that the checks from the Maintenance Fund 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 2:38 p.m., Commissioner Moses moved that the meeting be adjourned. Commissioner Vincent seconded the motion. The motion carried.


Richard Beaumont, Chairman


Albert Moses, Jr., Secretary

motion made by Commissioner Moses and seconded by Commissioner Vincent and adopted unanimously by said Board, a quorum being present.

Given under my hand this 17th day of August, 2021.



Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7
INVESTMENT POLICY

The funds of each account of the Jefferson County Drainage District No. 7 (the "District") are to be invested in Certificates of Deposits or an interest bearing Money Market Account with the District's depository to match maturity with the cash needs of the District. All District funds shall be collateralized by U.S. Government Bonds/Treasury Notes or U.S. Agency Mortgage Backed Securities (Fannie Maes and/or Freddie Macs). Additionally, in the event the interest rate paid on Certificates of Deposit or the interest bearing Money Market Account falls below the interest rate paid on demand deposits, the Investment Officer/Officers are authorized to allow excess funds to remain on demand. As directed by the Board of Commissioners of the District, this investment policy conforms to the policy of Jefferson County Drainage District No. 7.

This investment policy is in compliance with the Texas Government Code, Title 10, Section 2256.023.