

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2396
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: June 6, 2023

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

Visitors: Allen Sims, DD7
Dean Depew, DD7
Garrett Boudoin, DD7
Brady Girouard, DD7
Mike Eaves, Attorney for Valero Refinery
Mark Skobel, Plant Manager, Valero Refinery
Kim Carroll, Texan Engineering

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. 2395

The Minutes of Meeting No. 2395 was approved as read.

Consider Resolution Authorizing Amended Tax Abatement Agreement with Diamond Green Diesel, LLC

Resolution No. 501 Authorizing Amended Tax Abatement Agreement with Diamond Green Diesel, LLC was submitted to the Board for consideration. Mr. Phil Kelley introduced Mike Eaves, Attorney for Valero Refinery and Mark Skobel, Plant Manager, Valero Refinery. Mr. Eaves advised that the only change requested is the

extension of the completion time frame to the first quarter of 2025 to allow Diamond Green Diesel, LLC to add an additional component to the project which will facilitate the capability to produce renewable aviation fuel. The modification has already been approved by the Jefferson County Commissioner's Court. Mr. Skobel stated that the construction of the renewable diesel unit is complete and operational. The unit produces approximately 40,000 barrels a day. The site was built to accommodate the addition of an aviation fuel unit at a later date. Now that the government has implemented incentives and standards, Diamond Green Diesel, LLC has decided to proceed with adding the process equipment to complete the aviation fuel production component of the project. Commissioner Vincent motioned to approve Resolution No. 501 Authorizing Amended Tax Abatement Agreement with Diamond Green Diesel, LLC. Commissioner Gamble seconded the motion. The motion carried. A copy of Resolution No. 501 is attached hereto and made a part of these minutes.

Consider Sale of Surplus Property

Mr. Phil Kelley requested the declaration of and approval to sell certain surplus property. A list of miscellaneous items was submitted as follows:

Qty	Item	V.I.N.# / Serial #	
1	2007 Chevrolet 1500 Single Cab	1GCEC14C67Z638072	(Unit # 46)125-7440
1	2007 Chevrolet 1500 Single Cab	1GCEC14C47Z635736	(Unit # 39) 125-7464
1	2005 Chevrolet 2500 HD w/tool bed	1GCHC24U65E266572	(Unit # 25) 116-4249
1	2006 Bobcat 553	539412270	Unit # 3
1	2010 Bobcat S 130	A3Y7531	Unit # 5
1	Rhino FN 180 Mower		
1	2011 New Holland LS 125	N8M463751 (1394-32627)	Unit # 14
1	2002 New Holland LS 125	LMU001396	Unit # 15
1	2013 Bobcat S 130	AU4Y12994	Unit # 16
1	Brother Printer	MFC- 9330CDW	U63480B7J929227
1	Gateway Tower	DX4831-01E	PTGAJ02001951047HE2700

1	Gateway Tower	UNKNOWN	UNKNOWN
1	Frigidaire Air Conditioner	LRA08PZUI	KK22184021
1	Frigidaire Air Conditioner	FRA082AT7	KK30454133
1	National Network Tower	UNKNOWN	UNKNOWN
1	Hewlett Packard DesignJet 450 C	C4715A	SG8BH1109F
1	Honda 9 HP Engine / Kappa 55 VA Pump	GX 270	UNKNOWN
1	Honda 5 HP Engine	GX 140	UNKNOWN
1	2" Honda Water Pump	WD 20 X	GC01-3179923
1	2" Honda Water Pump	WD 20 X	GC01-3797814
1	Stihl Chainsaw	028AV	UNKNOWN
1	Stihl Chainsaw	MS280	UNKNOWN
1	Stihl Chainsaw	MS250	UNKNOWN
1	Stihl Chainsaw	0 28	UNKNOWN
1	Stihl Chainsaw	PRO	UNKNOWN
1	Stihl Chainsaw	MS250	UNKNOWN
1	Stihl Chainsaw	MS260	UNKNOWN
1	Stihl Chainsaw	MS260	UNKNOWN
1	Stihl Chainsaw	UNKNOWN	UNKNOWN
1	Stihl Chainsaw	UNKNOWN	UNKNOWN
1	Stihl Chainsaw	UNKNOWN	UNKNOWN
1	Stihl Chainsaw	UNKNOWN	UNKNOWN
1	Lot Of Misc. Chainsaw Parts	UNKNOWN	UNKNOWN
1	Echo Blower	PB-250LN	P34712034466
1	Echo Blower	PB-250LN	P34712034487
1	Echo Blower	PB- 251	P09012340899
1	Echo Blower	PB-230LN	UNKNOWN
1	Lot Of Misc. Trimmer Parts	UNKNOWN	UNKNOWN
1	HALSEY TAYLOR WATER COOLER	SCWT8AQ	111014784
1	400 SERIES SEED SPREADER	UNKNOWN	59560
1	RUUD HVAC EVAPORATOR	UNKNOWN	UNKNOWN
1	LOT OF MISC. FIRE HOSES		UNKNOWN
4	Detroit Diesel Cylinder Head		UNKNOWN
2	Detroit Diesel Cylinder Head		UNKNOWN
1	Detroit Diesel Crankshaft		UNKNOWN
1	Lot Of Misc. Caterpillar Parts		UNKNOWN
1	Trimble Geo Explorer 3	38376-00	440113224
15	48" x 26" Fluorescent Light Fixtures	N/A	N/A
1	Central Hydraulics Portable Puller 10 ton	Item # 44900	
1	Welding Machine	S/N M058072201011	(Thermal ARC Fabricator 131)

13	Trimmer Harness	N/A	N/A
1	Chevrolet Tailgate	N/A	N/A
12	A/C Filters 18"x25"x1"	N/A	N/A

Commissioner Moses moved to declare the subject property as surplus and to be sold. Commissioner Champagne seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard stated that design, work-in-kind, and relocation efforts continue on all contracts. No substantial changes since the last commissioner’s meeting. Commissioner Vincent asked if this project falls through, will the work performed in preparation still be beneficial to the District. Mr. Kelley stated that some of the work is beneficial to the District as is but not all. As things progress the project is constantly changing. At the beginning of the project, the Corps estimated the total project cost to be \$863 million. That has now increased to \$1.6 billion changing the District’s 35% match from approximately \$302 million to \$560 million.

Manager Reports

Mr. Dean Depew stated that the current contract for the engine replacement program is close to completion. District crews have replaced eleven out of the twelve engines ordered to date. These larger engines are averaging 10 days per engine to install, once all preparations and fabrication is complete. Three engines have been replaced at the Crane Bayou Pump Station, two at Lakeview Pump Station, one at Delmar Pump Station, two at Rodair Gully Pump Station, and three at Ninth Avenue Pump Station.

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. 22324 – 4 Horn Industrial

\$1,465.80 – Trash Pump / Suction Hose Rental – PS #3 Discharge Pipe Rehab

Ck. No. 22325 – Allen Sims

\$1,200.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22326 – Allied Electrical Systems

\$1,863.75 – Fire Extinguisher Inspections

Ck. No. 22327 – Dannenbaum Engineering Corp.

\$14,150.91 – Groves Detention HMGP Project

Ck. No. 22328 – Deep South Crane & Rigging Co.

\$7,875.00 – Liebherr LTM Rental – PS #3 Discharge Pipe Rehab

Ck. No. 22329 – Duck's Dragline Service, Inc.

\$3,590.00 – PCL30 Trackhoe Rental, El Vista W Lateral & PNG High School

Ck. No. 22330 – Filmr, LLC

\$60.00 – Social Media Posts

Ck. No. 22331 – Function 4 LLC

\$413.58 – Konmin Copier Lease Payment

Ck. No. 22332 – GP Evans Contractors

\$27,256.04 – Seasonal Mowing Contract

Ck. No. 22333 – Groves Equipment Rental

\$2,700.00 – 15 Ton Rough Terrain Crane Rental

Ck. No. 22334 – HERC Rentals Corporation

\$3,005.85 – Dump Truck Rental

Ck. No. 22335 – James Gamble, Sr.

\$270.00 – Health Insurance Payment

Ck. No. 22336 – Jefferson Central Appraisal District

\$84,380.95 – Third Quarter Entity Allocations

Ck. No. 22337 – JLL-KCS Permit Department

\$1,000.00 – Sabine Pass to Galveston Bay Project Right of Entry Application Fee

Ck. No. 22338 – Johnny’s Towing
\$140.00 – Transport Truck Rental – 2 Moves

Ck. No. 22339 – Kyla Dean
\$700.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22340 – Lester Champagne
\$1,200.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22341 – LJA Environmental Service, LLC
\$25,477.03 – Sabine Pass to Galveston Bay Project

Ck. No. 22342 – Matthew Vincent
\$1,200.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22230 – LJA Environmental Services, LLC
\$7,064.38 – Groves Detention HMGP Project

Ck. No. 22231 – LJA Environmental Services, LLC
\$36,478.82 – Sabine Pass to Galveston Bay Project

Ck. No. 22343 – Mazzanti & Associates
\$2,500.00 – Legislative Consulting Services

Ck. No. 22344 – Mustang Cat
\$1,405.63 – Diagnostic Fee – Troubleshoot – PS #16 Annex

Ck. No. 22345 – Nerbert Frelow
\$1,920.00 – Dump Truck Rental – Crossing Repair

Ck. No. 22346 – Phil Kelley
\$1,200.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22347 – Ray Russo
\$3,914.67 – Legislative Consulting Services

Ck. No. 22348 – Richard Beaumont
\$139.00 – Health Insurance Payment

Ck. No. 22349 – Ritter Forest Products Nederland
\$7,824.00 – Mat Rental – PS #3 Discharge Pipe Rehab

Ck. No. 22350 – Sprint Waste Service, LP
\$251.57 – Portable Toilet Rental – New Administration Office Project

Ck. No. 22351 – Texan Engineering & Consulting
\$14,727.50 – General Engineering, Permits & Blocks Bayou Project

Ck. No. 22352 – Texas Water Conservation Assoc.
\$2,800.00 – 2023 TWCA Summer Conference Registrations (6)

Ck. No. 22353 – Toby Davis
\$1,200.00 – Travel Advance for 2023 TWCA Summer Conference

Ck. No. 22354 – Tolunay-Wong Engineers, Inc.
\$2,485.30 – Levee Repair Sanitary Sewer Plant

Ck. No. 22355 – Waukesha-Pearce Industries, Inc.
\$10,880.00 – Equipment Rental – Levee Repairs

Ck. No. 22356 – Wells Fargo
\$1,819.08 – Fuel, Meals, New Administration Building, and Subscriptions

Ck. No. 22357 – Dannenbaum Engineering Corp.
\$16,070.14 – Sabine Pass to Galveston Bay Project

Ck. No. 22358 – LJA Surveying, Inc.
\$4,123.50 – Sabine Pass to Galveston Bay Project – Survey PAV02

Ck. No. 22359 – Dan Delich Consulting
\$1,500.00 – Legislative Consulting Fees

Ck. No. 22388 – Ron Lewis & Associates
\$3,500.00 – Legislative Consulting Fees

Ck. No. 22389 – LJA Engineering, Inc.
\$23,464.18 – Office Upgrade, Halbouty Detention HMGP, Data Collection, Stormwater Management, PS #5 Roof, and PS #3 Pipe Supports

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 was any other business to come before the Board. There was none.

At 2:25 p.m., Commissioner Champagne moved that the meeting be adjourned.
Commissioner Gamble seconded the motion. The motion carried.



Lester Champagne, Vice Chairman



Albert Moses, Jr., Secretary

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 Diamond Green Diesel LLC for property located within The DGD Reinvestment Zone for the construction of a new Renewable Diesel Plant and related improvements to extend the completion date until the first quarter of 2025 to accommodate the production of renewable aviation fuel, 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. 2396 held on the 6th day of June 2023, upon motion made by

Commissioner Vincent and seconded by Commissioner Gamble
_____ and adopted unanimously by said Board, a quorum being present.

Given under my hand this 6th day of June 2023.



Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

AMENDED TAX ABATEMENT AGREEMENT BETWEEN
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7 AND
DIAMOND GREEN DIESEL LLC FOR PROPERTY LOCATED
IN THE DGD REINVESTMENT ZONE

1. Jefferson County Drainage District No. 7 (“DD7”) and Diamond Green Diesel LLC (“Owner”), (together, the “Parties”) entered into a Tax Abatement Agreement (“Agreement”) on October 20, 2020 (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 Owner, in the **DGD Reinvestment Zone** which was originally adopted by Jefferson County on the 6th day of October 2020.
2. Diamond Green Diesel LLC is the lessee of record in the County’s real property records of the real property on which the Project is being constructed, and the owner of the improvements to the real property that constitute the Project.
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 Agreement with respect to the tax abatement reside with and are the property of the owner of the Project.
4. The Parties agree that Owner desires to optimize the production capabilities of the Project to also accommodate the production of renewable aviation fuel, and the parties agree that the Tax Abatement Agreement for this project shall be amended only with respect to the required completion date originally scheduled for the first quarter of 2023. In that regard, Owner is requesting that DD7 shall not require completion of the entire project until the first quarter of 2025.

Article 4: Term of Abatement

The Term of the Abatement Granted in the Abatement Schedule, pursuant to this Agreement, shall remain as be set forth in the original agreement.

5. The Parties further acknowledge and agree that all other terms and conditions of the original Abatement Agreement shall remain in full force and effect unless amended by written agreement and it is understood that purchases for the project will be invoiced locally that Jefferson County will be credited with sales taxes for purchases.

Signed this _____ day of _____, 2023.

FOR DD7:

FOR THE OWNER:

Phil Kelley, Manager
Jefferson County Drainage District No. 7

Martin E. Loeber, Attorney-in-Fact
Diamond Green Diesel LLC

EXHIBIT “A”