

**MINUTES OF VIDEOCONFERENCE MEETING NO. 2366
COMMISSIONERS OF
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

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

Date: February 15, 2022

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

Visitors: Allen Sims, DD7
Dean Depew, DD7
Garrett Boudoin, DD7
Kim Carroll, Texan Engineering & Consulting
G.P. Evans, GP Evans Contractors, LLC
Ray Russo, Consultant (appeared 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. 2365

The Minutes of Meeting No. 2364 was approved as read.

Open Bids for Seasonal Mowing Services

Mr. Kelley advised that the Seasonal Mowing Services Contract will be for a two-year period on the base bid with an option to extend up to three one-year terms. The Seasonal Mowing Services bids were opened and read as follows:

BIDDER	TOTAL AMOUNT BASE BID
Brush Masters II, LTD	\$52,190.00
Duck's Dragline Services	\$73,680.00
GP Evans Contractors, LLC	\$169,296.00
SWAT, Inc.	\$245,600.00
Vortech Contracting, Inc.	\$193,229.20

Mr. Kelley recommended that the award of the bid be tabled until the second commissioners' meeting in March to allow Ronnie Hollier and other staff members time to review the bids and documentation requested, including references. Commissioner Gamble stated he feels the quality of past work should be considered in the bid review process. Commissioner Champagne moved to table awarding the bid for the Seasonal Mowing Services until the March 15th Commissioners' meeting. Commissioner Gamble seconded the motion. The motion carried.

Consider Resolution Authorizing First Modification to Amended Tax Abatement Agreement with Emerald Biofuels

Resolution No. 485 Authorizing First Modification to Amended Tax Abatement Agreement with Emerald Biofuels was submitted to the Board for consideration. Mr. Kelley advised that the only change in the agreement is the extension of the commencement of construction date to July 1, 2022. He went on to explain that the modification has already been approved by the Jefferson County Commissioner's Court. Commissioner Gamble asked if the entity has been hiring and using local companies. Mr. Kelley stated that Emerald Biofuels has not started yet; however, before the County approves any tax abatement all that type of information has been vetted prior to its approval of the requested abatement. Commissioner Champagne motioned to approve

Resolution No. 485 Authorizing First Modification to Amended Tax Abatement Agreement with Emerald Biofuels. Commissioner Vincent seconded the motion. The motion carried. A copy of Resolution No. 485 is attached hereto and made a part of these minutes.

Consider Resolution Authorizing Amended Local Cooperation Agreement with the General Land Office

Resolution No. 486 Authorizing Amended Local Cooperation Agreement with the General Land Office was submitted for consideration. Mr. Kelley stated that the Orange County levee system will be constructed with Gulf Coast Protection District (GCPD) funds and will not be funded through the General Land Office (GLO) S2G funds appropriated through SB500 during the 86th Legislative Session. He further explained the money that the GLO had earmarked for the Orange County Levee Project will be added to the District's share which is encompassed in the Amended Local Cooperation Agreement increasing the District's original share of \$106 million to \$162,965,068.20. Commissioner Gamble asked what was the estimated completion date of the project? Mr. Kelley advised that the Corps scheduled completion date for the District's portion is 2026, whereas the Orange County portion is schedule to be completed in 2029. Ray Russo stated that the combination of the Local Cooperation Agreement with the GLO and the Interlocal Agreement with the GCPD will provide approximately \$233 million toward the District's share of project costs, which is estimated at \$320 million. Mr. Russo added that thus far we have done a good job at acquiring funds toward the District's share of the project costs. Mr. Kelley added that the District will continue

working to obtain additional funding from the GCPD. Commissioner Moses moved to approve Resolution No. 486 Authorizing Amended Local Cooperation Agreement with the General Land Office, which authorizes the manager to execute any and all documents to enter into the Local Cooperation Agreement with the GLO. Commissioner Vincent seconded the motion. The motion carried. A copy of Resolution No. 486 is attached hereto and made a part of these minutes.

Consider Resolution Authorizing Interlocal Agreement with the Gulf Coast Protection District

Resolution No. 487 Authorizing Interlocal Agreement with the Gulf Coast Protection District was submitted for consideration. Mr. Kelley advised that the Gulf Coast Protection District (GCPD) was created by the 87th Legislature. This agreement is between the District and the GCPD. He further stated that he and Mr. Sims attended a GCPD board meeting in which this agreement was approved with one minor edit by the GCPD's attorneys adding "to the extent allowed by law" in one of the indemnification clauses. At the creation of the GCPD the State Legislature provided \$200,000,000.00 through SB1 to the General Land Office to go to the GCPD. This agreement allows the District to work with the GCPD to get a portion of that \$200,000,000.00, which is in addition to the \$200,000,00.00 that was appropriated directly to the Sabine Pass to Galveston Bay Project. The District will not be signing the agreement at this time. There will be one large signing ceremony in March or April. Commissioner Gamble moved to approve Resolution No. 487 Authorizing Interlocal Agreement with the Gulf

Coast Protection District. Commissioner Moses seconded the motion. The motion carried.

Consider Principal and Interest Payment from Debt Service Fund

Mr. Kelley submitted an invoice received from Computershare Corporate Trust for a principal and interest payment in the amount of One Million One Hundred Sixty Thousand Seven Hundred Eighteen and 75/100 (\$1,160,718.75) Dollars from the Debt Service Fund for the Maintenance Notes. This is the March 2022 payment. Commissioner Vincent moved to approve the principal and interest payment in the amount of One Million One Hundred Sixty Thousand Seven Hundred Eighteen and 75/100 (\$1,160,718.75) Dollars. Commissioner Moses seconded the motion. The motion carried.

Consider Order of Election

Mr. Kelley submitted the form of the Order of Election and requested the Board approve the form and call the election. Commissioner Vincent moved to approve the Order of Election. Commissioner Champagne seconded the motion. The motion carried.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard advised that there was no substantial change on Contract 1. Contract 2 is in the data gathering phase and coordinating with Union Pacific Railway who is rehabbing adjacent rails to the project. Contract 3 known as the Valero section, has bid the first major relocation which is the east west pipe rack. The remainder of the relocations will be bid in the April-May timeframe, which all depends on the outcome of

the Phase II environmental study that is currently underway. In relation to Contract 3B, the District is in the process of discussing real estate requirements with the landowners of Kansas City Southern Railway, the Port of Port Arthur, and JBS Packing to negotiate right-of ways. Plats and appraisals are being prepared. This will be the next project that gets let out by the Corps of Engineers for construction. Discussions are underway regarding the relocations that need to occur within Contract 3A and how to accomplish them. Contract 4 has been awarded to Arcadis. It encompasses the upper region of the Sabine Neches waterway and Crane Bayou southerly. Arcadis will design the project to a 35% level and then bid proposals will be issued based on that work. The work is underway by USACE Memphis District for Contract 5, referred to as the high ground areas encompassing Coke Road and Sabine Towing Road as well as the levee area near the airport. Mr. Kelley advised that after Hurricane Harvey, the District filed for funds under Public Law 84-99 for levee repairs. There were five areas on the earthen levee system located on the inside slope that had sloughed off. The Corps decided to include those Public Law 84-99 repairs of the levee into Contract 1. The repairs are near completion; however, the District feels like there was not enough oversight on those repairs by the Corps. It is the District's opinion that the work is substandard. The District is working with the Corps to alleviate its concerns. Commissioner Champagne asked what work is being done near Hwy 365 and West Port Arthur Road? Mr. Girouard advised that the area in question is one of the areas of concern and that the District is repairing an area that was not covered under the Public Law 84-99 request.

Mr. Sims advised that the District is participating in a public information meeting today, Wednesday and Thursday from 11:30 am to 1:00 pm. The Corps plans to have the meetings every quarter. Mr. Kelley stated that in an effort to educate the general public about the project, a link is being created for the District's website which will direct the public to the Sabine Pass to Galveston Bay Project information, as well as links to the Corps' website where they can learn the entire story of the Gulf Coast Storm Surge Protection System. There will also be an Industrial day on March 22, 2022, via WebEx. Notices will be sent out to industrial contractors to inform them of upcoming jobs and bid procedures. The Corps does all the design work and contracting. It also typically does a good job advertising for bids to promote competitive bids.

Manager's Miscellaneous Reports

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

Construction Notes – Alligator Bayou Pump Station Annex
January 24, 2022 – February 4, 2022

Monday, January 24:

Alligator Project; Allco worked on site today until lunch time due to a rain out. Weather conditions held rain after noon. The site conditions were muddy.
Allco superintendent (1) on site (Joe) with (5) operators/laborers reported.
Allco is digging dirt out from the inside of the cofferdam.

Tuesday, January 25:

Alligator Project; Allco worked on site today. Weather conditions were cloudy. The site conditions were muddy.
Allco superintendent (1) on site (Joe) with (5) operators/laborers reported.
Allco is working on removing the cofferdam, digging out dirt, and cutting sheet piling.

Wednesday, January 26:

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

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

Allco is working on removing the cofferdam, digging out dirt, and cutting sheet piling.

Thursday, January 27:

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

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

Allco is working on removing the cofferdam, digging out dirt, and cutting sheet piling off below ground level.

Friday, January 28:

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

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

Allco is working on removing the cofferdam, digging out dirt, and cutting sheet piling off below ground level.

Monday, January 31:

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

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

Allco is working on removing the cofferdam, digging out dirt, and cutting sheet piling off below ground level.

Tuesday, February 1:

Alligator Project; Allco did not work on site today due to a rain out. Weather conditions were cloudy with overnight rain. The site conditions were muddy.

Wednesday, February 2:

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

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

Allco is working on cutting the sheet piling off below ground level.

Thursday, February 3:

Alligator Project; Allco did not work on site today due to a rain out. Weather conditions held rain throughout the day. The site conditions were muddy.

Friday, February 4:

Alligator Project; Allco did not work on site today. Weather conditions were cold and cloudy. The site conditions were muddy.

Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ended January 31, 2022, and gave a collateral securities report as of January 31, 2022. He advised that Mr. Allen Sims has been promoted to Assistant Manager, and the budget will be amended toward the end of the fiscal year moving his salary from the engineer line to the assistant manager line.

Mr. Kelley reported that the District received \$47,367.51 from Horns Auction for the sale of the surplus property the Board recently approved for auction.

Mr. Sims advised that Allco finished pulling sheet pile at the Alligator Bayou Pump Station Annex Project and are preparing to pour the remaining concrete for the driveway area. Mr. Kelley stated that there is a lot of material that will need to be dredged out in the discharge area as well. Commissioner Gamble asked if all the pumps were operational. Mr. Kelley advised that there was a gear issue, but it has been repaired; and Mr. Depew is working on putting together the SCADA bid package system requirements to ensure that software is compatible with our current system. Mr. Sims stated that crews are currently working on a slight oil leak on the clutch system of the number one pump which will be repaired shortly.

Mr. Depew stated that the new 60" pump for Foley Pump Station was received from Cascade. The only issue is the top shaft is not long enough, but the District is working on a solution with Weisinger. Weisinger will come out tomorrow and correct the

issue and re-install. Mr. Depew further advised that the pump has been run and it performed perfectly.

Checks & Purchase Orders
Debit Service Fund

Ck. No. 2022 – Computershare Corporate Trust
\$1,160,718.75 Debt Service Payment

Maintenance Fund

Ck. No. 19736 - Duck's Dragline Service, Inc.
\$5,040.00 – LS250X4 Trackhoe Rental

Ck. No. 19737 – FILMR, LLC
\$144.00 – Social Media Posting

Ck. No. 19738 – FMW, P.C.
\$2,300.00 – Accounting Services

Ck. No. 19739 – Groves Equipment Rental
\$2,700.00 – Crane Rental 1/17 – 2/16/22

Ck. No. 19740 – LJA Engineering
\$7,950.98 – Data System ad GIS Project, Develop Data Collection System, Main “C” Extension Improvement, Stormwater Management Plan

Ck. No. 19741 – LJA Surveying
\$24,320.00 – Star Lake Pump Station Topography, Central Ditch Topo and Boundary, Rodair Gully Improvements, Blocks Bayou Topo (9/21), Blocks Bayou Topo (10/21)

Ck. No. 19742 – Nerbert Frelow
\$4,320.00 – Rental of Dump Truck (1/31/22 – 2/11/22)

Ck. No. 19743 – Port Arthur News Media
\$251.16 – Advertising – Seasonal Mowing

Ck. No. 19744 – Richard Beaumont
\$207.58 – Health Ins. Payment

Ck. No. 19745 – Ritter Forest Products
\$1,800.00 Transport Truck Rental – Mats (3)

Ck. No. 19746 – Ron Lewis & Associates
\$3500.00 Legislative Consulting Fees

Ck. No. 19747 – Tidal Basin
\$82.50 – A-3-A Detention HMGP Project

Ck. No. 19748 – Tolunay-Wong
\$455.00 – HFPL Repair

Ck. No. 19749 – TWCA Risk Management Fund
\$1,000.00 – Ins. Deductible Auto Accident

Ck. No. 19750 – Wastewater Specialties, LLC
\$5,098.63 – Vacuum Truck Rental (3)

GLO Fund

Ck. No. 5025– LJA Surveying
\$17,395.50 – S2G WIK Surveying

Ck. No. 5026 – Mason Construction
\$44,204.16 – S2G WIK Exploratory Dig – Valero, S2G WIK Exploratory Dig - Deadman Area

Ck. No. 5027 – Ross Ridge Sand Company
\$564.00 – S2G WIK East/West Pipe Rack Storm Sewer Bypass


Ck. No. 5028 – Seabreeze Culvert, Inc.
\$5,842.75 – S2G WIK East/West Pipe Rack Storm Sewer Bypass

Ck. No. 5029 – Tolunay-Wong
\$3,980.00 – S2G WIK Geotech Engineering Study

Commissioner Vincent moved that the checks from the Debt Service Fund, Maintenance Fund and GLO Fund be approved for payment. Commissioner Champagne seconded the motion. The motion carried.

At 2:45 p.m., Commissioner Moses moved that the meeting be adjourned.
Commissioner champagne seconded the motion. The motion carried.


Albert Moses, Jr., Secretary


Richard Beaumont, Chairman

RESOLUTION NO. 485
AUTHORIZING FIRST MODIFICATION TO
AMENDED TAX ABATEMENT AGREEMENT WITH
EMERALD BIOFUELS

STATE OF TEXAS

§

COUNTY OF JEFFERSON

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WHEREAS, Jefferson County Drainage District No. 7 (the "District") entered into an abatement agreement with Emerald Biofuels (the "Owner") on August 6, 2021; and

WHEREAS, as a result of the delays and shortages caused by the pandemic, the Owner has not commenced construction of the project; and

WHEREAS, the Owner has requested that the commencement of construction date be extended until July 1, 2022, and the Commissioner's Court of Jefferson County has already granted such extension of time, the District's abatement policy being to mirror the terms and conditions of abatements approved by the Commissioner's Court of Jefferson County; and

WHEREAS, the District desires to enter into a First Modification to Amended Tax Abatement Agreement (in the form and content of that approved by the Commissioners' Court of Jefferson County) with Emerald Biofuels and wishes to authorize the District's Manager, Phil Kelley, to execute the First Modification to Amended 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 First Modification to Amended Tax Abatement Agreement with Emerald Biofuels for property located within

the Emerald Biofuels Reinvestment Zone for construction of a new Renewable Diesel Refinery and related improvements and authorize its Manager, Phil Kelley, to execute on behalf of the District the First Modification to Amended Tax Abatement Agreement attached hereto and made a part hereof by reference.

THAT the terms of the First Modification to Amended 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. 2366 held on the 15th day of February 2022, upon motion made by Commissioner Champagne and seconded by Commissioner Vincent and adopted unanimously by said Board, a quorum being present.

Given under my hand this 15th day of February 2022.


Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

STATE OF TEXAS §
 §
COUNTY OF JEFFERSON §

**FIRST MODIFICATION TO AMENDED ABATEMENT AGREEMENT FOR
PROPERTY LOCATED IN THE REINVESTMENT ZONE**

Pursuant to Chapter 312 of the Texas Tax Code, this First Modification to Amended Abatement Agreement (the original Agreement, the Amended Agreement, and this First Modification are hereinafter sometimes referred to as the “AGREEMENT”) is made and entered into by and between Jefferson County Drainage District No. 7 (hereinafter sometimes referred to as “the DISTRICT”), and Emerald Biofuels (hereinafter sometimes referred to as “Emerald” or “OWNER”).

1. RECITALS

WHEREAS, OWNER possesses interests in taxable real property located within the Emerald Biofuels Reinvestment Zone, the designation of which was implemented by Jefferson County by an Order dated April 14, 2020 (hereinafter referred to as the “REINVESTMENT ZONE”) the DISTRICT previously granted an abatement agreement for this project on August 6, 2021; and

WHEREAS, this AGREEMENT is limited to the project to be constructed by OWNER, on various parcels of land located within the Reinvestment Zone, which is described with particularity in Exhibit “A” attached hereto and which will involve construction of a new Renewable Diesel Refinery and related improvements (hereinafter referred to collectively as the “PROJECT”) but because of exigencies caused by the COVID-19 pandemic, construction has been delayed; and

WHEREAS, the DISTRICT wishes to encourage OWNER to select Jefferson County as the site for the PROJECT and Emerald Biofuels is requesting a modification to the AGREEMENT deferring the commencement of construction until July 1, 2022, and deferring the start of the abatement period until January 1, 2024, conditioned on the timely commencement of construction; and

WHEREAS, the REINVESTMENT ZONE is an area within Jefferson County, Texas, which has been designated by Commissioners’ Court, the legal description for which is attached hereto as Exhibit “B.” It is understood and agreed that the REINVESTMENT ZONE boundary is subject to revision based on the final construction plan of the Project.

NOW, THEREFORE, for the mutual consideration set forth below, the Parties hereto agree as follows:

2. AUTHORIZATION

THIS AGREEMENT IS AUTHORIZED BY THE TEXAS PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE CHAPTER 312, AS AMENDED, AND BY ORDER OF THE JEFFERSON COUNTY COMMISSIONERS COURT ESTABLISHING AND ADOPTING THE EMERALD BIOFUELS REINVESTMENT ZONE.

3. TERM OF ABATEMENT

This modified AGREEMENT shall be effective and enforceable upon execution by both parties (which date is herein referred to as the "Effective Date"). The Term of the Abatement pursuant to this AGREEMENT shall begin on January 1, 2024, and shall terminate on December 31, 2029, unless sooner terminated pursuant to other provisions of this AGREEMENT. Should OWNER not begin the construction of the PROJECT by July 1, 2022, this AGREEMENT and all amendments and modifications shall be null and void.

4. OWNER REPRESENTATIONS/OBLIGATIONS

All terms and conditions expressed in the agreement previously executed on August 6, 2021 shall remain in effect as if copied herein fully except that the new schedule for years of abatement hereto attached as Exhibit "C" shall be applicable.

5. SUCCESSORS AND ASSIGNS

This AGREEMENT shall be binding on and inure to the benefit of the parties, their respective successors, and assigns. OWNER may not assign all or part of its rights and obligations hereunder without the prior written consent of the DISTRICT, which shall not be unreasonably withheld or delayed. It shall not be unreasonable to withhold consent to assignment if OWNER or the proposed assignee(s) is/are delinquent in the payment of any ad valorem taxes.

6. NOTICE

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

OWNER: Howard Jensen
P.O. Box 318
Lake Wynoka, OH 45171

DISTRICT: Phil Kelley, Manager
Jefferson County Drainage District No.7
P.O. Box 3244
Port Arthur, Texas 77642
(409) 985-4369
(409) 983-7564 (facsimile)

With a copy to: Glenn H. Steele, Jr.
General Counsel
P.O. Box 1117
Port Neches, Texas 77651
(409) 960-1176
ps@ghsteele.com

7. MERGER

The Parties agree that this Modified AGREEMENT contains all of the terms and conditions of the understanding of the parties relating to the modified provisions. Except as provided or modified by this FIRST MODIFICATION TO ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN THE REINVESTMENT ZONE, of all the provisions of the original agreement shall remain in full force and effect and are ratified, reaffirmed, and confirmed in all respects.

Executed this the 15th day of February 2022.

FOR THE DISTRICT:



Phil Kelley, Manager

FOR OWNER:

Howard Jensen, Owner

EXHIBIT A
“Description of Project”

The proposed project is a facility to CONSTRUCT:

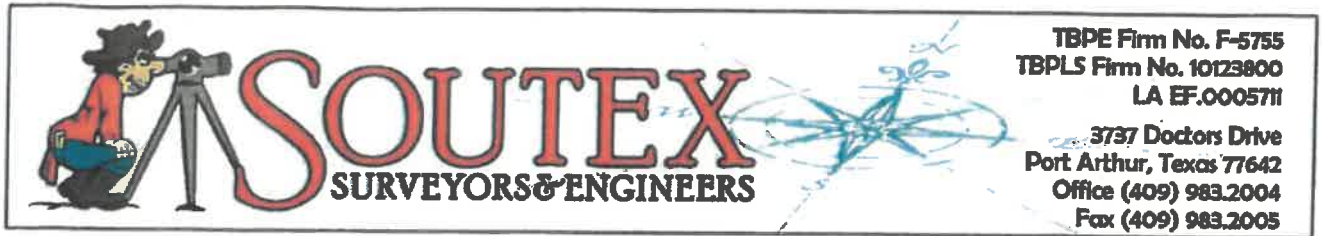
Any additional description you desire:

Significant components of the facility would include:

Assuming all necessary approvals are obtained, Emerald will construct a 6,500 bbls per day renewable diesel refinery.

The proposed improvements would include the feedstock preprocessing unit, a hydrotreating unit, and isomerization unit along with all process infrastructure and auxiliary equipment including, but not limited to storage tanks, compressors, motors, drums, vessels, heat exchangers, pumps, filters, reactors, blowers and fans, dryers, dust collection units, mixers, feeders, extruder, rotary valves, scales, trolleys and hoists, utility service lines, electrical switchgear, transformers, substations, instrumentation equipment, equipment and structural foundations including supports, control equipment, rail lines, and warehouses.

EXHIBIT "B"



**35.47 ACRES OF LAND
OUT OF BLOCK 7, RANGE "R",
& BLOCK 7, RANGE "S",
PORT ARTHUR LAND COMPANY SUBDIVISION
JEFFERSON COUNTY, TEXAS**

BEING 35.47 acres of land out of and a part of Lot 5, Block 7, Range "R", and Lot 6, 7, & 8, Block 7, Range "S", Port Arthur Land Company Subdivision, recorded in Volume 1, Page 22, Map Records, Jefferson County, Texas; being part of a (Called 1116.39) acre tract of land described in a deed to Golden Triangle Properties, recorded in File No. 2010015746, Official Public Records, Jefferson County, Texas; said 35.47 acre tract being more fully described by metes and bounds as follows, to wit;

Note: Bearings, coordinates, distances and acreage are based on the Texas Coordinate System of 1983, South Central Zone, US Survey Feet, and are referenced to SmartNet, North America.

COMMENCING at a 3/8" steel rod found in concrete on the intersection of the South right of way line of a dedicated road named State Highway 73 and the East right-of-way line of a dedicated road named Lakeside Plaza; said 3/8" steel rod being the Northwest corner of Lakeside Plaza Unit 6, recorded in File No. 2010012343, Official Public Records, Jefferson County, Texas; having a Texas Coordinate of N: 13903138.25, E: 3551847.25;

THENCE, South 18 deg., 19 min., 22 sec., East, a distance of 5279.68' to a point for corner being the **POINT OF BEGINNING** and being most Northerly corner of the herein described tract; said point for corner having a Texas Coordinate of N:13898126.25, E: 3553507.02;

THENCE, South 53 deg., 19 min., 24 sec., East, a distance of 615.00' to a point for corner being the most Easterly corner of the herein described tract;

THENCE, South 36 deg., 40 min., 36 sec., West, a distance of 2512.00' to a point for corner being the most Southerly corner of the herein described tract;

THENCE, North 53 deg., 19 min., 24 sec., West, a distance of 615.00' to a point for corner being the most Westerly corner of the of the herein described tract;

THENCE, North 36 deg., 40 min., 36 sec., East, a distance of 2512.00' to the **POINT OF BEGINNING**, and containing 35.47 acres of land, more or less.

This description is based on the Land Survey made under the direct supervision of Anthony M. Leger, Registered Professional Land Surveyor No. 5481 on December 23, 2020.

**Emerald Biofuels, LLC
19-0039-A-1**

EXHIBIT C

"Tax Abatement Schedule"

Tax Year		Abatement Percentage
1	2024	90%
2	2025	90%
3	2026	90%
4	2027	90%
5	2028	90%
6	2029	90%

**RESOLUTION NO. 486
AUTHORIZING AMENDED LOCAL COOPERATION
AGREEMENT WITH THE GENERAL LAND OFFICE**

STATE OF TEXAS §
 §
COUNTY OF JEFFERSON §

WHEREAS, Jefferson County Drainage District No. 7 (the "District") entered into a Local Cooperation Agreement for the Jefferson County Element of the Sabine Pass to Galveston Bay Coastal Storm Risk Management Project (the "LCA") with the General Land Office ("GLO") on October 21, 2019, for funding of the non-federal cost share required for the project; and

WHEREAS, the GLO wishes to increase the share of state appropriations provided to the District for the Jefferson County/Port Arthur and vicinity element of the authorized project; and

WHEREAS, the LCA needs to be amended to reflect the increase in the appropriated share and to set forth the terms and conditions for advance funding and reimbursements to the District by the GLO; and

WHEREAS, the District wishes to authorize the District's Chairman to execute the Amended Local Cooperation Agreement with the GLO on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7:

THAT it is in the best interest of the District to enter into an Amended Local Cooperation Agreement with the General Land Office pertaining to increased funding for the Port Arthur and Vicinity Element of the Sabine Pass to Galveston Bay Project and authorize its Chairman to execute said Amended Agreement, subject to the Gulf Coast

Protection District and the Department of the Army (by and through the United States Army Corps of Engineers), simultaneously or earlier, executing a Project Partnership Agreement for the Project, and the Gulf Coast Protection District entering into an Interlocal Agreement with Jefferson County Drainage District No. 7 to the satisfaction of the General Manager and Attorney for the District.

That the Chairman 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 Chairman 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. 2366 held on the 15th day of February, 2022, upon motion made by Commissioner Moses and seconded by Commissioner Vincent and adopted unanimously by said Board, a quorum being present.

Given under my hand this 15th day of February 2022.


Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7



**AMENDMENT NO. 1 TO
GLO CONTRACT NO. 20-127-000-C102**

THE GENERAL LAND OFFICE (the "GLO") and JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7 (the "District"), each a "Party" and collectively "the Parties" to GLO Contract No. 20-127-000-C102 (the "Contract"), desire to amend the Contract. Therefore, the Parties agree as follows:

1. ATTACHMENT A to the Contract, **Projected Funding Request**, is deleted in its entirety and replaced with the **Revised Projected Funding Request**, attached hereto as **ATTACHMENT A-1**.
2. This Amendment shall be effective upon the date of the last signature.
3. The terms and conditions of the Contract not amended herein shall remain in force and effect.

SIGNATURE PAGE FOLLOWS

DRAFT

**SIGNATURE PAGE FOR AMENDMENT NO. 1 TO
GLO CONTRACT NO. 20-127-000-C102**

GENERAL LAND OFFICE

**JEFFERSON COUNTY DRAINAGE DISTRICT
No. 7**

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner
Date of execution: _____

Name: _____
Title: _____
Date of execution: _____

OGC _____

DIV _____

DIR _____

DD _____

SDD _____

DGC _____

GC _____

ATTACHED TO THIS AMENDMENT:

ATTACHMENT A-1 – Revised Projected Funding Request

Projected Funding Request

This Attachment is a preliminary estimate of the first amended budget for the Project. This budget utilizes state appropriations provided to the GLO under Section 68 of Senate Bill 500, 86th Texas Legislature, effective June 6, 2019.

The GLO will reimburse or provide advance funding to the Jefferson County Drainage District No. 7 (the "District") for the Port Arthur and Vicinity Separable Element of the Sabine Pass to Galveston Bay, Texas Coastal Risk Management Project ("Project"). All funds shall be used by the District solely as creditable Non-Federal Cost Share matching funds for the Project, and in accordance with the following schedule for each Cost Category. Total reimbursements or advance funding issued pursuant to the Contract shall not exceed \$162,965,068.20 during the period of September 1, 2019 to August 31, 2023.

Cost Categories

01 – Lands, Easements, and Rights of Way

	Prior Budget	Amended amount	New Budget
FY 2020	\$10,000,000	(\$10,000,000)	\$0.00
FY 2021	\$0.00	\$0.00	\$0.00
FY 2022	\$0.00	\$6,237,000	\$6,237,000
FY 2023	\$0.00	\$3,000,000	\$3,000,000

- Funds will be distributed directly to the District for acquisition of lands, easements and rights of way. Supporting documentation the District must include with reimbursement requests shall include, as applicable:
 - Appraisal of Fair Market Value consistent with the current Uniform Standards of Professional Appraisal Practice that has been approved by the U.S. Army Corps of Engineers (USACE), Galveston District, or a cost estimate agreed to in writing by the Facility/Utility Owner and approved by the GLO;
 - Documentation of costs required by Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, P.L. 91-646, as amended (42 U.S.C 4630 and 4655), and Section 24.4 of the Uniform Regulations contained in 49 C.F.R. Part 24, and other applicable provisions of federal law as defined in Article III.E. of the Project Partnership Agreement for the Port Arthur and Vicinity Separable Element, S2G Project; and
 - Documentation of incidental costs that the District incurred in acquiring any real property interests, including: closing and title costs, appraisal costs, survey costs, attorney’s fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits, and other payments by the District for items that are generally recognized as compensable, and required to be paid, by applicable state law.

* Note: Quarters and Fiscal Years are based on the Federal Government calendar.

02 – Relocations

	Prior Budget	Amended amount	New Budget
FY 2020	\$0.00	\$2,072,698.00	\$2,072,698.00
FY 2021	\$0.00	\$36,646,625.76	\$36,646,625.76
FY 2022	\$0.00	\$55,500,000.00	\$55,500,000.00
FY 2023	\$0.00	\$12,000,000.00	\$12,000,000.00

- Funds will be distributed directly to the District for the design and construction costs of a utilities/facilities relocation performed that are directly related to construction, operation, and maintenance of the Project.
- The cost for a relocation will be based on applicable principles of just compensation as negotiated between the District and the Utility/Facility Owner.
- Relocation costs include: actual costs of performing the relocation; planning, engineering, and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the USACE.

03 – Engineering and Design (In-Kind)

	Prior Budget	Amended amount	New Budget
FY 2020	\$0.00	\$266,675.00	\$266,675.00
FY 2021	\$0.00	\$534,020.65	\$534,020.65
FY 2022	\$0.00	\$150,000.00	\$150,000.00
FY 2023	\$0.00	\$0.00	\$0.00

- Funds will be distributed directly to the District for the in-kind design services approved by the Galveston District, USACE.

04 – Construction and Construction Management (35% cash contribution)

Port Arthur	Prior Budget	Amended amount	New Budget
FY 2020 Q1	\$1,744,750.00	(\$1,744,750.00)	\$0.00
FY 2020 Q2	\$3,395,000.00	(\$3,395,000.00)	\$0.00
FY 2020 Q3	\$995,750.00	\$34,435,137.52	35,430,887.52
FY 2020 Q4	\$1,002,750.00	(\$1,002,750.00)	\$0.00

Port Arthur	Prior Budget	Amended amount	New Budget
FY 2021 Q1	\$1,002,750.00	(\$1,002,750.00)	\$0.00
FY 2021 Q2	\$7,001,750.00	(\$7,001,750.00)	\$0.00
FY 2021 Q3	\$882,000.00	(\$882,000.00)	\$0.00
FY 2021 Q4	\$122,046,750.00	(\$122,046,750.00)	\$0.00

* Note: Quarters and Fiscal Years are based on the Federal Government calendar.

Port Arthur	Prior Budget	Amended amount	New Budget
FY 2022 Q1	\$0.00	\$3,400,000.00	\$3,400,000.00
FY 2022 Q2	\$0.00	\$0.00	\$0.00
FY 2022 Q3	\$0.00	\$0.00	\$0.00
FY 2022 Q4	\$0.00	\$0.00	\$0.00

Port Arthur	Prior Budget	Amended amount	New Budget
FY 2023 Q1	\$0.00	\$7,727,161.27	\$7,727,161.27
FY 2023 Q2	\$0.00	\$0.00	\$0.00
FY 2023 Q3	\$0.00	\$0.00	\$0.00
FY 2023 Q4	\$0.00	\$0.00	\$0.00

- Funds will be distributed directly to the District for distribution to the USACE, Galveston District.
- Funds will be distributed quarterly to the District to cover the Non-Federal Share of Engineering and Design costs.
- Funds will be distributed to the District 60 days prior to construction contract award to cover the Non-Federal Share of Construction and Construction Management Costs.
- Contracts scheduled to be awarded through Fiscal Year 2023 include:
 - FY20 Q2 – Contract PAV01 Levee Raise
 - FY22 Q4 – Contract PAV03 Floodwall and Levee Raise
 - FY22 Q4 – Contract PAV03A Floodwall and Levee Raise
 - FY22 Q4 – Contract PAV03B Floodwall and Levee Raise
 - FY23 Q2 – Contract PAV04 Levee Raise
 - FY23 Q3 – Contract PAV02 Floodwall and Levee Raise
 - FY23 Q4 – Contract PAV05 Levee Raise

* Note: Quarters and Fiscal Years are based on the Federal Government calendar.

**RESOLUTION NO. 487
AUTHORIZING INTERLOCAL AGREEMENT
WITH GULF COAST PROTECTION DISTRICT**

STATE OF TEXAS

§
§
§

COUNTY OF JEFFERSON

WHEREAS, Jefferson County Drainage District No. 7 (“DD7”) desires to enter into an Interlocal Agreement with the Gulf Coast Protection District (“GCPD”) pertaining to the Sabine Pass to Galveston Bay Coastal Storm Risk Management Project (“Project”); and

WHEREAS, DD7 has previously entered into a Project Partnership Agreement (“PPA”) with the U.S. Army Corps of Engineers (the “Government”) for design, construction, operation, and maintenance of the Project, and has also entered into a Local Cooperation Agreement with the Texas General Land Office (“GLO”) for funding of the non-federal cost share required for the Project; and

WHEREAS, the GCPD and the GLO also intend to enter into an LCA to utilize state appropriations to fund a portion of the non-Federal share of the “construction costs” as defined in the PPA; and

WHEREAS, the GCPD desires DD7 to engage and participate with the Government on all non-Federal roles and responsibilities defined in the PPA, with said roles and responsibilities being more particularly described in the Interlocal Agreement attached hereto; and

WHEREAS, DD7 wishes to authorize the General Manager to execute the Interlocal Agreement on behalf of DD7.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7:

THAT it is in the best interest of DD7 to enter into an Interlocal Agreement with the Gulf Coast Protection District pertaining to all non-Federal roles and responsibilities defined in the PPA relative to the Sabine Pass to Galveston Bay Coastal Storm Risk Management Project as described in the attached Interlocal Agreement.

That the General 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 General 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. 2366 held on the 15th day of February, 2022, upon motion made by Commissioner Gamble and seconded by Commissioner Moses and adopted unanimously by said Board, a quorum being present.

Given under my hand this 15th day of February 2022.


Secretary
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

**INTERLOCAL AGREEMENT BETWEEN
GULF COAST PROTECTION DISTRICT
AND
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

This Interlocal Agreement (the "Agreement") is made this ____ day of ____ 202__ between the Gulf Coast Protection District ("GCPD") and the Jefferson County Drainage District No. 7 ("DD7").

Pursuant to the authority granted by the "Texas Interlocal Cooperation Act," Chapter 791 Texas Government Code, providing for the cooperation between local governmental bodies, the parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

WHEREAS, construction of the Sabine Pass to Galveston Bay Coastal Storm Risk Management Project ("S2G") was authorized by Section 1401(3)(3) of the America's Water Infrastructure Act of 2018, Public Law 115-270;

WHEREAS, the Port Arthur and Vicinity Coastal Storm Risk Management Project ("Project") is a separable element of S2G;

WHEREAS, federal appropriations provided under Title IV, Division B of the Bipartisan Budget Act of 2018, Public Law 115-123, enacted February 9, 2018, are available to undertake the design and construction of S2G;

WHEREAS, DD7, as the Non-Federal sponsors, and the U.S. Army Corps of Engineers (the "Government"), entered into a Project Partnership Agreement ("PPA") on November 29, 2019, for design; construction; and operation, maintenance, repair, replacement, and rehabilitation of the Project;

WHEREAS, state appropriations provided under Section 18.52 of Senate Bill 1, 87th Texas Legislature, Regular Session, effective September 1, 2021, are available to the GLO for partially funding the GCPD to meet the Non-Federal cost sharing requirements applicable to S2G, and as defined in the PPA, with additional state funding subject to Legislative appropriations, potential ad valorem tax receipts and other sources of income;

WHEREAS, the GCPD and the GLO also intend to enter into an LCA to utilize state appropriations provided under Section 18.52 of Senate Bill 1, 87th Texas Legislature, Regular Session, effective September 1, 2021, to fund a portion of the non-Federal share of the "construction costs" as defined in the PPA;

WHEREAS, the GCPD desires DD7 to engage and participate with the Government on all non-Federal roles and responsibilities defined in the PPA;

WHEREAS, this contract is made under the authority of the "Texas Interlocal Cooperation Act", Chapter 791 of the Texas Government Code, providing for the cooperation between local governmental bodies, and the parties hereto find that the subject of this Agreement

is necessary for the benefit of the public to advance the Project and that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this contract; furthermore, each party finds that the performance of this Agreement is in the common interest of each party, and that the provision of services set forth herein by each party fairly compensates the other party for the provision of services provided by such other party.

NOW, THEREFORE, for mutual and adequate consideration received by each party, the GCPD and DD7 hereby contract as follows:

TERMS AND CONDITIONS:

1. DD7's Responsibilities. Pursuant to the request of the GCPD, and as agreed to by DD7, DD7 shall:

- a. serve as the Non-Federal sponsor for all Non-Federal sponsor obligations, roles, and responsibilities defined in the PPA;
- b. submit requests for reimbursement and/or advance payments to the GCPD to fund payments for acquisition of real property interests, placement area improvements, and relocations; to perform in kind contributions approved by the Government; and to provide any additional funds requested by the Government to bring the Non-Federal share to 35 percent of total construction costs for the Project;
- c. receive and hold in trust any and all funds advanced by the GCPD for the payment for acquisition of real property interests, placement area improvements, and relocations; to perform design, construction, or any other in kind contributions approved by the Government; and to provide any additional funds to the Government required to bring the total Non-Federal share to 35 percent of total construction costs for the Project;
- d. assist the GCPD as may be requested in outreach with the Texas Legislature, the Congress, and other entities for obtaining necessary federal and non-federal funding for the Project;
- e. provide routine monthly project status and financial reports to the GCPD on Project expenses, Project funding and Project implementation; and
- f. upon request, provide the GCPD with copies of all invoices, receipts, and other evidences of payment made by DD7 for the Non-Federal share of construction costs for the Project.

2. GCPD Responsibilities. Pursuant to the request of DD7, and as agreed to by the GCPD, the GCPD shall:

- a. submit requests for reimbursement and/or advance payments from SB 1 funds to the GLO for payments to DD7 for acquisition of real property interests, placement area improvements, and relocations; to perform design, construction, or any other in kind contributions approved by the Government; and to provide any additional funds to the

Government required to bring the total Non-Federal share to 35 percent of construction costs for the Project as defined in the PPA, to the extent that such funds are available to the GLO for such purpose;

b. remit payments to DD7 for acquisition of real property interests, placement area improvements, and relocations; to perform design, construction, or any other in kind contributions approved by the Government; and to provide any additional funds to the Government required to bring the total Non-Federal share to 35 percent of construction costs for the Project as defined in the PPA, to the extent that such funds are available to the GLO for such purpose; and

c. assume the leadership role for outreach with the Texas Legislature, the Congress, and other entities for obtaining necessary federal or non-federal funding for the Project, to the extent authorized by law.

3. Immunity from Civil Liability. The Parties expressly agree and acknowledge that the Work performed under this Agreement is related to a Homeland Security Activity as that term is defined pursuant to Tex. Gov't. Code Section 421.001(2)(3), such that the GCPD and DD7 and their employees or authorized representatives, shall not be responsible for any civil liability that arises or relates to the Work arising under this Agreement, or for any act or omission resulting in death, damage, or injury while acting in good faith and in the course and scope of its function to provide a service related to a Homeland Security Activity in accordance with Tex. Gov't. Code Section 421.062. Further, nothing herein shall be interpreted as a waiver of any immunity that might exist in the absence of this Agreement or this provision.

4. No Waiver of Immunity. This Agreement does not waive the GCPD's rights under the legal theory of sovereign immunity, and this Agreement does not waive DD7's rights under the legal theory of sovereign immunity.

5. Third Party. This Agreement shall not be interpreted to inure to the benefit of a third party not a party to this Agreement. This Agreement may not be interpreted to waive any statutory or common law defense, immunity, including governmental and sovereign immunity, or any limitation of liability, rights or responsibilities of any party to this Agreement otherwise provided by law.

6. Joint Venture, Joint Enterprise and/or Agency. The relationship between the Parties to this Agreement shall not create a partnership, joint venture and/or joint enterprise between the Parties. This Agreement does not appoint any party as agent for the other party; however, this provision does not prevent the GCPD from designating DD7 as a representative for communications with the Government regarding the responsibilities of DD7 during the construction of the Project as set forth above.

7. Effective Date. This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed.

8. Termination of Agreement. This Agreement shall terminate upon the fulfillment or termination of all obligations of the Parties for the construction of the Project. This Agreement may only be modified or amended by written agreement of the Parties hereto.

9. Governing Law. This agreement shall be construed in accordance with the laws of the State of Texas, is subject to all valid laws, rules, or regulations of any governmental authority having jurisdiction, incorporates the entire agreement between the parties, may only be changed or amended by written agreement of the parties hereto, and shall be binding on the parties hereto as well as their successors and assigns.

10. Enforceability of Agreement. If any provision of this agreement, whether a paragraph, section, sentence or any portion thereof, is determined by a court of competent jurisdiction to be null and void or unenforceable, such provision shall be deemed to be severed and the remaining provisions of this agreement shall remain in force and effect. Furthermore, the parties shall negotiate in good faith to modify this agreement so as to give full effect to the original intent of the parties via a provision as similar in terms to such null and void or unenforceable provision as may be possible and as may be legal, valid, and enforceable.

11. Counterparts. This Agreement may be executed in multiple counterparts (one for each party), each of which shall be deemed an original for all purposes, whether or not the parties sign the same document. In making proof of this Agreement, the proponent need not produce or account for more counterparts than are necessary to show execution by or on behalf of both parties.

12. Notice. All notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the Parties at the addresses set forth below, or at such other addresses as may have been specified by written notice delivered in accordance herewith, or (ii) by fax and/or email addressed and sent to the Parties at the addresses as set forth below:

To GCPD:

Gulf Coast Protection District
Executive Director
3200 South Freeway #2600
Houston, Texas 77026
Nicole.Sunstrum@gcpdtexas.com

To DD7

Jefferson County Drainage
District No. 7
General Manager
P.O. Box 3244
Port Arthur, Texas 77642
pkelley@dd7.org
With copy to
Glenn H Steele Jr
General Counsel
P.O. Box 1117
Port Neches, Texas 77651
ps@ghsteele.com

Any party may change its address for receiving notices or communications hereunder by giving notice of such new address in accordance with paragraph 7.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their authorized officers the day and year first above written.

JEFFERSON COUNTY DRAINAGE
DISTRICT NO. 7

GULF COAST PROTECTION DISTRICT

By: _____
Phil Kelley
General Manager

By: _____
Rachael N. Sunstrum
Executive Director

ATTEST:

ATTEST:
