

MINUTES

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

**Houston, Texas
May 11, 2010**

The regular meeting of the Board of Directors of the Houston Ship Channel Security District was convened on May 11, 2010 at 9:30 a.m. The meeting was held at West Gulf Maritime Association, Board Room, Third Floor, 1717 Turning Basin Drive, Portway Plaza Building, Houston, Texas 77029. The following Directors were present:

Beth Bowles
Clayton Curtis
Greg DeLong
Robin Riley
Tom Schroeter
Mark Skobel
Steve Stewart
Lawrence Waldron
Ray Yellig

Harry Engelhardt, Jr. and Richard Henderson were absent

Chairman Riley called the meeting to order at 9:35 a.m. Chairman Riley asked if there were any corrections or amendments to the Minutes of the April 13, 2010 Meeting of the Board of Directors. There were none. Chairman Riley asked for a Motion to approve the Minutes. Director Stewart moved and Director Bowles seconded that the Minutes of the April 13, 2010 meeting be approved. Motion passed unanimously.

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

A discussion was held regarding the Bylaws. Director Schroeter informed the Board that he, Director Bowles and Chairman Riley were working on the Bylaws and would endeavor to have them available for the Directors' review in advance of the next regularly scheduled meeting. Director Waldron moved and Director Curtis seconded that the discussion of the Bylaws be tabled until the June meeting. Motion passed unanimously.

Chairman Riley presented a Training Action Item List with training suggestions. He stated that the training schedule is not set in concrete and could be changed according to the presenters' availability. A copy of the Training Action Item List is attached to these Minutes. Director Yellig moved and Director Bowles seconded that the Board adopt the Training Action Item List. Motion passed unanimously. Chairman Riley also requested that Director Schroeter send out a summary or outline on Robert's Rules of Order and on sensitive security information (SSI).

Don Bruce from JTAC Consulting gave a presentation to the Board on the background and history of the Houston Ship Channel Security District. A copy of his presentation is attached hereto. Following Mr. Bruce's presentation, Doug Adkinson of Harris County Judge's Office,

Director, Criminal Justice Issues, handed out an Information Sheet on the District. It is also attached to these Minutes.

Chairman Riley called for a brief recess at 10:30 a.m.

Chairman Riley reconvened the meeting at 10:43 a.m.

Director Curtis gave a presentation on the budget. He also suggested that the Board should determine the District's fiscal year and further suggested that it run from September 1 through August 31. Director Schroeter inquired as to whether it might be acceptable to make the fiscal year run from October 1 through September 30 (the fiscal year for the Federal Government and DHS' Port Security Grant Program).

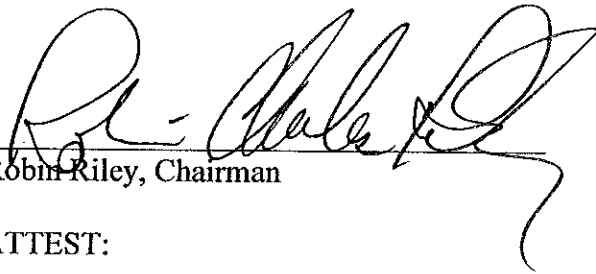
Director DeLong recommended that the Board ask ECHMA and the United States Coast Guard for respective updated lists of all companies in the Ship Channel Security District. Director DeLong stated that he would call Mr. Pat Bellamy to see if he was able to obtain a list of all companies and to see if he could get confirmation of the non-binding proposal made to each company as to initial assessments. After discussion, Director DeLong moved that he and Director Schroeter endeavor to check that the proposed assessments sent to the members were consistent with the ones on the chart recently submitted to the Board by Pat Bellamy. Director Curtis seconded the motion. Motion passed unanimously. Motion was made by Director Curtis and seconded by Director Riley that the expense section of the budget be tabled until next meeting. Motion passed unanimously.

After discussion, a motion was made that an Agreement be prepared for the consideration of the District and the Port of Houston Authority (PHA) wherein PHA would make its 2010 contribution to the District as soon as reasonably practicable in order to facilitate the District's payment of first-year expenses. It was requested that Director Schroeter present the draft of such Agreement at the next regularly scheduled Board meeting. Motion made by Director Yellig and seconded by Director Curtis. Motion passed unanimously.

Director DeLong moved and Director Clayton seconded that the meeting be adjourned. Motion passed unanimously. Meeting adjourned at 11:58 p.m.


Next regularly scheduled meeting of the Houston Ship Channel Security District Board of Directors, Tuesday, June 8, 2010, 9:30 a.m. at WGMA.

The above is a correct copy of the Minutes of the May 11, 2010 meeting of the Board of Directors of the Houston Ship Channel Security District.



Robin Riley, Chairman

ATTEST:



Thomas G. Schroeter, Secretary