

## MINUTES

### **Board of Directors of the Houston Ship Channel Security District Deer Park, Texas June 10, 2014**

The regular meeting of the Board of Directors ("Board") of the Houston Ship Channel Security District ("District") was convened on 10 June 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  
Didier Auber  
Randy Black  
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 Adamec, Black, Brown, and Henderson, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP ("SPH"), 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**

Chairman Scheibe called the meeting to order at 2:06 PM.

#### **Appearances**

Chairman Scheibe called for any appearances by the public.

Mr. Matt Monroe from Ingenia Polymers ("Ingenia") introduced himself and called the Board's attention to a letter from Ingenia which he distributed. (Exhibit A) He asked the Board of Directors to consider implementing a risk-based schedule of assessments which would look at levels of highly hazardous chemicals and materials located at District member sites, and adjustment amounts assessed against each facility based on the resulting risk profile of the facility being a target for attack..

Mr. Ringold advised the Board that each time the District seeks to adopt an assessment plan, it is required to provide all member facilities with advance notice and a copy of the proposed assessment plan, which is then considered at a public hearing, which is the appropriate time for comments to the proposed projects and services included and means of assessment to be presented. He also advised that the Texas Open Meetings Act prohibits deliberation or action on a matter that is not included on the meeting agenda that was properly noticed in advance of the meeting. The Board took note of Ingenia's comments and written correspondence.

Chairman Scheibe invited all District FSOs and plant personnel to come to Board Meetings as often as their schedules allow.

### **Approval of Minutes**

The Board considered the approval of the minutes for the meeting held on May 13, 2014. After review of the draft minutes presented, Director Burke motioned, with Director King seconding, for approval of the minutes of the May 13, 2014 meeting. The motion passed unanimously.

### **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 was \$138,381.90 following disbursements of \$129,885.14 during the month of May. There were no deposits during the month of May. He noted that the District's money market account balance was \$7,537,849.81 following receipts during the month of May totaling \$129.07, and interest of \$309.76.

Mr. Cusick presented four (4) invoices for Board approval: (1) an invoice received from Harris County for \$58,181.93; (2) an invoice received from the Greater Houston Port Bureau for \$25,957.55; (3) an invoice received from Witt O'Brien's for \$42,859.65; and (4) an invoice received from Ewell, Brown, Blanke LLP for \$24,950.57. Director Schroeter moved that the financial and investment reports be approved and the invoices presented be approved for payment. Director Auber seconded the motion, which passed unanimously.

Mr. Cusick reported that the field portion of the annual audit was conducted during May 27-29, 2014. The final report will be delivered at the August Board meeting.

Mr. Cusick presented an update as to the collections of the District's 2013 Assessment payments and reported that 158 companies have paid \$3,286,500.00 in assessments and \$67,703.65 in penalty and interest. He advised the two (2) companies are delinquent in payment of their base assessment, penalties and interest. The uncollected assessments, penalties and interest total \$24,780.00. He noted that both companies have been duly notified that full payment must be received before July 1, 2014 to avoid referral to the collection attorney.

Mr. Seeba briefed the Board on current project updates. Regarding the District's hosting of Department of Homeland Security Office of Bombing Prevention classes, he noted that DHS had approved a Vehicle Based IED workshop for 12 August 2014, and that the class would be held at

the Port of Houston Authority's Port Coordination Center. He also informed the Board that a Protective Measures class had been approved for 9-10 September 2014, and that the Houston Pilots Association had agreed to allow the District to utilize their facility with space for the potential 75 attendees. Mr. Seeba also advised of the provisional approval of a Surveillance Detection Course for 2-4 December.

Mr. Seeba relayed to the Board that the District's preliminary announcement that it is making the PortStar Training System available to District members had seen a response from 46 users at 18 companies, and that at the present time, 22 had already signed up for the program.

Mr. Seeba explained that the USCG-HCSO Memorandum of Understanding for Waterside Security Enforcement had been returned from Sector Houston-Galveston Command and is moving forward to legal review by those entities. He noted that feedback from USCG Station Houston continued to press for ratification of the MOU to assist in waterside operations.

CAPT. Diehl reported that he made a presentation to the Certified Port Executive Class relative to the District and its functions and that Mr. Seeba made a similar presentation to the 35 member board of the Port Bureau. Director Stewart commented that he was present for Mr. Seeba's presentation and Mr. Seeba was an excellent representative for the District. CAPT. Diehl said that, while attending the USCG Change of Command in Washington, DC, he had an opportunity to extend an invitation for the USCG Commandant or Vice Commandant to speak at the District Annual Luncheon. The verbal invitation was followed by a letter asking for confirmation by July 1, 2014.

CAPT. Diehl reported that the Houston Marriott South at Hobby Airport is confirmed for the Annual Meeting and Luncheon on Thursday, November 13, 2014. He reminded the Board that the Winkler Public Relations firm was utilized last year to get publicity via radio, TV and printed media. Chair Scheibe said he thought the results had been well worth the cost and instructed CAPT. Diehl to contact Dennis Winkler to explore public relations activities again this year.

CAPT. Diehl advised there is a presentation slot lined up for the Secured Cities Conference in Baltimore, MD on November 4-6, 2014. He suggested that the conference might be of interest to some of the members of the Board. Chair Scheibe asked that the Board be sent information about the conference, and a discussion will follow on who will attend and present on behalf of the District.

### **Status Report – Harris County**

Mr. Doug Atkinson, on behalf of Harris County, reported that Mrs. Kenya Wilson had secured an extension for FY2010 projects from May 31, 2014 until October 31, 2014. He also noted that Board Members from FIRSTNET at the National Telecommunications & Information Administration would be conducting a field visit of the County and its projects on June 26, 2014.

Mr. Jon Chaney noted that Harris County ITC and PID's reports were submitted to the GHPB, and Deputy Chris Lee reported that the Harris County Sheriff's Office Report covering hours worked and expenditures were correct as seen in the Board's documentation.

Chairman Scheibe asked Deputy Lee to ensure that the HCSO Deputies assigned to the District's territory attend District Board meetings in the future when possible. Deputy Lee assured the Chairman that Deputies Brown and Kimbell would be notified.

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

Dennis Storemski reported on behalf of the City of Houston. He noted a decrease in flight hours for the City's helicopters at the beginning of the month, as the City's fuel delivery system was being upgraded. Because of higher prices at the Houston Airport System for fuel, the helicopters only flew on-call missions.

Mr. Storemski also addressed the Interlocal Agreement between the City of Houston and the District, explaining the process improvements which would be possible upon ratification by both the District Board and Houston City Council. Mr. Ringold advised that the Agreement was in an acceptable form to SPH and the City Attorney and was scheduled to be included on City Council's agenda for final approval.

### **Status Report – Witt O'Brien's / Shrader Engineering**

Mr. Jon Sawicki provided an update on the progress of completing the project and the scope expansion thereto. He advised that the software assessment portion had been completed and the data and results from same is being compiled in a usable form. He advised that the next phase will consist of a site by site physical inventory process. The final phase will be identifying functional ownership and implementation. Following stakeholder input, final results will be presented at a workshop.

### **Legal Report**

Mr. Ringold said he had been in contact with the attorney for Walton Barge Terminal relative to its open records request. He advised that non-privileged responsive documents were made available for inspection and copying; however, no one has come to look at them. Counsel for Walton Barge Terminal has requested additional documents relative to how the District performed its due diligence as to which entities were included as facilities subject to assessment upon revision of its boundaries. Mr. Ringold discussed providing certain non-privileged information to Walton Barge Terminal without the necessity of another formal records request. Director Schroeter said he was in favor of informal communications, provided that reports are made to the Board. The Board concurred in said approach.

### **Harris County Sheriff's Office Marine Unit Agreement**

Mr. Ringold distributed a proposed Second Addendum to the Agreement with Harris County which addresses grant match funding for the Marine Unit Command & Control Center. After

discussion of terms of the addendum, including the grant completion date and the timing of the District providing the funds, Director King moved the addendum be approved as presented. The motion was seconded by Director Stewart and passed unanimously.

### **Interlocal Agreement with the City of Houston**

Mr. Ringold presented a proposed Interlocal Agreement with the City of Houston and discussed the terms and conditions thereof. Director Schroeter moved the agreement be approved as presented. Director Burke seconded the motion which passed unanimously.

### **Potential Funding for Port Security Grant Program Projects**

Chair Scheibe instructed Mr. Seeba to obtain Request for Support forms from the District partners in sufficient time to prepare a summary of projects and funding to be distributed to the Board prior to the August Board meeting.

### **Executive Session**

There was no Executive Session

### **Consider Items for Future Meeting Agendas**

Chair Scheibe said there had been discussion about not having July meeting for a variety of reasons, and asked if there were any problems with not having the meeting. There were no objections. Since a motion was not needed, Chair Scheibe said there would be no meeting in July and asked the Port Bureau to notify the membership.

Chair Scheibe said he appreciated partners showing up all the time, and encouraged more industry members be part of meetings.

### **Adjourn**

At 3:15 PM Director Schroeter moved that the meeting be adjourned. Director Auber seconded the motion which passed unanimously.

### **Next Meeting**

The next regular meeting of the Board is scheduled for Tuesday August 12, 2014, 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 June 10, 2014 regular meeting of the Board of Directors of the Houston Ship Channel Security District

  
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Thomas G. Schroeter, Secretary