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**MINUTES OF VIDEOCONFERENCE MEETING NO. 2346  
COMMISSIONERS OF JEFFERSON COUNTY  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: April 20, 2021

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

Visitors: Allen Sims, DD7  
Brady Girouard, DD7  
Garrett Boudoin, DD7  
Dean Depew, DD7  
Kim Carroll, Texan Engineering  
Ray Russo, Consultant  
Chuck Reed, Charles E. Reed & Associates  
Terry Whiddon, FMW, PC  
David French, Nederland (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. 2345

The Minutes of Meeting No. 2345 was approved as read.

Presentation of Audit and Financial Statement for FY 19/20 by Charles E. Reed & Associates

Mr. Chuck Reed of Charles E. Reed & Associates gave a detailed report of the audit and financial statements for the fiscal year 2019/2020. Mr. Reed stated the District's audit is quite different from last year's audit because there is so much additional activity with the awarding of federal grants and the complex Sabine Pass to Galveston Bay Project ("SP2GB Project"). Mr. Reed stated the District's audit went very smoothly and that he received full cooperation from the District's management and staff, as well as from FMW, P.C., the District's accounting firm. He further stated that the audit reflects a clean audit opinion, the District is financially healthy, and its books and records are in good shape.

Mr. Phil Kelley advised that the District has opened a new account with the bank for the Capital Projects Fund, and he will start funding this account with the excess fund balance that is accruing. This money will be set aside to pay the non-federal share of the SP2GB Project if the State fails to keep appropriating funds for the project. Currently, with the Local Cooperation Agreement in place, the General Land Office ("GLO") is to cover the 35% cost share. The \$106 million that has been obligated to the District's project is sound, and it may be enough to get the District through the next two-year cycle. Mr. Kelley stated with the level of increase in the District's fund balance, the District should have enough money at the end of project to pay its 35% cost share.

Mr. Terry Whiddon of FMW, P.C. stated he has been working with the District for 40+ years. He had a great conversation with Mr. Kelley about the SP2GB Project, and Mr. Whiddon stated Mr. Kelley and the Board has done a great job at getting the

SP2GB Project formulated and getting the funding. At the end of the SP2GB Project, it will be turned over to the District to maintain, and this will be considered an asset to the District. Mr. Whiddon feels this is a fantastic project for the District and the whole area.

Commissioner Champagne commended Chuck Reed and his firm on doing a good job of conducting the District's audit.

Commissioner Champagne made a motion that the audit be approved as presented, the Chairman be authorized to sign the Annual Filing Affidavit and a copy of the audit and financial statements be forwarded to the Texas Commission on Environmental Quality. Commissioner Vincent seconded the motion. The motion carried.

Consider Resolution Authorizing Professional Services Agreement with CSE W-Industries, LLC

Resolution No. 474 Authorizing Professional Services Agreement with CSE W-Industries, LLC was presented to the Board for consideration. Mr. Phil Kelley stated W-Industries has been assisting and working with Dean Depew on plans and specs for the District's new SCADA system. Allen Sims has also been working with Dean Depew, and it is felt that additional services which are not readily available to the District are needed from W-Industries for mechanical and electrical type engineering services. Mr. Dean Depew stated W-Industries is very knowledgeable and has excellent resources for helping the District with building its new engine room. Allen Sims stated he modified a prior contract the District had with another entity and had the contract approved by the District's attorney Pete Steele. CSE W-Industries has executed the contract and recommendation is made that the District execute the document. Commissioner

Vincent moved to approve the Resolution Authorizing Professional Services Agreement with CSE W-Industries, LLC. Commissioner Moses seconded the motion. The motion carried. A copy of Resolution No. 474 is attached hereto and made a part hereof.

Consider Change Order No. 1 for Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street

Change Order No. 1 for Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street was presented to the Board for consideration. Mr. Garrett Boudoin stated an 8" City of Groves waterline needed to be relocated which included the removal and replacement of adjacent concrete driveways. This relocation was not included in the original specifications for the project. The City of Groves was not going to be able to get the work done in a timely manner and, therefore, the District decided to authorize the work to be done by the Contractor so there would be no delays in the project. In addition, the work required a monthly extension of the traffic control plan. The cost adjustment for the Change Order is Twenty Thousand Two Hundred Ninety-Six and 50/100 (\$20,296.50) Dollars, and there is also an extension of the contract time for twenty-five (25) working days included. Commissioner Champagne moved to approve Change Order No. 1 for Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street. Commissioner Moses seconded the motion. The motion carried.

Consider Pay Request No. 5 to Norman Highway Constructors, Inc. for Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street

A recommendation letter was received from Kim Carroll of Texan Engineering & Consulting for Pay Request No. 5 to Norman Highway Constructors, Inc. for

Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street in the amount of Sixty-Five Thousand Thirty-Eight and 95/100 (\$65,038.95) Dollars. Mr. Garrett Boudoin stated the pay request is for work completed in the month of March 2021 and the first half of April 2021 and includes the lowering of the water line made the subject of the above referenced Change Order No. 1. The Contractor has finished the new concrete boxes, the headwalls and wingwalls and pouring all the concrete for the structure on Hogaboom. The Contractor is now shifting to getting the site cleaned, graded, and seeded and will be moving over to Baird Street within the next two (2) weeks. Mr. Boudoin feels the project should be completed by the end of June, well ahead of the schedule. The contractor has completed 61% of the work using 51% of the contract time. Mr. Kelley reported prior to moving over to Baird Street and starting to replace that crossing, he, Brady Girouard, Garrett Boudoin, Kim Carroll and Allen Sims met with the City of Groves to go over what will be needed in the way of water line and sewer line relocations. The City of Groves has agreed to get these lines relocated and has already been out to the site and ran a camera through the sanitary sewer line to see what the job will entail. Commissioner Champagne moved to approve Pay Request No. 5 to Norman Highway Constructors, Inc. for Improvements to Lateral A-3-A Crossings at Hogaboom Road and Baird Street in the amount of Sixty-Five Thousand Thirty-Eight and 95/100 (\$65,038.95) Dollars. Commissioner Gamble seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard gave a brief update on the SP2GB Project and stated construction is progressing slowly on Contract 1. There are still issues with the deep soil mixing. The District is not inspecting the deep soil mixing but is concerned with temporary flood protection during construction. The District is confident there is enough material on site to build up the berm if a surge event occurs. The Corps is still working with the Contractor on a formal Temporary Flood Protection (TFP) plan. Contract 2 is also progressing slowly. The District has been asked to provide some proposals to perform the geo-tech and survey work-in-kind and is awaiting receipt of scopes of work to submit the proposals to the Corps. Contract 3 is reaching a 95% point on the design work. The relocations have run into some offset issues, and the Corps is wanting the District to acquire an extensive easement through the Valero Refinery. Contract 3B is also reaching 95% design phase and the same issues will need to be addressed as to what the Corps' real estate wants and what is realistic and logical to what can be done to limit the effect on Valero's property. Contract 3A is reaching a 65% design level. There are numerous relocates, with some of the larger ones being the Port Arthur ISD old Woodrow Wilson School (historic structure), as well as the Lamar State College Girls Softball Building and the Old Armory Building which is in close vicinity to the line of protection. Motiva also has a very large pipeline corridor with approximately 30 underground and about 15 above ground pipelines in an existing pipe rack. This area will need rehab in coordination with construction. Meetings have been held and Advanced Funding Agreements are being worked on. Other relocate areas are routine.

Contract 4's limits are still not concrete at this time and other options are being explored, as well as some potential realignments and tweaks that will better serve the area.

Mr. Phil Kelley recognized Ray Russo in attendance and stated, as the Board is aware, that Mr. Russo is working along side the District on the SP2GB Project and has been invaluable during the whole process. Mr. Russo is also working with the District and on behalf of Orange County and Velasco Drainage District's interest on the creation of the Gulf Coast Protection District ("GCPD"). Mr. Kelley asked Mr. Russo to give an update on the State's legislation to create the GCPD.

Mr. Russo thanked the Board for the opportunity to speak with them and stated there are two (2) actions being tracked and with which the District is working very closely with the legislation. The first is the creation of the GCPD, which main focus is to be the non-federal sponsor with the Corps of Engineers for the Coastal Spine and the construction of the Orange County Hurricane Flood Protection Project. The GCPD's potential effect on the District is that it could be a funding source for the District's non-federal 35% share on the SP2GB Project in the event the State does not appropriate any additional funds to the District. The GCPD will have the ability to be a taxing district for Jefferson, Orange, Harris, Chambers and Galveston Counties. The legislation has passed the Senate unanimously and provides the ability to be the non-federal sponsor. The District has worked to get an amendment to give the authority to the GCPD to not only build levee systems to protect against coastal surge but to also participate in any interior drainage projects for Orange and Jefferson Counties as well as the other

participating Counties. The Bill has just been introduced in the House this week and was sent yesterday to the Natural Resources Committee. The schedule for hearings and moving to the House floor for a vote will be checked closely, which is anticipated to happen within the next couple of weeks. The Bill must be complete and passed by both the House and Senate by the end of the month in case they need to conference. The other Bill being tracked is the Supplemental Appropriations Bill. This is the Bill that will include funding for the SP2GB Project for the next two (2) years. A small glitch has occurred, and the House Appropriations Committee has passed their version of HB2 and did not include any money for SP2GB. There are commitments from the Senate that they will work hard to get the \$200 million put into the Senate version of the Bill, which would then be conferenced with the House. At the first of the month, the Senate Finance Committee had their first hearing on the Supplemental Appropriations Bill and pretty much unanimously all remembered their commitment to fund the SP2GB Project and they discussed the \$200 million. Therefore, it is confidently felt that there will be some funding for this Project this legislature. There is still a lot to work through, and it was a set back when it was learned that the House Appropriations Committee did not include any money for SB2GP; however, Senator Taylor and Senator Nichols is committed to trying to get the funding restored on the Senate side. Mr. Kelley reiterated that the GCPD will enable the State to get the Coastal Spine built across Galveston County, Bolivar, and the City of Galveston. The SP2GB Project is more or less the bookends of the Coastal Spine. This is mainly an effort by Senator Taylor and Representative Dennis Paul with the Galveston area to get this legislation passed to



create this district, and as a district, they will be able to sign Project Partnership Agreements with the Corps. This will enable Orange County to have a local sponsor to build its levee. Commissioner Champagne asked with this new Bill to build this Coastal Spine, is it possible that the legislature may feel why should they continue to fund the SP2GB Project, when the GCPD may supersede and take over the Project? Mr. Kelley stated in effect it will not take over the existing project in Jefferson County. Commissioner Champagne stated it may not take it over, but they are committing money to the District to help pay for SP2GB and it may be viewed that there is already a pool of money that is set up with the Coastal Spine project, so why continue to feed the SP2GB Project with State appropriations. Mr. Russo stated there is that concern, but the District has the commitments from Senator Taylor, Representative Paul, and Senator Nichols that they will try to get appropriations at every legislature. There is no guarantee on this but there is the understanding of the need for the funding. One of the things they are looking at is the fact that the Coastal Spine is somewhere in the neighborhood of \$22 to \$30 billion, and the thought process is that the more funding mechanisms there are, the more likely the State of Texas will be able to fund its \$10 to \$12 billion. They are looking at State appropriations, the taxing authority and there is currently a study in Harris County about public private partnerships to see if there are possibilities to get funding from that. Every possible funding source is being investigated to be sure the 35% of these projects can be covered by the State of Texas. Mr. Kelley stated the newly created GCPD will be able to go to the Congress in Washington to seek funding for the federal share of the Coastal Spine Project. The

Corps of Engineers has been working with the State to develop the language of the GCPD Bill that allows the signing of a PPA with the GCPD and basically trying to plan down the road to get the whole Coastal Barrier built. Commissioner Champagne stated he knows that Senator Taylor was very instrumental in getting the first batch of money and now there was no funding money put in. It makes him feel that they are now thinking of going some other direction. Mr. Kelley stated he thinks COVID is affecting the State's revenue and is playing into the situation. Going back two years ago, the \$200 million of appropriations from the State was a combination of both the rainy-day fund and moneys that were left over from the previous biennium budget. Commissioner Champagne stated the District is lucky to have Mr. Russo on board and Mr. Kelley had the insight to start the project and get some good people around him. Commissioner Champagne thanked Mr. Russo for the good job he is doing.

#### Manager's Miscellaneous Reports/Financials

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

#### HFPL Maintenance/Herbicide Crew

##### Herbicide Application:

- Main A, Main Outfall Canal, Main C, Halbouty, Lakeview Ditch, KCS Ditch.
- Stadium Ditch Lats. 1 & 2.

##### Levee:

- Checked flap and screw gates.
- HFPL Repair between Station 337+02 and 338+95.

##### Misc.:

- Pulled trash at various pump stations during rain events.
- Maintenance on herbicide chemical container.

- Assisted surveyors at HFPL inside Valero for the Sabine to Galveston Bay Project.

Contractor:

- Duck's Dragline Service: Re-establishing ditch bank on Blocks Bayou (Completed).
- GP Evans Contractors: Mowing HFPL and District Right-of-Ways

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.
- Construction Crew made repairs to tractor crossing at Pump Station No. 17.

Rental Equipment:

1-LS250X3 Track hoe, Ducks Dragline Service

District Equipment:

4-5 Yard Dump Trucks  
Backhoe, Gradall

Control Center Operation and Pump Station Maintenance Report

Station 7

Exhaust Fan-replace contacts on Pushbutton.

Station 19

New Sump Pump-Hookup and check rotation

Station 16 Annex

Troubleshooting problems with fuel solenoids, clutch, and greaser problems on engines.

Station 19

Rake B-dislodge jammed 2 by 10 from gripper and test rake. Return to Auto.

Station 11

Sump Pump-motor windings open, disconnect for crew to pull pump.

Mechanic Welding Shop

Repair light fixture above fabrication table.

Jasco Pump

Install weatherproof switch on Jasco Pump at Fab Shop

Station 3

Reinstall conduit and Bay Light above sump pumps inside the station.

Station 8

Disconnect engine block heaters and remove conduit and wire for crews to install new engine.

Station 16-Annex

Unit 2-Disconnect air compressor on clutch.

Station 19

Generator-breaker tripped feeding battery charger and engine block heater. Found block heater shorted, disconnected block heater and reset charger. Let battery charge overnight and will test Generator.

Station 8

Unit 1-new engine-install batteries and 24volt charger with 120-volt receptacle. Also hooked up a signal relay.

Electric Shop

Install new 20-gallon water heater.

Station 5 Annex

Hook up new 25HP motor on vertical sump pump with 120volt Oil Solenoid. Check Rotation and place in Auto.

Station 19

Sump Pump, motor grounded, disconnected for crew to pull.

Station 16-Annex

Changing out fuel solenoids on Engines.

Mechanic Shop

Repair and relamp security lights.

Station 10

Repair security light on generator building. Relamp fluorescent lights inside station.

Station 14

Generator-pump fuel pump to get engine started. Check valve on Generator fuel system needs repair by mechanics.

Station 6

Unit 4 Sump pump greaser, motor burnt out, replace motor, test, and return to Auto.

Fab Shop

Troubleshoot to find bad 480volt light that is tripping breaker. Change ballast and bulb in light fixture to fix problem.

Station 7

Unit 8 sump pump-disconnect motor for crew to fix oil seal on pump.

Station 3

Trash Rake-change out bad solenoid on hydraulic system. Test run Rake

Station 1,2,3,15&19  
Test run automatic Rakes.

Station 19  
Sump Pump-check pump-motor grounded, disconnect for crew to remove.

Station 10  
Instrument man and electricians working to keep station operational during Corp of Engineers project.

Construction Notes - Alligator Bayou Pump Station Annex  
March 29, 2021 – April 9, 2021

Monday, March 29:

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

Allco superintendent (1) on site Terrell (1) with (5) operators/laborers reported.

Allco is welding steel plates onto the top of the sheet piling to reinforce the tops for pulling. The crew is working to attach a cable to a trackhoe to help pull on the remaining battered I-beams while the operator applies vibration to the beams.

Tuesday, March 30:

Alligator Project; Allco worked on site today. Weather conditions were cloudy and windy. The site conditions were dry.

Allco superintendent (1) on site Terrell (1) with (6) operators/laborers reported.

Allco's crew is continuing to weld support plates to the tops of the sheet piling.

Allco called in a mechanic to work on the Vibro due to the jaw clamp not staying locked-in.

E.S.I. (1) is on site changing out the control panel and floats on the Simplex fuel return system on the second floor of the station.

Wednesday, March 31:

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

Allco superintendent (1) on site Terrell (1) with (5) operators/laborers reported.

Allco's mechanic is still working on the Vibrator. The mechanic replaced the jaw clamp and found that all the Vibro's rubber bushings need to be replaced. The plan is to replace the bushings tomorrow. The crew is welding steel support plates onto the tops of the sheet piling.

Thursday, April 1:

Alligator Project; Allco worked on site today. Weather conditions were sunny and cold. The site conditions were dry.

Allco superintendent (1) on site Terrell (1) with (4) operators/laborers reported. Allco's crew is welding steel support plates onto the top of more piling to reinforce the sheets for pulling. The mechanic is continuing to work on the Vibro.

Friday, April 2:

Alligator Project; Allco and DD7 are not working on site in observance of the Easter holiday break.

Monday, April 5:

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

Allco superintendent (1) on site Terrell (1) with (5) operators/laborers reported.

Allco's Vibro is still out of service. Allco needs to pay for the repair of the Vibro to get it back in service. The crew is welding steel support plates to the tops of the remaining sheet piling.

Tuesday, April 6:

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

Allco superintendent (1) on site Terrell (1) with (5) operators/laborers reported.

Allco's crew is continuing to weld steel support plates to the tops of the sheet piling. The Vibro is still not fixed, so sheet pile cannot be pulled.

Wednesday, April 7:

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

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

Allco's crew is water jetting next to the sheet pile and welding reinforcing steel plates to the top of the sheet piling, so that when the Vibro is repaired the crew can start attempting to pull more piling.

Thursday, April 8:

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

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

Allco's air compressor that they were using for the water jetter stop working. Allco had to call in another compressor which did not arrive until after noon. The crew is also continuing to weld steel support plates to the top of the piling.

DD7's representative was told by Terrell that the Vibro mechanic will return to the site Monday 4-12-21 to repair the Vibro.

Friday, April 9:

Alligator Project; Allco did work on site today; however, DD7's site representative was off, so a daily report was not generated.

Mr. Phil Kelley submitted the latest rendition of the new office building with a floor plan included and stated he and Allen Sims are back working with Sigma Engineers on the project. Mr. Kelley stated more offices may be needed because of the SP2GB Project, so they added an additional row of offices to the original floor plan. Commissioner Gamble asked if the new office building would give employees of the District a means to not have to leave and stay elsewhere during storm events. Mr. Kelley stated that he would retain the option to take employees to a secure high ground location, such as the airport, to ride out a storm that threatens to overtop the levee system, but the office building will be built at a higher elevation and will not be affected by a storm surge that is contained outside of the levee system or a flood such as Harvey. In addition to the new office, they are looking into building a new employee room and relocating the kitchen facility so that after the storm the new office building and the new employee room once built will serve as quarters for all employees. Plans and specifications will continue to be worked on and be brought back to the Board before the project goes out for bids.

Mr. Phil Kelley submitted a letter the District received from Charles E. Reed & Associates, who is the company that is performing the District's audit. The letter sets forth particular information regarding the company's significant audit findings that is required under the generally accepted auditing standards. No action is required on this matter. Auditing standards simply requires the District to note receipt of the letter by the Board of Commissioners.



Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ended March 31, 2021, and gave a collateral securities report as of March 31, 2021.

Checks & Purchase Orders  
Maintenance Fund

Ck. No. 18186 – Charles E. Reed & Associates, P.C.  
\$18,500.00 – Independent Auditor Fees

Ck. No. 18187 – City of Port Arthur  
\$155.00 – Police Off Duty Vehicle Use to Patrol Levee

Ck. No. 18188 – Coastal Welding Supply  
\$4,275.00 – Annual Cylinder Lease

Ck. No. 18189 - Duck's Dragline Service, Inc.  
\$12,240.00 – Rental LS250X4 Trackhoe 4/8-4/15/21, LS250X4 Trackhoe  
4/1-4/7/21 and LS250X3 Trackhoe 4/1-4/15/21

Ck. No. 18190 - Filmr, LLC.  
\$156.00 – Social Media Posts

Ck. No. 18191 – Function 4, LLC  
\$542.06 – Copy Charges for Copier and Overage Copies, Copier Service  
and Installation of Printhead

Ck. No. 18192 - Groves Equipment Rental Co., Inc.  
\$2,700.00 – Rental 15 Ton Crane, 3/17-4/16/21

Ck. No. 18193 – Johnny's Towing & Recovery  
\$300.00 – Rental of Transport Truck 4/2/21

Ck. No. 18194 – Kansas City Southern.  
\$32.19 – Rental on 2 50' X 31" Metal Arch Pipe Crossings 3/29-6/30/21

Ck. No. 18195 – KT Trucking & Cattle Co.  
\$3,760.00 – Rental of Dump Truck and Drive 3/10/21 and 2 Loads  
of Bullrock

Ck. No. 18196 – LJA Engineering, Inc.  
\$50,581.53 – Data System and GIS Project for 2021, Nederland, Groves,

Port Neches and Port Arthur Coalition, Halbouty Detention HMGP Project, Stormwater Management Plan, A-3-A HMGP Project, Groves HMGP Project, Halbouty HMGP and Alligator Bayou Upgrade

Ck. No. 18197 – M & S Unlimited Services, LLC  
\$642.00 – Labor and Materials to Repair Forklift  
Ck. No. 18198 - Mutual of Omaha Companies  
\$1,135.22 – Health Insurance Payment

Ck. No. 18199 – National Networks  
\$3,888.79 - Computer Services for May 2021 and Annual Fee  
For Sophos Fullguard Firewall for Mechanic Shop

Ck. No. 18200 - Nerbert Frelow  
\$2,880.00 – Dump Truck Rental, 4/6-4/15/21

Ck. No. 18201 – Norman Highway Constructors, Inc.  
\$65,038.95 – Improvements to Lateral A3A Crossings at Hogaboom Road and Baird Street

Ck. No. 18202 – Sprint Waste Services, LP  
\$1,590.00 – Removal of Waste from Pump Stations for March 2021

Ck. No. 18203 – Tower Medical Center of Nederland  
\$5,687.60 – Employee Temperature Checks

Ck. No. 18204 – W-Industries of Texas, LLC  
\$37,600.00 – Update Data Operations System Control Center

Ck. No. 18205 – Waukesha-Pearce Industries  
\$4,230.00 – Rental Soil Compactor, 3/30-4/27/21

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

Commissioner Gamble stated he is not sure if this is of concern to anyone else, but the fact that the Alligator Bayou Pump Station Annex Project is not complete is really bothering him. He feels the Contractor is dragging its feet and not doing much to

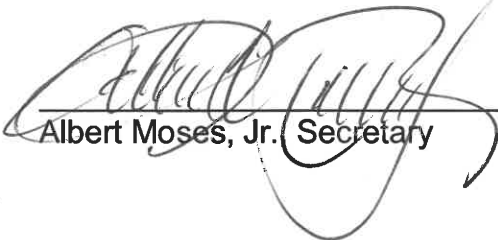
finish the project. He knows the project has exceeded the time the District has been told and he does not feel it is good business. Mr. Allen Sims stated he agrees with Commissioner Gamble that it is taking way too long to finish the project however there are only two (2) things the District can do. One is to call in the Contractor's bonds and have another contractor come in and finish the project and the second is to charge the Contractor liquidated damages which are currently in the amount of approximately \$100,000. Mr. Sims stated he does not know what to do to push the Contractor any harder. The District has had numerous meetings with the Contractor. The Contractor only has one small crew out on the job site, and Mr. Sims feels they should be more focused on getting complete. Mr. Sims did state there is enough of the sheet-pile coffer dams removed that the pump station is functional to run all pumps. Mr. Kelley stated if the District calls in the bonds, this will only delay the project further. The Contractor has been trying to meet with Mr. Kelley to get release of some of its retainage; however, Mr. Kelley stated this is not going to happen. There were only two (2) bids received on the Project, which were \$30 million apart. Prior to recommending the lowest bidder, Mr. Kelley, along with Allen Sims, met personally with the Owner of the Contractor Company and had him look Mr. Kelley in the eye and state that the Contractor Company could do the Project for what they bid it for. This is the reason the recommendation was made to go with the lowest bidder. Evidently the bid was the lowest, but not the best.

Chairman Beaumont asked if there were any questions from the public. David French, a Nederland resident, said a few meetings ago it was stated the public could

help the District on permitting for new detentions by letting it know of new construction. Mr. French asked who he should send this type information to, and Mr. Kelley stated he can send the information to the District's mailing address at P.O. Box 3244, Port Arthur, Texas 77643, to the attention of Allen Sims. Mr. French stated one of the items will be the new high school for Nederland that they are breaking ground on and where all the water will be going. Mr. French is hoping none of it will be coming toward Rodair Gully. Garrett Boudoin and Allen Sims stated no one has contacted the District regarding this new construction, and the District will check into what Nederland Independent School District is doing.

At 3:04 p.m., Commissioner Moses moved that the meeting be adjourned. Commissioner Champagne seconded the motion. The motion carried.

  
Richard Beaumont, Chairman

  
Albert Moses, Jr. Secretary

**RESOLUTION NO. 474  
AUTHORIZING PROFESSIONAL SERVICES AGREEMENT  
WITH CSE W-INDUSTRIES, LLC**

STATE OF TEXAS                      §  
   §  
COUNTY OF JEFFERSON           §

WHEREAS, Jefferson County Drainage District No. 7 (the “District”) desires to enter into a Professional Services Agreement with CSE W-Industries, LLC for general engineering, consulting and integrated solution services from time to time as needed by the District; and

WHEREAS, the District wishes to authorize the District’s Manager, Phil Kelley, to execute the Professional Services 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 Professional Services Agreement with CSE W-Industries, LLC for general engineering, consulting and integrated solution services and authorize its Manager, Phil Kelley, to execute on behalf of the District the attached Professional Services Agreement.

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.

THAT payments required by the District under the Professional Services Agreement will be paid from current revenues available to the District.

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. 2346 held on the 20<sup>th</sup> day of April, 2021, upon motion made by Commissioner Vincent and seconded by Commissioner Moses and adopted unanimously by said Board, a quorum being present.

Given under my hand this 20<sup>th</sup> day of April, 2021.

  
\_\_\_\_\_  
Secretary  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7



## PROFESSIONAL SERVICES AGREEMENT

This Agreement prepared on 04/06/2021 is by and between Jefferson County Drainage District No. 7 ("DD7) with address at P.O. Box 3244, Port Arthur, Texas 77643-3244 ("Client") and CSE W-Industries, LLC, who agree as follows:

Client engages CSE W-Industries, LLC to perform professional services (the "Services") for the compensation set forth in one or more proposals or work authorizations (the "Proposal(s)") for one or more projects (the "Project(s)"). CSE W-Industries, LLC shall be authorized to commence the Services upon execution of the Proposal(s) by the Client. Client and CSE W-Industries, LLC agree that this Agreement, the Proposal(s), and any attachments herein incorporated by reference (the "Agreement") constitute the entire agreement between them.

**I. CSE W-Industries, LLC:** CSE W-Industries, LLC shall perform or furnish the Services described in the Proposals, which shall be combined and attached as part of this Agreement. Where the terms or conditions of any Proposal conflict with those of Parts I-III contained herein, the Proposal shall control for the Services performed under that Proposal only.

**II. CLIENT'S RESPONSIBILITIES:** Client, at its expense, shall do the following in a timely manner so as not to delay the Services:

**1. INFORMATION/REPORTS:** Furnish CSE W-Industries, LLC with all information, reports, studies, site characterizations, advice, instructions, and similar information in its possession relating to the Project.

**2. REPRESENTATIVE / ACCESS:** Designate a representative for the Project who shall have the authority to transmit instructions, receive information, interpret and define Client's policies, and make decisions with respect to the Services, and provide CSE W-Industries, LLC safe access to any premises necessary for CSE W-Industries, LLC to provide the Services.

**3. DECISIONS:** Provide all criteria and full information as to requirements for the Project, obtain (with CSE W-Industries, LLC assistance, if applicable) necessary approvals and permits, attend Project-related meetings, provide interim reviews on an agreed-upon schedule, make decisions on Project alternatives, and participate in the Project to the extent necessary to allow CSE W-Industries, LLC to perform the Services.

**III. COMPENSATION, BILLING, & PAYMENT:** Client shall pay CSE W-Industries, LLC for Services as denoted in the applicable Proposal and in accordance with the standard rate schedule – Attachment B.

**IV. STANDARD TERMS AND CONDITIONS:** Attachment A.

The persons signing this Agreement warrant that they have the authority to sign as, or on behalf of, the party for whom they are signing and each of the undersigned parties has caused this Agreement to be duly executed. Client has read and consents to all terms.

**APPROVED FOR "CLIENT"**  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: \_\_\_\_\_

**APPROVED FOR CONSULTANT**  
CSE W-Industries, LLC

By: Michael Bain  
Digitally signed by Michael Bain  
Date: 2021.04.15 11:57:00 -05'00'

Printed Name: Michael Bain

Title: President of Operations

Attachments:  
A – Standard Terms and Conditions – Pages 2-4 of this Agreement  
B – Standard Rate Schedule – to be provided by Consultant

## ATTACHMENT A STANDARD TERMS AND CONDITIONS

**1. STANDARD OF CARE.** Services shall be performed with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license. Professional services are not subject to, and CSE W-Industries, LLC cannot provide, any warranty or guarantee, express or implied, including warranties or guarantees contained in any uniform commercial code, work authorization, requisition, or notice, except as provided herein.

**2. CHANGE OF SCOPE.** The scope of Services set forth in any Proposal is based on facts known at the time of execution of the Proposal, including, if applicable, Client Data (defined below). As the Project progresses, facts discovered, including, but not limited to, site conditions or the existence of differing subsurface or physical conditions, may indicate that the scope, pricing, or other terms must be redefined, and the parties shall reasonably cooperate to equitably adjust the scope, pricing, or terms of this Agreement accordingly.

**3. SAFETY.** CSE W-Industries, LLC has established and maintains corporate programs and procedures for the safety of its employees. Unless included as part of the Services, CSE W-Industries, LLC specifically disclaims any authority or responsibility for general job site safety and safety of persons other than CSE W-Industries, LLC employees.

**4. DELAYS.** The Services shall be performed expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer. Where CSE W-Industries, LLC is prevented from completing any part of the Services within the schedule provided under the Agreement due to delay beyond its reasonable control, the schedule will be extended in an amount of time equal to the time lost due to such delay so long as CSE W-Industries, LLC provides written explanation of the delay to Client. Except with regard to payment of any amounts due CSE W-Industries, LLC from any Services, neither party shall be liable to the other for any delays or failure to act, due to unforeseeable causes reasonably beyond the control of the party claiming such circumstances.

**5. TERMINATION/SUSPENSION.** Either party may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of termination, Client shall pay CSE W-Industries, LLC for all Services, including profit relating thereto, rendered prior to termination, plus any expenses of termination. In the event either party defaults in its obligations under this Agreement (including Client's obligation to make the payments required hereunder), the non-defaulting party may suspend performance under this

Agreement. In the event of a suspension of Services, CSE W-Industries, LLC shall have no liability to the Client for delay or damage caused the Client because of such suspension of Services. Before resuming Services, CSE W-Industries, LLC shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of CSE W-Industries, LLC Services. CSE W-Industries, LLC fees for the remaining Services and the time schedules shall be equitably adjusted. Obligations under this Agreement, which by their nature would continue beyond the suspension or termination of this Agreement (e.g., indemnification), shall survive such suspension or termination.

**6. RELATIONSHIP WITH CONTRACTORS / REVIEW.** CSE W-Industries, LLC shall serve as Client's professional representative for the Services and may make recommendations to Client concerning actions relating to Client's contractors, but CSE W-Industries, LLC specifically disclaims any authority to direct or supervise the means, methods, techniques, security or safety activities, personnel, compliance, sequences, or procedures of construction selected by Client's contractors. For Projects involving bid preparation, CSE W-Industries, LLC may supply standard contract forms, templates, or other documents that will be executed between the Client and contractor(s). It is the Client's responsibility to review those documents and to obtain legal advice thereon. For Projects involving construction, Client acknowledges that under generally accepted professional practice, interpretations of construction documents in the field are normally required, and that performance of construction-related services by the design professional for the Project permits errors or omissions to be identified and corrected at comparatively low cost. Evaluations of Client's budget for construction and estimates prepared by CSE W-Industries, LLC represent CSE W-Industries, LLC judgment as a design professional. It is recognized, however, that neither CSE W-Industries, LLC nor Client have control over the cost of labor, materials, or equipment, the contractor's methods of determining bid prices, or competitive bidding, market, or negotiating conditions. Accordingly, CSE W-Industries, LLC cannot and does not warrant or represent that bids or negotiated prices will not vary from Client's budget or from any estimate of costs prepared or agreed to by CSE W-Industries, LLC. CSE W-Industries, LLC shall not be responsible for the contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. In fulfilling its duties pursuant to the Agreement, Client permits CSE W-Industries, LLC to elect to subcontract to others certain tasks in its scope of Services.



**7. INSURANCE.** CSE W-Industries, LLC will maintain insurance coverage for Professional Liability, Commercial Liability, Auto, and Workers' Compensation in amounts in accordance with legal and business requirements. Certificates evidencing such coverage will be provided to Client upon request. For Projects involving construction, it shall be Consultant's responsibility to ensure that Client's construction contractor, include Client and CSE W-Industries, LLC as an additional insured on its policies relating to the Project. CSE W-Industries, LLC coverages referenced above shall, in such case, be excess over any contractor's primary coverage. Client shall require its construction contractor to include CSE W-Industries, LLC as an indemnified party under any indemnification obligation of contractor to Client to the fullest extent allowed by law.

**8. PROJECTS WITH MULTIPLE CLIENTS.** When CSE W-Industries, LLC undertakes a Project for multiple Clients, each Client on the Project is jointly and severally liable for payments for CSE W-Industries, LLC Services. If any Client fails to make timely payment to CSE W-Industries, LLC, and the remaining Clients wish to continue the Project, the remaining Clients will promptly notify CSE W-Industries, LLC in writing to continue the Project and their joint and several obligations shall remain the same. CSE W-Industries, LLC, at its option, may suspend the remaining performance under this Agreement until all past due payments are made, and authorization to proceed and pay from all non-defaulting Clients is received, or continue work on the Project and invoice and collect from the remaining Clients any payment (including damages) of amounts past due and that become due.

**9. SITE CONDITIONS.** Hazardous, archaeological, paleontological, cultural, biological, or other materials, protected resources, unknown underground facilities, or other conditions ("Conditions") may exist at a site where there is no reason to believe they could or should be present. CSE W-Industries, LLC and Client agree that the discovery of unanticipated Conditions constitutes a changed condition that may mandate a renegotiation of the scope of Services. CSE W-Industries, LLC will notify Client should unanticipated Conditions be encountered.

**10. INDEMNITY.** CSE W-Industries, LLC shall indemnify Client from and against liability for damage to the extent that the damage is actually caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by CSE W-Industries, LLC, CSE W-Industries, LLC agent, or another entity over which CSE W-Industries, LLC exercises control.

**11. CONSEQUENTIAL DAMAGES.** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST

REVENUES, LOSS OF USE, LOSS OF FINANCING, LOSS OF REPUTATION, LOST PROFITS, DELAYS, OR OTHER ECONOMIC LOSS ARISING FROM ANY CAUSE INCLUDING BREACH OF WARRANTY, BREACH OF CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER CAUSE WHATSOEVER, NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY. REGARDLESS OF LEGAL THEORY, CSE W-Industries, LLC SHALL BE LIABLE ONLY TO THE EXTENT THAT ANY DAMAGES SPECIFIED HEREIN ARE FOUND BY A FINAL COURT OF COMPETENT JURISDICTION TO HAVE BEEN THE SEVERAL LIABILITY OF CSE W-Industries, LLC. TO THE EXTENT PERMITTED BY LAW, ANY STATUTORY REMEDIES THAT ARE INCONSISTENT WITH THIS PROVISION OF THE AGREEMENT ARE WAIVED.

**12. REUSE OF PROJECT DELIVERABLES.** Reuse of any documents or other deliverables, including electronic media, pertaining to the Project by Client for any purpose other than that for which such were originally prepared, or alteration of such without the written verification or adaptation by CSE W-Industries, LLC for the specific purpose intended, shall be at the Client's risk. All title blocks and the engineer's seal, if applicable, shall be removed if Client provides deliverables in electronic media to any third party. Any modification of the plans will be evidenced on the plans and be signed and sealed by a licensed professional prior to re-use of modified plans. Client agrees that relevant analyses, findings, and reports provided in electronic media shall also be provided in hard copy and that the hard copy shall govern in the case of a discrepancy between the two versions, and shall be held as the official set of drawings, as signed and sealed. Client shall be afforded a period of thirty (30) days to check the hard copy against the electronic media. In the event that any error or inconsistency is found during that time, CSE W-Industries, LLC shall be advised and the inconsistency shall be corrected at no additional cost to Client. Following the expiration of this notice period, Client shall bear all responsibility for the care, custody, and control of the electronic media. In addition, Client represents that it shall retain the necessary mechanisms to read the electronic media. Client agrees to indemnify and hold harmless CSE W-Industries, LLC from all claims, damages, and expenses (including reasonable litigation costs) arising out of such reuse or alteration by Client or others acting through Client.

**13. CLIENT DATA.** Client or any third party designated by Client may provide information, reports, studies, site characterizations, advice, instructions, and similar information in its possession relating to the Project ("Client Data"). CSE W-Industries, LLC may reasonably and in good faith rely upon the accuracy of Client Data and unless described as part of the Services, CSE W-Industries, LLC is not required to audit, examine, or verify Client Data. However, CSE W-Industries, LLC will not ignore the

implications of information furnished to CSE W-Industries, LLC and may make reasonable inquiries if Client Data as furnished appears to be incorrect or incomplete. CSE W-Industries, LLC makes no representations or warranties (express or implied) as the quality, accuracy, usefulness, or unreliable, inaccurate, or incomplete Client Data.

**14. ASSIGNMENT/BENEFICIARIES.** Neither party may assign this Agreement without the written consent of the other party. With the exception of such assignments, nothing contained in this Agreement, nor the performance of the parties hereunder, is intended to benefit, nor shall inure to the benefit of, any third party, including Client's contractors, if any.

**15. AMENDMENT, NO WAIVER, & SEVERABILITY.** This Agreement can be amended in writing and signed by the parties. No waiver by either party of any default by the other party in the performance of this Agreement shall invalidate any other section of this Agreement or operate as a waiver of any future default, whether like or different in character. The various terms, provisions, and covenants herein contained shall be deemed to be separate and severable, and the invalidity or unenforceability of any of them shall not affect or impair the validity or enforceability of the remainder.

**16. INDEPENDENT PARTIES.** Each party is an independent entity and is not a partner, agent, principal, or employee of the other party, unless otherwise agreed to by the parties in writing. Nothing in this Agreement shall restrict or otherwise prohibit either party or their respective affiliates in the conduct of their businesses.

**17. STATUTE OF LIMITATION.** To the fullest extent permitted by law, the parties agree that the time period for bringing claims under this Agreement shall expire two (2) years after Project completion, and ten (10) years under the statute of repose.

**18. STATUTORY TERMS APPLICABLE TO STATE POLITICAL SUBDIVISIONS.** As required by Chapter 2271, Government Code, CSE W-Industries, LLC hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

**19. DISPUTE RESOLUTION.** The parties shall attempt to settle all claims, disputes, and controversies arising out of or in relation to the performance, interpretation, application, or enforcement of this

completeness of any Services to the extent CSE W-Industries, LLC relies on Client Data. CSE W-Industries, LLC, its affiliates, its officers, directors, and employees shall have no liability whatsoever with respect to the use of

Agreement, including but not limited to breach thereof, by discussion between the parties' senior representatives. If any dispute cannot be resolved in this manner, within five (5) business days, the parties agree to refer such claims, disputes, and controversies to mediation by a mediator mutually agreed to and equally paid for by the parties before, and as a condition precedent to, the initiation of any adjudicative action or proceeding. The mediator shall convene the mediation within ten (10) business days of the request of either party, and the mediation will last at such times and as long as the mediator reasonably believes agreement is probable. The parties agree that an officer of each entity with complete authority to resolve the dispute shall attend the mediation. Notwithstanding the foregoing, prior to or during negotiation or mediation, either party may initiate litigation that would otherwise become barred by a statute of limitation, and CSE W-Industries, LLC may pursue, at any time and without invoking dispute resolution as provided herein, any property liens or other rights it may have to obtain security for the payment of its invoice. In the event any actions are brought to enforce this Agreement, the prevailing party shall be entitled to collect its litigation costs including reasonable attorney's fees from the other party.

**20. LITIGATION SUPPORT.** CSE W-Industries, LLC will not be obligated to provide expert witness or other litigation support related to its Services, unless expressly agreed in writing. In the event CSE W-Industries, LLC is required to respond to a subpoena, inquiry, or other legal process related to the Services in connection with a proceeding to which CSE W-Industries, LLC is not a party, Client may, in its sole reasonable discretion, agree to reimburse CSE W-Industries, LLC for its costs and compensate CSE W-Industries, LLC at its then standard rates for the time it incurs in gathering information and documents and attending depositions, hearings, and the like, but if Consultant's testimony or opinions are contrary to Client's interests Client shall not be compelled to reimburse or pay Consultant.

**21. GOVERNING LAW.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to any conflict or choice of law rules or principles under which the law of any other jurisdiction would apply. Each party hereby submits to the jurisdiction of the federal and state courts located in the county of Jefferson County, Texas and agree that such courts shall be exclusive forum and venue for resolving any legal suit, action or proceeding arising out of or relating to this Agreement.

Ver.25MAR2021