

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2409
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

Place: 3400 Hwy 73
Port Arthur, Texas

Date: December 19, 2023

Present: Commissioners
Richard Beaumont
Lester Champagne
Albert Moses, Jr.
James Gamble, Sr.
Matthew Vincent
Phil Kelley, General Manager
Glenn Steele, Attorney for the District

Visitors: Allen Sims, DD7
Toby Davis, DD7
Dean Depew, DD7
Garrett Boudoin, DD7
Barron Cook, DD7
Kirby Johnson, DD7
Cody Cowley, LJA Engineering
Peyton Keith, 8 Rivers
Kim Carroll, Texan Engineering & Consulting

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. 2408

The Minutes of Meeting No. 2408 was approved as read.

Consider Resolution Authorizing Tax Abatement Agreement with Cormorant Clean Energy, LLC

Resolution No. 507 Authorizing Tax Abatement Agreement with Cormorant Clean Energy, LLC was presented to the Board for consideration. Mr. Phil Kelley introduced Peyton Keith representing 8 Rivers. Mr. Keith stated that 8 Rivers received approval for

a tax abatement from Jefferson County and the Navigation District. He gave a brief history of 8 Rivers and description of the project. The proposed facility will produce blue ammonia. The process uses natural gas as a feedstock which is converted to hydrogen. The hydrogen is then cracked to make ammonia. The process is a clean process that removes the carbon dioxide on the front end. It is then used to heat the process before it is put in the pipeline and sequestered. The process effectively removes 99% of the greenhouse gas emissions. The goal is to produce approximately 180,000 tons of blue ammonia annually which will be transported via cargo ship internationally. The estimated cost of the project is 1.2 billion dollars. The construction will take approximately 3 years. The engineering and design phase will take place during 2024 with a start date in 2027. The facility will create 95 permanent jobs with an average wage of \$111,000. The construction phase will create approximately 1,000 jobs. The facility will be located at the GT OmniPort located in Port Arthur, Texas. The product will be immediately transported via pipeline and stored at the Howard Energy Docks away from residential areas. Mr. Kelley asked if there has been a commitment to build here or if we are in competition with other locations. Mr. Keith stated that there was competition, but with the tax abatements he hopes that this will ensure that the land purchase will move forward. Commissioner Gamble asked what types of jobs will be available and what qualifications will be will be required. Mr. Keith stated that a variety of jobs with varying qualifications will be available such as clerical, human resources, maintenance, operations, and plant manager. Mr. Kelley asked what kind of skills or qualifications will be required. Mr. Keith stated that the skills required are standard operation and instrumentation. Commissioner Moses asked what the environmental impact would be. Mr. Keith stated that this process

was designed to lower greenhouse gas emissions. Mr. Kelley stated that this is a 10-year abatement at 100%. Commissioner Champagne moved to approve Resolution No. 507 Authorizing the Tax Abatement Agreement with Cormorant Clean Energy, LLC. Commissioner Gamble seconded the motion. The motion carried. A copy of Resolution No. 507 is attached hereto and made a part of these minutes.

Consider Approval to Advertise for Bids on Diesel Engines and Reduction Gears for El Vista, Star Lake, and Rodair Pump Stations

Mr. Kelley requested approval to Advertise for Bids on Diesel Engine Replacement. This contract is to replace 6 engines and reduction gears at the El Vista, Star Lake, and Rodair Gully Pump Stations. Mr. Dean Depew stated that this contract is for the next group of engines in the diesel engine replacement program. The current group of engines are ready to be delivered. The reduction gears are scheduled to be delivered February. The engine room is ready. Commissioner Vincent moved to approve the request to Advertise for Bids on Diesel Engine Replacement. Commissioner Moses seconded the motion. The motion carried.

Consider Adopting Proposed 2024 Holiday Schedule

A proposed 2024 Holiday Schedule was submitted for consideration. Mr. Kelley stated although the District normally follows the same holidays as Jefferson County, last year the District voted to add Juneteenth as a District holiday. Commissioner Champagne motioned to approve the District's proposed 2024 holiday schedule as presented. Commissioner Gamble seconded the motion. The motion carried. The days listed below are adopted as the District's holidays for 2024:

January 1, 2024 (Monday)

New Years Day

January 15, 2024 (Monday)	Martin Luther King, Jr. Day
February 19, 2024 (Monday)	President's Day
March 29, 2024 (Friday)	Good Friday
May 27, 2024 (Monday)	Memorial Day
June 19, 2024 (Wednesday)	Juneteenth
July 4, 2024 (Thursday)	Independence Day
September 2, 2024 (Monday)	Labor Day
November 11, 2024 (Monday)	Veteran's Day
November 28 & 29, 2024 (Thursday & Friday)	Thanksgiving
December 24 & 25, 2024 (Tuesday & Wednesday)	Christmas

Sabine Pass to Galveston Bay Project Summary

Mr. Allen Sims presented the board with a report to be delivered to the Gulf Coast Protection District (GCPD) and the General Land Office (GLO). The report includes project updates and financials. Mr. Sims explained that as per our agreements with the GLO and GCPD the District is required to provide both with a monthly progress report. These reports have been on hold while the HTRW issues were worked out. GCPD requested a progress report. The report covers each contract and the financial statement of each contract. We received a copy of the expenditure report from USACE that we will provide to the GCPD and the GLO. We received a condensed version of the project schedule from USACE. The report states that the District is being notified that the project cost has increased to 1.668 billion dollars. The District's 35% cost share is now

\$584,073,000.00. The State of Texas has allocated \$535,910,000 toward the District's 35% cost share which is approximately \$48,000,000 short of the District's total cost share. Mr. Kelley stated that the District has spent approximately \$720,000 to move the project forward. These funds are considered Work in Kind (WIK) and are reimbursable from the GLO. Mr. Kelley stated that the District has hired an additional accountant with FMW, P.C. to help with the grant accounting for the project and putting together the information requested by GLO for the report. Contract 3A is scheduled to start in January. This project is for fronting protection for Alligator Bayou, Lakeside and Rodair Gully pump stations.

Manager Reports

Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ending November 30, 2023, and gave a collateral securities report as of November 30, 2023.

Mr. Kelley stated that the detention area north of the administration office is being refilled to make room for additional parking and a pole barn to house equipment. The detention pond south of the building will be enlarged to accommodate the removal of the detention pond north of the building.

Mr. Kelley reminded the board members of the District Christmas luncheon on Friday December 22, 2023.

Permits

Bobby B's RV Park 18 Inch Discharge Pipe into Rodair Gully Lateral 5. Mr. Garrett Boudoin recommended approval of the permit with a permit fee of \$250.00 and no bond required. Commissioner Champagne moved to approve the permit requested by Bobby

B's RV Park as recommended by Mr. Boudoin. Commissioner Vincent seconded the motion. The motion carried.

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. 23422 – 4-Horn Trench & Shoring, LLC
\$1,401.60 – Sabine Pass to Galveston Bay Project

Ck. No. 23423 – Duck's Dragline Service, Inc.
\$4,830.00 – Groves Detention HMGP & Sabine Pass to Galveston Bay Project

Ck. No. 23424 – FMW, P.C.
\$2,300.00 – November 2023 Accounting Services

Ck. No. 23425 – Freese and Nichols, Inc.
\$66,011.53 – Sabine Pass to Galveston Bay Project

Ck. No. 23426 – Function 4, LLC
\$402.81 – December Konica Minolta Copier Lease

Ck. No. 23427 – Herc Rentals Corporation
\$3,005.85 – Dump Truck Rental 11/13 – 12/1/23

Ck. No. 23428 – Johnny's Towing & Recovery
\$350.00 – Transport Truck Rental

Ck. No. 23429 – JWSA, Inc.
\$2,500.00 – BCA Groves HMGP Detention

Ck. No. 23430 – Kansas City Southern
\$125.00 – Annual Drainage Pipe Rental

Ck. No. 23431 – Kyla Dean
\$652.20 – Travel Reimbursement – Election Law Seminar

Ck. No. 23432 – LJA Engineering
\$19,143.17 – Flood Risk Management Study, Rodair Gully HMGP, 9th Ave Detention

Ck. No. 23434 – M & S Unlimited Services, LLC

\$450.00 – Transport 15 Ton Picker

Ck. No. 23435 – Parker Insulation and Building Products

\$15,990.00 – Thermal Barrier Engine Room and Fab Shop

Ck. No. 23436 – Ritter Forest Products Nederland

\$300.00 – Mat Rental Delivery Charge

Ck. No. 23437 – Sam & Tash Services, Inc.

\$1,569.62 – Janitorial Services Administration Building

Ck. No. 23438 – Sprint Waste Services

\$3,444.45 – Rollbox, Holding Tank Rental – Various Pump Stations

Ck. No. 23439 – Sunbelt Rentals

\$9,902.51 – Scissor Lift Rental 8/30 – 11/27/23

Ck. No. 23440 – Tidewater Professional Services, LLC

\$1,437.50 – Miscellaneous Engineering Services

Ck. No. 23441 – TWCA Risk Management Fund

\$174.00 – Motor Vehicle & Commercial Property Adjustments

Ck. No. 23442 – United of Omaha

\$2,186.50 – Health Insurance Payment

Ck. No. 23443 – Vortech Contracting, Inc.

\$20,912.33 – Sabine Pass to Galveston Bay Project

Ck. No. 23444 – Wave Solutions, LLC

\$590.00 – Monthly Phone Service

Ck. No. 23445 – LJA Environmental Servies, LLC

\$10,995.00 – A3A HMGP Detention Project

Ck. No. 23446 – Nerbert Frelow

\$1,590.00 – Dump Truck Rental 12/12 – 12/15/23

General Land Office Fund

Ck. No. 5052 – LJA Environmental Services

\$17,992.61 – Sabine Pass to Galveston Bay Project

Ck. No. 5053 – LJA Surveying, Inc

\$14,387.50 – Sabine Pass to Galveston Bay Project

Ck. No. 5054 – Texan Engineering & Consulting, LLC
\$1,690.50 – Sabine Pass to Galveston Bay Project

Insurance Admin Account

Ck. No. 10144 – RxBenefits
\$199.29 – Utilization Management, Appeals & Shared Benefits

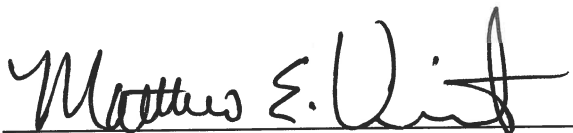
Commissioner Moses moved that the checks from the Maintenance Fund account, GLO account, Insurance Admin accounts be approved for payment. Commissioner Vincent seconded the motion. The motion carried.

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

At 2:34 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. 507
AUTHORIZING TAX ABATEMENT AGREEMENT WITH
CORMORANT CLEAN ENERGY, LLC**

STATE OF TEXAS

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COUNTY OF JEFFERSON

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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 Cormorant Clean Energy, LLC 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:

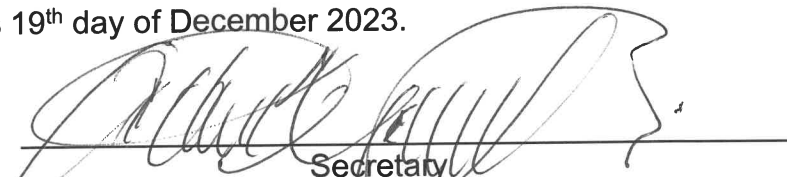
THAT it is in the best interest of the District to enter into a Tax Abatement Agreement with Cormorant Clean Energy, LLC for property located within the Cormorant Reinvestment Zone for construction of a blue ammonia production facility and related improvements and authorize its Manager, Phil Kelley, 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. 2409 held on the 19th day of December 2023, 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 December 2023.


Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7