

MINUTES OF RESCHEDULED VIDEOCONFERENCE MEETING NO. 2449
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

Place: 3400 Highway 73
Port Arthur, Texas

Date: August 25, 2025

Present:	Commissioners Richard Beaumont Lester Champagne Matthew Vincent Albert Moses, Jr.	Allen Sims, General Manager Nathan Brandimarte, Attorney for District Wil Thorne, Attorney for District
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Visitors: Toby Davis, DD7
Terry Wade, DD7
Brady Girouard, DD7
Garrett Boudoin, DD7

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. 2448

The Minutes of Meeting No. 2448 were approved as read.

Consider Resolution Adopting Written Investment Policy

Resolution No. 539 Adopting Written Investment Policy was presented to the Board for consideration. Mr. Allen Sims stated that this is an annual routine formality. Resolution No. 520 Adopting the amended Written Investment Policy adopted August 5, 2024, appointed the Assistant Manager who is now the General Manager and District Accountant as Investment Officers. Commissioner Moses moved to approve Resolution No. 539 Adopting Written Investment Policy. Commissioner Champagne seconded the

motion. The motion carried. A copy of Resolution No. 539 is attached to and made part of these minutes.

Consider Resolution Amending Resolution 499 to Designate the General Manager and Assistant Manager as the Subrecipient Authorized Representative and Signatory Authority in Connection to all Federal and State Grant Applications

Resolution No. 538 Amending Resolution 499 to Designate the General Manager and Assistant Manager as the Subrecipient Authorized Representative and Signatory Authority for Federal and State Grant Applications was presented to the Board for consideration. Mr. Toby Davis stated that this resolution is to amend the previous grant authority to include the Assistant Manager along with the General Manager to act as a Subrecipient Authorized Representative and Signatory Authority on behalf of the District to sign all documentation in connection with federal and state grants and the management thereof. FEMA and TDEM require that the board authorizes someone to sign grant applications and contracts. This resolution will not change the protocol for committing funds, the District will continue to come before the board before committing any funds. Commissioner Champagne moved to approve Resolution No. 538 Designating Subrecipient Authorized Representative and Signatory Authority for Federal and State Grant Applications. Commissioner Gamble seconded the motion. The motion carried. A copy of Resolution No. 538 is attached hereto and made part of these minutes.

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

Mr. Sims distributed worksheets outlining the previous year's adopted tax rate, which included a 0% tax increase and resulted in a \$1.9 million reduction in revenue. He explained that if the Board were to approve a 0% tax increase for the upcoming year, the District would experience a revenue loss of \$1.275 million.

The worksheets presented five scenarios for consideration regarding next year's tax rate:

1% increase → \$863,455 revenue loss

2% increase → \$451,204 revenue loss

3% increase → \$38,807 revenue loss

3.5% increase → \$166,808 revenue gain

Mr. Sims further noted that while grants provide an excellent opportunity to leverage government funding, the District must be prepared to cover its required match for each project. Several grant-funded projects are expected to enter the construction phase in the coming year, creating significant financial obligations for the District.

To date, the State has funded the District's portion of the Sabine Pass to Galveston Bay Project. However, the District will continue to subsidize the capital funds account to cover anticipated future costs in the event the State is unable or unwilling to do so.

Mr. Sims also advised that the proposed cost of living adjustment (COLA) for the upcoming fiscal year will provide a 4% across-the-board increase for salary and hourly employees. While this figure is lower than the national average inflation rate of 4.7%, it aligns closely with the 3.1% inflation rate published by the U.S. Bureau of Labor for the Greater Houston area.

Additionally, the District's workforce has grown by five employees assigned to the maintenance and operations departments. Mr. Sims clarified that the average tax rate is calculated based on homesteaded properties, which represent approximately 30% of the District's revenue, and does not include industrial, business, or rental properties.

Commissioner Moses moved to approve 0.292525 per \$100 value as the proposed tax rate for purposes of publishing the Notice of Public Hearing on Tax Rate. Commissioner Vincent seconded the motion. The motion carried.

Consider Interest Payment from the Debt Service Fund

Mr. Sims stated the District received an invoice from Computershare Corporate Trust for an interest payment in the amount of Two Hundred Thousand Five Hundred Eighteen Dollars and 75/100 (\$200,518.75) Dollars from the Debt Service Fund for the District's Maintenance Note debt. This is the September 2025 interest payment. Mr. Sims stated that this maintenance note was used to pay for the new Alligator Annex Pump Station. Commissioner Vincent moved to approve the interest payment via wire transfer in the amount of Two Hundred Thousand Five Hundred Eighteen and 75/100 (\$200,518.75) Dollars. Commissioner Champagne seconded the motion. The motion carried.

Consider Award of Contract for Auditing Services

Mr. Allen Sims stated the stated that the request for qualifications for auditing services were opened at the last meeting for FY 25/26. Mrs. Alex Thibodeaux stated that the responding firms were Charles E. Reed & Associates, P.C., Mitchell T. Fontenote CPA, Inc., Pollans & Cohen, P.C. and Wathen, DeShong & Juncker, L.L.P. Mrs. Thibodeaux assembled a review committee which included herself, Kyla Dean and Toby Davis. The qualifications presented by each accounting firm were graded on a 100-point scale. Mrs. Thibodeaux submitted a recommendation letter recommending awarding the contract to Pollans & Cohen, P.C. This action does not constitute an award of the contract but authorizes the General Manager to negotiate contract terms. Upon finalization of terms

and pricing, the contract will be presented to the Board for approval. Commissioner Moses moved to approve award the contract for auditing services to Pollans & Cohen, P.C. Commissioner Champagne seconded the motion. The motion carried.

Consider Final Payment (Release of Retainage) to N & T Construction for the Construction of the New District Administration and Multi-Purpose Building

Mr. Toby Davis presented the Final Pay Request from N & T Construction for approval. Mr. Davis submitted an invoice from N & T Construction for the Construction of the New District Administration and Multi-Purpose Building in the amount of Twenty Thousand and 00/100 (\$20,000.00) Dollars. Commissioner Champagne moved to approve the Final Pay Request from N & T Construction for the Construction of the New District Administration and Multi-Purpose Building in the amount of Twenty Thousand and 00/100 (\$20,000.00) Dollars. Commissioner Gamble seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Summary

Mr. Allen Sims reported that several issues are currently being addressed. The draft of the Post Award Change Report (PACR) has been received, reviewed, and is in the process of being updated. Approval of the PACR is anticipated by December 2025, followed by the Change Control Board Light Meeting at the beginning of next year. This approval will allow funds allocated to Velasco to be transferred to the District's project, enabling project completion.

Mr. Sims advised that the U.S. Army Corps of Engineers Dallas office has announced it is considering reallocating funds from the Sabine Pass to Galveston Bay Project to another project. Senator Cornyn has become involved in the matter to

determine the reasoning for the potential reallocation and to inquire about plans for replacement funding.

Mr. Sims further reported that two weeks ago Canadian Pacific Kansas City Southern Railroad (CPKC) unexpectedly emailed the District requesting that the project wall near the Port of Port Arthur be rerouted through a contaminated area. This change would have required environmental cleanup and an additional \$100 million in costs. Following discussions, CPKC withdrew the request within an hour of their initial communication. Mr. Sims noted that the project will not proceed without a written agreement in place.

Mr. Sims stated that he is continuing efforts to arrange a meeting with Mr. Fisher and General Jason Kelly. He also noted that Adam Telle, recently confirmed as Assistant Secretary of the Army for Civil Works, is scheduled to attend the National Waterways Conference in September, and the District has requested a sidebar meeting with him during the event.

Manager Reports

Mr. Allen Sims presented the financial statements prepared by FMW, P.C. for the period ending July 31, 2025, and gave a collateral securities report as of July 31, 2025.

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

No Executive Session was held.

Permits

The Port of Port Arthur submitted a permit for the Flyover Project that will cross over the future levee alignment at Pump Station 14. The permit fee is waived. Mr. Garrett Boudoin recommended approval subject to the special conditions contained within the

permit. Commissioner Vincent moved to approve the permit requested by the Port of Port Arthur as recommended by Mr. Boudoin. Commissioner Gamble seconded the motion. The motion carried.

Entergy Texas, Inc. submitted a permit for (3) 1.25 inch conduits for fiber optic lines crossing the District's Tiger Bayou ditch via HDD method. The permit fee is \$770.00. Mr. Garrett Boudoin recommended approval subject to the special conditions contained within the permit. Commissioner Moses moved to approve the permit requested by Entergy Texas, Inc. as recommended by Mr. Boudoin. Commissioner Champagne seconded the motion. The motion carried.

Checks and Purchase Orders

Maintenance Fund

Ck. No. 26942 – Alexandra Thibodeaux
\$112.00 – CPA License Renewal

Ck. No. 26943 – Allen Sims
\$1,613.79 – USACE Meeting Travel Reimbursement

Ck. No. 26944 – Duck's Dragline Service, Inc.
\$4,800.00 – OCI Cement Work

Ck. No. 26945 – FMW, P.C.
\$2,300.00 – Accounting Services – July 2025

Ck. No. 26946 – Function 4 LLC
\$814.31 – Konica Copier Lease – July & August 2025

Ck. No. 26947 – Function 4 LLC
\$114.75 – Toner and Staples for Copier

Ck. No. 26948 – Gannett Fleming, Inc.
\$6,723.94 – Sabine Pass to Galveston Bay Project Land and Project Management & Groves Engineering

Ck. No. 26949 – GFL Plant Services, LP
\$4,295.51 – Rollbox & Holding Tank Rentals

Ck. No. 26950 – HCTRA

\$20.50 – Toll Road Charges – Barron Cook

Ck. No. 26951 – Jeffrey S. Ward & Associates, Inc.

\$5,000.00 – FMA 2021 Grant Administration Services

Ck. No. 26952 – JLL Valuation & Advisory Services

\$4,200.00 – Sabine Pass to Galveston Bay Project – PAV03A.1 Land Acquisition

Ck. No. 26953 – Kyla Dean

\$446.17 – TCDRS Travel Reimbursement

Ck. No. 26954 – LJA Engineering, Inc.

\$174,340.52 – Engineering Services – Various Projects

Ck. No. 26955 – Lo-Lift Pump Co.

\$650.00 – Freight for Pump Station 17 Lo-Lift Pump

Ck. No. 26956 – M & S Unlimited Services, LLC

\$900.00 – Transport 15 Ton Crane

Ck. No. 26957 – N & T Construction

\$20,000.00 – Final Billing for Construction of New Administration Building

Ck. No. 26958 – National Waterways Conference, Inc.

\$1,525.00 – Membership Renewal

Ck. No. 26959 – Nerbert Frelow

\$2,850.00 – Dump Truck Services

Ck. No. 26960 – Port Arthur News

\$428.92 – Sanitary Sewer Line Relocation Bid Advertisement

Ck. No. 26961 – Ritter Forest Products Nederland

\$525.00 – Pump Station 7 Mat Rental

Ck. No. 26962 – Sam & Tash Services, Inc.

\$1,569.62 – Janitorial Services – Administrative Building

Ck. No. 26963 – FNBO

\$2,616.27 – Meetings, Education, Travel, Software Expenses

Ck. No. 26964 – Streamline Software, Inc.

\$500.00 – District Website Design

Ck. No. 26965 – SWAT Construction

\$2,149.00 – Wheel Loader Rental and Hauling

Ck. No. 26966 – TWA Risk Management Fund

\$32,560.00 – MVR, Boat & Engine Surcharge Billing

Ck. No. 26967 – Vortech Contracting, Inc.

\$911.70 – Sabine Pass to Galveston Bay Project – Pump Station 18 Pipeline Location

Ck. No. 26968 – Waukesha-Pearce Industries, Inc.

\$10,314.00 – Multiple Equipment Rentals

GLO Account

Ck. No. 5108 – Texan Engineering

\$10,878.00 – Sabine Pass to Galveston Bay Project PAV03C Relocations

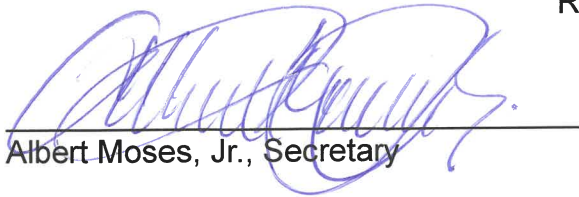
Commissioner Champagne moved that the checks from the Maintenance Fund Account and the GLO Account be approved for payment. Commissioner Vincent seconded the motion. The motion carried.

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

At 2:36 p.m., Commissioner Gamble moved that the meeting be adjourned. Commissioner Moses seconded the motion. The motion carried.



Richard Beaumont, Chairman



Albert Moses, Jr., Secretary

JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7
RESOLUTION NO. 539
ADOPTING WRITTEN INVESTMENT POLICY

STATE OF TEXAS

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COUNTY OF JEFFERSON

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WHEREAS, under the Public Funds Investment Act (Sec. 2256.001 *et seq*, Texas Government Code, hereinafter the "Act"), the District is required to adopt by resolution a written investment policy meeting the criteria of the Act; and

WHEREAS, the District has reviewed the investment policy and investment strategies set forth in the attached written instrument.

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

THAT it is in the best interest and of direct benefit to the District to adopt the investment policy attached hereto; therefore, after reviewing same as required by law, it is hereby adopted.

That the General 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 General Manager deems necessary or appropriate.

I, Albert J. 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 held on the 19th day of August, 2025, upon motion made by Commissioner

Moses and seconded by Commissioner Champagne and adopted unanimously
by said Board, a quorum being present.

Given under my hand this 19th day of August 2025.



Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

**RESOLUTION NO. 538
AMENDING RESOLUTION NO. 499
DATED FEBRUARY 7, 2023**

STATE OF TEXAS

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COUNTY OF JEFFERSON

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WHEREAS, Jefferson County Drainage District No. 7 (the "District") applies for various federal and state grants from time to time; and

WHEREAS, the District is required to designate a person to act as a Subrecipient Authorized Representative and Signatory Authority on behalf of the District to sign all documentation in connection with said federal and state grants and the management thereof; and

WHEREAS, the District wishes to amend Resolution 499 executed on February 7, 2023, to designate the General Manager and Assistant Manager as the Subrecipient Authorized Representative and Signatory Authority in connection to all federal and state grant applications and the management thereof. By this amendment to Resolution 499, the District further intends to and does hereby adopt, approve and ratify any and all executions of federal and state grant applications, contracts or amendments by either the General Manager or Assistant Manager that occurred after the passing of Resolution 499 as if both were designated as the Subrecipient Authorized Representative and Signatory Authority at the time of such execution.

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


THAT the Resolution No. 499 dated February 7, 2023, is amended such that the District's General Manager and Assistant Manager are hereby designated as the Subrecipient Authorized Representative and Signatory Authority in connection to all federal and state grant applications and the management thereof on behalf of Jefferson County Drainage District No. 7.

THAT the Resolution No. 499 dated February 7, 2023, is amended such that the General Manager and Assistant Manager be, and hereby are, authorized to take any and all action in connection with the accomplishment of the transactions outlined in this resolution and to certify the adoption of such resolutions to such parties which the General Manager or Assistant Manager deems necessary or appropriate.

THAT the District hereby adopts, approves and ratifies any and all executions of federal and state grant applications, contracts or amendments by either the General Manager or Assistant Manager following the passing of Resolution No. 499 dated February 7, 2023, as if both were designated as the Subrecipient Authorized Representative and Signatory Authority at the time of such execution.

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. 2449 held on the 19th day of August, 2025, upon motion made by Commissioner Champagne and seconded by Commissioner Gamble and adopted unanimously by said Board, a quorum being present.

Given under my hand this 19th day of August 2025.


Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7