

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2379  
COMMISSIONERS OF  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: September 6, 2022

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

Absent: Albert Moses, Jr.

Visitors: Allen Sims, DD7  
Dean Depew, DD7  
Brady Girouard, DD7  
Garrett Boudoin, DD7  
Keith Zotsky, AWC  
Carl Griffith  
Becky Ames  
Kim Carroll, Texan Engineering & Consulting, LLC (Via Zoom)  
Cary Erickson (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 Vincent gave the invocation.

Minutes of Meeting No. 2378

The Minutes of Meeting No. 2378 was approved as read.

Consider Resolution Authorizing Tax Abatement Agreement with OCI Clean Ammonia, LLC for Phase 1 and Phase 2 for Property Located in the OCI 2022 Reinvestment Zone

Resolution No. 492 Authorizing Abatement Agreements for Phase 1 and Phase 2 for Property located in the OCI 2022 Reinvestment Zone was presented to the Board for

consideration. Mr. Phil Kelley introduced OCI Clean Ammonia, LLC representative, Mr. Carl Griffith. Mr. Griffith gave a summary regarding the proposed project. Mr. Griffith stated that OCI is constructing a renewable ammonia manufacturing facility. OCI has had a presence in Southeast Texas for over 10 years. This project has an estimated investment of \$2.4 to \$2.8 billion with up to 120 new permanent employees. Taxable inventory is estimated to be \$20 to \$30 million, which will add tax revenue that is not subject to a tax abatement. The EPA is planning to make the capture of methane gas from landfills mandatory in the next three years. Utilizing this process, the cities will not have to capture and dispose of methane gas from their landfills. The proposed facility will process the methane gas into renewable ammonia.

Commissioner Vincent moved to approve Resolution No. 492 Authorizing Abatement Agreements for Phase 1 and Phase 2 for property located in the OCI 2022 Reinvestment Zone. Commissioner Champagne seconded the motion. The motion carried. A copy of Resolution No. 492 is attached hereto and made a part of these minutes.

Consider Resolution Authorizing Tax Abatement Agreement with OCI Fuels USA, Inc. for Phase 1 and Phase 2 for Property Located in the OCI 2022 Reinvestment Zone

Resolution No. 493 Authorizing Abatement Agreements for Phase 1 and Phase 2 for Property located in the OCI 2022 Reinvestment Zone was presented to the Board for consideration. OCI Fuels USA, Inc.'s representative Mr. Griffith stated that OCI Fuels USA, Inc. is constructing a renewable methanol to gasoline facility and a renewable syngas facility, which will feed a methanol synthesis loop to make green/bio-methanol. The estimated total investment is \$1.7 to \$2.1 billion with 120 new permanent employees.

Taxable inventory is estimated to be up to \$26 million, which will add tax revenue that is not subject to a tax abatement.

Commissioner Champagne moved to approve Resolution No. 493 Authorizing Abatement Agreements for Phase 1 and Phase 2 for property located in the OCI 2022 Reinvestment Zone. Commissioner Gamble seconded the motion. The motion carried. A copy of Resolution No. 493 is attached hereto and made a part of these minutes.

Public Hearing on Proposed Tax Rate for FY 22/23

Chairman Beaumont asked if there was anyone from the general public that would like to speak to the proposed tax rate of 0.258589 per \$100 valuation. There were none.

Consider Adopting Tax Rate and Exemptions for FY 22/23

Mr. Phil Kelley stated the proposed tax rate is 0.258589 per \$100 valuation. Commissioner Vincent moved that the tax rate for the 2022/2023 tax collection be set as follows:

Tax Rate

M & O Fund	0.258589 per \$100 valuation
Total	0.258589 per \$100 valuation

Commissioner Champagne seconded the motion. The motion carried.

2023 tax exemptions are set as follows:

Exemptions

Optional	20% or \$5,000
Over 65 & Disabled	\$40,000
Disabled Veterans	\$12,000 (maximum)

Primary Charitable Organizations

Totally – As Approved by Texas State Comptroller

Consider Ratification of Acceptance of Funding from South East Texas Regional Planning Commission's (SETRPC) Regional Mitigation Program

Mr. Kelley stated that he advised the Board in the last meeting that a commitment letter was due to the SETRPC for the portion of \$142,878,000 for CDBG mitigation projects, of which \$41,367,000 was potentially committed to the District. The commitment letter was due August 18, 2022. Mr. Kelley advised that he signed the commitment letter to meet the deadline. This consideration is to ratify the manager's acceptance of the funding. Commissioner Vincent reminded the Board that fifty percent of the funding must benefit low to moderate income people. Mr. Kelley stated that the Shreveport Pump Station located downtown is in need of repair and added capacity. The District has an estimate of \$24 million to build the new pump station, so the \$20,683,000 will aid in the rehab and expansion of the existing pump station. The remainder of \$41 million can be used on other drainage improvement projects at the District's discretion. Additionally, the Sabine Pass to Galveston Bay project will add fronting protection for all of the pump stations on the waterway. Commissioner Champagne moved to approve the Ratification to Accept the Funding from SETRPC's Regional Mitigation Program. Commissioner Gamble seconded the motion. The motion carried.

Consider Employer Contribution Modification to the Texas County & District Retirement System

Mr. Kelley advised that this proposed modification would increase the District's contribution from 13% – 15% to 27.61% of gross payroll. The modification would increase the District's match from \$1.50 to \$2.25 per dollar. Mr. Sims reiterated to the Board that while he was attending the Annual TCDRS Conference in July, he learned that the District's current fund match was significantly lower than other local TCDRS participants.

Currently, for every dollar that the employee contributes the District contributes \$1.50. Surrounding comparable entities match from \$2.00 to \$2.50. Mr. Sims recommended that the District increase its match to \$2.25 per dollar to help maintain the retention of its employees. Commissioner Beaumont asked how much the increase would cost? Mr. Sims stated that with the current match (\$1.50) the District paid \$1.27 million. Next year will be \$2.2 million, increasing approximately \$935,000. The increase will not go into effect until January 1, 2023. TCDRS would increase the rate for eight years to 26-27% then it will drop back down to the 10-12%. Currently the District is 97% funded. With this increase, our account will drop down to 78% funded but after eight years the account will be back up to 100% funded. The increase will not increase the District's tax rate. Commissioner Champagne motioned to approve the Employer Contribution Modification to Texas County and District Retirement System to 225%. Commissioner Gamble seconded the motion. The motion carried.

Consider Advertisement for Bids on Utility Relocate Related to the Sabine Pass to Galveston Bay Project

Mr. Sims introduced Keith Zotzky with Arceneaux, Wilson and Cole and stated he was present to answer questions if necessary. The District will be requesting bids to relocate two sanitary lines and one water line relating to Contract 3B of the Sabine Pass to Galveston Bay Project. As per the agreement between the District and the City of Port Arthur, the District will complete the project and then turn it over to the City of Port Arthur to operate and maintain. The plans are reviewed and approved in advance by the City of Port Arthur. The cost of this project is creditable work and will go toward the District's 35% cost share. Commissioner Champagne motioned to approve the request to

Advertise for Bids on Utility Relocates Related to the Sabine Pass to Galveston Bay Project. Commissioner Gamble seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard gave a brief update on the Sabine Pass to Galveston Bay Project Summary and stated Contract 3A has been advertised. The bid deadline is September 9, 2022. Contract 3A includes fronting protection for Alligator Pump Station, Lakeside Pump Station, and Rodair Pump Station. The District is working to address environmental and wetland concerns with the remaining contracts. The attorneys are working on land acquisitions. Some of the land acquisitions will be surface encumbrance of property and subsurface encumbrance of property.

Mr. Kelley stated that he traveled to Austin to testify before the House Natural Resources Committee. Although the session does not begin until January, the committee has hearings prior to the session on interim charges which are utilized as fact-finding missions and to gather information. Mr. Kelley was asked to testify and answer questions before the committee on behalf of the District along with other local drainage entity representatives as to this project.

On September 1, 2022, the District submitted a funding request to the General Land Office (GLO) for \$24.5 million for the District's cost share for Contract 3. Upon receipt of the funding request, Mr. Kelley was advised that the Local Cooperation Agreement (LCA) with the GLO terminated August 31, 2022. The District is working with the GLO to amend the LCA to extend the deadline for the District to request reimbursements and advanced funding from the GLO. The amended deadline would be August 31, 2023.

### Preliminary Budget Discussion

Mr. Kelley submitted a Preliminary Budget to the Board. The tax revenue has increased based on 97% collections. The District is beginning the year with an estimated fund balance of \$10 million, current tax estimate of \$32,775,000 and other revenues totaling an estimated revenue of \$43,105,285. The cost-of-living adjustment and increased staff added \$125,000 to payroll for the current year. The fringe benefits increased \$935,000 due to the retirement contribution modification. Mr. Kelley stated that due to increasing cost of fuel, material, and services, he has had to increase many line items that has not needed increasing in many years. The capital outlay account which includes trucks and equipment increased to \$585,000. Special projects increased \$25,000. The total estimated expenditure is \$40,886,000. If the remaining fiscal year moves forward without any major unforeseen expenditures, the District should be able to move \$20 million to the capital fund. This fund will cover the District's 35% cost share of the Sabine Pass to Galveston Bay Project should the state stop providing funding to help offset the District's portion of the cost share. This will increase the capital fund to at least \$50 million. The District remains in good financial condition.

### Manager's Miscellaneous Reports

The following report was submitted to give an updated status:

#### Construction Notes - Alligator Bayou Pump Station Annex August 8, 2022 – August 26, 2022

Monday, August 8:

Alligator Project; Allco crew did not work on site today. Weather conditions were partly cloudy. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.

Allco crew is not on site today.

Tuesday, August 9:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy and held rain showers. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.

Allco crew is not on site today.

Wednesday, August 10:

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

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

Allco has started installing buoys on 1" stainless steel cable.

Thursday, August 11:

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

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

Allco is working on buoy line and is digging holes on the east/west side of the discharge bay to set poles. Preparing for concrete tomorrow.

Friday, August 12:

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

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

Allco is pouring concrete for the buoy line poles (about 3 yards per hole).

Monday, August 15:

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

Allco superintendent (1) on site with (3) operators/laborers reported.

ESI on site with (1) representative reported.

Allco is working on buoy cable, hooking one end to poles on the west side of the discharge bay. They are getting ready to pull it across the discharge bay tomorrow. Shane B. (ESI) came on site to check out the High-Level Alarm on the waste tank and the aerobic tank. The alarms are working at the tank but are not showing up in the office. Shane B. fixed the signal light on Unit #6 angle gear oil heater.

Tuesday, August 16:

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

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

Allco is pulling the buoy line across the discharge bay and hooking both ends to the poles on each side.

Wednesday, August 17:

Alligator Project; Allco crew did not work on site today. Weather conditions were sunny. The site conditions were dry.



Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Thursday, August 18:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Friday, August 19:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy and held rain showers. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Monday, August 22:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Tuesday, August 23:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Wednesday, August 24:

Alligator Project; Allco crew did not work on site today. Weather conditions held rain throughout the day. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Thursday, August 25:

Alligator Project; Allco crew did not work on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Friday, August 26:

Alligator Project; Allco crew did not work on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendent (0) on site with (0) operators/laborers reported.  
Allco crew is not on site today.

Mr. Dean Depew stated that there was a dangerous incident that occurred at new Alligator Annex Pump Station. Unit 2 was pumping when the engine drive shaft broke propelling pieces of metal throughout the pump station which caused significant damage. The shroud kept the main coupling from flying through the station. There were no injuries. The cause is being investigated. A vibration analysis is being discussed. The pump station is still operational with the remaining 5 pumps in service.

Mr. Kelley stated that the Corps is planning an open house for September 22, 2022, to be held at the Port Arthur Civic Center. There will also be a media round table and a public official and elected official meeting that have yet to be scheduled.

Commissioner Champagne asked about the new administration building progress. Mr. Kelley advised that he and Mr. Sims met with the electrical contractor today to determine where the electrical service would be placed. The District's concrete crew is forming up the parking lot to pour the concrete next week.

Checks & Purchase Orders  
Maintenance Fund

Ck. No. 20820 – 4 Horn Industrial  
\$1,541.85 – John Deere Backhoe Rental P.S. 16

Ck. No. 20821 – Advanced Staffing, Inc.  
\$9,900.80 – Summer Help Labor 8/8-8/21/22

Ck. No. 20822 – Bosco Industries  
\$450.00 – Service Renewal – Aerobic Sewage System PS 16 Annex

Ck. No. 20823 – City of Port Arthur  
\$3,589.38 – Tax Increment Fund Payment

Ck. No. 20824 – Dan Delich Consulting  
\$1,500.00 – Legislative Consulting Fees

Ck. No. 20825 – Dannenbaum Engineering  
\$2,012.29 – Rodair Gully and Groves Detention HMGP Projects

Ck. No. 20826 – Duck’s Dragline Service, Inc.  
\$4,410.00 – LS250X3 Trackhoe Rental, New Administration Building Project

Ck. No. 20827 – Function 4 LLC  
\$197.38 – Konmin Copier Lease Payment 8/15-9/14/22

Ck. No. 20828 – GP Evans Contractors  
\$34,330.00 – Seasonal Mowing Contract

Ck. No. 20829 – Groves Equipment Rental Co., Inc.  
\$2,700.00 – 15-Ton Crane Rental, 8/17-9/16/22

Ck. No. 20830 – James Gamble, Sr.  
\$270.00 – Health Insurance Payment

Ck. No. 20831 – LJA Engineering, Inc.  
\$833.00 – Stormwater Management Plan

Ck. No. 20832 – Mazzanti & Associates LLC  
\$2,500.00 – Legislative Consulting Fees

Ck. No. 20833 – Nerbert Frelow  
\$1,800.00 – Dump Truck Rental 8/16 – 8/22/22

Ck. No. 20834 – Port Arthur News  
\$531.75 – Advertisement of Public Hearing on Tax Rate

Ck. No. 20835 – Ray Russo  
\$6,310.37 – Legislative Consulting Fees

Ck. No. 20836 – Ritter Forest Products  
\$1,470.00 – Mat Rental – P.S. 3 Discharge Pipe Project

Ck. No. 20837 – Sprint Waste Services, LP  
\$157.79 – Portable Toilet Rental/Pickup Charge – Main C Ext.

Ck. No. 20838 – Texan Engineering & Consulting LLC  
\$16,740.00 – General Engineering & Blocks Bayou Project

Ck. No. 20839 – Tidal Basin Government Consulting, LLC  
\$660.00 – Rodair Gully Detention HMGP Project

Ck. No. 20840 – TWCA Risk Management Fund  
\$3,458.00 – Excess & General Liability and E & O Insurance Amendments

Ck. No. 20841 – Wells Fargo  
\$71.50 – Travel & Meeting Expenses

Ck. No. 20842 – Xylem Dewatering Solutions, Inc.  
\$5,625.00 – P.S. 3 Discharge Pipe Support Rehab

Ck. No. 20843 – Dannenbaum Engineering Corp.  
\$67,740.19 – Sabine Pass to Galveston Bay Project

Ck. No. 20844 – FILMR  
\$240.00 – Social Media


Ck. No. 20846 – Richard Beaumont  
\$207.58 – Health Insurance Payment

Commissioner Vincent 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 3:13 p.m., Commissioner Champagne moved that the meeting be adjourned. Commissioner Vincent seconded the motion. The motion carried.

  
Albert Moses, Jr., Secretary

  
Lester Champagne, Vice Chairman

**RESOLUTION NO. 492  
AUTHORIZING ABATEMENT AGREEMENTS WITH  
OCI CLEAN AMMONIA, LLC FOR PHASE 1 AND PHASE 2  
FOR PROPERTY LOCATED IN THE OCI 2022 REINVESTMENT ZONE**

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 468 on December 1, 2020, adopting the Jefferson County Amended Uniform Tax Abatement Policy-2020 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 Abatement Agreements for Phase 1 and Phase 2 for property located in the OCI 2022 Reinvestment Zone (hereinafter jointly referred to as "the Agreements") (in the form and content of that approved by the Commissioners' Court of Jefferson County) with OCI Clean Ammonia, LLC and wishes to authorize the District's Manager, Phil Kelley, to execute the Agreements 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 the Agreements for construction of a renewable ammonia manufacturing facility to be completed over a three (3)

year period in two (2) phases and authorize its Manager, Phil Kelley, to execute on behalf of the District the Agreements. The Agreements for Phase 1 and Phase 2 for property located in the OCI 2022 Reinvestment Zone are attached hereto as Exhibit "A" (without exhibits) and made a part hereof by reference.

THAT the terms of the Agreements and the property subject to the Agreements 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, Matthew E. Vincent, Assistant 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. 2379 held on the 6<sup>th</sup> day of September, 2022, upon motion made by Commissioner Vincent and seconded by Commissioner Champagne and adopted unanimously by said Board, a quorum being present.

Given under my hand this 6<sup>th</sup> day of September 2022.

  
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Assistant Secretary  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7



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 the Agreements for construction of a new methanol to gasoline manufacturing and renewable syngas facilities to be completed over a three (3) year period in two (2) phases and authorize its Manager, Phil Kelley, to execute on behalf of the District the Agreements. The Agreements for Phase 1 and Phase 2 for property located in the OCI 2022 Reinvestment Zone are attached hereto as Exhibit "A" (without exhibits) and made a part hereof by reference.

THAT the terms of the Agreements and the property subject to the Agreements 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, Matthew E. Vincent, Assistant 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. 2379 held on the 6<sup>th</sup> day of September, 2022, 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 6<sup>th</sup> day of September 2022.

  
Assistant Secretary  
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7