

MINUTES

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

**Houston, Texas
September 14, 2010**

The regular meeting of the Board of Directors of the Houston Ship Channel Security District was convened on September 14, 2010 at 9:30 a.m. The meeting was held at Valero Energy/Valero Refining Company, 9701 Manchester, Houston, Texas 77262. The following Directors were present:

Greg DeLong
Richard Henderson
Robin Riley
Tom Schroeter
Mark Skobel
Ray Yellig

The following directors were absent:

Beth Bowles
Clayton Curtis
Harry Engelhardt, Jr.
Steve Stewart
Lawrence Waldron

Chairman Riley called the meeting to order at 9:41 a.m. Chairman Riley asked if there were any corrections or amendments to the Minutes of the August 10, 2010 Meeting of the Board of Directors. There were none. Chairman Riley asked for a Motion to approve the Minutes. Director Yellig moved and Director Henderson seconded that the Minutes of the May 11, 2010 meeting be approved. Motion passed unanimously.

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

Mr. Ian Gorman, County Grant Coordinator was unable to attend the meeting. His training/presentation on grants will be rescheduled for a later date.

Mr. Bruce Birdwell will give an insurance coverage update at the October 12, 2010 meeting.

Bill Diehl, President of the Greater Houston Port Bureau, gave a presentation on Sensitive Security Information (SSI). He distributed an outline of his presentation and a Non-disclosure Agreement pertaining to SSI.

Captain Diehl also presented the first invoice from the Greater Houston Port Bureau for work done by the Port Bureau pursuant to its contract with the Security District. The amount of the invoice is \$6,837.81. After discussion, it was moved by Director DeLong and seconded by Director Schroeter that the Board approve the invoice for payment. Motion passed unanimously.

Chairman Riley announced that the assessments would be sent to District members early next week (week of September 20). Director DeLong asked Captain Diehl how the assessments would be addressed. Captain Diehl said the information on hand regarding legal addresses would be used.

Director Schroeter explained the final revisions to the contract between the District and the Port Bureau (chargeable fees will be reduced to \$75 per hour after the first 48 hours of services in any one month, and the District will pay the Port Bureau \$1,500 towards the premium payable by the Port Bureau for professional liability insurance). Upon motion by Director DeLong and second by Director Skobel, the Board approved the contract with these revisions and authorized Chairman Riley to execute the contract on behalf of the District.

Chairman Riley reported on the status of the work done by the Board's Committee on the Logo Contest. High school students, working under the schools' art directors, will be able to submit proposals for the District's logo. Each submission must be submitted in two versions, one 8 ½" x 11" and one that is 1" x 1". Deadline for submissions is October 26.

Prizes will be awarded as follows:

Grand Prize:

- Design will be featured as the Houston Ship Channel Security District logo
- \$500 Cash Scholarship to Winning Student Designer
- \$3,000 Prize to Winning Student's School Art Department

Second Prize:

- \$250 Cash Scholarship to 2nd Place Student Designer
- \$2,000 Prize to Winning Student's School Art Department

Third Prize:

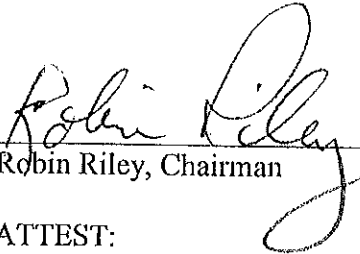
- \$100 Cash Scholarship to 3rd Place Student Designer
- \$1,000 Prize to Winning Student's School Art Department

There was discussion about the upcoming elections/re-elections for Board members from private industry whose current terms will expire after one year. Director DeLong made several suggestions as to the election process, including voting by e-mail, ballots should be sent to paying members of the District in the respective zones, and the County should certify the counting of votes. Captain Diehl was asked to contact board members to form a committee on the election process and report to the Board. Further discussion will be had at the next Board meeting concerning election procedures and dates.

There was no other business to be discussed. Accordingly, the meeting was adjourned at 10:47 am. Next scheduled meeting of the Houston Ship Channel Security District Board of Directors is

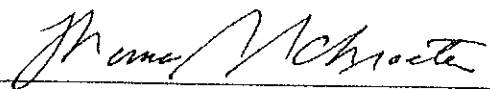
Tuesday, October 12, 2010 9:30 a.m. at Exxon Mobil, Baytown, hosted by Director Henderson, Exxon Mobil.

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



Robin Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary