

## MINUTES

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

**Houston, Texas  
August 13, 2013**

The regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on August 13, 2013 at 2:00 p.m. The meeting was held, open to the public, at West Gulf Maritime Association, Board Room, 3<sup>rd</sup> 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 Scheibe and Director Henderson, thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, LLP (“SPH”), counsel for the District, CAPT. Bill Diehl 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 2:03 p.m.

### **Item 2: Appearances**

Chair Riley asked if anybody wished to address the Board. Mr. John Walker advised the Board that the United States Coast Guard would be performing the table top exercise “Securex” on September 25 at the Barbours Cut Cruise Terminal commencing at 7:00 a.m. He stated that members could go to the HOMEPORT website to register for the exercise and to feel free to pass the link on to persons that may be interested. He also informed the Board that the Area Maritime Security Committee (“AMSC”) held their quarterly meeting on July 25, 2013.

### **Item 3: Approval of Minutes**

Director Brown moved and Director Michael Stewart seconded that the Minutes of June 11, July 16 and July 30, 2013, Board of Directors meetings 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 the GHPB had met with the CEO of Blue Lance, Inc. regarding the October 19, 2013 Cyber Conference at the George R. Brown Convention Center. He reported that he attended the Port of Texas City Security Council Meeting and the most recent quarterly AMSC meeting on behalf of the District. CAPT. Diehl further advised that he briefed Dr. Lim and Dr. Chem of the University of Houston on the Security District and its functions.

CAPT. Diehl reported that Mayor Annise Parker has been confirmed as the guest speaker at the Annual Meeting which will be held on November 21, 2013 at the Marriott South.

### **4.2 3<sup>rd</sup> Quarter newsletter**

CAPT. Diehl informed the Board that the following articles would be placed in the newsletter:

- Witt O'Brien's selection as the contractor for the update to the Port Wide Risk Mitigation and Business Continuity Plan
- Provision of Port Security grant matching funds to the cities of Baytown and Houston
- Information on the workshop held by Harris County regarding the implementation of the NICE Situater
- Chair Riley's speech at the Port Security Conference and Expo in Ottawa, Canada and the Houston MASTT Conference
- Listing of current District Members, including highlighting the new members

The newsletter would be available for the Board's review at the September meeting.

Chair Riley requested that the newsletter be converted from a quarterly publication to a semi-annual one, and that it should also include a report on the Annual Luncheon. He requested that the second newsletter be printed in the March/April time frame and be a reflection of the past year.

### **4.3 Status on new members**

CAPT. Diehl stated that his office had followed up with Zone Directors on vetting the 50 new facilities added by virtue of the boundary change effectuated by Harris County Commissioners Court and is continuing to conduct research to identify facility head counts, acreage and primary contact information.

#### **4.4 Status of Assessment Hearing**

Certified letters were sent to District Members on August 7, 2013. CAPT. Diehl anticipates mailing the Assessment Statements during the week of September 9, 2013.

Director Steve Stewart moved and Director Curtis seconded that the administrative report and the expenditures reflected therein be approved. Motion passed unanimously.

#### **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 65.1 flight hours had been logged at a total fuel cost of \$10,767.60. A copy of the City of Houston's air support patrol report is included as Exhibit "B".

##### **5.2 Status of Agreement between City of Houston and HSCSD regarding air support patrols**

Mr. Storemski informed the Board that the Contract has been approved by the City. Mr. Storemski stated the contract includes air fuel costs and the contract term would be from April 2013 thru April 2014. He advised that the City will seek to further amend the contract to include grant matching funds and maritime fuel costs once the Port Security Grant Program awards are announced.

#### **Item 6: Harris County**

Mr. Doug Adkinson stated he was still waiting to hear from FEMA regarding the extension on Harris County's FY 2010 Port Security Grants.

##### **6.1 Status Report HCSO**

Deputy Diaz was not present at the meeting, however, he had prepared a monthly status report to be handed out in Executive Session relative to implementation and deployment of security personnel and equipment.

##### **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 was not present at the meeting and no report was given.

**Item 7: City of Baytown**

7.1 Mr. Bayliss from the City of Baytown stated that he is still waiting to hear if the City of Baytown had been awarded funding under the 2013 Port Security Grant Program. He informed the Board that Mr. Cusick has a copy of the application submitted by Baytown.

**Item 8: Legal**

**8.1 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.

**8.2 Status of new Continuation Contract with Harris County and HSCSD**

Mr. Ringold stated that he is still waiting to hear from his counterpart in Harris County.

Chairman Riley stated he needed to have all Harris County funding requests for 2014 as soon as possible.

After discussion, Director Steve Stewart moved and Director Michael Stewart seconded that the Board approve the video contract with Harris County. Director Michael Stewart asked if the \$198,000.00 access fee was above and beyond the \$2,000.00 that the District would pay to each facility wishing to access the internal application. Director Stewart was informed that \$198,000 was in place of the \$2,000 per facility that had been previously discussed; however, the individual facilities may be required to pay the County for technical assistance should they require it. The \$198,000.00 would be due when Harris County informs them that the system is ready for operation. Director Schroeter requested that this matter be discussed in Executive Session. Voting on the Motion was to be held until after Executive Session.

**Item 9: Witt O'Brien**

**9.1 Five (5) year Security Study status update**

Mr. John McHugh was representing Witt O'Brien and informed the Board that a "kick-off" meeting was held on July 15, 2013, which was very productive. He informed the Board that the ABS report and the Chertoff report had been reviewed and he was planning on having meetings with Harris County and the City of Houston. He stated that he had a meeting scheduled with the Coast Guard on August 19, 2013. He stated that Witt O'Brien is working in close contact with the Houston Ship Channel Security District Council Advisory Board and also seeking input from the Ports of Texas City, Galveston and Freeport. Director Schroeter asked that an update be given at the monthly Board Meetings. Chair Riley thanked Mr. McHugh for his report.

**Item 10: Update, status and possible action regarding General Manager Search**

10.1 Director Stewart informed the Board that the offer previously presented was now off the table and that a committee of the following persons had been formed to review resumes:

Director Steve Stewart  
Director Brown  
Director Leavins  
Rick Deel – HSCSD Advisory Board  
Marcus Woodring – HSCSD Advisory Board

Director Stewart advised the Board that the committee had reviewed the resumes received and felt that the job description for the General Manager position needed to be redefined. The Committee recommended that the following criteria be listed on the job description:

1. Maritime experience
2. Knowledge of Houston and the region
3. Security experience with knowledge of MTSA regulations and TWIC gate operations
4. Have knowledge of industry linkage and industry partners
5. Management experience
6. The proposed salary to be offered needs to be reviewed

The committee felt that the Board should take another look at the position and be very clear about what was expected on the General Manager. It was their feeling that the General Manager position needed to be posted again with the revised job description and clearly defined parameters.

Chairman Riley recommended to the Board that, at the present time, the District continue their contract with the Greater Houston Port Bureau in regard to clerical assistance and ask them to enhance their services to include project management and meet with the various security partners to advise them about the District and ask if the District can be of service to them. CAPT. Diehl stated that the Port Bureau could indeed perform the function that Chairman Riley had suggested. He stated that GHPB would need to hire a project manager for this position and would like to receive input from Pat Bellamy, who was a major player in the formation of the District, the Captain of the Port, the Harris County Sheriff's Office and the City of Houston regarding the strategic plan for the District. Director Adamec moved and Director Stewart seconded that the Port Bureau's relationship with the District be further expanded to provide staffing in the general manager role and for additional hours for clerical issues. The Motion also authorized Mr. Ringold to work with the Port Bureau on a new contract to extend their services to include project management; community and facility contacts, public relations, and addressing issues raised in the Chertoff Report. The Board further authorized that the Charter of the subcommittee be extended during this time. Motion passed unanimously.

**Item 11: Update, status and possible action regarding 2014 Budget**

**11.1** Director Curtis presented a draft 2014 budget to the Board. He informed the Board that the grant matching funds for City of Baytown were not included on the budget and would need to be added. He also advised that the draft he presented needed to be modified to distinguish between 2013 "carryover" expenses and 2014 expenses. He stated that he was still awaiting approval of Agreements with Harris County. Mr. Cusick stated he would send the budget to the City of Houston and Harris County so they could add their expenses to same. Chairman Riley asked that this matter be put on the September Agenda.

**Item 12: Update, status and possible action regarding 2013 Annual Meeting and Luncheon**

12.1 Chairman Riley advised the Board that the annual meeting would be held on November 21, 2013 at the Houston Marriott South and the guest speaker would be Mayor Annise Parker.

**Item 13: Discussion and possible action regarding nomination schedule for zone directors**

13.1 Mr. Al Cusick advised the Board that the following zone directors positions would be expiring January 31, 2014:

- Zone 1 - Director Curtis
- Zone 2 - Director Brown
- Zone 3 - Director Michael Stewart
- Zone 4 - Director Leavins

Mr. Cusick stated that ballots would be mailed on November 25, 2013 with the deadline for receipt of ballots from facilities December 6, 2013.

**Item 14: Discussion and possible action on payment of invoices for maintenance, operation and administration expenses**

14.1 Mr. Cusick presented the following invoices for approval:

- City of Houston – fuel for helicopter training flights - \$10,767.60
- Greater Houston Port Bureau – administration services for July, 2013 - \$9,331.98
- Greater Houston Port Bureau – Maritime Person of the Year table - \$2,000
- Harris County – July invoice - \$59,116.98
- Schwartz, Page & Harding, LLP – Legal Services for July, 2013 - \$11,321.30

Upon review and discussion of same, Director Michael Stewart moved and Director Curtis seconded that the invoices as presented be approved for payment. Motion passed unanimously.

**Item 15: Quarterly Financial Report and Quarterly Investment Report**

15.1 Director Curtis presented the Quarterly Financial Report and Quarterly Investment Report to the Board. Director Schroeter moved and Director Michael Stewart seconded that the reports be approved. Motion passed unanimously.

**Item 16: Discussion and possible action regarding participation in Quadrennial Homeland Security Review**

16.1 Director Schroeter advised the Board that the Department of Homeland Security was conducting its Second Quadrennial Homeland Security Review and was encouraging the “entire homeland security enterprise” to participate. Director Schroeter informed the Board he would obtain additional information regarding this item.

**Item 17: Executive Session**

At 3:16 p.m. Chair Riley called for a five 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
- B. Deliberation regarding assessments and security projects regarding same
- C. Discuss general manager position and recommendations 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 18: Reconvene in Open Session and take any action regarding items discussed in Executive Session**

At 4:43 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.

Discussion ensued regarding the 2014 Budget. Director Curtis requested that a committee be formed to assist him with the final proposed 2014 budget. Director Adamec and Chairman Riley volunteered to be on the committee. Director Schroeter asked if the original Agreement that the Board has with the County included a clause stating that they had to comply with the SAFETY Act. Director Schroeter stated that he would send a power point presentation regarding the SAFETY Act to Mr. Adkinson of the County, Mr. Ringold, Mr. Cusick and Chairman Riley. He stated he would also send to any other interested parties. Director Schroeter requested that SAFETY Act verbiage be placed in the contract with Harris County. Director Steve Stewart amended his earlier motion to include the revisions requested by the Board. Director Michael Stewart seconded the amendment.

**Item 19: Other business**

None

**Item 20: Adjourn**

There was no other business to come before the Board. Meeting adjourned at 4:52 p.m.

The above is a correct copy of the Minutes of the August 13, 2013, regular meeting of the Board of Directors of the Houston Ship Channel Security District.

  
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Robin C. Riley, Chair

ATTEST:

  
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Thomas G. Schroeter, Secretary