

MINUTES

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

**Houston, Texas
October 8, 2013**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on October 8, 2013 at 2:00 p.m. The meeting was held, open to the public, at West Gulf Maritime Association, Board Room, 3rd 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 Clements, Director Leavins, Director Brown and Director Henderson, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, Patrick Seeba 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 2:04 p.m.

Item 2: Appearances

Chair Riley asked if anybody wished to address the Board. Director Scheibe announced to the Board that he really appreciated the flowers, prayers and concerns expressed by the District during his recent incident.

Mr. John McHugh of Witt O’Brien reported to the Board that he had sent an interim report relative to the Port-wide Security and Business Continuity Plan update to the Advisory Council on September 30, 2013 and was now in the process of meeting with different agencies and hoped to have that accomplished by Thanksgiving. The next deliverable is due in January and he anticipated no problem with that.

Item 3: Approval of Minutes

Director Michael Stewart moved and Director Steve Stewart seconded that the August 13, 2013 Minutes Board of Directors meeting be approved, as presented. Motion passed unanimously.

Item 4: Greater Houston Port Bureau

4.1 Status Report:

CAPT. Bill Diehl gave an oral status report and provided a written report to the Board, a copy of which is attached hereto as Exhibit "A". He also advised the Board that, due to unforeseen work commitments, Director Leavins would not be seeking re-election as a Director on the Board for the 2014 calendar year.

4.2 Status of Assessments

CAPT. Diehl informed the Board that as of noon on Monday, October 8, 2013, 39 payments were received totaling \$710,500.00.

4.3 Status of Assessment Hearing Appeals

CAPT. Diehl informed the Board there are nine companies who have submitted information or documentation supporting their appeals, which, if approved by the Board, will result in a net reduction of \$63,000.00. He further advised that there are three companies, with assessments totaling \$17,500.00, who have requested a hearing on their appeals, and he recommended that a date and time be scheduled for those companies to present their appeals to a sub-committee. He stated there is one company that was previously a part of another company, but has since been spun off as a stand-alone company.

4.4 Status of Annual Meeting and Luncheon

CAPT. Diehl advised the Board that he had contacted Harris County and the City of Houston requesting formal presentations at the annual meeting, and also contacted Harris County, City of Houston, City of Baytown and the Port of Houston Authority to request static displays at the hotel during the meeting and luncheon. He further stated that a "save the date" e-mail had been sent to all members, federal, state and local officials, the United States Coast Guard (USCG), Customs Border Patrol CBP, the Port of Houston Authority, the East Harris County Manufacturers Association (EHCMA) and the Harris County Mayors and Councils Association. Formal invitations will be sent to the above mentioned parties on or about October 18, 2013.

4.5 Status of Projects

CAPT. Diehl advised the Board that he is meeting with the District's public partners to see what the status of their projects are and to anticipate what will be asked of the District going forward. He is reviewing the possibility of a Memorandum of Understanding between agencies to facilitate first responder requests. He stated that he was also attempting to set up a meeting with the head of EHCMA to discuss these matters.

Item 5: City of Houston

5.1 Update of air support patrols by City of Houston

Mr. Storemski gave a report on the City's air support patrols, stating that 140.5 flight/training hours had been logged over the last month at a total fuel cost of \$24,774.60. A copy of the City of Houston's air support patrol report is included as Exhibit "B".

Item 6: Harris County

Mr. Doug Adkinson stated that the Commissioners Court had approved the Agreement with the District and had signed same.

6.1 Status Report HCSO

Chair Riley advised that this matter would be discussed in Executive Session.

6.2 Status Report PID

Mr. Greg Karr stated that construction of the USCG facilities at Ellington Field is ongoing.

6.3 Status Report ITC

Mr. John Chaney stated that he was still attempting to locate the appropriate personnel to contact to roll out provision of camera video feed to facility owners, and asked the Directors for assistance in locating the appropriate persons in their respective zones.

6.4 Update regarding SMAG/TWIC data (John Chaney)

Chair Riley advised that this matter will be discussed in Executive Session.

Item 7: Legal

7.1 Status of Video Contract with Harris County and HSCSD

Mr. Ringold stated that he would mail the Board a copy of the Video Contract for their review as soon as he has received it from Harris County. The term of the Agreement would be one year.

7.2 Status of new Continuation Contract with Harris County and HSCSD

Mr. Ringold stated that the proposed amendment to the project agreement with Harris County to extend the term through the end of calendar year 2014 and include projects to be funded during that period has been revised to incorporate information received from Mr. John Chaney regarding County accomplishments, expenditures and remaining items from past grants that are still to be completed. Upon review of the agreement, Director Schroeter moved and Director Adamec seconded that the Board approve the Amendment. Motion passed unanimously.

7.3 Status of Agreement between City of Houston and HSCSD regarding air support patrols

Mr. Ringold advised the Board that the City was currently drafting this contract and would furnish him a copy for his review and the Board's comments.

7.4 Status and possible action regarding Amendment to the GHPB contract with HSCSD

Mr. Ringold stated that he has completed a draft of the contract and same will be going to the committee for their comments.

Item 8: Discussion and possible action on payment of invoices for maintenance, operation and administration expenses.

8.1 Mr. Cusick presented the following invoices for approval:

Witt O'Brien's - \$89,724.80 – Director Mike Stewart moved and Director Curtis seconded that the invoice be paid. Motion passed unanimously.

City of Houston – fuel for helicopter training flights - \$24,774.60 – Director Schroeter moved and Director Mike Stewart seconded that the invoice be paid. Motion passed unanimously.

Greater Houston Port Bureau – administration services for September, 2013 - \$22,310.09 - Discussion was held regarding this invoice. Director Schroeter noted that the invoice was being billed at a different rate for project management. The Agreement currently states that there would be a 48 hour limit of rates at \$125.00 per hour and anything over 48 hours would be billed at \$75.00 an hour. It was suggested that a line item for contract management be added to the invoice. After further discussion it was moved by Director Schroeter that the invoice be adjusted to reflect the current rate and after review of the proposed contract and approval of same, an adjustment be made and the difference in amount be paid. Director Schroeter informed the Board that he would review the new invoice with Mr. Ringold. Director Scheibe seconded the motion. Motion passed unanimously.

Harris County – September invoice - \$44,482.66 – Director Steve Stewart moved and Director Curtis seconded that the invoice be paid. Motion passed unanimously.

Schwartz, Page & Harding, LLP – Legal Services for September, 2013 - \$4,731.45 – Director Michael Stewart moved and Director Steve Stewart seconded that the invoice be paid. Motion passed unanimously.

Item 9: Contribution from Port of Houston Authority

9.1 Director Steve Stewart moved and Director Scheibe seconded that the Agreement with the Port of Houston Authority and HSCSD regarding their contribution be approved. Mr. Ringold informed the Board that there had been a slight revision to a portion of section 1b in the proposed agreement. Director Schroeter indicated that the revision was acceptable. Motion passed unanimously.

Item 10: Monthly and Quarterly Financial Report and Quarterly Investment Report

10.1 Director Curtis presented the monthly and quarterly Financial Reports and Quarterly Investment Report for the Board’s review. Director Adamec moved and Director Steve Stewart seconded that all reports be approved.

Item 11: Executive Session

At 2:54 p.m. Chairman Riley called for a ten minute recess. 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 and Port of Houston Authority
- B. 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 12: Reconvene in Open Session and take any action regarding items discussed in Executive Session

At 3:58 p.m. the Board of Directors meeting reconvened in open session. Chairman Riley asked the Board if there were any matters that would be coming out of closed session. There were none.

Item 13: Consider items for future meeting agendas

None

Item 14: Adjourn

There was no other business to come before the Board. Director Schroeter moved and Director Curtis seconded that the meeting adjourn. Motion passed unanimously. Meeting adjourned at 4:02 p.m.

The above is a correct copy of the Minutes of the October 8, 2013, regular meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin C. Riley, Chair

ATTEST:



Thomas G. Schroeter, Secretary