

MINUTES

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

A regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on March 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 Holley and Thomas, 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:

Greg Karr, and Bo Garces representing Harris County.

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

Chief Ronald Roberts representing the City of Baytown.

Gary Messmer representing the United States Coast Guard.

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

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, Chair Scheibe 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 February 9, 2021 Board of Directors Regular Meeting

Director Bass advised the Board that the draft minutes of the February 9, 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 Nelson moved to approve the minutes of the February 9, 2021 meeting, as presented. Director Bass seconded the motion, which passed unanimously.

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

Chair Scheibe advised the Board that he had nothing specific to report. He mentioned cybersecurity, regardless if regulated under CFATS, MTSA, or not regulated at all, will become more important in your facility security plans as we move forward

5. Legal Report – Schwartz, Page & Harding

Mr. Ringold advised he had nothing specific to report this month.

6. 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 2 checks requiring approval this month:

1. City of Houston – \$332,353.93 – for January & February 2021 marine operations and FY2018 & FY2019 PSGP marching funds.
2. Harris County – \$482,241.95 – for September thru November 2020 marine O&M support and December 2020 US/CTS December 2020 O&M support. Director Nelson moved to approve a check of \$332,353.93 to the City of Houston and a check of \$482,241.95 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 45 companies remain delinquent on their 2020 assessment payments. The Assessment Analysis Report is attached as Exhibit "B".

c. Management and Outreach

CAPT Diehl advised that the Houston Ship Channel Security District Annual Magazine is at the printer and would be mailed directly from the printer later this week. CAPT Diehl advised Chair Scheibe that the Port Bureau was contacted by a vendor looking to present active shooter classes for the District. CAPT Diehl advised the vendor the position of the District was that the individual facility should focus on their own training of this type. The vendor still wanted to talk to Chair Scheibe. Chair Scheibe ask CAPT Diehl to share the information that was provided, however, notify the vendor this was not the type of training undertaken by the District.

7. Report on 2021 PSGP Financial Assistance Deadlines and Guidelines

Mr. Cusick advised the Board of the timeline for the 2021 PSGP and noted the partners would be allowed an opportunity to present their requests for matching funding at each of the April and May Board meetings. This would allow the partners to modify their grant applications if the Board found an issue with the application at the April Board meeting. Chair Scheibe appointed Directors Alkoussari, Finck, Griffin, and Pace to the Grant Review Subcommittee.

8. Status Report – City of Baytown

No report was given.

9. 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. The Port Patrol Unit worked with the Coast Guard to inspect infrastructures during the recent visit by the President.

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

Greg Karr advised the Board there was nothing specific to report.

c. Sheriff’s Office

No one was present from the Sheriff’s Office

14. Status Report – Texas Department of Public Safety

Marisa Brusuelas advised there was nothing to report at this time.

15. Status Report – U.S. Coast Guard

Gary Messmer noted FEMA would hold several outreach phone calls to provide direction on the grant application process.

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.

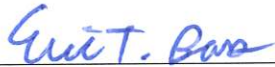
20. Adjourn

Director Nelson moved that the meeting be adjourned. Director Bass seconded the motion, which passed unanimously at 2:31 PM

Next Meeting

The next regular meeting of the Board is scheduled for April 13, 2021, at 2:00 P.M.

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



Eric Bass, Secretary

LIST OF ATTACHMENTS

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



Exhibit 'A'

HSCSD Administrative Report

March 9, 2021

Financial and Investment Reports

- **Investment Statements as of February 26, 2021**
 - Operating Account Reconciliation and Cash Flow Statements show:
 - The bank balance was \$481,425.86
 - Deposits were \$53,625.00
 - Transfers from Money Market were \$350,000.00
 - Transfers from TexPool were \$0.00
 - Cleared checks were \$53,880.71
 - Service Charge was \$153.51
 - Checks outstanding were \$451,218.24
 - Money Market Account Reconciliation shows:
 - The invested balance was \$18,838.78
 - Deposits were \$99,191.25
 - Transfers to Checking were \$0.00
 - Transfers to TexPool Investments were \$300,000.00
 - Deposits in Transit were \$33,062.50
 - Interest earned was \$1.43 - 0.01%
 - TexPool Account Reconciliation shows:
 - The invested balance was \$8,487,235.56
 - Deposits were \$0.00
 - Transfers in were \$300,000.00
 - Interest earned was \$615.45 - 0.0896%
 - Disbursements totaled \$479,378.13
- **Incumbered and Committed PSGP Matching Funds**
 - \$3,320,477.50 outstanding as of 02/28/2021
- **Checks Requiring Board Approval**
 - City of Houston - \$332,353.93
 - \$9,490.35 for January & February Marine Operations
 - \$184,462.14 for FY2018 PSGP matching funds
 - \$138,401.44 for FY2019 PSGP matching funds
 - Harris County - \$482,241.95
 - \$29,624.14 for September thru November Marine O&M support,
 - \$452,617.81 for US/CTS December O&M Support



Houston Ship Channel Security District

**Assessment Analysis
as of
March 31, 2021**

2020 Assessment Analysis

2020 Assessment Roll – 182 Companies			\$2,068,125.00
Receipts to Date	168 Companies	last payment 03/31/21	1,949,735.00
Incl. 50% Paid	5 Companies	24,187.50	
Receivables	14 Companies		\$118,390.00
Penalty & Interest	Accrued P&I as of 03/01/21		46,223.70
P&I Receipts to Date	37 Companies		38,032.51
P&I Write-Off	0 Companies		0.00
P&I Receivables			\$8,191.19
Total Receivable			\$126,581.19

2019 Assessment Analysis

2019 Assessment Roll – 184 Companies			\$1,643,100.00
Receipts to Date	183 Companies	last payment 11/16/20	1,640,778.00
Receivables	1 Company		\$2,322.00
Penalty & Interest	Accrued P&I as of 03/01/21		26,772.46
P&I Receipts to Date	27 Companies		26,376.70
P&I Write-Off	1 Company		210.00
P&I Receivables			\$ 185.76
Total Receivable			\$2,507.76

- The account was referred to Perdue, Brandon, Fielder, Collins & Mott on August 5, 2020. Interest continues to accrue on the account.

2013-2018 Accounts with Collection Agency

Receivables	Delinquent – 2 Companies	\$26,999.52	
	Accrued Penalty & Interest as of 03/01/21	23,867.57	
Total at Collections			\$50,867.09

- 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.