

MINUTES

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

**Houston, Texas
December 14, 2010**

The regular meeting of the Board of Directors of the Houston Ship Channel Security District was convened on December 14, 2010 at 9:30 a.m. The meeting was held at Shell Deer Park, 5900 HWY 225, Deer Park, Texas 77536. The following Directors were present:

Clayton Curtis
Greg DeLong
Harry Engelhardt, Jr.
Robin Riley
Tom Schroeter
Mark Skobel
Steve Stewart
Lawrence Waldron
Ray Yellig

Also present was Daniel Ringold, counsel for the District. Director Beth Bowles and Director Richard Henderson were absent.

Chairman Riley called the meeting to order at 9:40 a.m. Chairman Riley asked if anybody wished to address the Board. Gary Scheibe of Shell Deer Park gave a brief safety talk regarding the facilities at Deer Park and what to do in the event of an emergency. Mr. Kenneth Chladek, Compliance Manager for Channel Shipyard, addressed the Board regarding an assessment hearing on the review of the amount his company had been appraised. It was decided that his request would be taken up under item 9 of the Agenda.

Chairman Riley asked if there were any corrections or amendments to the Minutes of the November 9, 2010 Meeting of the Board of Directors. There were none. Chairman Riley asked for a Motion to approve the Minutes. Director Waldron moved and Director Skobel seconded that the Minutes of the November 9, 2010, meeting be approved. Motion passed unanimously.

The Houston Ship Channel Security Council was discussed. The Board was informed that there was one available opening as Mr. Pat Bellamy declined to be on the Board at the present time due to personal reasons. Mr. Gary Scheibe was to inform Ms. Park of Dave Smith's current contact information. Chairman Riley asked the Board to give some thought as to who they would like on the Security Council and to recommend their choices to Ms. Park and she will forward the names to all Board members. Chairman Riley requested that this item remain on the table until the January meeting.

Daniel Ringold, Counsel for the Board, presented a proposed Order entitled "*Order Establishing Authorization Limits for checks and Disbursements and Other Documents and Materials by the Officers of the Board of Directors of the District; and Containing Other Matters Relating to the Subject*". Mr. Ringold stated that the "Order" stated that up to \$15,000.00 could be spent

without full Board approval. After discussion it was decided that the "Order" should be amended to state that the Board be advised of all expenditures. Director Schroeter moved that the Board should receive a written monthly report on ALL expenditures of the District for the prior month. Director Stewart seconded the Motion. Passed unanimously. Mr. Ringold would prepare the proposed Order for signature.

The invoice from Schwartz, Page & Harding was discussed. Director Schroeter stated that he would like to see the time increments spent on each item in the invoice. Director Schroeter moved that the invoice be approved "as is" with the condition that Schwartz, Page & Harding list the time spent on each item so that this information can be reviewed before authorizing payment of said invoice. Director Stewart seconded. Motion passed unanimously.

The Agreement with Harris County was discussed. As the Board did not have all requested information at hand, it was moved by Director DeLong and seconded by Director Schroeter that the Harris County Agreement be tabled until the January meeting. Motion passed unanimously.

Mr. Al Cusick from the Greater Houston Port Bureau gave a brief update on the election process. The progression of the elections will be discussed at the January meeting.

At 10:15 a.m. a five minute recess was called for by the Chairman, followed by an Executive Session. 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, to deliberate regarding any of the following:

- a. Public officers and employees
- b. Consultation with attorneys
- c. Security-related matters
- d. Real property
- e. Economic development negotiations or incentives

Pursuant to the Government Code, the closed meeting shall be recorded. The Board will reconvene in public session after the closed meeting is adjourned."

At 10:47 a.m. the regular meeting reconvened. Counsel Ringold advised the audience/Board that procedures were followed regarding the Assessment process; appeals were timely received and companies filing an appeal have had a hearing on the matter. Facility owners were given until December 14, 2010 to furnish additional information to the Port Bureau regarding their appeal. Companies were informed that the Board would make decisions on their appeal at the December 14, 2010 Board Meeting.

Following are the decisions of the Board regarding appeals filed:

Altivia Corporation – Moved by Director Schroeter and Seconded by Director Curtis that Altivia Corporation assessment be \$25,000. Motion passed unanimously.

Bigler – LP – Moved by Director Yellig and seconded by Director Stewart that Bigler LP assessment be \$15,000. Motion passed unanimously.

Clear Lake Chemicals – Moved by Director Waldron and seconded by Director DeLong that Clear Lake Chemicals assessment be \$5,000. Motion passed unanimously.

Green Hunter Biofuels, Inc. – Moved by Director Engelhardt, Jr. and Seconded by Director Skobel that Green Hunter Biofuels, Inc. be removed from the assessment roll. Motion passed unanimously.

Houston Cement Company LP – Moved by Director Waldron and seconded by Director Schroeter that Houston Cement Company LP assessment be \$45,000. Motion passed unanimously.

Inbesa America, Inc. – Moved by Director Waldron and seconded by Director Yellig that Inbesa America, Inc. assessment be \$45,000. Motion passed unanimously.

Industrial Terminals LP - Moved by Director Waldron and seconded by Director DeLong that Industrial Terminals LP assessment be \$45,000. Motion passed unanimously.

Jacintoport International LLC - Moved by Director Curtis and seconded by Director Waldron that Jacintoport International LLC. assessment be \$45,000. Motion passed unanimously.

Stolthaven Houston, Inc. & Stolt Barge Service - Moved by Director Waldron and seconded by Director Engelhardt, Jr. that Stolthaven Houston, Inc. & Stolt Barge Service assessment be \$65,000. Motion passed unanimously.

Targa Midstream Services LP - Moved by Director Waldron and seconded by Director Engelhardt, Jr. that Targa Midstream Services LP assessment be \$65,000. Motion passed unanimously.

Underground Storage, LLC - Moved by Director Waldron and seconded by Director Engelhardt, Jr. that Underground Storage, LLC be removed from the assessment roll. Motion passed unanimously.

Vulcan Materials Company - Moved by Director Waldron and seconded by Director Yellig that Vulcan Materials Company assessment be \$25,000. Motion passed unanimously.

AMPAC Fine Chemicals (ZACH Systems) – Moved by Director Yellig and seconded by Director Skobel that AMPAC Fine chemicals (ZACH Systems) assessment be \$5,000. Director Curtis opposed the Motion and moved to table, no second was received, Director Curtis' Motion died. All other Board Members voted in favor of the Motion. Motion passed.

APM Terminals – Moved by Director Waldron and seconded by Director Schroeter that the assessment for APM Terminals for 2010 would be \$25,000. The assessment for 2011 and 2012 would be \$45,000. Counsel Ringold informed the Board that the assessment should be for the same amount of all three years. Director DeLong moved and Director Clayton seconded that APM Terminals be given another hearing on the matter. Directors Engelhardt, Jr., Yellig and Waldron opposed tabling the matter. Motion passed.

Clorox Products Manufacturing Company – Moved by Director Waldron and seconded by Director Skobel that Clorox Products Manufacturing Company assessment be \$5,000. Motion passed unanimously.

Holcim (US) Inc. – Moved by Director DeLong and seconded by Director Schroeter that Holcim (US) Inc. assessment be \$45,000. Motion passed unanimously.

Moved by Director DeLong and seconded by Director Skobel that APM Terminals, Channel Shipyard, Intercontinental Terminal and INEOS Olefins & Polymers USA, decisions on their assessments be tabled so that a new hearing could be held. Motion passed unanimously. Mr. Cusick of the Port Bureau was instructed to set up a new hearing date for the companies mentioned, before the January Board meeting.

Mr. Patrick Seeba gave an update on the Houston Ship Channel Security District logo and presented the finished product to the Board. He also gave an update on the Annual Luncheon which was to be held on Friday, December 17, 2010 at the Houston Hobby Airport Hilton.

Director Waldron moved and Director Stewart seconded that the PIER information be untabled and open for discussion. Motion passed unanimously. After a lengthy discussion it was decided that the Security Council would review the PIER information and report back to the Board with its findings as to whether or not it would recommend this program. Director Schroeter moved and Director Stewart seconded that the PIER information again be tabled until the Board heard the recommendations from the Security Council. Motion passed unanimously.

At 11:30 a.m. 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, to deliberate regarding any of the following:


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The Board reconvened in open session at 11:57 a.m. Director Stewart moved and Director Yellig seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 11:58 a.m.

Next scheduled meeting of the Houston Ship Channel Security District Board of Directors is Tuesday, January 11, 2011, 9:30 a.m. at Shell Deer Park, 5900 Hwy 225, Deer Park, Texas 77536.

The above is a correct copy of the Minutes of the December 14, 2010, meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin C. Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary

Action Items:

1. Security Council to review PIER information and report their findings to the Board;
2. Schwartz, Page & Harding to show hours expended on matters in their statement for services;
3. Attorney Ringold to revise Order Establishing Authorization Limits for Checks and Disbursements;
4. Greater Houston Port Bureau to set up additional assessment hearings.

INVOICE

Date: 9/1/2010
Invoice # [100]

Greater Houston Port Bureau
111 East Loop North
Houston, TX 77029
713-678-4300
Fax 713-678-4839

To Clayton Curtis
Treasurer
Houston Ship Channel
Security District
111 East Loop North
Houston, TX 77029
713-671-0947

August HSCSD Administration Billings	30 Days from receipt	30 SEP 2010
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Hours	Description	Staff	Date	Amount
0.25	Spoke with Mike Sinclair, CBP Port Director, about HSCSD	Bill Diehl	19 AUG 2010	0.0
0.25	Spoke about HSCSD at Houston Ship Channel Industry Group Luncheon held at Hilton Hotel (Hobby Airport) and had follow-up conversation with CART Marcus Woodring (USCG) about it.	Bill Diehl	23 AUG 2010	0.0
1.0	Reorganized GHPB Office Space for HSCSD Administration	Patrick Seeba Al Cusick	23 AUG 2010	0.0
1.0	Gather HSCSD Documents & Mailing Lists from Jan Park & Organize	Patrick Seeba	23 AUG 2010	0.5
0.5	Read HSCSD by-laws, minutes, Harris County Resolutions, TX Law Forming the District to come up to speed	Patrick Seeba Al Cusick	23 AUG 2010	0.0
1.0	Worked on contract wording and prepared questions for meetings with Clayton & Robin	Bill Diehl	23 AUG 2010	1.5
0.5		Patrick Seeba Al Cusick	23 AUG 2010	1.5
1.0	Met with Clayton Curtis & Robin Riley	Bill Diehl	23 AUG 2010	4.0
1.5		Patrick Seeba Al Cusick	23 AUG 2010	4.0
0.5	Discussion with John Walker (USCG) about Sensitive Security Information (SSI) Credentials for HSCSD Board & Admin Staff	Patrick Seeba	24 AUG 2010	0.5
0.5	Apply for SSI Credentialing	Patrick Seeba	24 AUG 2010	1.0
0.5		Al Cusick	24 AUG 2010	1.0
2.0	Remove GHPB Furniture and Files from HSCSD Office	Patrick Seeba	24 AUG 2010	0.0
2.0		Al Cusick	24 AUG 2010	0.0
0.5	Rearrange Furniture in HSCSD Office	Al Cusick	24 AUG 2010	0.5
	Website Updates, http://www.hscsecurity.org			
2.0	Update Contact Page	Patrick Seeba	24 AUG 2010	2.0
	Post Board of Directors			
	Post Assessment Criteria Chart			
2.0	Online Research and Data Collection on Harris County School Districts & High Schools	Patrick Seeba	25 AUG 2010	4.0
2.0	Identify accounting needs for tracking and accounting for assessments & receivables	Al Cusick	25 AUG 2010	0.5
0.5		Al Cusick	25 AUG 2010	0.5
1.5	Reviewed and implemented website improvements	Patrick Seeba	26 AUG 2010	3.0
1.5		Al Cusick	26 AUG 2010	3.0
0.5	Researched Chevron-Phillips properties per Clayton Curtis request	Al Cusick	26 AUG 2010	0.5
0.5	Researched & Ordered Personal Computer for HSCSD	Al Cusick	26 AUG 2010	0.5
3.0	Reviewed and implemented website improvements:			
3.0	Organization, flow, interface, FAQ's, meeting time/location, front page	Patrick Seeba Al Cusick	27 AUG 2010	6.0
1.0	Reviewed history & background of projects & funding as they relate to HSCSD	Patrick Seeba Al Cusick	27 AUG 2010	2.0
1.0		Al Cusick	27 AUG 2010	2.0
1.0	Staff meeting to review Robin Riley's to-do list & prioritize workload	Bill Diehl	30 AUG 2010	1.0
1.0		Patrick Seeba Al Cusick	30 AUG 2010	1.0
2.0	Meeting to Discuss HSCSD Assessment Process	Bill Diehl	30 AUG 2010	4.0
2.0		Patrick Seeba Al Cusick	30 AUG 2010	4.0
0.25	Spoke to Spencer Chambers, PHA about strategy to get Governor Perry to attend HSCSD Annual Meeting in October	Bill Diehl	30 AUG 2010	0.0
4.0	HSCSD Article for GHPB Publication	Patrick Seeba	30 AUG 2010	0.0
0.5	Spoke with CPA about accounting procedures and closing out FY2010 as relates to tax filing requirements	Jeannie Angell	30 AUG 2010	1.0
0.5		Jan Crittenden	30 AUG 2010	1.0

0.25	Review Furniture Proposal	Al Cusick	31 AUG 2010	0.0
2.0	Install HSCSD PC & Software	Al Cusick	31 AUG 2010	2.0
0.5	Research Interaction between office & accounting software	Al Cusick	31 AUG 2010	0.0
0.25	Prepared Monthly Invoice	Biji Diehl	31 AUG 2010	0.0
0.5		Patrick Seeba		
0.5		Al Cusick		
0.5	SSI clearance security indoctrination and planning meeting with John Walker at USCG Sector Houston-Galveston regarding Board of Directors	Patrick Seeba	31 AUG 2010	0.5
Total Hours:				35.0
Billable Rate:				\$125.00/hour
Subtotal:				\$4,375.00
Computer Equipment - Approval for Purchase Granted 23 AUG 2010, Chairman Riley Dell Studio XPS 8100 - 4D2HMM1 Dell ST2310 Monitor Dell ST2310 Monitor Logitech Keyboard & Mouse				\$1,425.65
Website Domain Registration http://www.hscsd.org				\$19.90
Peachtree Software - Approval for Purchase Granted 23 AUG 2010, Chairman Riley				\$216.49
Upgrade Windows 7 Home Premium to Windows 7 Professional				97.15
Microsoft Office Professional - Approval for Purchase Granted 23 AUG 2010, Chairman Riley				541.24
Setup and Install Dedicated Phone Line with Two (2) Phones in the HSCSD Office (713) 671-0947				162.38
Expenses Subtotal:				\$2,462.81
Total				\$6,837.81



Greater Houston Port Bureau

Make all checks payable to Greater Houston Port Bureau

Thank you for your business!