

MINUTES

**Board of Directors of the
Houston Ship Channel Security District**

**Pasadena, Texas
March 11, 2014**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on February 11, 2014, open to the public, at The Mustang Building, 2nd Floor, Shell Learning Center, 4400 Highway 225, Deer Park, Texas, in accordance with the duly posted Notice of Public Meeting. The roll was called of the officers and members of the Board, as follows:

Todd Adamec, Assistant Secretary
Didier Auber
Randy Black
Lewis A. Brown
Jimmy Burke
Clayton Curtis, Treasurer
Richard Henderson
Chuck King
Gary Scheibe, Chair
Tom Schroeter, Secretary
Steve Stewart, Vice Chair

and all of said persons were present, except Directors Adamec, Brown, Burke, Henderson, and Scheibe, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, and CAPT. Bill Diehl and Patrick Seeba of the Greater Houston Port Bureau (“GHPB”).

Call to Order

In the absence of the Chair, Vice Chair Stewart called the meeting to order at 3:14 p.m.

Appearances

Vice Chair Stewart called for any appearance by the public. There were none.

Approval of Minutes

The Board considered the approval of the minutes of its meetings held on February 3, 2014 and February 11, 2014. After review of the draft minutes presented, Director Schroeter motioned,

with Director Black seconding, for approval of the minutes of the February 3, 2014 and February 11, 2014, meetings. The motion passed unanimously.

Acceptance of Qualification Statement, Oath of Office, Election Not to Disclose Certain Information and swearing in of Director Jimmy Burke (Harris County Mayors' and Councils' Association Appointee)

In the absence of Mr. Burke, this item was deferred until the next meeting of the Board.

Discussion Regarding Training Requirements for Directors pursuant to the Texas Open Meetings Act and Public Information Act

This item was deferred until the next meeting of the Board.

Discussion Regarding Conflicts Disclosure Statement Reporting Requirements

This item was deferred until the next meeting of the Board.

Status Report from Harris County

Mr. Doug Adkinson of Harris County noted that the County would provide its security reports in executive session due to the nature of the security subject matter to be discussed.

Status Report from City of Houston

Mr. Rick Retz from the City of Houston ("City") reported on air patrol flights performed by the City over the past month. He noted that there were fewer flights than normal due to some scheduled maintenance on the City's patrol helicopters. In addition, Mr. Retz updated the Board on the status of the City's legal department's negotiation with Mr. Ringold of a new Interlocal Agreement for the funding of the projects and services provided by the City.

Status Report from the Greater Houston Port Bureau

Mr. Seeba presented the financial and investment reports to the Board and reported that the District's checking account balance for its general operating fund was \$313,246.99 following disbursements of \$1,568,997.94 during the month of February. He noted that the District's money market account balance was \$7,511,402.72 following receipts during the month of February totaling \$2,454.28. Mr. Seeba presented two (2) invoices for Board approval: (i) an invoice received from Harris County for \$33,410.19 and an invoice received from the Greater Houston Port Bureau for \$32,604.50. Director Curtis moved that the invoices presented be approved for payment. Director Schroeter seconded the motion, which passed unanimously.

Mr. Seeba presented an update as to the collections of the District's 2013 Assessment payments. He noted that, of all facilities that submitted an appeal, there remains one (1) that still owes their base assessment amount plus penalties and interest. He advised that four (4) facilities have not responded to any communications and are delinquent on payment of their base assessment,

penalties and interest. Four other companies have paid their base assessment amount, but still owe penalties and interest.

Mr. Seeba briefed the Board on the Port Bureau's project management efforts on behalf of the District. He discussed the actions taken and timeline for noticing and holding a public hearing on use of District funds to provide a local matching share funding for the Harris County Sheriff's Office ("HCSO") project to construct a new Maritime Operations building for the HCSO Marine Unit. He also updated the Board on the status of the proposed Memorandum of Understanding between USCG and HCSO relative to the interoperability of the marine units, which is currently under review by USCG's legal department. Mr. Seeba noted that updates on Harris County's Security Project Surveillance System and the 5 year update to the Port-wide Risk Mitigation Plan would be addressed in Executive Session. Mr. Seeba also announced that, with City of Houston assistance, the District would be hosting two Facility Security Officer training classes, including an IED workshop on March 27, 2014, at the Shell Learning Center, and a Vehicle Based IED workshop on May 7, 2014, at the Port of Houston Authority's Port Command Center.

Captain Diehl updated the group on his management and outreach efforts on behalf of the District. He advised that he addressed the Silver Fox Group on January 27, 2014, the La Porte Plant Managers Network on February 11, 2014, and met with the Houston Maritime Arbiters Association on February 27, 2014. He also mentioned a that he provided a new Board Member briefing to Director Auber. He advised that he is continuing to work on other media outreach, including an interview with *The Pasadena Reporter* and *The Houstonian*.

Legal Report – Schwartz, Page & Harding, LLP

Mr. Ringold noted that the status of the proposed new Interlocal Agreement with the City of Houston had been discussed earlier in the meeting. He noted that a draft of the proposed funding agreement with the City of Baytown had been completed and forwarded to the City for its review and comment.

Executive Session

At 3:15 P.M., Vice Chair Stewart called for a five minute recess. Director Schroeter read the following statement:

"The Board of Directors of the Houston Ship Channel Security District will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code Section 551, Subchapter D, to deliberate regarding any of the following: security devices and personnel, or security audits pursuant to §551.076, Texas Government Code; emergency response providers, risk or vulnerability assessments, encryption codes and security keys for communications systems, information prepared for the United States, information relating to critical infrastructure, and information relating to security systems, all pursuant to §418.182(f), Texas Government Code; and to consult with the District's attorney pursuant to matters authorized by §551.071, Texas Government Code."

All persons other than the Board members in attendance, Mr. Ringold, CAPT. Diehl, Mr. Seeba, and the necessary representatives of Harris County exited the meeting at this time.

At 4:26 P.M., the Board reconvened in open session. No further action was taken and, upon motion by Director King, seconded by Director Black, and which passed unanimously, the meeting was adjourned immediately adjourned the meeting.

The next meeting of the Board is scheduled for Tuesday, April 8, 2014, at 2:00 P.M. 1400 at the Shell Learning Center, 4400 Highway 225, Deer Park, Texas.

The above is a correct copy of the Minutes of the February 11, 2014 regular meeting of the Board of Directors of the Houston Ship Channel Security District.



Gary Scheibe, Chair

ATTEST:



Thomas G. Schroeter, Secretary