

MINUTES

Board of Directors of the Houston Ship Channel Security District August 11, 2020

A regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on August 11, 2020, open to the public, via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in 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
Basil Alkoussari
Eric Bass, Secretary
Brian Blanchard, Treasurer
Jimmy Burke
Eric Finck
Carl Holley
Craig Nelson
Clayton Pace, Assistant Secretary
Gary Scheibe, Chair
Marcus Woodring, Vice Chair

and all said persons were present, except Directors Alkoussari and Burke, thus establishing a quorum. Also present were Daniel Ringold and Diana Miller of Schwartz, Page & Harding, L.L.P. (“SPH”), legal counsel for the District; Bill Diehl and Al Cusick of the Greater Houston Port Bureau (“GHPB”), administrators for the District; and Brian Toldan of McCall Gibson Swedlund Barfoot PLLC (“McCall”), auditors for the District.

The following persons also announced they were present on the conference call:

LaKenya Wilson, Lt. Jeff Easthagen, Lt. Don Plant, Patrick Gonzales, Greg Karr, Bo Garces, and Lori Hempen representing Harris County and the Harris County Sheriff’s Office.

Scott Berry and Gerald Welsh representing the City of Houston.

Assistant Chief Victor Medrano and Russell White representing the City of Baytown.

Capt. Jennifer Weaver and Capt. Mandy Reader representing Texas Parks and Wildlife Department.

Marisa Brusuelas and Hilary Martinez representing Texas Department of Public Safety

Marco Ayala representing aeSolutions.

Jessica Thomas representing Port Houston.

Tim Krietemeyer representing Intercontinental Terminals Company.

Ray Russell representing Dow Chemical Company.

Mike Carr representing Sekisui Specialty Chemicals.

Richard Woods representing Flint Hills Resources.

Drew Scroggins, representing Galena Park Police Department.

1. Explanation of Telephonic Meeting Procedures and Call to Order

Mr. Ringold reminded all in attendance of the requirements of the Texas Open Meetings Act, as modified by the Governor's Disaster Proclamation, relative to the conduct of meetings by telephone. In connection therewith, he informed the participants that the meeting would be recorded and requested that participants clearly state his or her name before speaking, including when making or seconding a motion. Mr. Ringold stated that a full roll call of all participants would be conducted at the start of the meeting for attendance purposes. Mr. Ringold proceeded to perform a roll call to establish attendance of Board members, consultants, facility representatives, law enforcement partners, and members of the public, if any.

Following such roll call, Chair Scheibe called the meeting to order at 2:11 PM.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of June 9, 2020 Board of Directors Regular Meeting

Director Bass advised the Board the minutes of the June 9, 2020 were distributed and asked if there were any comments. Director Woodring moved to approve the minutes of the June 9, 2020 meeting, as presented. Director Blanchard seconded the motion. The motion passed unanimously.

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

Chair Scheibe advised that the Coast Guard has distributed updated proposed language for on its Biometrics at Sea System regulations, which proposed language will become regulations somewhere around August 2023. He further noted that the cybersecurity Navigation and Vessel Investigation Circular has been released and Facility Safety Officers should expect to receive additional questions about physical and logical security during facility audits beginning in the 3rd or 4th quarter of 2021. Vice Chair Woodring advised he sits on the NMSAC Advisory Committee, which recently evaluated a cyber risk assessment tool being developed for the Coast Guard. Vice Chair Woodring further discussed the pending update to NVIC 03-03 Change 2, which provides guidelines for implementation of maritime security regulations mandated by the Maritime Security Act of 2002 and has not been changed in over 10 years.

5. Presentation of the 2019 Annual Audit Report by McCall Gibson Swedlund Barfoot PLLC

Mr. Toldan advised the Board that McCall is once again issuing an unmodified opinion in connection with its audit of the District's records for the fiscal year ending 12/31/2019, which is the highest opinion that can be given by an auditor. He highlighted pertinent parts for the audit report. Upon motion by Vice Chair Woodring, which was seconded by Director Blanchard and unanimously carried, the Board approved the audit report and authorized the Chair to sign the representation letter in connection therewith.

6. Consideration of a Proposal by aeSolutions to Develop and Provide a Facility Security Officer (FSO) Cyber Training Boot Camp.

Mr. Ayala presented a proposal from aeSolutions to develop and present a cybersecurity training course for Facility Security Officers. He explained the intended purpose, agenda, and deliverables of the program. Chair Scheibe advised the Board that the proposal included the development of the program and the delivery of 3 classes for a total price of \$59,080. A discussion ensued regarding the use by aeSolutions of materials from the course developed for the District in connection with other engagements. Mr. Ayala advised that he anticipates that aeSolutions will want to use certain elements of the program it will develop for the District in connection with other engagements, but that aeSolutions would seek the approval of the District's Board before doing so. Director Woodring moved to approve the proposal, subject to review and comment from SPH of the general contract terms and conditions accompanying the proposal. Director Blanchard seconded the motion, which passed unanimously.

7. Approval of an Amended Agreement with Texas Department of Public Safety for the Funding of Maritime Security Analysts Positions

Ms. Miller reviewed with the Board the proposed Amendment to the agreement with DPS for funding of two maritime security analyst positions. She note that the Amendment provides for a refund of unused funds as a result of open positions during 2019 and 2020, and that, on a going forward basis, DPS will bill the District at the end of the State fiscal year for expenses actually incurred. She noted that the amendment also authorizes the addition of \$750/yr. for training for the analysts, and extends the term of the agreement to August 31, 2023. Director Woodring moved to approve the Amendment to the Agreement. Director Blanchard seconded the motion, which passed unanimously.

8. Approval of a Request by the Harris County Sheriff's Office for a No-Cost Substitution of a Cirrus SR22 Aircraft for the Cessna 206 Aircraft Contained in the HCSO FY2019 IJ3, as Approved by FEMA

Lt. Donny Plant referred the Board to the materials included in the Board Book relative to the expected advantages in procuring a Cirrus SR22 instead of a Cessna 206. He advised that not only is this a no-cost substitution, but the Cirrus SR22 comes with additional equipment and enhanced video that is not available on the Cessna 206. After discussion on the matter, Director Woodring moved to approve the request. Director Blanchard seconded the motion, which passed unanimously.

9. Approval of an Amended and Restated Interlocal Agreement with Port of Houston Authority for Provision and Funding of ISAO, MS-ISAC Registration and Related Communication Platform Licensing Fee

Mr. Ringold advised the Board that the proposed Amended and Restated Agreement with the Port of Houston Authority was prepared per the instructions of the Board at its June 9, 2020 Board meeting. The terms of the existing agreement with the Port Authority remain unchanged, with the exception of the addition of language obligating the District to use part of the funds donated by the Port Authority to pay

for the costs of an annual subscription to the Maritime Security Information Sharing and Analysis Center establishment of a local Information Sharing and Analysis Office, and related fees for licenses for 80 users on a mobile information sharing platform. Chair Scheibe moved to approve the Amended and Restated Agreement. Director Blanchard seconded the motion. The motion passed with all Directors voting in favor except Director Woodring, who abstained from deliberation or voting on the matter.

10. Report from the 2020 Operations & Maintenance Committee

Director Blanchard reported to the Board that the Operations and Maintenance Committee is recommending that the District move toward standardized maintenance support guidelines for FY2021. He note that the committee suggests that the District discontinue the practice of reimbursing partners for maintenance costs for movable assets, such as aircraft, boats, trucks, but that maintenance costs on fixed assets, such as the security surveillance system and infrastructure, continue to be supported for FY2021. He noted that the committee will continue to evaluate future support of maintenance cost support for fixed assets during the coming year. He noted that the Committee carefully evaluated historical costs, manufacturers recommendation and equipment specifications regarding fuel burn rates, and current fuel prices in developing recommended “per mile” or “per meter hour” reimbursement rates for each type of movable asset, which recommended rates are included with the Committee Report included with the Board Book materials. He suggested that the schedule of reimbursement rates be provided to all entities seeking operational funding support from the District for security services. He further noted that the Committee anticipates adjusting rates on an annual basis to account for market fluctuations in the price of fuel, but recognizes that it may become necessary to make adjustments more frequently if market conditions necessitate same. Following discussion on the matter, Director Woodring moved approved the Reimbursement Funding Rates for use beginning with FY 2021 operations funding requests. Director Bass seconded the motion, which passed unanimously.

11. Report of the 2020 Assessment and Budget Committee

Director Blanchard advised the Board the Assessment and Budget Committee reviewed the requests by HPD to place new air assets into service to patrol the District and agreed they were appropriate and provide a benefit to the District and the facilities located in the District. The committee also reviewed HCSO’s request for the no-cost replacement aircraft platform as previously discussed and approved by the Board earlier on the agenda. Each of the requests for operations funding to be presented later in the agenda as Items #14 thru #18 were reviewed and found to be appropriate for consideration by the Board.

12. Quarterly Investment Officers Report

Director Blanchard advised the Board the Investment Officer’s Report was included in the Board Book. He reported the transition of the investment funds from a money market account to the TexPool Investment Pool was completed on June 19, 2020. A copy of the Investment Report is attached as Exhibit “C”. Director Woodring moved to accept the Investment Officer’s Report and authorize the Investment Officer to sign the Investment Compliance Report on behalf of the District. Director Finck seconded the motion, which passed unanimously.

13. Quarterly Treasurer’s Report

Director Blanchard advised the Board that the Treasurer’s Report was included in their meeting materials. A copy of the Treasurer’s Report is attached as Exhibit “D”.

14. Consider Requests by the City of Houston for up to \$95,000 for Operational Support of Airborne and Waterborne Patrols in 2021.

Scott Berry presented the request from the City of Houston for up to \$95,000 in air and marine fuel support for FY2021. Following discussion on the matter, Director Woodring moved to approve the request. Director Blanchard seconded the motion, which passed unanimously.

15. Consider Requests by Harris County Universal Services for up to \$600,600 for Maintenance of the Port Information Network in 2021

Bo Garces presented the request on behalf of Harris County ITC. Following discussion on the matter, Director Woodring moved to approve the request. Director Blanchard seconded the motion, which passed unanimously.

16. Consider Requests by Harris County Engineering for up to \$63,400 for Maintenance of Network Infrastructure in 2021

Greg Karr presented the request on behalf of Harris County Engineering. Following discussion on the matter, Director Woodring moved to approve the request. Director Blanchard seconded the motion, which passed unanimously.

17. Consider Requests by Harris County Sheriff's Office for up to \$183,900 for Operation Support of the Air and Marine Units for 2021

Lt. Easthagen presented the request on behalf of Harris County Sheriff's Office. Following discussion on the matter, Director Woodring moved to approve the request. Director Blanchard seconded the motion, which passed unanimously.

18. Consider Request by Texas Parks and Wildlife Department for up to \$23,100 for Operational Support of Marine Security Patrols for 2021

Capt. Weaver presented the request on behalf of Texas Parks and Wildlife Department ("TPWD"). She advised the Board that TPWD has concerns with the "per meter hour" operating rates for TPWD's marine assets and the corresponding reduction in proposed operational expense support from FY 2020 to FY 2021. A discussion ensued regarding the location from which TPWD starts their marine patrols and their lack of access to wholesale fuel for purposes of refueling. Mr. Ringold noted that the Operations and Maintenance Committee had reviewed such circumstances and is recommending that, because of such factors and certain other considerations, such as TPWD's expanded jurisdiction, the Board consider reimbursing TPWD for fuel expenses at a multiple of 1.65 times the applicable Reimbursement Funding Rates. He noted that such rate multiplier accounts for the increased cost to TPWD of purchasing fuel on a retail basis. After considerable discussion on the topic, Capt. Weaver asked the item be tabled until the September meeting of the Board of Directors. Chair Scheibe requested that TPWD have a representative in attendance at such meeting with the requisite authority to make decisions for TPWD relative to the business terms of the proposed support agreement for FY2021.

19. Legal Report

Mr. Ringold advised the Board that his report relates to active litigation and would be delivered in executive session.

20. Status Report – Greater Houston Port Bureau

a. Administrative and Financial Reports

Mr. Cusick advised the Board that the administrative and financial reports are in the Board Books. He advised the Board that there are three (3) checks requiring Board Approval: 1) the City of Houston for \$103,191.13, including \$9,792.60 for July marine and aircraft operation and maintenance expenses, \$10,077.62 for FY2017 Port Security Grant Program matching funds; \$74,285.45 for FY2018 Port Security Grant Program matching funds; and \$8,368.46 for FY2019 Port Security Grant Program matching funds; 2) the Greater Houston Port Bureau for \$15,146.03 for July Administrative Services; and 3) Harris County for \$33,801.55, including \$18,538.05 for January 2020 operation and maintenance expenses and \$15,263.50 for FY2018 Port Security Grant Program matching funds. The Administrative and Financial Report is attached as Exhibit “F”. Director Woodring moved to approve the checks. Director Blanchard seconded the motion, which passed unanimously.

b. Assessment Update

Mr. Cusick advised that the Board the Assessment Analysis report is in the Board Book. The Assessment Analysis Report is attached as Exhibit “G”.

c. Education Report

Mr. Cusick advised the Board that all education classes are cancelled through August. The education report is attached as Exhibit “H”.

d. Management and Outreach

CAPT Diehl advised the Board the Pasadena Convention Center is confirmed for date of October 27, 2020; however, because of the current coronavirus situation, he suggested that the Board consider forgoing the lunch and continue with the meeting and presentations. Social distancing would have to be maintained and the guidelines of the Governor and Judge on social gatherings be considered when issuing invitations. He also advised the Board the Port Bureau has webinar hosting facilities that could host up to 500 attendees if the Board should desire to hold the meeting virtually. He advised the Board he would submit a request for consideration of a rate increase for the Port Bureau in 2021 at the September Board meeting.

21. Status Report – City of Baytown

There was nothing significant to report.

22. Status Report – City of Houston

There was nothing significant to report.

23. Status Report – Harris County

a. Central Technology Services.

There was nothing significant to report.

b. Engineering.

There was nothing significant to report.

c. Sheriff’s Office.

There was nothing significant to report.

24. Status Report – Texas Department of Public Safety

There was nothing significant to report.

25. Status Report – Texas Game Wardens – TPWD

There was nothing significant to report.

26. Status Report DHS/CISA

No one was present from DHS/CISA.

27. Status Report – U.S. Coast Guard

No one was present from the Coast Guard.

28. 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

Chair Scheibe recessed the meeting at 3:54PM for the Executive Session.

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

Chair Scheibe reconvened the meeting at 4:22PM. Mr. Ringold conducted a roll call of Directors, with all directors announcing they were present except Directors Aalund, Alkoussari and Burke, thus re-establishing a quorum. Director Woodring moved that the Board decline the offer of settlement from Frederick Trucking presented in Executive Session. Director Blanchard seconded the motion, which passed unanimously.

30. Consider Items for Future Meeting Agendas

There were no items requested.

31. Adjourn

Director Woodring moved the meeting be adjourned. Director Blanchard seconded the motion. The motion passed unanimously, and the meeting was adjourned at 4:26PM

Next Meeting – September 8, 2020

The next regular meeting of the Board is scheduled for September 8, 2020 at 2:00 P.M.

The above is a correct copy of the Minutes of the August 11, 2020 regular meeting of the Board of Directors of the Houston Ship Channel Security District.



Eric Bass, Secretary

LIST OF ATTACHMENTS

- A. Operations & Maintenance Committee Report
- B. 2021 Reimbursement Funding Rates
- C. Assessment & Budget Committee Report
- D. Investment Officers Report
- E. Treasurers Report
- F. Administrative and Financial Report
- G. Assessment Analysis Report
- H. Education Report



Exhibit 'A'

Houston Ship Channel Security District

Operation & Maintenance Committee

August 11, 2020

At the May 12, 2020 Board of Directors meeting, the Board authorized the Operation and Maintenance committee, comprised of Directors Aalund, Bass, Blanchard, Burke (committee chair) and Pace, to reconvene and continue the process of developing recommendations to the Board relative to general policies regarding operation and maintenance funding support provided by the District. The committee met on May 28, 2020, June 4, 2020, and August 4, 2020 to consider such matters. In addition to the committee members, Mr. Ringold and Mr. Cusick also participated in the meetings. For the purpose of better organization, deliberation was divided between operational expenses and maintenance expenses.

Maintenance Expense

After considerable discussion, the committee divided maintenance into two categories: 1) Fixed Assets (i.e. those associated with the security network), and 2) Movable Assets (i.e. aircraft, automobiles, boats, ROV, trucks, etc.)

The committee recommends that maintenance support no longer be provided for any type of movable asset. The committee recognizes that certain maintenance items may be included in the original grant application for movable assets and is not recommending that the District exclude such items from consideration as part of the District's grant evaluation process or provision of grant matching funding; however, the committee's position is that the District should not pay ongoing maintenance expenses for movable assets.

The committee recommends maintenance support for fixed assets be continued for the 2020-2021 assessment period. The committee would like to further evaluate fixed asset maintenance expenses over the upcoming year to assure the expenses are related to the purpose of the asset and provide direct benefit to the District and its facility owners.

Operational Expense

The discussion of operation expenses was separated by category of movable asset: aircraft, vehicles, and watercraft. The following recommendations are presented to standardize reimbursement for operational expenses of each category of movable assets:

1. Aircraft
 - a. Fixed Wing
 - i. Maule STOL – \$40.00/engine hour or the actual cost of fuel, whichever is less
 - ii. Cirrus SR22 – \$53.00/engine hour or the actual cost of fuel, whichever is less
 - iii. Mahindra Airvan8 – \$50.00/engine hour or the actual cost of fuel, whichever is less
 - b. Helicopter
 - i. Airbus H125 – \$40.00/ engine hour or the actual cost of fuel, whichever is less
 - ii. Bell 412 – \$355.00/engine hour or the actual cost of fuel, whichever is less
 - iii. MD 500 – \$70.00/ engine hour or the actual cost of fuel, whichever is less

2. Vehicles

- a. Automobiles - \$0.20/mile or the actual cost of fuel, whichever is less
- b. Trucks - \$0.20/mile or the actual cost of fuel, whichever is less

3. Watercraft

- a. 2-150HP 18' Zodiac - \$11 meter hour or the actual cost of fuel, whichever is less
- b. 2 -150hp 21' Metal Shark – \$11 meter hour or the actual cost of fuel, whichever is less
- c. 1 -250hp 25'Transport – \$12 meter hour or the actual cost of fuel, whichever is less
- d. 2 -250hp 25' SAFE Center Console – \$25 meter hour or the actual cost of fuel, whichever is less
- e. 2-300hp 27' SAFE Full Cabin – \$36 meter hour or the actual cost of fuel, whichever is less
- f. 2-300hp 29' SAFE Full Cabin – \$40 meter hour or the actual cost of fuel, whichever is less
- g. 3-300hp 33' SAFE Full Cabin – \$43 meter hour or the actual cost of fuel, whichever is less
- h. 3-350hp 33' SAFE Full Cabin – \$47 meter hour or the actual cost of fuel, whichever is less
- i. 3-350hp 35' SAFE Center Console – \$38 meter hour or the actual cost of fuel, whichever is less
- j. 3-3 50hp 35' SAFE Multi Mission Interceptor – \$47 meter hour or the actual cost of fuel, whichever is less
- k. 2-670hp 44' SAFE Arch Angel (diesel) – \$37 meter hour or the actual cost of fuel, whichever is less

All rates were calculated using historical fuel consumption and meter hours or miles as provided by the participating entities, and generally verified through publicly available fuel consumption rates and recently published fuel prices. For the newly acquired aircraft, published fuel consumption rates were used.

Upon adoption, a copy of the attached **2021 Reimbursement Rates** will be sent to the District's contract partners to be used in the completion of their respective requests for 2021 operations funding.

We understand this is an initial attempt at standardization of reimbursement rates among various partner agencies, each of which may have different circumstances regarding provision of patrol services. For example, the Committee recognizes the unique geographical circumstances of the Texas Parks and Wildlife Department relative to our other partner agencies as it relates to launching points, patrol areas, and access to marine fuel. We will discuss those circumstances in greater detail under agenda item 18 relative to TPWD's operations funding request. Therefore, we recommend the Operation and Maintenance committee be reconvened after the first quarter of 2021 to validate the reimbursement rates and methodologies.

Additionally, the Committee recognizes that fuel prices are not static, and periodic adjustments to one or more of the reimbursement rate categories may be necessary. While the Committee anticipates that annual review and recommendation of adjustments will be sufficient, we understand that market conditions may necessitate more frequent adjustment and, in such event, recommend that the Board receive and consider variance requests on a case-by-case basis.

Attachment – Proposed 2021 Reimbursement Rate Sheet

2021 Operations Reimbursement Rates

Category	Type	Description	Fuel /Hr.	Rate/Hr. *
Vehicles				
	Automobile			\$ 0.20
	Trucks			\$ 0.20
Aircraft				
	Fixed Wing			
		Cirrus SR22	17.0	\$53
		Mahindra Airvan8	16.0	\$50
		Maul STOL	12.7	\$40
	Helicopter			
		Airbus H125	40.0	\$126
		Bell 412	113.0	\$355
		MD 500E	22.2	\$70
Watercraft				
	2 - 150hp	18' Zodiac	6.0	\$11
	2 - 150hp	21' Metal Shark	6.0	\$11
	1 - 250hp	25' Transport	6.7	\$13
	2 - 250hp	25' SAFE Center Console	13.4	\$25
	2 -300hp	27' SAFE Full Cabin	19.6	\$36
	2 -300hp	29' SAFE Full Cabin	21.3	\$40
	3 - 300hp	33' SAFE Full Cabin	23.0	\$43
	3 - 350hp	33' SAFE Full Cabin	25.4	\$47
	3 - 350hp	35' SAFE Center Console	20.6	\$38
	3 - 350hp	35' SAFE Multi Mission Interceptor	25.4	\$47
	2 - 670hp	44' SAFE Arch Angel (diesel)	22.4	\$37

*Per mile/meter hour or the actual cost of fuel, whichever is less



Exhibit 'C'

Houston Ship Channel Security District

Assessment & Budget Committee

August 11, 2020

- The Assessment & Budget Committee met on August 4, 2020 via Zoom Teleconference.
- The committee reviewed the two (2) new aircraft being placed into service by the Houston Police Department. The Airbus H125 helicopter to replace the aged MD500s. And the Mahindra Airvan8, a fixed wing aircraft. A letter justifying the changes follows this report.
- We reviewed the no-cost substitution of a Cirrus SR22 for the Cessna 206. The justification was included with agenda item #8.
- We reviewed each of the requests for Operation reimbursement to be acted upon in agenda items #14 thru #18. The reimbursement amounts are based on the rates approved meter hour rates or the mileage rates



Exhibit 'D'

Houston Ship Channel Security District

August 11, 2020

Investment Officer's Report Q2 2020

- The Investment Officers Statement of Compliance is in your Board Books.
- The transfer of investment funds to the TexPool Investment Funds was completed on June 19, 2020.
- Interest income for the quarter totaled \$1,406.17



Exhibit 'E'

Houston Ship Channel Security District

August 11, 2020

Treasurer's Report Q2 2020

- Total funds available on June 30, 2020 was \$8,752,324.18
- Collections were \$1,615,802 or 98.4% of assessments
- The District closed out the Second Quarter of 2020 with expenses \$2,777,277.06 under budget.
- Second quarter expenses continue to be down because of the delay in the receipt of invoice for O&M expenses from Harris County. Should start to recover in the third quarter.
- Only 22% of budgeted expenses were incurred for all PSGP or O&M funding.
- The Quarter-to-Date Financials are in your Board Books



Exhibit 'F'

HSCSD Administrative Report

August 11, 2020

Financial and Investment Reports

- **Investment Statements as of July 30, 2020**
 - Operating Account Reconciliation and Cash Flow Statements show:
 - The bank balance was \$38,959.26
 - Deposits were \$0.00
 - Transfers from Money Market were \$0.00
 - Cleared checks were \$1,314.08
 - Service Charge was \$182.27
 - Checks outstanding were \$258,045.46
 - Money Market Account Reconciliation shows:
 - The invested balance was \$82,683.50
 - Deposits were \$ 14,300.00
 - Transfers to Checking were \$0.00
 - Transfers to TexPool Investments were \$0.00
 - Deposits in Transit were \$0.00
 - Interest earned was \$0.31 - 0.005%
 - TexPool Account Reconciliation shows:
 - The invested balance was \$8,204,245.59
 - Deposits were \$0.00
 - Transfers in were \$0.00
 - Interest earned was \$2,911.31– 0.4260%
 - Disbursements totaled \$259,454,.67
- **Incumbered and Committed PSGP Matching Funds**
 - \$3,011,318.28 outstanding as of 07/31/20
- **Checks Requiring Board Approval**
 - City of Houston - \$103,191.13 including \$9,792.60 for July Marine & Aircraft O&M; \$10,077.62 for FY2017 PSGP match; \$74,285.45 for FY2018 PSGP Match; and \$8,368.46 for FY2019 PSGP Match.
 - Greater Houston Port Bureau - \$15,146.03 July Administrative Services.
 - Harris County – \$33,801.55 Including \$18,538.05 January Marine O&M expenses and \$15,263.50 for FY2018 PSGP Match



Exhibit 'G'

Houston Ship Channel Security District

**Assessment Analysis
as of
July 31, 2020**

2019 Assessment Analysis

2019 Assessment Roll – 184 Companies			\$1,643,100.00
Receipts to Date	182 Companies 07/31/20	1,640,680.00	
Receivables	2 Companies		\$2,420.00
Penalty & Interest	Accrued P&I as of 07/01/20	26,582.78	
P&I Receipts to Date		26362.00	
P&I Write-Off		210.00	
P&I Receivables			\$ 10.78
Total Receivable			\$2,430.78

Accounts with Collection Agency

Receivables	Delinquent – 2 Companies	\$26,999.52	
	Bankruptcy – 1 Company	11,150.00	
	Accrued Penalty & Interest as of 07/01/20	22,711.11	
Total at Collections			\$60,860.63

- Two companies were turned over to the collection attorney on July 1, 2014. Interest continues to accrue on these accounts. Legal action is being combined for 2013, 2014 and 2015.
 - One company filed for Chapter 11 bankruptcy on April 27, 2016 owing \$1,463.28 in penalty & interest. No further penalty and interest can be accrued, or collection activity taken. The account has been referred to Perdue, Brandon, Fielder, Collins & Mott L.L.P. to file proof of claim on behalf of the District.
 - An additional amount for a company was referred to Perdue, Brandon, Fielder, Collins & Mott L.L.P. July 1, 2019. Interest continues to accrue on this account.
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Exhibit 'H'

Houston Ship Channel Security District

Education Report

August 11, 2020

- All in person education classes through August have been cancelled.
- A virtual MTSA FSO Certification Class will be held on August 26, 2020