

MINUTES

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

**Houston, Texas
March 19, 2013**

A special meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on March 19, 2013 at 2:00 p.m. The meeting was held, open to the public, at Port of Houston Authority, Board Room, 4th Floor, 111 East Loop North, 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 President

and all of said persons were present, except Director Brown, Director Henderson and Director Michael Stewart, thus constituting a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, 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 2:06 p.m.

Item 2: Appearances

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

Item 3: Update and instruction on use of electronic tablets for Board Members for use at meetings and other District business

Mr. Cusick passed out the new electronic tablets to the Board members and gave a brief overview regarding the operation of same.

Item 4: Approval of Minutes

Director Leavins moved and Director Steve Stewart seconded that the Minutes of the February 12, 2013, Board of Directors meeting be approved. Motion passed unanimously.

Item 5: Greater Houston Port Bureau

5.1 Status Report Greater Houston Port Bureau: Mr. Cusick gave the monthly status report to the Board, a copy of which is attached hereto as Exhibit “A”. He advised that the Annual Report has been posted to the website and is viewable on the tablets. Mr. Cusick stated that he was continuing to research companies within the revised boundaries of the District that qualify as “facilities” per the appropriate provisions of Chapter 68 of the Water Code.

Director Leavins moved and Director Schroeter seconded that the Board approve the report. Motion passed unanimously.

Item 6: Update on Proposals received and future activities for the Update of the Port-wide Risk Analysis/Mitigation and Business Continuity Plan

Mr. Cusick advised the Board that eleven proposals were received, of which eight meet the requirements set forth in the Request for Proposals. He stated that a Committee consisting of the following persons plans to meet during the first week of April to preliminarily evaluate the conforming proposals received and report its findings and recommendations to the Board at its regular April meeting:

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|-----------------|--|
| Rick Deel | AMSC Representative |
| Jason Hayley | Port of Texas City |
| Chris Hogan | Port of Freeport |
| Gary Scheibe | Houston Ship Channel Security District/MTSA Facilities |
| Peter Simon | Port of Galveston |
| Michael Stewart | Houston Ship Channel Security District/MTSA Facilities |
| John Walker | US Coast Guard |
| Marcus Woodring | Port of Houston Authority |

Item 7: City of Houston - Update on Air Patrols

Mr. Storemski advised the Board that the patrols flights were on-going and that the City of Houston (“City”) logged a total of 106.9 flight hours during the month of February. He also asked the Board to consider funding an additional \$38,000.00 to cover the cost of video down-linking and sharing. Mr. Storemski informed the Board that the current contract between the District and City expires on April 14 and requested that the Board consider renewing same. He suggested that the Board insert an evergreen clause in the Contract. Mr. Ringold requested that Mr. Storemski provide a draft of the proposed contract in advance of the April meeting for his review on behalf of the District. A discussion ensued regarding the term of the proposed renewal agreement and inclusion of an automatic renewal provision. Mr. Storemski also requested that the Board consider providing an additional \$563,000.00 in funding to cover the 25% local match requirement for grant funds sought maintenance, operation and personnel costs relative to the City’s patrol boats. Director Clayton asked that Mr. Storemski send him information regarding these two requests. This matter was tabled until the April Board meeting.

Item 8: Discussion and possible action on 2013 Budget

Director Curtis requested that this matter be tabled until the next regular meeting of the Board.

Item 9: Discuss and take action on payment of invoices for maintenance, operation and administrative expenses

Invoices in the amount of \$71,460.34 from Harris County and \$8,746.20 from City of Houston were presented for payment. Director Curtis moved and Director Scheibe seconded that the invoices be paid. Motion passed unanimously.

Item 10: Update on proposed Legislative changes to Chapter 68 of the Water Code

Mr. Ringold advised the Board that companion bills had been filed in the House and Senate, and provided the Board members with a copy of the introduced version of House Bill 2635, a copy of which is attached hereto as Exhibit "B". He stated that House Bill 2635 has been referred to the House Transportation Committee and Senate Bill 1225 had been referred to the Senate Natural Resources Committee. He advised that Bill analyses talking points relative to the proposed legislation has been prepared and provided to the respective sponsors of the Bills. Mr. Ringold advised the Board he would let them know when public hearings were scheduled.

Item 11: Discussion and possible action regarding Resolution re: Sunset Committee Recommendation regarding Port of Houston Authority

Chair Riley asked for a Motion to untable this item. Director Leavins moved and Director Adamec seconded the Motion to untable. Director Schroeter informed the Board that he would refrain from discussing or voting on this item. All other Directors voted in the affirmative to untable the item. Chair Riley asked to Board to consider adopting a Resolution supporting local governance and maintaining the current method of appointment of the Port of Houston Authority Commissioners. A discussion ensued regarding whether such support was better provided by the District or directly through its constituents. Director Steve Stewart advised the Board as to discussions with the County on the matter, then recused himself from further discussion and voting on same. After further discussion, the Board concurred to take no action on this matter.

At 3:11 p.m. Chair Riley called for a ten minute recess prior to the Executive Session.

Item 12: Executive Session

At 3.19 p.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 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, potential boundary/membership revisions, and potential legislative items; Discussion regarding United States Coast Guard scheduling of patrols

B. Deliberation regarding deployment and implementation of security services and projects including update on Harris County Security Projects including Operations Monthly (to include reports on water and land patrols)

i. Report for Harris County Sheriff's Office

- ii. Report from Harris County ITC Department
- iii. Status of cameras

C. Status of Executive Director

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 13: Reconvene in Open Session and take any action regarding items discussed in Executive Session

At 4:34 p.m. the Board of Directors meeting reconvened in open session. Chair Riley asked the Board if there were any matters that would be coming out of closed session. There were none.

Item 14: Suggested items for April Agenda

No items were suggested for the April agenda.

Item 15: Other business

Chair Riley informed the Board that he had been invited to speak at a security conference being held in Ottawa, Canada regarding the District. Upon discussion (but without formal action), the consensus was in favor of Chair Riley attending the conference and giving a presentation.

Item 16: Adjourn

There was no other business to come before the Board. Director Steve Stewart moved and Director Clement seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 4:50 p.m.

The above is a correct copy of the Minutes of the March 19, 2013, special meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin C. Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary

LIST OF EXHIBITS

A - Greater Houston Port Bureau monthly administrative report

B - Introduced version of House Bill 2635