

MINUTES

Board of Directors of the Houston Ship Channel Security District November 10, 2020

An annual meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on November 10, 2020, open to the public, via teleconference and video webinar 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 Director Blanchard, 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 registered and logged on to the Webinar:

Alfonso Cavazos	Jessica Thomas	Ray Russell
Andrea Lavorgna	Jim McMillan	Rick Deel
Brian Toldan	John Glesmann	Rick Hamilton
CAPT Keith Donohue	Kenya Wilson	Rodney Chersky
Clayton Wissmann	Larry Johnson USCG	Scott Berry
Garces Bo	Linda Zamora	Susan Newman
Gary Herzog	Lonnie Tullos	Thad Sarton
George Buenik	Lorie Hempen	Thomas Hardin
Gerald Welch	Marina Cortes	Tim Krietemeyer
Henry Solorzano	Marisa Brusuelas	Victor Medrano
Hilary Martinez	Mark Griffin	Vince Palumbo
J.J. Plunkett	Oscar Garces	Wallace Fleming
Jack Harvey	Patrick Gonzales	William Meyers
Jennifer Weaver	Ronald Roberts	

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 participants clearly state his or her name before speaking, including when making or seconding a motion. Mr. Ringold stated that all participants logged in to the video webinar would be recorded by the Zoom software for attendance purposes. He asked that all persons participating telephonically and not on Zoom to email Mr. Cusick at alcusick@hscsd.org to record their presence. Mr. Ringold proceeded to perform a roll call to establish attendance of Board members.

Following such roll call, Chair Scheibe called the meeting to order at 2:08 pm.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of October 13, 2020 Board of Directors Regular Meeting

Director Bass advised the Board the draft minutes of the October 13, 2020 meeting were distributed as part of the Board Book materials and asked if there were any comments to said minutes. Director Woodring moved to approve the minutes of the October 13, 2020 meeting, as presented. Director Bass seconded the motion, which passed unanimously.

Director Alkoussari exited the meeting at this time.

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

Chair Scheibe advised that a TWIC Reader Rule Update would be provided on November 16, 2020, via Zoom webinar. He noted the Rule has not changed; however, some more clarifications regarding definitions have come forth that could impact many facilities. He noted that there is still a lot of unrest and uncertainty resulting from the COVID-19 pandemic and the recent national election. He encouraged everyone to remain vigilant in their security protocols and practices.

5. Engage McCall Gibson Swedlund and Barfoot PLLC as Auditor for Fiscal Year 2020

Brian Toldan thanked the Board for the opportunity to submit a proposal to audit the District's books and records for the District's fiscal year ending December 31, 2020. He advised the Board the proposed audit fee is remaining the same as last year at \$11,000. Director Woodring moved to engage McCall Gibson Swedlund and Barfoot PLLC as auditor for fiscal year 2020. Director Bass seconded the motion, which passed unanimously.

6. Treasurer's Annual Report

Chair Scheibe noted Director Blanchard was not in attendance. However, the Treasurer's Report was provided in advance in the Board Book materials. He noted that no exceptions were identified in the report. No comments or questions were presented regarding the report.

7. Approval of October Invoices.

Chair Scheibe asked Mr. Cusick, in Director Blanchard's absence, to identify the invoices requiring Board approval. Mr. Cusick advised the Board the following checks require approval by the Board:

- Harris County – \$178,275.75 for June, August & September O&M reimbursement; and
- Schwartz, Page & Harding, L.L.P. - \$23,117.70 for September & October legal fees.

Director Woodring moved to approve issuance of a check to Harris County for \$178,275.75 and to Schwartz, Page & Harding, L.L.P. for \$23,117.70. Director Bass seconded the motion, which passed unanimously.

8. Request by the Houston Police Department (HPD) for \$14,476.84 in Direct Funding of Network Cable Installation at the Houston Regional Intelligence Service Center Maritime Unit at Sector Houston-Galveston and First Year 5Mb Dedicated Service.

HPD Officer William Meyers explained the need and advantages of installing a permanent data line into the fusion center at the Coast Guard Sector building. He advised that the funding request is for a one time capital expenditure to install the network cabling and first year service costs, and HPD will fund the ongoing costs of the connection on a going forward basis. Director Woodring moved to approve the funding of the cable installation and first year dedicated ISP service in the amount of \$14,476.84, using unrestricted funds received from the Port Authority. Director Bass seconded the motion, which passed unanimously.

9. Request by Harris County Universal Services/CTS to Use \$135,000 of Remaining 2020 Operation & Maintenance Funds to Install Additional Cameras on the North Towers of the Fred Hartman Bridge

Bo Garces explained the need to mirror, on the North towers, the current installation of cameras on the South towers of the Fred Hartman Bridge. He advised that CTS is seeking to reallocate existing 2020 O&M funds that are not needed for their originally intended use. Director Woodring moved to approve the request by Harris County Universal Services/CTS to reallocate 2020 O&M funds for the new cameras. Director Bass seconded the motion, which passed unanimously.

10. Approval of Letter Agreement with the City of Houston for 2020 Security Projects and 2021 Security Services

Mr. Ringold reviewed with the Board the proposed Letter Agreement with the City of Houston, explaining that it incorporates the funding, acquisition and use of the City's approved 2020 PSGP projects and FY2021 fuel reimbursement previously approved by the Board. Director Woodring moved to approve the Letter Agreement with the City of Houston. Director Bass seconded the motion, which passed unanimously.

11. Approval of Ninth Amendment to the Interlocal Agreement with Harris County for 2020 Security Projects and 2021 Security Services

Mr. Ringold reviewed the proposed Amendment to the District's agreement with Harris County, explaining the Amendment covered the incorporates the funding, acquisition and use of the County's approved 2020 PSGP projects, FY2021 fuel reimbursement, FY2021 maintenance of the network backbone, and routine maintenance of the camera sites, all as previously approved by the Board. He advised the Board that County representatives had not yet had the chance to review the proposed Amendment in detail and might have some comments thereto. Following discussion, Director Woodring moved to approve the Amendment subject to non-substantive comments by Harris County and approval of same by the Chairman. Director Bass seconded the motion, which passed unanimously.

12. Approval of an Agreement with the Port of Houston Authority for a Port Security Donation of \$53,625 and to Establish an Information Sharing Hub for Physical and Cyber Security

Mr. Ringold advised the Board the terms of the proposed Agreement with the Port Authority remain the same as the current Agreement, except for the dollar amount, which amount mirrors the amount assessed companies of similar size, and the inclusion of the provisions regarding the funding of the information sharing hub, which was previously presented to and approved by the Board. Director Woodring advised the Board that the Agreement has already been approved by the Port Commission and was ready for signature, if approved by the Board. Director Bass moved to approve the Agreement with Port of Houston Authority. Director Burke seconded the motion, which passed unanimously.

13. Schwartz, Page & Harding, LLP

Mr. Ringold advised the Board the delinquent collections report was in the Board Book material. He noted the one remaining bankruptcy case was settled, and District was paid in full.

Chair Scheibe recessed the meeting at 2:35 PM to prepare the webinar for presentations by the District partners.

Chair Scheibe called the meeting back to order at 2:44 PM

14. Chairman's Annual Report

A copy of the Chairman's Annual Report is attached as Exhibit "A".

15. Annual Report – City of Baytown

Assistant Chief Ronald Roberts and Assistant Chief Victor Medrano presented the City of Baytown's Annual Report.

16. Annual Report – City of Houston

Scott Berry presented the City of Houston's Annual Report.

17. Annual Report – Harris County Universal Services/CTS

Bo Garces presented the Harris County Universal Services/CTS Annual Report.

18. Annual Report – Harris County Sheriff's Office

Major Rolf Nelson & Captain John Glesmann encountered audio problems. Chair Scheibe presented the Annual Report on behalf of the Harris County Sheriff's Office.

19. Annual Report – Texas Department of Public Safety

Marisa Brusuelas and Hilary Martinez presented the Texas Department of Public Safety Security Analysts Annual Report.

20. Annual Report – Texas Game Wardens – TPWD

Capt. Jennifer Weaver presented the Texas Parks and Wildlife Game Wardens Annual Report.

21. Annual Report – U.S. Coast Guard Interagency Operations Center

Clayton Wissmann presented the Annual Report for the Interagency Operations Center.

22. Comments by Deputy Sector Commander Sector Houston-Galveston

CAPT Keith Donohue said he was amazed at the partnership and cooperation of industry, law enforcement, and municipalities in the greater Houston area with respect to Port Security. He noted others have attempted to do something similar, but have never succeeded to the extent of the District. He noted we all need to stay vigilant, whether it be cyber security, physical security, or unknown threats.

23. Annual Meeting Closing Comments

Chair Scheibe said the District is a team of teams, and none of the District's facilities or law enforcement partners or intelligence agencies are able to accomplish individually what the group accomplishes collectively in enhancing security of region. He thanked all for their partnership in making the Houston Ship Channel region a safer place.

24. Adjourn

Director Woodring moved the meeting be adjourned. Director Bass seconded the motion, which passed unanimously.

Chair Scheibe adjourned the meeting at 3:55 PM.

Next Meeting – December 8, 2020

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

The above is a correct copy of the Minutes of the November 10, 2020 regular meeting of the Board of Directors of the Houston Ship Channel Security District.



Eric Bass, Secretary

LIST OF ATTACHMENTS

A. Chairman's Annual Report

Exhibit "A"

Chairman's Annual Report November 10, 2019

What is the Houston Ship Channel Security District? It is a unique public-private partnership dedicated to improving the security of the region's waterside and landside supply chain. This is accomplished by

1. Providing the local matching share funds for federal grants for security projects
2. Providing funding assistance to state and local law enforcement agencies for security monitoring and patrols, and
3. Providing security training classes for personnel employed by the facilities of the District

Yearly Highlights

You will soon hear from our Law Enforcement partners. Each will be making a presentation today briefly describing their accomplishments and plans for the future. These accomplishments and plans are made possible, in part, by the funding mentioned earlier. This funding is obtained through our annual assessments of the industries which make up the Houston Ship Channel Security District.

Port Security Grant Program

- Through industry's 25% cost matching support for Port Security Grants, our partners are able to obtain almost **\$5 million** for Security Projects in 2020. Put another way, for 25 cents our members receive a dollars' worth of services to ensure our cargo keeps moving in the Port area.
- The HSCSD Board approved matching requests for port security grants for:
 - **City of Houston over \$2.40 million** for projects to improve rotary and fixed wing air support capabilities; Update the fire fighting simulator; Replace hazmat firefighting equipment and continue the buildout of a new Marine Tactical Operations Center.
 - **Harris County CTS over \$1.33 million** for upgrades to Port Security Surveillance System
 - **HCSO over \$1.08 million** for improvements to air and marine units' response capabilities, including air rescue capabilities, and Upgrades to the existing marine unit boats and equipment.
- The Security District also helped fund **\$1.65 million** in operations and maintenance of equipment and assets purchased with current and previous PSGP awards.

Training

- The Security District training this year was restricted by the Corona Virus. We were not able to hold classes in person because of State and City/County orders. A virtual training class was held but the experience for the attendees was just not what a face-to-face interactive class provides.
- The District did sign an agreement for a new Cyber Boot Camp course to be taught as soon as we are able to hold classes.

- A virtual update on the TWIC Reader Rules will be next Monday November 16th. Plans are underway for a workshop on the TWIC reader rule once we can meet again in person.
- The HSCSD continued the **funding of \$215,180** for the continued support of two maritime intelligence analyst positions within Texas DPS to focus on maritime security threats. One position is based in Austin at the State Fusion Center and one is based in Houston with DPS's intelligence center, to include work at locations within the Security District. WE are very pleased with the work we have seen produced by them so far this year.

Closing

- What makes the HSCSD work is that it is a public-private partnership, created by industry for industry. Our success is owed to you as great partners.
- We're constantly engaging to make sure we're being good stewards, and if you have any comments, questions, or concerns, please contact me directly or your zone representative.
- This only works if you continue to see the benefit of supporting this partnership.