

Book: 73  
Page: 8783

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2339  
COMMISSIONERS OF JEFFERSON COUNTY  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: January 5, 2021

Present: Commissioners  
Richard Beaumont  
Lester Champagne  
Albert Moses, Jr.  
Matthew E. Vincent  
Phil Kelley, Manager

Absent: James Gamble, Sr.

Visitors: Dean Depew, DD7  
Garrett Boudoin, DD7  
Allen Sims, LJA Engineering  
Mike Eaves, Attorney for The Premcor Refining Group (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. 2338

The Minutes of Meeting No. 2338 was approved as read.

Consider Resolution Authorizing Amended Tax Abatement Agreement with The Premcor Refining Group, Inc., d/b/a Valero Port Arthur Refinery

Mr. Phil Kelley submitted Resolution No. 469 Authorizing Amended Tax Abatement Agreement with The Premcor Refining Group, Inc., d/b/a Valero Port Arthur Refinery for the Board's consideration. Mr. Kelley stated the District entered into a Tax Abatement Agreement with The Premcor Refining Group, Inc., d/b/a Valero Port Arthur

Refinery ("Premcor"), on September 28, 2018. Due to circumstances beyond the control of Premcor, specifically difficulties occasioned by COVID-19 and the economic impacts in the oil and gas sectors caused thereby, the commencement of construction of the project was delayed and the term of the abatement needs to be amended. Mr. Mike Eaves, the attorney for Premcor, was in attendance via Zoom and confirmed Mr. Kelley's statements and stated the amendment changes year 0 in the abatement term from 2019 to 2020. Mr. Eaves thanked the Board for their continued support and consideration. Commissioner Champagne moved that Resolution No. 469 Authorizing Amended Tax Abatement Agreement with The Premcor Refining Group, Inc., d/b/a Valero Port Arthur Refinery, be approved. Commissioner Moses seconded the motion. The motion carried. A copy of Resolution No. 469 is attached hereto and made a part hereof.

#### Sabine Pass to Galveston Bay Project Summary

Mr. Phil Kelly stated there was not much to report since the last Board meeting as work had slowed down considerably during the holidays. Mr. Allen Sims of LJA Engineering reported a meeting was held this morning with Motiva and Corps representatives regarding the 40+ pipeline relocations, and it appears this work will not be completed as quickly as the Corps was hoping. These relocations will be time consuming and very expensive.

#### Manager's Miscellaneous Reports

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

HFPL Maintenance/Herbicide Crew

Herbicide Application:

- PS 17 Borrow Pit for Water Hyacinth

Levee:

- Repaired cable and gate on HFPL, Sta. #282+12 (near Crane Bayou PS)

Misc.:

- Restored entrance to Blocks Bayou for access to work site.
- Removed fence at damaged Blocks Bayou to make way for tree mulching.
- Working with Ducks Dragline Service on Blocks Bayou Repair/Improvement project.
- Checked crossings and flap gates before and after rain events.

Contractor:

- Ducks Dragline Service: Mulching trees and re-establishing ditch bank on Blocks Bayou.

Control Center Operation and Pump Station Maintenance Report

- Station 10  
Generator change out 2 8D batteries on unit.
- Station 15  
Trash Rake-Change out bad trolley wheel and return to Auto
- Station 16  
Unit 2 Trash Rake-change out bad load sensor and speed proximity switch. Unit back in service.  
Ordering more load sensors and proximity switches for the rakes at Station 16.
- Station 19  
Trash Rake A-add oil to Hydraulic tank.
- Station 7  
Unit 7 Sump Pump-change out burnt-out coil on contactor and return to Auto.
- Station 14  
Sump Pump-trouble shoot to find bad 120-volt breaker that feeds coil voltage to pump contactor. Changed out bad breaker.

- Station 20  
Clean out rain bucket.
- Station 8  
Generator Battery Charger-change out old Lamarche charger to new 24 Volt Smart Charger.  
Repair and relamp lights in station
- Station 6  
Finish sump pump hookup, check rotation and place unit in Auto.
- Station 3  
replace hour meters on new pumps, Units 4 & 5.

Ditch Maintenance:

- Routine crossing runs have been done throughout the District, including Beauxart Gardens, Central Gardens, Nederland and Port Neches.
- Cleaned trucks and equipment.
- Cut and cleaned ditches, trees and guardrails throughout the District.
- Cut Pump Stations 7, 8, 9, 10, 11, 12, 13 and 14.
- Cleaned and maintained Pump Stations 8901, 8902, 8905 and 8919.
- Crews addressed several complaints throughout the District.

Rental Equipment:

- None

Construction Crew:

- Crew cleaned Pump Stations 7, 8, 10, 11, 15 and 16 along the seawall after each rain event.
- Made routine trash pickup at warehouse, emptied all trash dumpsters and trash bins.
- Cleaned and maintained equipment and trucks.

- Continued making repairs to concrete and earthen ditches throughout the District.
- Construction Crew continued assisting Ditch Maintenance Crew with cleaning ditches throughout District.

Rental Equipment:

1-LS250X3 Track hoe, Ducks Dragline Service

District Equipment:

4-5 Yard Dump Trucks  
Backhoe, Gradall

Construction Notes - Alligator Bayou Pump Station Annex  
December 14, 2020 – December 18, 2020

Monday, December 14:

Alligator Project; Allco is working on site today. Weather conditions were cloudy and cold. The site conditions were muddy.

Allco superintendents (2) on site Mike Nunez (1) for about 3 hours and Terrell (1) with (4) operators/laborers reported.

Allco's crew is spraying texture to the cracks that have been repaired on the basement level walls. It was reported that no work is being done on the cofferdam at this time.

CRX (3) is on site working on injecting the cracks on the back wall inside unit #6's bay.

Electrical Specialties (1) is on site working on electrical systems in the station.

DD7's Scott Snyder ordered a fitting for unit #1's clutch that broke from Kraft Power. It is expected to arrive by the end of the week.

Tuesday, December 15:

Alligator Project; Allco worked on site today. Weather conditions were cloudy with misting rain. The site conditions were muddy.

Allco superintendents (2) on site Mike Nunez (1) for about 2 hours and Terrell (1) with (4) operators/laborers reported.

Allco's crew is continuing to spray texture to the cracks that have been repaired on the basement level walls. It was reported again that no work is being done on the cofferdam at this time.

Electrical Specialties (1) is on site working on electrical systems in the station.

CRX (3) is on site continuing to inject the cracks on the back wall inside unit #6's bay. The crew is having to follow the cracks as they inject them because some are starting to leak elsewhere.

Wednesday, December 16:

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

Allco superintendents (1) Terrell (1) with (4) operators/laborers reported.

Allco's crew is continuing to spray texture to the cracks that have been repaired on the basement level walls.

Electrical Specialties (1) is on site working on electrical systems in the station.

CRX (3) is on site continuing to inject the cracks on the back wall inside units' # 6 and 5 bays.

Thursday, December 17:

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

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (5) operators/laborers reported.

Allco's crew is continuing to spray texture to the cracks that have been repaired on the basement level walls. The crew also installed louvers on the fuel building's door. The door is now easier to open when the exhaust fan is running. It was reported again that no work is being done on the cofferdam at this time.

CRX (4) is on site injecting the cracks on the back wall inside units' # 1 and 2 bays.

Friday, December 18:

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

Allco superintendents (1) on site Terrell (1) with (4) operators/laborers reported.

Allco's crew is continuing to spray texture to the cracks that have been repaired on the basement level walls. It was reported again that no work is being done on the cofferdam at this time.

CRX (4) is on site continuing to inject the cracks on the back wall inside unit's # 1 bay.

Mr. Dean Depew reported that the Corps of Engineers is mobilizing at Pump Station Nos. 8 and 10 to begin work to replace and raise all the electrical apparatus including the Motor Control Panels and the Generator Transfer Switchgear. This work is from the PL84-99 request from Tropical Storm Harvey. The repaired pump for Pump

Station No. 8 should be ready sometime in March and the two (2) new engines for Pump Station No. 8 are expected to be delivered soon. Therefore, there will need to be a lot of coordination between the District and Corps to get all the work scheduled and completed.

Mr. Allen Sims gave an update report on the Alligator Bayou Pump Station Annex Project. He stated the contractor Allco has started removing the interior coffer dam by cutting the sheet-piles along the slope and setting up to pull the remaining piles as well as repairing and sealing cracks in the concrete. There is currently enough of an opening in the sheet pile to be able to run the pumps, and it has been suggested that the pumps be ran for at least two (2) hours at a time. Allco asked Mr. Sims for release of one-half of their retainage; however, Mr. Sims told them no and explained that he does not feel comfortable bringing their request to the Board for consideration at the current time. There is still too much sheet pile to be removed and there is mud in the intake bay and on the discharge side that also needs to be removed. In addition, a meeting was held this morning with BL Technologies regarding merging the SCADA systems for the main computer system in the control room upstairs. All electronic work was supposed to be completed last week, and Mr. Sims will verify the work is complete so the final payment can be sent to Patterson Pump Company.

Checks & Purchase Orders  
Maintenance Fund

Ck. No. 17596 – Dan Delich Consulting  
\$1,500.00 – Legislative Consulting Fees

Ck. No. 17597 - Dannenbaum Engineering Corp.  
\$24,658.62 – Sabine Pass to Galveston Bay Project and  
Groves Detention HMGP Project

Ck. No. 17598 – Deep South Crane & Rigging Co.  
\$1,300.00 – Rental of Crane, 12/14/20, Move In and Out Charge

Ck. No. 17599 – Dillan M. Halliburton  
\$400.00 – HFPL Patrol Duty

Ck. No. 17600 – DISA, Inc.  
\$25.00 – Pre-employment Drug Screen

Ck. No. 17601 – Duck's Dragline Service, Inc.  
\$17,530.00 – Rental LS250X4 Trackhoe 12/11-12/15/20,  
Rental LS250X3 Trackhoe 12/11-12/31/20, Rental  
LS250X4 Trackhoe 12/16-12/31/20 and Rental Cutter  
Head 12/16-12/28/20

Ck. No. 17602 – FILMR, LLC  
\$192.00 – Social Media Posting

Ck. No. 17603 – Gregory J. Mouton  
\$400.00 – HFPL Patrol Duty

Ck. No. 17604 – Harold L. Doucet, Jr.  
\$400.00 – HFPL Patrol Duty

Ck. No. 17605 – James Gamble, Sr.  
\$270.00 – Health Insurance Payment

Ck. No. 17606 – Jeffrey S. Ward & Associates, Inc.  
\$5,833.33 – HMGP Project Groves Detention and HMGP Project  
Halbouty Detention

Ck. No. 17607 – Kansas City Southern Railway Co.  
\$125.00 – Annual Billing for 24" Drain Pipe Crossing

Ck. No. 17608 – Lawrence Myers  
\$200.00 – HFPL Patrol Duty

Ck. No. 17609 - LJA Engineering, Inc.  
\$1,239.00 – DD#7 Control Room



Ck. No. 17610 –Mazzanti & Associates LLC  
\$2,500.00 – Legislative Consulting Fee

Ck. No. 17611 – Ray Russo  
\$5,166.70 – Legislative Consulting Fee

Ck. No. 17612 – Texan Engineering & Consulting, LLC  
\$17,640.00 – HMGP Projects, Reviews/Permits, General Engineering  
Services, Shamrock/Lateral 3 and A-3-A Crossings

Ck. No. 17613 – Texas First Bank  
\$95,056.44 – Starlake Litigation

Ck. No. 17614 – Tidal Basin Government Consulting, LLC  
\$4,567.50 – HMGP Project A-3-A Detention

Ck. No. 17615 – Timothy P. Dinger  
\$100.00 – Admin/Scheduling Over HFPL Patrol

Ck. No. 17616 – Tower Medical Center of Nederland  
\$5,197.40 – Temperature Checks for Employees

Ck. No. 17617 – TWCA Risk Management Fund  
\$1,186.00 – Policy Changes Auto Insurance

Ck. No. 17618 – TX Commission on Environmental Quality  
\$100.00 – Stormwater Management Plan


Ck. No. 17619 – Wells Fargo Remittance System  
\$283.84 – Office Supplies

Ck. No. 17620 – Richard Beaumont  
\$207.58 – Health Insurance Payment

Commissioner Moses moved that the checks from the Maintenance Fund be approved for payment. Commissioner Champagne seconded the motion. The motion carried.

Chairman Beaumont asked if there were any questions or comments from the public. There were none.

At 2:15 p.m., Commissioner Moses moved that the meeting be adjourned. Commissioner Vincent seconded the motion. The motion carried.



Albert Moses, Jr., Secretary



Richard Beaumont, Chairman

**RESOLUTION NO. 469**  
**AUTHORIZING AMENDED TAX ABATEMENT AGREEMENT WITH**  
**THE PREMCOR REFINING GROUP, INC., D/B/A**  
**VALERO PORT ARTHUR REFINERY**

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 468 on December 1, 2020, adopting the Jefferson County Amended Uniform Tax Abatement Policy-2020 as its tax abatement policy; and

WHEREAS, the District entered into a Tax Abatement Agreement with The Premcor Refining Group, Inc., dba Valero Port Arthur Refinery ("Premcor"), for property located within The Premcor Refinery Reinvestment Zone for the construction of a new Coker and Sulfur Unit and related improvements on September 28, 2018; and

WHEREAS, due to circumstances beyond the control of Premcor, specifically difficulties occasioned by COVID-19 and the economic impacts in the oil and gas sectors occasioned thereby, the commencement of construction of the project has been delayed, and the term of the abatement needs to be amended; 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 The Premcor Refining Group, Inc., d/b/a Valero Port

Arthur Refinery and to authorize the Manager 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 The Premcor Refining Group, Inc., d/b/a Valero Port Arthur Refinery, for property located within The Premcor Refinery Reinvestment Zone for the construction of a new Coker and Sulfur Unit and related improvements to amend the term of abatement and authorize its Manager, Phil Kelley, to execute on behalf of the District the Amended Tax Abatement Agreement attached hereto as Exhibit "A" (without exhibits) and made a part hereof by reference.

THAT the terms of the Amended Tax Abatement Agreement and the property subject to the agreement meets 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. 2339 held on the 5<sup>th</sup> day of January, 2021,

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

Given under my hand this 5<sup>th</sup> day of January 2021.

  
Secretary  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

AMENDED TAX ABATEMENT AGREEMENT BETWEEN  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7 AND  
THE PREMCOR REFINING GROUP INC. D/B/A VALERO PORT ARTHUR REFINERY FOR  
PROPERTY LOCATED IN THE PREMCOR REFINERY REINVESTMENT ZONE

1. Jefferson County. Drainage District No. 7 (“the District”) and The Premcor Refining Group Inc. d/b/a Valero Port Arthur Refinery (“Premcor”), (together, the “Parties”) entered into a Tax Abatement Agreement (the “Original Agreement”) on September 28, 2018 (attached hereto as Exhibit “A”) with respect to the abatement of certain *ad valorem* property taxes on a new plant facility (the “Project”) to be constructed by Premcor, in the **Premcor Refinery Reinvestment Zone** which was originally adopted by Jefferson County Commissioners Court on the 4th day of September, 2018.
2. Premcor is the owner of record in Jefferson County’s real property records of the real property on which Project is being constructed, and the owner of the improvements to the real property that constitute the Project. Premcor has requested that the District modify the Original Agreement to delay the beginning date of tax abatement percentages agreed to and the real interests and obligations outlined in the Original Agreement.
3. It was and continues to be the intent of the Parties that all of the rights, duties and obligations granted or imposed by the Original Agreement with respect to the tax abatement reside with and are the property of Premcor, the owner of the Project.
4. The Parties acknowledge that circumstances beyond the control of Premcor, specifically difficulties occasioned by COVID-19 and the economic impacts in the oil and gas sectors occasioned thereby, have delayed the commencement of construction of the Project and Premcor will suffer the loss of the intended benefits of the original abatement agreements and, for these reasons, the Parties agree that the Original Agreement for the Project shall be amended only with respect to the following:

**Article 4: Term of Abatement**

The amended Term of the Abatement granted in the Abatement Schedule, pursuant to this Amendment shall be as follows:

<b>Tax Year</b>	<b>Abatement Percentage</b>
0 2020	0%
1 2021	100%
2 2022	100%
3 2023	100%
4 2024	100%
5 2025	100%
6 2026	100%
7 2027	100%
8 2028	90%

**EXHIBIT “A”**

9 2029 90%  
10 2030 90%

5. The Parties further acknowledge and agree that all other terms and conditions of the Original Agreement shall remain in full force and effect unless amended by written agreement.

6. In the event any provision of this Amendment is found to be illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Parties hereto that the remainder of this Amendment and the Original Agreement shall not be affected thereby, and it is also the intention of the Parties to this Amendment that in lieu of each clause or provision in this Amendment that is found to be illegal, invalid, or unenforceable, a provision be added to this Amendment which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2021.

**FOR THE JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7:**

\_\_\_\_\_  
Phil Kelley, Manager

**FOR THE OWNER:**

\_\_\_\_\_  
Mark Skobel, Vice President and Refinery Manager  
The Premcor Refining Group Inc.  
d/b/a Valero Port Arthur Refinery