

## **MINUTES**

### **Board of Directors of the Houston Ship Channel Security District Deer Park, Texas December 9, 2014**

The regular meeting of the Board of Directors ("Board") of the Houston Ship Channel Security District ("District") was convened on December 9, 2014, open to the public, at the Mustang Building, 2<sup>nd</sup> 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  
Lewis Brown  
Jimmy Burke  
Clayton Curtis, Treasurer  
Richard Henderson  
Chuck King  
Gary Scheibe, Chair  
Tom Schroeter, Secretary  
Steve Stewart, Vice Chair

and all said persons were present, except Directors Brown, Burke, Scheibe, and Stewart, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP ("SPH"), legal counsel for the District, and CAPT Bill Diehl, USCG (Ret.), P.E., Albert Cusick, and Patrick Seeba of the Greater Houston Port Bureau (GHPB), administrators and program manager for the District.

#### **Call to Order**

Secretary Schroeter called the meeting to order at 2:15 PM. He announced that Chair Scheibe and Vice-Chair Stewart would both be absent for today's meeting.

#### **Appointment of a Chair Pro Tem**

As the first order of business, Secretary Schroeter noted that it would be necessary to appoint a Chair Pro Tem to preside over today's meeting in the absence of the Chair and Vice Chair. Following discussion on the matter, Director King moved that Mr. Schroeter be appointed Chair Pro Tem. Director Henderson seconded the motion, which passed unanimously.

#### **Appearances**

There were no Appearances.

### **Approval of Minutes of November 12, 2014 and November 18, 2014 Meeting**

Chair Pro Tem Schroeter noted that an advance draft of the proposed minutes of the November 12, 2014 and November 18, 2014, Board meetings were included in the Directors' meeting materials. Director Adamec moved for the acceptance of said Minutes. Director Curtis seconded the motion, which passed unanimously without further discussion.

### **Report on the Election for Zone Directors and Report on Appointment by Harris County Commissioners Court**

Chair Pro Tem Schroeter asked Mr. Cusick to report on the results of the zone director elections. Mr. Cusick advised the Board the elections were held from November 17, 2014 to December 5, 2014. The results are:

#### Zone 1

Brian Blanchard, Southwest Shipyard – 9\*  
Jarrod Boehme, ExxonMobil - 7  
Brady Breaux, Mosaic - 2  
George Browning, ZXP Industries - 4

#### Zone 2

Carl Holly, Intercontinental Terminals Company - 5  
George Paruch, Valero – 8\*  
Joe Reynolds, Chevron Phillips - 5

#### Zone 3

Duane Campbell, Vopak - 4  
Gary Scheibe, Shell Deer Park – Incumbent – 12\*

#### Zone 4

Todd Adamec, Lubrizol – Incumbent – 22\*

Mr. Cusick noted that the overall participation in terms of eligible facilities that submitted a ballot was 34%. He advised the Board that he has been in contact with Mr. Adkinson, and has provided the information necessary to have the candidates with the most votes appointed by Harris County Commissioners Court at their December 16, 2014 meeting. Mr. Ringold reminded the Board that the voting process is just a means to develop a list of proposed directors and it is Harris County Commissioners Court who is vested with the statutory authority to accept and appoint said candidates to the Zone Director positions or reject one or more of the nominees and seek submission of a different list.

Director Henderson mentioned, because of resignations, there would be 3 vacant positions to be filled in January. He suggested that the Board consider appointing the candidates with the next highest votes received to fill the vacant positions. It was agreed, after open discussion, the unsuccessful candidates should be contacted to determine their continued interest in accepting an appointment to the Board.

#### **Discussion and Possible Action on Funding the National Incident Management System (NIMS) 305 Class in Houston**

Mr. Seeba reminded the Board that Mr. Rick Deel had submitted a request on behalf of CIMA during the budgeting process seeking funding from the District for a NIMS 305 class to be made available to local law enforcement, first responders and facility security officers. Mr. Deel described the proposed NIMS 305 class and advised that this will probably be the first of several regional classes. Director Henderson noted that the class enrollment capacity of 50 available seats was not a large number and asked if the District would be guaranteed a certain number of seats. Mr. Deel said the requests for reservations for the class would be reviewed and approved in a manner to maintain diversity in the class, but ensure adequate space for District facilities that want to participate.

Director Henderson moved for the approval and funding of the NIMS 305 Class as presented. Director Adamec seconded the motion, which passed unanimously.

#### **Discussion and Possible Action on the Approval of the Third Amendment to the Harris County Agreement**

Mr. Ringold suggested this item be deferred until after the Executive Session. Chair Pro Tem Schroeter agreed.

#### **Status Report from the Greater Houston Port Bureau**

Mr. Cusick presented the financial and investment reports to the Board and reported that the District's checking account balance for its general operating fund at the end of November was \$84,444.53, following deposits of \$0.00, transfers of \$0.00 and disbursements of \$188,699.47. He noted that the District's money market account balance was \$6,316,620.37 following Deposits of \$0.00, transfers of \$0.00, and interest earned of \$242.27.

Mr. Cusick presented two (2) invoices for Board approval: (1) an invoice received from Harris County of \$26,071.96; and (2) an invoice received from the Greater Houston Port Bureau of \$29,573.09. Upon review of the invoices presented, Director King moved that the financial report be approved and that said invoices be approved for payment. Director Curtis seconded the motion, which passed unanimously.

Mr. Cusick advised that two (2) companies that are delinquent in payment of their 2013 base assessment, penalties and interest totaling \$24,990.00 were referred to Perdue, Brandon, Fielder, Collins & Mott, LLP, the District's delinquent assessment collection attorneys, on July 1, 2014 for further collection efforts.

Mr. Cusick advised the Board that the 2014 Assessment Bills were mailed on November 19, 2014. As of December 8, 2014 \$207,375.00 had been received. Also, to date, two (2) appeals have been received. Mr. Cusick noted that, pursuant to Chapter 68 of the Water Code, only appeals received by December 18, 2014 were eligible for consideration by the Board.

Mr. Seeba reported that the Department of Homeland Security Office of Bombing Prevention surveillance detection class successfully ran between 2-4 December with over a dozen participants from the Harris County Sheriff's Office and private facilities. The class utilized the Shell Learning Center, as well as a pair of hardware stores at Fairmont Parkway/Beltway 8 as well as active participants from the Port Bureau.

In addition, Mr. Seeba reported that, on the advice of LCDR Vicks, United States Coast Guard (USCG) Houston Galveston Response Department, the Memorandum Of Understanding regarding waterfront participation is being tabled for the moment. USCG regulations for interchangeable patrols currently require a different armament package than those currently on HCSO/HPD boats, so the Sector is looking into what requirements or directives may be necessary to achieve better cooperation.

CAPT Diehl reported that he would seek the new Directors out for turnover briefs at the Port Bureau to ensure that each incoming Director was prepared for their new duties. He also advised that he would solicit the participation of CAPT Brian Penoyer to the HSCSD January meeting so as to hear the Captain of the Port's vision for cooperation with the Security District.

#### **Status Report – City of Houston**

Mr. Dennis Storemski of the City of Houston advised that he had nothing significant to report. He noted the low number of flight hours performed by the City during November and advised he would investigate and address same with Houston Police Department's flight crews.

#### **Status Report – Harris County**

Mr. Doug Adkinson said that Harris County's Information Technology Center (ITC) personnel would report in executive session. Mr. Greg Karr reported that Harris County's Public Infrastructure Department was on schedule with its projects and that the fiber project into Tomball for ITC had been cancelled.

LT Coleman reported the HCSO had completed 132 hours of waterside patrols, 136 hours of landside patrols, and 624 manhours of SMAG monitoring during the month of November.

## **Legal Report – Schwartz, Page & Harding, LLP**

Mr. Ringold advised the Board that he has nothing further of a legal nature to present to the Board at today's meeting.

### **Recess to Executive Session**

At 3:00 P.M., Chair Pro Tem Schroeter asked Assistant Secretary Adamec to read the following:

“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:

Recess to Executive Session to discuss matters relating to security devices and personnel or security audits pursuant to §551.076, Texas Government Code; emergency response providers, risk of 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 §418.183(f), Texas Government Code; and to consult with the District's attorney pursuant to matters authorized by §551.071, Texas Government Code.

Pursuant to the Government Code, Section 551, Subchapter E, a Certified Agenda of the closed meeting shall be prepared. The Board will reconvene in public session after the closed meeting is adjourned.”

At 3.46 PM., the Board reconvened in open session. No action was taken relative to matters discussed in executive session

### **Discussion and Possible Action on the Approval of the Third Amendment to the Harris County Agreement**

Mr. Ringold distributed and explained in detail the proposed third amendment to the project funding agreement with Harris County, which amendment extends the term of the agreement to December 31, 2015, and identifies all current projects and those previously undertaken, their status, unexpended funds, and proposed requests for funds through December 31, 2015. Mr. Ringold noted that he has received most of the necessary information to complete the amendment from the Harris County Sheriff's Office and Harris County PID, but is still awaiting information as to the status of completion of FY 2010 projects. He noted that the Harris County ITC projects for 2015 are currently being defined, based on the Witt O'Brien's/Shrader Engineering Study. Therefore, to have an approved amendment prior to the expiration of the second amendment on December 31, 2014, this third amendment will be itself amended later in the year when the ITC requests are received.

Director Henderson moved to approve the Third Amendment to the County Agreement and authorize the Chair or Chair Pro Tem to execute same on behalf of the Board and District, all subject to receipt of the additional information from the County and Mr. Ringold approving any non-substantive revisions that may be requested by the County Attorney's office. Director Adamec seconded the motion, which passed unanimously.

**Consider Items for Future Meeting Agendas**

No items were suggested.

**Accept the Resignation of Director Curtis**

Director Curtis' resignation was deferred until January

**Accept the Resignation of Director Schroeter**

Director Schroeter's term of office is expiring; therefore, Mr. Ringold advised that there is no need for him resign his office.

**Consider Appointment of New Director by the Port of Houston Authority**

Mr. Ringold suggested the CAPT Woodring be installed at the January meeting along with the other new Directors.

**Acceptance of Qualification Statement, Bond, Oath of Office, and Election Not to Disclose Certain Information for a New Director**

No action necessary at this time

**Discuss Training Requirements for Directors pursuant to the Texas Open Meeting Act and Texas Public Information Act, and the pProcedures for Compliance with Same**

No action necessary at this time.

**Discuss Conflicts Disclosure Statement Reportin Requirements Memorandum for New Directors**

No action necessary at this time

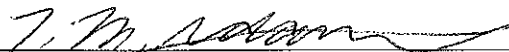
## **Adjourn**

At 4:08 PM Chair Pro Tem Schroeter asked for a motion to adjourn. Director Curtis moved and Director Henderson seconded that the meeting be adjourned. The motion passed unanimously..

## **Next Meeting**

The next regular meeting of the Board is scheduled for Tuesday January 13, 2015, at 2:00 PM at the Shell Learning Center, 4400 Highway 225, Deer Park, Texas.

The above is a correct copy of the Minutes of the December 9, 2014, regular meeting of the Board of Directors of the Houston Ship Channel Security District

  
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Todd Adamec, Assistant Secretary