

MINUTES

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

**Houston, Texas
July 12, 2011**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on July 12, 2011 at 2:00 p.m. The meeting was held, open to the public, at Shell Deer Park, 5900 Hwy 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:

Beth Bowles, Assistant Secretary
Clayton Curtis, Treasurer
Greg DeLong, Vice Chair
Gary Scheibe
Richard Henderson
Robin Riley, Chair
Tom Schroeter, Secretary
Mark Skobel
Steve Stewart
Lawrence Waldron
Ray Yellig

and all of said persons were present, except Director Henderson and Director Waldron, thus constituting a quorum.

Also present were Daniel Ringold and Howard Cohen of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, Bill Diehl of the Greater Houston Port Bureau (“GHPB”), Administrator for the District, and Rick Deel of the Houston Ship Channel Security District Advisory Council.

Chairman Riley called the meeting to order at 2:00 p.m.

Chairman Riley asked if anybody wished to address the Board. Nobody wished to do so.

Chairman Riley presented a plaque to former Director of Zone 3, Harry Engelhardt, Jr., and thanked him for his service.

Chairman Riley asked for approval of the June 14, 2011 minutes of the Board meeting. Director Stewart moved and Director DeLong seconded that the minutes be approved as presented. Director Yellig and Chairman Riley abstained from voting. With said abstentions noted, the motion passed unanimously.

Mr. Deel presented an oral report on behalf of the Houston Ship Channel Security District Advisory Council. Mr. Deel stated that the Advisory Council had reviewed the draft request for proposals (“RFP”) for a strategic plan and had some changes to the draft. He requested that Director Schroeter and Director DeLong attend the July 20 meeting of the Advisory Council at

the Greater Houston Port Bureau to go over the changes. Mr. Deel also stated that he had questions that needed to be addressed to the Harris County Sheriff's Office and Captain Whitehead, (who is the new United States Coast Guard representative on the Advisory Council). Director Schroeter thanked Mr. Deel and all the advisory council for their work on this project and suggested that the whole board review the RFP. Mr. Deel stated that he felt Director Schroeter and Director DeLong should review before it was presented to the Board.

Mr. Diehl of the GHPB gave his monthly report to the Board. He stated that assessments would be mailed out during the month of August. Chairman Riley informed Mr. Diehl that there would be no appeals on the assessments this year and this was year two of a three year assessment period. Chairman Riley also suggested that a line be added to the statement in bold print stating that the companies could direct-deposit their assessment if they so wished. Mr. Cusick advised the Board that all interests and penalties assessed to the companies were the same as used by Harris County for their tax statements.

Director Yellig commented that Mr. Diehl did a good job with Congressman McCaul's office, and Director DeLong commented that Mr. Seeba did a good job on his presentation of the Port ship traffic.

Director Schroeter commented that when Mr. Diehl was corresponding with Harris County regarding grants or grant monies that these documents should be marked as SSI (Sensitive Security Information).

Mr. Ringold led the discussion regarding Boundary Methodology. It was suggested that roads and/or rivers be used or possibly topography. Chairman Riley suggested that after the Board has decided on the methodology of ascertaining the boundaries, that the Board hire a surveyor. Director Schroeter suggested that once the boundaries were decided upon, the Board would need to know the companies that were (1) within and (2) outside of the new geographical boundary of the District. He asked that Mr. Cusick prepare such a list for the Board's review. It was decided that this matter would be discussed in greater detail at the August 9, 2011 meeting.

Director DeLong gave a report on the RFP. He stated what he felt were the guiding principles and Board vision and how he could see same implemented. He would like to see this put out to bid as soon as practicable after the Board has had a chance to review and vote on same.

The quarterly statement from Schwartz, Page & Harding was discussed. Director Schroeter stated that there was three major items handled by the firm in the past quarter which included the Harris County Agreement, Assessment issues and safety issues. Director Schroeter moved and Director Skobel seconded to approve payment of the statement from Schwartz, Page & Harding in the amount of \$24,199.05. Motion passed unanimously.

At 3.17 p.m. the following statement was read by Director Schroeter:


"The Houston Ship Channel Security District Board of Directors will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, to

deliberate with legal counsel including legal aspects of RFP's RFQ's and procurements. The Board will also deliberate regarding security related matters including deployment and implementation of security services and projects relative to the contract with Harris County. Pursuant to the Government Code, Section 551, subchapter E, the closed meeting shall be recorded. The Houston Ship Channel Security District Board of Directors will reconvene in public session after the closed meeting is adjourned."

At 4.25 p.m. the Board reconvened in open session. There being no Motions coming out of closed session Director Bowles moved and Director Yellig seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 4.26 p.m.

The next scheduled meeting of the Houston Ship Channel Security District Board of Directors is Tuesday September 13 2011 at 2:00 p.m. at a site to be determined.

The above is a correct copy of the Minutes of the July 12, 2011 meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin C. Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary