

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2392
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: April 4, 2023

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

Absent: Albert Moses, Jr.

Visitors: Allen Sims, DD7
Toby Davis, DD7
Garrett Boudoin, DD7
Dean Depew, DD7
Brady Girouard, DD7
Brian McZeal, DD7
Kim Carroll, Texan Engineering (Via Zoom)
Prince Evans, GP Evans Contractor
Gina Evans, GP Evans Contractor
Sam Gregson, Cummings Westlake, LLC
Mike Ashton, Linde, Inc.

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 Champagne gave the invocation.

Minutes of Meeting No. 2391

The Minutes of Meeting No. 2391 was approved as read.

Consider Change Order on Seasonal Mowing Contract

Mr. Phil Kelley presented a change order on the District's Seasonal Mowing Contract submitted by Prince Evans of GP Evans Contractor LLC for consideration. The

District's Attorney, Glenn Steele, stated in the previous board meeting that the terms of the contract could be amended by submitting a change order request for up to 25%. The original contract cost is \$169,296. The contract guarantees four rounds of mowing. The requested increase would raise the base contract cost to \$206,050. Mr. Allen Sims advised the price per acre on the contract is \$36.00 not \$36.85 which makes the actual change percentage 24.58% and not 21.71% as stated in the change order submitted by GP Evans Contractor LLC. Mr. Evans stated that the cost of fuel, motor oil, parts, freight, and hydraulic oil have all increased significantly. Commissioner Champagne asked how much the requested increase would cost the District. Mr. Kelley stated that for the four rounds as stated in the terms of the contract, the increase would be approximately \$38,000 for four rounds plus approximately \$9,200 for each additional round. With the increase in cost to do business being an unknown for the contractor, the District may need to go back to bidding the contract annually to keep up with the increasing cost. Commissioner Champagne motions to approve the submitted Change Order on the Seasonal Mowing Contract. Commissioner Vincent seconded the motion. The motion carried.

Consider Resolution Authorizing Tax Abatement Agreement with Linde, Inc.

Resolution No. 500 Authorizing Tax Abatement Agreement with Linde, Inc. was presented to the Board for consideration. Mr. Phil Kelley introduced Mike Ashton with Linde, Inc. and Sam Gregson with Cummings Westlake, LLC. Mr. Gregson stated that Jefferson County and the Navigation District have already approved the tax abatement that is before this board for consideration. Mr. Ashton gave a summary regarding the proposed project. Linde, Inc. is an industrial gas company that provides vital feedstocks

of gas such as nitrogen, oxygen, and hydrogen. The proposed facility related to this tax abatement request is a large clean hydrogen facility. Although the facility will produce hydrogen, it will capture CO2 and sequester it so that it can be decarbonized which will reduce the harmful emissions into the atmosphere. The facility will be located on Twin City Highway. The investment will be 1.2 billion dollars, creating approximately 600 jobs during the construction phase and 30 permanent full-time jobs upon completion of the project. The project is scheduled to begin in 2023 with startup in 2025.

Commissioner Vincent moved to approve Resolution No. 500 Authorizing the Tax Abatement Agreement with Linde, Inc. Commissioner Champagne seconded the motion. The motion carried. A copy of Resolution No. 500 is attached hereto and made a part of these minutes.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard stated that design efforts and work-in-kind continue on all contracts. Mr. Kelley stated that the District attended a meeting with Motiva in which Motiva representatives stated that Motiva wanted to amend the relocation agreement to allow compensation for lost opportunities during the relocation. The District has already provided funding to Motiva to design the relocation of their main pipe rack going toward Texaco Island. Mr. Sims stated that the amount the Motiva representatives estimated was 26 million dollars. The District would be responsible for the reimbursement which would not be creditable as part of the District's 35% cost share.

Manager's Miscellaneous Reports

There are no manager reports at this time.

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. 21974 – 4 Horn Industrial

\$1,152.60 – Equipment Rental, New Administration Building Project

Ck. No. 21975 – AllTerra Central

\$500.00 – VRS-Membership (Brady Girouard)

Ck. No. 21977 – Coastline Concrete Pumping, Inc.

\$2,642.13 – Concrete Truck Pump Rental - Administration Building Project

Ck. No. 21978 – Dan Delich Consulting

\$1,858.34 – Legislative Consulting

Ck. No. 21979 – Dannenbaum Engineering

\$701.82 – Sabine Pass to Galveston Bay Project

Ck. No. 21980 – Deep South Crane & Rigging Co.

\$13,584.38 – Rental Liebherr LTM 3/15 – 3/23/23

Ck. No. 21981 – Groves Equipment Rental Co., Inc.

\$2,700.00 – 15 Ton Terrain Crane Rental 3/17 – 4/16/2023

Ck. No. 21982 – James Gamble

\$270.00 – Health Insurance Payment

Ck. No. 21983 – Johnny's Towing

\$300.00 – Transport Truck Rental 3/21/2023

Ck. No. 21984 – LJA Engineering

\$13,513.75 – HMGP Halbouty Detention & New Administration Building Project

Ck. No. 21976 – Lyle Machinery

\$424.80 – Equipment Rental, New Administration Building Project

Ck. No. 21985 – Mazzanti & Associates LLC

\$2,500.00 – Legislative Consulting

Ck. No. 21986 – Pumptex, Inc.

\$526.56 – Travel Time & Labor for Technician – Fuel Pump Repair

Ck. No. 21987 – Ray Russo
\$9,466.77 – Legislative Consulting

Ck. No. 21988 – Ritter Forest Products
\$9,975.00 – Mat Rental – New Administration Building & PS #3 Discharge Rehab Projects

Ck. No. 21989 – Ron Lewis & Associates
\$3,500.00 – Legislative Consulting Fees

Ck. No. 21990 – Sprint Waste Services
\$3,263.44 – Rollboxes, Holding Tanks & Portable Toilet Rental, Various Pump Stations,
and New Administration Building Project

Ck. No. 21991 – Sunbelt Rentals
\$4,834.33 – Equipment Rental – New Administration Building Project

Ck. No. 21992 – Texan Engineering
\$10,440.00 – General Engineering Fees & Block's Bayou Project

Ck. No. 21993 – TWCA Risk Management
\$35.00 – Comm. Property Insurance Amendment

Ck. No. 21994 – United States Postal Service
\$500.00 – Postage for Postage Machine

Ck. No. 21995 – Waukesha-Pearce Industries, Inc.
\$14,732.00 – Equipment Rental - HFPL

Ck. No. 21996 – Weisinger Incorporated
\$94,334.50 – Alligator Bayou Upgrade

Ck. No. 21998 – Wells Fargo Remittance
\$515.15 – Meeting and Travel Expenses

Ck. No. 21997 – Xylem
\$2,130.00 – P.S. #3 Discharge Rehab Project

Ck. No. 22027 – Duck's Dragline Service, Inc.
\$7,380.00 – LS250X3 Trackhoe Rental – New Administration Building Project

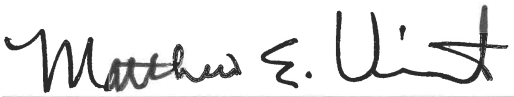
Commissioner Champagne moved that the checks from the Maintenance Fund be approved for payment. Commissioner Gamble seconded the motion. The motion carried.

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

At 2:34 p.m., Commissioner Champagne moved that the meeting be adjourned. Commissioner Gamble seconded the motion. The motion carried.



Richard Beaumont, Chairman



Matthew Vincent, Assistant Secretary

**RESOLUTION NO. 500
AUTHORIZING TAX ABATEMENT AGREEMENT WITH
LINDE INC.**

STATE OF TEXAS §
 §
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 498 on January 3, 2023, adopting the Jefferson County Amended Uniform Tax Abatement Policy-2022 as its tax abatement policy; and

WHEREAS, in open meetings the District has stated that the District's policy is to consider tax abatement agreements for entities requesting tax abatement if they mirror the terms and conditions of the same abatement request approved by the Commissioner's Court of Jefferson County; and

WHEREAS, the District desires to enter into a Tax Abatement Agreement (in the form and content of that approved by the Commissioners' Court of Jefferson County) with Linde Inc. and wishes to authorize the District's Manager, Phil Kelley, to execute the 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 a Tax Abatement Agreement with Linde Inc. for property located within the Linde Reinvestment Zone for construction of an industrial gases production complex that consists of air separation units and an auto thermal reactor unit that produces hydrogen and authorize its Manager, Phil Kelley, to execute on behalf of the District the Tax Abatement Agreement attached hereto and made a part hereof by reference.

THAT the terms of the 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. 2392 held on the 4th day of April 2023, upon motion made by Commissioner Matthew Vincent and seconded by Commissioner Lester Champagne and adopted unanimously by said Board, a quorum being present.

Given under my hand this 4th day of April 2023.



Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7