

## MINUTES

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

**Houston, Texas  
May 14, 2013**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on May 14, 2013 at 2:00 p.m. The meeting was held, open to the public, at West Gulf Maritime Association, Board Room, 3<sup>rd</sup> Floor, 1717 Turning Basin Drive, Portway Plaza Building, Houston, 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  
Lewis A. Brown  
Bobby Clement  
Clayton Curtis, Treasurer  
Richard Henderson  
Jake Leavins  
Robin Riley, Chair  
Gary Scheibe  
Tom Schroeter, Secretary  
Mike Stewart – Assistant Secretary  
Steve Stewart, Vice Chair

and all of said persons were present, except Director Leavins, Director Scheibe and Director Steve Stewart, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, CAPT. Bill Diehl and Al Cusick of the Greater Houston Port Bureau (“GHPB”), administrator for the District.

### **Item 1: Call to Order**

The meeting was called to order at 2:09 p.m.

### **Item 2: Appearances**

Chair Riley asked if anybody wished to address the Board. Mr. John Walker advised the Board that the United States Coast Guard would be performing a table top security exercise in September and he would be requesting that the District assist in sponsoring the event. Mr. Doug Adkinson informed the Board that Mr. Albert Lyne would be leaving his employment as a grant writer for Harris County, as he had accepted a job with the Port of Houston Authority.

### **Item 3: Approval of Minutes**

Director Brown moved and Director Curtis seconded that the Minutes of the April 9, 2013, Board of Directors meeting be approved, as presented. Motion passed unanimously.

**Item 4: Review and approve audit for fiscal year end December 31, 2012**

Mr. Brian Tolden from McCall Gibson Swedlund & Barfoot PLLC presented the audit for fiscal year end December 31, 2012, to the Board. Director Brown moved and Director Curtis seconded that the audit be approved, as presented. Motion passed unanimously.

**Item 5: Receive recommendation from sub-committee and potential action regarding proposals received to update Port-wide Security Plan**

CAPT. Marcus Woodring addressed the Board regarding the proposals received for updating the Port-wide Security Plan. He reminded the Board that the United States Coast Guard is responsible for ensuring the Plan is updated every five years, and that the District applied for and received federal grant funds to accomplish the 2013 update. He advised the Board that eleven (11) proposals for the update of the Port-wide Risk Analysis/Mitigation and Business Continuity Plan had been received, and the proposal review sub-committee had met on April 5, 2013, to evaluate same. The committee centered on the factors that were considered in the selection, which included experience in similar projects, expertise of the project team, overall cost, average cost per project day, and time to completion.

CAPT. Woodring advised that the Board that two firms received the highest rankings, Witt O'Brien's and IEM. Upon thorough evaluation, including the experience and "boots on the ground" qualifications, it was the recommendation of the committee that Witt O'Brien's be awarded the contract. Director Schroeter complimented CAPT. Woodring and the committee and thanked them for their hard work. Director Schroeter asked CAPT. Woodring about Witt O'Brien's experience in cyber matters. CAPT. Woodring assured the Board that the committee had reviewed both candidates with respect to their cyber experience and were satisfied that O'Brien's met the criteria. Additionally, representatives of Witt O'Brien's in attendance at the meeting addressed Director Schroeter's question. Chair Riley thanked CAPT. Woodring for the committee's efforts and commended them on a job well done. He stated that all the directors had access to the submitted proposals through the District's web site. Director Schroeter moved that the District enter into contract negotiations with Witt O'Brien's to Update the Port-wide Security Plan based upon Witt O'Brien's submitted proposal. Director Brown seconded the Motion. Motion passed unanimously. Chair Riley instructed the representatives from Witt O'Brien's to negotiate specific contract terms with the District's counsel.

**Item 6: Discussion and possible action regarding the job description for Executive Director/General Manager**

The Board was advised that East Harris County Manufacturer's Association (EHCMA) had expressed concern over the District's engagement of an employee or contractor to serve as an Executive Director. Members of the Board's committee on this matter had met with EHCMA members along with other members of the District and Director Scheibe. It was the consensus that the Board should consider changing the title of the position from "Executive Director" to "General Manager" to address such concerns and better describe the scope of the position sought to be filled. Director Schroeter moved and Director Michel Stewart seconded that the job title be changed to "General Manager". Motion passed unanimously.

**Item 7: Update regarding status of Executive Director/General Manager search**

Mr. Cusick advised the Board that the General Manager position had been posted in the Houston Chronicle and Houston Business Journal, it had also been posted on the following on-line media: Houston Chronicle; Houston Business Journal; Monster.com and ASIS International Career Center. Mr. Cusick advised the Board that he had emailed the job description to all email addresses in the District's database; all email addresses in the GHPB database; the Chertoff Group; the Board members; the HSC Advisory Council members; individuals suggested by Board Members; and individuals inquiring to GHPB. He also stated that the job description had been posted to the District's web site and he had set up a unique email address for applicants to respond and inquire regarding the position. Mr. Cusick informed the Board that, to date, he had received 31 applications and the GHPB is in the process of reviewing same to ensure each meets the minimum qualifications for the position as set forth in the job description. Director Schroeter informed the Board that the opening was also posted on the American Association of Port Authorities (AAPA) web site.

**Item 8: Greater Houston Port Bureau**

CAPT. Diehl gave the monthly status report to the Board. CAPT. Diehl informed the Board that the quarterly newsletter had been completed and a copy had been mailed to each address in the District's records. He further advised that a copy of the newsletter was included with the April GHPB newsletter mailings and it had been posted on the District's web site. CAPT. Diehl noted that Mr. Cusick is continuing to research companies within the revised boundaries of the District that qualify as "facilities" per the appropriate provisions of Chapter 68 of the Water Code, as are proposed to be amended in the pending legislative proposal. CAPT. Diehl stated that the staff would work on reserving a location and date for the Annual Luncheon.

CAPT. Diehl advised the Board that he had been contacted by the Greater Houston Partnership Cyber Task Force Group, who had asked for a District representative to participate as a member of the Task Force. CAPT. Diehl suggested that the General Manager, once appointed, should be the point person for this group, but that he would send Patrick Seeba to the meetings until a General Manager was identified.

Director Michael Stewart moved and Director Curtis seconded that the report be approved. Motion passed unanimously.

**Item 9: Zone Board Members report on vetting of facilities within revised boundaries**

Director Michael Stewart advised the Board that he had confirmed five of the seven new companies identified within revised Zone 3, and had questions regarding the remaining two companies that he is seeking to resolve with the assistance of Mr. Cusick. Director Curtis stated that there were a couple of companies within Zone 1 listed twice on the list of new facilities, and he has not been able to obtain an address for Houston Fuel Serve Products to confirm their location. Director Adamec stated that Cognis Corporation has acquired BSAF, Global ICS was a rail car washing company, and the rest of the newly identified companies within Zone 4 appear to qualify as facilities pursuant to the criteria set forth in Chapter 68 of the Water Code. Director Brown said that he thought Ethyl was already a current member and that Patriot Storage

appeared to be exempt. He stated that he had sent his comments to the list of potential new facilities within revised Zone 2 to Mr. Cusick yesterday.

**Item 10: Update, discussion and possible action regarding Houston Ship Channel Security Advisory Council Charter**

Mr. Doug Adkinson advised the Board that Mr. Ringold, Mr. Storemski, Mr. Cusick, CAPT. Diehl and Mr. Walker had reviewed the proposed Advisory Council Charter and approved of same. Director Schroeter asked if the group needed to be concerned about the Open Meetings Act. Mr. Ringold was directed to look into this question, although it was pointed out that the Council is advisory only. Director Schroeter stated that the Charter appeared to be an excellent document. Director Michael Stewart moved to approve the Charter and Director Henderson seconded the motion. Motion passed unanimously.

**Item 11: City of Houston - Update on Air Patrols**

Mr. Dennis Storemski advised the Board that the patrol flights were on-going and that the City of Houston was conducting flight training for pilots, resulting in the fuel bill for the month of May being higher than usual. He also stated the Amendment to the City's air support contract with the District had been passed by City Council.

**Item 12: Discussion and possible action regarding Video Access Agreement with County and Ship Channel Security District regarding providing video access to all members**

The Board discussed its efforts to enable access for member facilities to the video feeds from the County's security camera network for which the District assisted in funding grant matching funds and ongoing operation and maintenance costs. Mr. John Cheney of Harris County advised the Board that the estimated cost of hardware upgrades, licensing costs, and web portal enhancements to make the video feed available to all facilities within the District is \$190,000.00. Mr. Cheney further advised that the video feeds could be delivered to any Facility that has secured internet access through the web portal. Director Adamec asked the County to advise what companies can see the cameras. A discussion ensued relative to the District entering into an agreement with the County to facilitate provision of video access to member facilities, but that the County would develop standard terms and conditions relative to provision of video access to each member facility, with the specific data available to a facility being determined by the County according to the location of the cameras and the location of the facility. Director Curtis asked Mr. Adkinson if the \$190,000.00 amount was included in the budgetary numbers provided by the County. The Board then discussed how best to test the video access feed and concurred to beta test the web portal prior to opening up access to all member facilities.

**Item 13: Presentation of three year budget numbers from Harris County for maintenance, operation and capital improvements to County security project and services; discussion regarding renewal of Interlocal Agreement between the District and the County**

Harris County Sheriff's Office presented their proposed budget to the Board. Director Curtis informed the Board that he needed to meet with County officials to discuss the numbers presented.

**Item 14: Discuss and take action on payment of invoices for maintenance, operation and administrative expenses**

Invoices in the amount of \$60,764.49 from Harris County, \$17,743.50 from the City of Houston, \$2,400 from PIER, \$9,492.24 from Schwartz, Page & Harding, L.L.P., Houston Chronicle \$190.22 for the public hearing on the boundaries and \$10,499.35 from the Greater Houston Port Bureau were presented for payment. A question was raised regarding the PIER statement. Mr. Storemski stated that he would look into the reason for the billing and advise Mr. Cusick. Director Curtis moved and Director Schroeter seconded that the invoices be paid. Motion passed unanimously.

**Item 15: Update on proposed Legislative changes to Chapter 68 of the Water Code**

Mr. Ringold stated that the proposed legislation pertaining to the amendment of Chapter 68 of the Water Code, which sets forth the criteria to be considered a facility within the District, passed both the House and Senate and is awaiting the Governor's signature.

**Item 16: Discussion and possible action regarding request from Harris County PID/ITC Department regarding request for additional funding**

This item was discussed under Item 13.

At 3:36 p.m. Chair Riley called for a ten minute recess prior to the Executive Session.

**Item 17: Executive Session**

At 3:47 p.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 Section 551, Subchapter D, to deliberate regarding any of the following:

- A. Consultation with attorneys, including legal issues concerning discussion of contract terms in contracts with Harris County and City of Houston
- B. Deliberation regarding deployment and implementation of security services and projects including update from City of Houston and Harris County regarding Security Projects including Operations Monthly (to include reports on water, air and land patrols); Discuss an opportunity to support a Cyber Security project to assess and come up with solutions to protect and strengthen the Port Information Network in regards to Cyber Security.
- C. Deliberation regarding assessments and security projects regarding same

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

**Item 18: Reconvene in Open Session and take any action regarding items discussed in Executive Session**

At 4.50 p.m. the Board of Directors meeting reconvened in open session. Chair Riley asked the Board if there were any matters that would be coming out of closed session. There were none.

**Item 19: Update and possible action regarding 2013 Budget**

Chair Riley advised the Board that he had arranged for a budget meeting on May 23, 2013, at the Greater Houston Port Bureau office to discuss the budget. He asked the directors to volunteer to be on the budget committee with Director Curtis and Chair Riley. Director Adamec and Director Schroeter volunteered. Director Mike Stewart advised he would not be able to attend a meeting on May 23, but may be able to attend telephonically. The Directors were advised to review the budget requests from the County and the City and submit any questions they wanted addressed to Director Curtis, Chair Riley, Director Schroeter or Director Adamec.


**Item 20: Other business**

None

**Item 21: Adjourn**

There was no other business to come before the Board. Director Curtis moved and Director Henderson seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 4:55 p.m.

The above is a correct copy of the Minutes of the May 14, 2013, regular meeting of the Board of Directors of the Houston Ship Channel Security District.

  
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Robin C. Riley, Chair

ATTEST:

  
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Thomas G. Schroeter, Secretary