

MINUTES

Board of Directors of the Houston Ship Channel Security District December 17, 2019

A special meeting of the Board of Directors ("Board") of the Houston Ship Channel Security District ("District") was convened on December 17, 2019, open to the public, at the offices of the Greater Houston Port Bureau, 4400 Highway 225, Deer Park, 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:

Niels Aalund
Eric Bass, Secretary
Brian Blanchard, Treasurer
Jimmy Burke
Carl Holley
Craig Nelson
Raymond Russell
Clayton Pace, Assistant Secretary
Gary Scheibe, Chair
Marcus Woodring, Vice Chair

and all said persons were present, except Directors Blanchard, Holley and Nelson, thus establishing a quorum. Also, present were Daniel Ringold of Schwartz, Page & Harding, LLP ("SPH"), legal counsel for the District, and Bill Diehl and Al Cusick of the Greater Houston Port Bureau ("GHPB"), administrators for the District.

1. Call to Order

Chair Scheibe called the meeting to order at 2:03 PM.

2. Public Comments/Appearances

There were no appearances.

3. Chair's Comments on Industry Regulations and Related Matters

Chair Scheibe advised that there were no updates on the TWIC Reader Rule. He commented there was a cyber incident in New Orleans that impacted the marine industry there. Vice Chair Woodring noted that NMSAC was currently in an inactive status awaiting federal appointment or reappointment of applicants.

4. Results of the Election of Candidates for the 2020-2022 Zone Director Nominees

Mr. Cusick advised the Board of the nominations of Basil Alkoussari-Zone 1, Carl Holly-Zone 2, Eric Finck-Zone 3, and Eric Bass-Zone 4, by election of the facilities in their respective zones. Their names will be submitted to Harris County Commissioners Court for appointment to the Board of Directors of the District.

5. Receipt of Recommendations from the 2019 Assessment Appeals Committee and Take Action on Appeals

Mr. Cusick advised the Board that the assessment appeals committee had reviewed all timely received appeals and recommended approval of each. The appeals submitted were a) American Commercial Barge Line – increase assessment to \$7,100; b) Messer North America, Inc. – decrease assessment to \$4,300; c) Praxair, Inc – decrease assessment to \$4,300; d) TOTAL Petrochemical & Refining USA, Inc. – decrease assessment to \$12,900. Mr. Cusick also advised the Board that two (2) companies ceased operations and went out of business prior to the adoption of the 2019 Plan of Assessment, and, therefore, should be removed from the Assessment Roll. They are Inert Gas Services, Inc. - \$1,400 and Port Packaging, LLC. - \$1,400. Director Burke moved that the recommendations of the committee be accepted by the Board, that the Board approve the appeals, and that Inert Gas Services, Inc. and Port Packaging LLC be removed from the 2019 Assessment Roll. Director Russell seconded the motion, which passed unanimously.

6. Consider Approval of October Invoices.

Mr. Cusick presented 2 checks requiring approval by the Board:

1. ABS Group - \$15,000 for FSO cyber training classes; and
2. City of Houston - \$438,112.70, consisting of \$428,996.90 for FY2017 and FY2018 PSGP local match funds, and \$9,105.80 for November 2019 O&M reimbursement.

Director Woodring moved to approve payment of the checks. Director Russell seconded the motion, which passed unanimously.

7. Legal Report – Schwartz, Page & Harding, LLP

Mr. Ringold noted certain non-substantive changes requested by the City of Houston to the First Amended and Restated Interlocal Agreement with the City of Houston based upon comments from the City Attorney's office. The Board expressed no objection to same. Mr. Retz noted that the agreement is on the agenda for approval by City Council. Mr. Ringold next advised that he has received two rounds of comments from Harris County to the Eighth Amendment to the Agreement with the County, and that the changes requested by Harris County were to correct several misstated dollar amounts and incorporate acknowledgment of prior District approvals to past grant scope revisions. He noted that the suggested revisions were acceptable to counsel. Director Woodring inquired as the status of the audit request from Harris County. Mr. Ringold advised that he did not have an update on that matter at this time.

8. Recess to Executive Session to discuss matters relating to security devices and personnel or security audits pursuant to §551.076, Texas Government Code; emergency response providers, risk or vulnerability assessments, encryption codes and security keys for communications systems, information prepared for the United States, information relating to critical infrastructure, and information relating to security systems, all pursuant to §418.183(f), Texas Government Code; and to consult with the District's attorney pursuant to matters authorized by §551.071, Texas Government Code

No closed session was necessary.

9. Reconvene in Open Session and Take Any Action Regarding Items Discussed in Executive Session

There was not a closed session.

10. Consider Items for Future Meeting Agendas

No items were presented.

11. Adjourn

Chair Scheibe adjourned the meeting at 2:20 PM with a motion by Director Woodring, seconded by Director Aalund, which passed unanimously.

Next Meeting – January 14, 2020

The next regular meeting of the Board is scheduled for January 14, 2020 at 2:00 PM.

The above is a correct copy of the Minutes of the December 17, 2019, special meeting of the Board of Directors of the Houston Ship Channel Security District.



Eric Bass, Secretary