

## MINUTES

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

**Houston, Texas  
November 9, 2010**

The regular meeting of the Board of Directors of the Houston Ship Channel Security District was convened on November 9, 2010 at 9:30 a.m. The meeting was held at ExxonMobil Main Office Building, 2800 Decker Drive, Baytown, Texas. The following Directors were present:

Beth Bowles  
Clayton Curtis  
Greg DeLong  
Harry Engelhardt, Jr.  
Richard Henderson  
Robin Riley  
Tom Schroeter  
Mark Skobel  
Lawrence Waldron  
Ray Yellig

Also present was Daniel Ringold, counsel for the District. Director Steve Stewart was absent.

Chairman Riley called the meeting to order at 9:40 a.m. Chairman Riley asked if anybody wished to address the Board. Nobody wished to do so.

Chairman Riley asked if there were any corrections or amendments to the Minutes of the October 12, 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 DeLong seconded that the Minutes of the October 12, 2010, meeting be approved. Motion passed unanimously.

Chairman Riley asked for a motion to untable the item entitled Membership and Duties of the Houston Ship Channel Security Council which was tabled at the October 12, 2010 meeting. Director Schroeter moved that said item be untabled and Director Yellig seconded the Motion. Motion passed unanimously.

Discussion was held regarding the Houston Ship Channel Security Council. Director Schroeter made a motion that Bill Crews, Security and Emergency Operations Director for the Port of Houston Authority, be added to the Security Council due to his knowledge of security at the Port Authority's facilities and throughout the Ship Channel. Director DeLong seconded the Motion. Director DeLong asked who would give the Security Council direction and was informed by Chairman Riley that the Board would. Director DeLong also inquired as to whether they were strictly advisory or if they would have voting power. Chairman Riley informed the Board that the Security Council would be a strictly advisory board and they would have no voting power.

The following people are currently on the Security Council:

Doug Adkinson, Pat Bellamy, Rick Deel, Robert Doguim, Gail Miller, Dave Smith, Dennis Storemski and Gary Scheibe.

After said discussion, Director Schroeter's motion to add Bill Crews to the Security Council Board, was voted upon and passed unanimously.

Chairman Riley asked for a motion to create the Security Council as an advisory panel on security issues for the Board. Director Yellig moved and Director DeLong seconded. Motion passed unanimously.

Discussion was held regarding expenditure of funds. Director Schroeter stated that there was no official motion stating what funds could be expended without full Board approval. Counsel Ringold presented to the Board, for its review, an "*Order Establishing Authorization Limits for Checks and Disbursements and Other Documents and Materials by the Officers of the Board of Directors of the District; and Containing Other Matters Relating to the Subject.*" Director Bowles suggested that a sub-committee be formed to review the Order and report back to the Board. No action was taken on this suggestion. Director Schroeter moved and Director Curtis seconded that the Order be tabled so that the Board could review the Order and any questions or comments could be brought up at the next Board Meeting prior to it being voted upon. Motion passed unanimously.

Statements were presented by the Greater Houston Port Bureau and Schwartz, Page & Harding. After a brief discussion Director Bowles moved that the Port Bureau statement be paid, Director Schroeter seconded the motion, motion passed unanimously. Director Schroeter moved that payment for Schwartz, Page & Harding be tabled until a more detailed statement could be presented to the Board and reviewed. Director Yellig seconded the motion. Motion passed unanimously.

Chairman Riley asked Captain Bill Diehl of the Greater Houston Port Bureau to give an update on the collections of assessments for the Security District and the appeals process. There were 17 appeals filed. Captain Diehl stated that: (1) 57% of the members of the District had paid their assessment, (2) we are awaiting payment from 25%, and (3) 18% appealed. A second letter will be sent out to the companies that had not yet paid their assessment. It was suggested that the Port Bureau should notify the Directors regarding which companies in their zones had not paid, and that the Directors of that particular zone call the contact person for the company and remind them that payment is now due.

Director DeLong stated that he would like all member companies to become familiar with the District's website so that companies could familiarize themselves with the Security District. This would also aid in the appeals process. Captain Diehl stated that the web site will be updated to show properties and areas that are covered by the Security District. It was stated that the Appeal Board, sitting at each appeal, would not make the final decision regarding the appeal, rather its recommendation would be presented to the entire Board for its decision.

Director Schroeter commented that the amount of assessment monies received thus far for the first year represents quite an achievement and thanked the Board and those assisting the Board for their efforts.

The election process for HSCSD Board Directors was discussed. The respective terms (one year or two) for each of the governmental Directors was clarified. The Chairman's current term as a director is two years; his position as an officer (Chairman) is for one year. Director Stewart's current term is for two years. Director Schroeter's current term as both a Director and as officer (Secretary) is for one year.

The election sub-committee presented their suggestions to the Board regarding the upcoming elections. Director Bowles moved to adopt the nominating procedures recommended by the elections sub-committee, subject to input from Schwartz, Page & Harding regarding the method by which the District would provide notice of distribution of nominating ballots to the facility owners. Director Clayton seconded. Motion passed unanimously.

Chairman Riley gave a report on the Logo Committees findings. The Logo Committee met and narrowed down the entries to five and Captain Diehl presented the five finalists to the Board. Captain Diehl stated that the finalists were aware that their design could be adjusted. The Board picked the winning entry with the following modifications to the drawing:

1. Take off the containers;
2. Add crackers
3. Place the San Jacinto Star on the seal

Chairman Riley gave the Board an update on the Annual Luncheon. It will be held on Friday, December 17 at the Hobby Hilton. It is to be a multi media presentation. Captain Diehl will be working on the graphic presentation for the event. Chairman Riley advised the Board that all facilities would receive two complimentary tickets. If additional personnel from the facility wished to attend the event tickets would cost \$20.00 per person. Chairman Riley announced that Lieutenant Governor David Dewhurst would be the guest speaker and that other local dignitaries had also been invited. Director Schroeter moved that the Annual Luncheon, as discussed, be approved and expenditures authorized in an amount not to exceed \$7,000. Director DeLong seconded. Motion passed unanimously.

Chairman Riley introduced Mr. Dan Timmins who gave a presentation regarding PIER system (Public Information and Emergency Response). Director Waldron moved that the Board evaluate the information given by Mr. Timmins and requested that it be put on the Agenda for the December meeting. Director DeLong seconded. Motion passed unanimously.

Meeting location was discussed. Director Henderson stated that he would be happy to host December's meeting. Mr. Gary Scheibe, Security Manager for Shell Deer Park, stated that the Board could meet at Shell if they wished. He would check availability and inform the Board of his findings. Chairman Riley thanked both Director Henderson and Mr. Scheibe. If available, the December meeting will be held at Shell Deer Park.

Director Yellig suggested that the Board think about holding the Annual Meeting in a different month other than December for future years.

At 10:55 a.m. Chairman Riley announced a five minute recess which would be followed by a brief Executive Session.

At 11:10 a.m. Director Schroeter read the following statement:

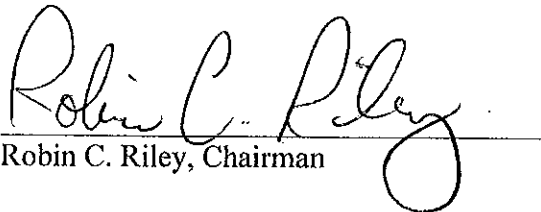
“The Board of Directors of the Houston ship Channel Security District will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government code, to deliberate regarding security-related matters. Pursuant to the Government code, the closed meeting shall be recorded. The Board will reconvene in public session after the closed meeting is adjourned.”

The Board reconvened in open session at 11:50 a.m.

Director Schroeter moved that the Agreement between Harris County and the Ship Channel Security District be tabled until the December 14, 2010 meeting. Director Engelhardt seconded. Motion passed unanimously.

There being no additional business to be discussed, Director Bowles moved and Director Yellig seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 11:53 a.m. Next scheduled meeting of the Houston Ship Channel Security District Board of Directors is Tuesday, December 14, 2010, 9:30 a.m. at Shell Deer Park, 5900 Hwy 225, Deer Park, Texas 77536.

The above is a correct copy of the Minutes of the November 9, 2010, meeting of the Board of Directors of the Houston Ship Channel Security District.

  
Robin C. Riley, Chairman

ATTEST:

  
Thomas G. Schroeter, Secretary

Action Items:

1. Counsel Ringold to prepare a letter regarding elections
2. GHPB to send out election information via certified mail
3. Counsel Ringold to present a more detailed statement to the Board for services rendered