

MINUTES

Board of Directors of the Houston Ship Channel Security District February 9, 2021

A regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on February 9, 2021, 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
Jimmy Burke, Assistant Secretary
Eric Finck
Mark Griffin
Carl Holley
Craig Nelson, Vice Chair
Clayton Pace, Treasurer
Gary Scheibe, Chair
Jessica Thomas

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

The following persons also responded as present:

LaKenya Wilson, Lt. David Jasper, Lt. Lonnie Tullos, Bo Garces, Sgt. Carlton Horton, Capt. JD. Glessman, Deputy Patrick Mason, and Amanet Habte representing Harris County.

Scott Berry, Bill Meyers, and Sgt. Gerald Welch representing the City of Houston.

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

Gary Messmer, Larry Johnson, and Tyson Muniz representing the United States Coast Guard.

Marisa Brusuelas and Hilary Martinez representing the Texas Department of Public Safety.

Marcus Woodring representing the Port of Houston Authority.

David Gifford representing the City of LaPorte Fire Department.

1. Explanation of Telephonic Meeting Procedures and Call to Order

Mr. Ringold advised 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 each participant 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, Board members elect, consultants, facility representatives, law enforcement partners, and members of the public, if any.

Following such roll call, in the absence of the Chair, Vice Chair Nelson called the meeting to order at 2:08 p.m.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of January 12, 2021 Board of Directors Regular Meeting

Director Bass advised the Board that the draft minutes of the January 12, 2021 meeting were distributed as part of the Board Book materials and asked if there were any comments to said minutes. There being no comments, Director Pace moved to approve the minutes of the January 12, 2021 meeting, as presented. Director Finck seconded the motion, which passed unanimously.

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

Vice Chair Nelson advised the Board that he had nothing specific to report relative to industry regulatory updates, and asked if there were any comments from the Directors. None were presented.

5. Approval of Renewal D&O Insurance Policy

Mr. Cusick presented a proposal from the McDonald Wessendorff Insurance agency for \$5,000,000 of Directors and Officers liability coverage at a premium cost of \$5,500. He noted that the policy is with the same carrier and provides the same coverage as the expiring policy. Director Pace moved to approve the proposal for the Directors and Officers liability insurance policy. Director Bass seconded the motion which passed unanimously.

6. Approval of Supplemental Letter Agreement with the City of Houston

Mr. Ringold advised the Board that the Supplement to the Letter Agreement with the City of Houston that was approved last month has been revised to include funding for the prime mover which was also approved by the Board at the last meeting. Director Pace moved to accept the revised supplement to the Letter Agreement with the City of Houston. Director Bass seconded the motion, which passed unanimously.

7. Modification to the Harris County FY2018 PSGP IJ #2 Marine Unit Multi-Mission Interceptor and Training Project to Add a Trailer to a Line-item Description with No Change in Total Budget Dollars, as Approved by FEMA

Sgt. Carlton Horton advised the Board that the County's original grant submission to FEMA included both the multi-mission interceptor and trailer in a single line item. He explained that the modification separates the boat and the trailer into 2 separate line items, with no change in the final amounts approved in the grant. Director Bass moved to approve the modification to the modification to the FY2018 PSGP IJ #2. Director Pace seconded the motion, which passed unanimously.

8. Second Modification to Harris County FY2019 PSGP IJ #4 Bomb Unit Robot and Accessories Project to Account for Increased Vendor Cost and to Substitute Certain Line-item Accessories with No Change in Total Budget Dollars, as Approved by FEMA

Deputy Patrick Mason advised that the Sheriff's Office has determined that they can obtain an improved radio system for the robot at no increase in cost, and FEMA has approved the change. Director Pace moved to approve the modification to the FY2019 PSGP IJ #4. Director Bass seconded the motion, which passed unanimously.

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

Mr. Ringold advised that the Ninth Amendment to the Agreement with Harris County was approved by Harris County Commissioners Court.

10. 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 is one check for Harris County for June, July, and August 2020 O&M support, and for 2017, 2018, and 2019 PSGP matching funds invoices in the amount of \$417,009.84 requiring approval by the Board. Director Pace moved to approve the payment to Harris County. Director Bass seconded the motion, which passed unanimously. The Administrative and Financial Report is attached as Exhibit "A".

b. Assessment Update

Mr. Cusick advised the Board that the Assessment Analysis report is in the Board Book. He advised that 53 companies are now delinquent on their 2020 assessment payments. The Assessment Analysis Report is attached as Exhibit "B".

c. Management and Outreach

CAPT Diehl advised that the Port Bureau is preparing the annual magazine for distribution to facility owner representatives and partner agencies. Also, the new Board members will visit the Port Bureau tomorrow for a briefing of the activities of the District.

11. Status Report – City of Baytown

Detective Russell White reported that the equipment for the compressor project has shipped and should be installed and operational by the next status report. Chief Victor Medrano presented a status update on the 2019 training project. He advised the original plan was to train all 20 of the Baytown personnel at Baytown using the new fireboat. However, a separate boat is needed for every 4 students. Therefore, other venues must be located for training. Currently, 8 students will be trained along with HPD Officers on March 14th. The remaining 12 will be trained as quickly as possible.

12. Status Report – City of Houston

Scott Berry reported on the activities of the City of Houston's airborne and marine units. He also reported on the status of purchases of equipment for the City of Houston's grant-supported projects. He noted that construction of the marine operations center is complete, and the City is waiting for a certificate of occupancy.

13. Status Report – Harris County

a. Central Technology Services

Bo Garces reported on the operational status of the County's Port Information Network camera system and the Command Bridge situational software, as well as installation information and routine and preventative maintenance regarding the same.

b. Engineering

No one from Engineering was present

c. Sheriff's Office

Sgt Carlton Horton advised that the Sheriff's report was in the Board Book. Significant activity this month included marine unit assistance to the Coast Guard and CBP in the search of a ship's hold in search of contraband. The ROV and side-scan radar were used in the search for parasitic devices on the ship.

14. Status Report – Texas Department of Public Safety

Marisa Brusuelas advised that the 2019 NRC assessment was finalized and approved. It is classified as Unclassified Unofficial Use and is available to all who would like a copy.

15. Status Report – U.S. Coast Guard

Tyson Muniz shared the schedule for upcoming security related meetings for February. Garry Messmer advised the Board that the UASI grants review committee met earlier in the day. He also advised that there is no information on the FY2021 Port Security Grant Program (PSGP) to report at this time, but now is the time to be thinking about the projects partner agencies would like to present for consideration.

16. Status Report DHS/CISA

No one was present from DHS/CISA at the meeting.

17. 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

There was no Executive Session.

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

There was no Executive Session.

19. Consider Items for Future Meeting Agendas

There were no items requested.

20. Adjourn

Director Pace moved that the meeting be adjourned. Director Bass seconded the motion, which passed unanimously at 2:36 PM

Next Meeting

The next regular meeting of the Board is scheduled for March 9, 2021, at 2:00 P.M.

The above is a correct copy of the Minutes of the February 9, 2021 regular meeting of the Board of Directors of the Houston Ship Channel Security District.

Eric T. Bass

Eric Bass, Secretary

LIST OF ATTACHMENTS

- A. Administrative and Financial Report
- B. Assessment Analysis Report



Exhibit 'A'

HSCSD Administrative Report

February 9, 2021

Financial and Investment Reports

- **Investment Statements as of January 31, 2021**
 - Operating Account Reconciliation and Cash Flow Statements show:
 - The bank balance was \$131,835.08
 - Deposits were \$89,125.00
 - Transfers from Money Market were \$0.00
 - Transfers from TexPool were \$0.00
 - Cleared checks were \$11,587.09
 - Service Charge was \$148.54
 - Checks outstanding were \$25,720.82
 - Money Market Account Reconciliation shows:
 - The invested balance was \$569,646.10
 - Deposits were \$ 392,812.52
 - Transfers to Checking were \$0.00
 - Transfers to TexPool Investments were \$0.00
 - Deposits in Transit were \$2,687.50
 - Interest earned was \$1.22 - 0.01%
 - TexPool Account Reconciliation shows:
 - The invested balance was \$8186,620.11
 - Deposits were \$0.00
 - Transfers in were \$0.00
 - Interest earned was \$828.94– 0.1215%
 - Disbursements totaled \$27,726.13
- **Incumbered and Committed PSGP Matching Funds**
 - \$ 4,024,047.07 outstanding as of 01/31/2021
- **Checks Requiring Board Approval**
 - Harris County - \$417,009.84 for June, July & August O&M support, and FY2017, FY2018, FY2019 PSGP matching funds support.



Houston Ship Channel Security District

Assessment Analysis
as of
January 31, 2021

2020 Assessment Analysis

2020 Assessment Roll – 182 Companies			\$2,068,125.00
Receipts to Date	129 Companies	01/31/21	1,499,500.00
Receivables	53 Companies		\$568,625.00
Penalty & Interest	Accrued P&I as of 02/01/21		0.00
P&I Receipts to Date			
P&I Receivables			\$ 0.00
Total Receivable			\$568,625.00

2019 Assessment Analysis

2019 Assessment Roll – 184 Companies			\$1,643,100.00
Receipts to Date	183 Companies	11/16//20	1,640,778.00
Receivables	1 Company		\$2,322.00
Penalty & Interest	Accrued P&I as of 01/01/21		26,726.02
P&I Receipts to Date			26,376.70
P&I Write-Off			210.00
P&I Receivables			\$ 139.32
Total Receivable			\$2,461.32

- The account was referred to Perdue, Brandon, Fielder, Collins & Mott on August 5, 2020. Interest continues to accrue on both accounts.
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2013-2018 Accounts with Collection Agency

Receivables	Delinquent – 2 Companies	\$26,999.52	
	Accrued Penalty & Interest as of 01/01/21	23,327.58	
Total at Collections			\$50,327.10

- 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.
 - 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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