

## MINUTES

### Board of Directors of the Houston Ship Channel Security District January 11, 2022

A meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on January 11, 2022, open to the public, at the offices of the Greater Houston Port Bureau, 4400 Highway 225 East, Suite 200, 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  
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 and Scheibe, thus establishing a quorum. Also present were Tim Krietemeyer, newly appointed Director; Daniel Ringold of Schwartz, Page & Harding, L.L.P. (“SPH”), legal counsel for the District; and Al Cusick and Bill Diehl of the Greater Houston Port Bureau (“GHPB”), administrators for the District.

#### **1. Call to Order**

Vice-Chair Nelson called the meeting to order at 2:03 p.m.

#### **2. Public Comment**

There were no comments from the public.

#### **3. Approval of Minutes of December 14, 2021, Board of Directors Regular Meeting**

Secretary Bass advised the Board that the draft minutes of the December 14, 2021, meeting were distributed as part of the Board Book materials and asked if there were any comments to said minutes. There being none, Director Aalund moved to approve the minutes of the December 14, 2021, meeting, as presented. Director Thomas seconded the motion, which passed unanimously.

#### **4. Chair’s Comments on Industry Regulations and Related Matters**

Vice-Chair Nelson noted that the Supreme Court will consider the OSHA ETS (Emergency Temporary Standard) on vaccination and testing requirements for private employers following the U.S. Court of Appeals for the Sixth Circuit’s action in dissolving the stay imposed by the Fifth Circuit. He stated that

the recent developments will necessitate planning and preparation by facility owners and their representatives to have adequate procedures in place to be in compliance with the ETS.

**5. Report on Zone Directors Appointments by Harris County Commissioners Court**

Vice-Chair Nelson reported that Harris County Commissioners Court unanimously appointed the nominated slate of Zone Directors for the positions that are up for appointment, being: Basil Alkousari for Zone 1, Tim Krietemeyer for Zone 2, Eric Finck for Zone 3, and Eric Bass for Zone 4, and that each of them will serve a 2-year term ending December 31, 2023.

**6. Acceptance of Qualifications Statements, Bond, Oaths of Office and Election Not to Disclose Certain Information and Swearing in of Directors**

Mr. Ringold explained the process for seating newly appointed Directors. Director Pace moved to accept the Qualification Statements, Oaths of Office, and Elections not to Disclose Certain Information of Directors Alkousari, Bass, Finck, Krietemeyer, and Burke. Director Griffin seconded the motion, which passed unanimously.

Vice-Chair Nelson next thanked out-going Director Holley for his service on the Board and presented him with a plaque and token of the Board's appreciation.

**7. Discuss Training Requirements for Directors Pursuant to the Texas Open Meetings Act and the Texas Public Information Act.**

Mr. Ringold explained the required open government training and informed Director Krietemeyer of the necessity of completing the training within 90-days of today.

**8. Discuss Conflicts Disclosure Statement Reporting Requirements Memorandum for Directors**

Mr. Ringold advised Director Krietemeyer of the necessity to report any conflicts of interest as outlined in the document.

**9. Election of Officers of the Board: Chairman, Vice-Chairman, Treasurer, Secretary, Assistant Secretary**

Vice Chair Nelson next called for nominations for the following officer positions: Chair, Vice Chair, Secretary, Treasurer, and Assistant Secretary. Following discussion on such offices and nominations for each, the following slate of officers was presented for the Board's approval: Director Scheibe for Chair, Director Nelson for Vice-Chair, Director Pace for Treasurer, Director Bass for Secretary, and Director Thomas for Assistant Secretary. Director Aalund moved to accept the slate of officers as presented. Director Griffin seconded the motion, which passed unanimously.

**10. Authorize Preparation and Maintenance of a Local Government Officers List in Connection with Conflict of Interest Disclosure Requirements**

Mr. Ringold advised that under Chapter 176 of the Local Government Code, which covers conflict of interest, the District is required to maintain a list of officers of the Board, as well as the Investment Officer. Director Thomas moved to authorize the GHPB to prepare and maintain of the list of local governmental officers on behalf of the District. Director Griffin seconded the motion, which passed unanimously.

**11. Adoption of resolution adopting List of Qualified Brokers Authorized to Engage in Investment Transaction with District**

Mr. Ringold advised the Board the Public Funds Investment Act requires the Board, at least annually, to adopt a list of qualified institutions with which the Treasurer and the Greater Houston Port Bureau may invest District Funds. Mr. Ringold then presented a proposed List of Qualified Brokers for the calendar year 2022. Following a review of the list presented, Director Burke moved to adopt the Resolution Adopting the List of Qualified Brokers. Director Pace seconded the motion, which passed unanimously.

**12. Approval of Reassessment and Rebill of NewMarket Corporation to Correct a Data Entry Error in the 2021 Assessment Invoice and to Refund \$10,625 in Overpayment of the 202 Assessment**

Mr. Cusick explained to the Board the data entry error which resulted in the assessment overbilling of NewMarket Corporation in 2020 and 2021. He recommended NewMarket be re-billed for 2021 based upon their correct headcount and be issued a refund of the overpayment of their 2020 assessment in the amount of \$10,625. Following discussion on the matter, Director Thomas moved to accept the recommendations and authorize the issuance of the refund for 2020 and corrected billing for 2021. Director Burke seconded the motion, which passed unanimously.

**13. Approval of Addendum to Letter Agreement with the City of Houston for 2021 Security Projects and 2022 Security Services.**

Mr. Ringold advised the Board that the City of Houston initially indicated that they did not plan on including flight time of their Bell 412 helicopter in their air security patrol plan for the District for calendar year 2022 but have subsequently advised the GHPB that the City has re-evaluated its air assets and 2022 air support plan and is now requesting funding support of \$17,040 for forty-eight flight hours of the Bell 412 in 2022. Mr. Ringold noted that the Board may elect to use funds donated by the Port of Houston Authority for the additional \$17,040 or may use surplus assessment revenues; however, if assessment revenues are to be used for such purpose, the Board will need to provide notice and hold a public hearing on the project and use of such funds therefor. Director Thomas indicated that she did not see a problem with using funds received from the Port Authority. Following discussion, Director Aalund moved to approve the Amended and Restated Letter Agreement with the City of Houston and to use funds received from the Port Authority for the funding of the fuel for the Bell 412 helicopter. Director Nelson seconded the motion, which passed unanimously.

**14. Legal Report – Schwartz, Page & Harding, LLP**

Mr. Ringold advised the Board he had nothing additional to report.

**15. 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 a check which requires Board approval this month, a check for \$15,000 to Maritime Transportation System – Information Sharing and Analysis Center for MTS-ISAC Service Subscription. A copy of the Administrative and Financial Report is attached to these minutes as Exhibit A. Director Thomas moved to accept the report and to approve the checks for payment. Director Griffin seconded the motion, which passed unanimously.

**b. Assessment Update**

Mr. Cusick advised the Board the Assessment Analysis report is in the Board Book. A copy of the Assessment Analysis Report is attached to these minutes as Exhibit B.

**c. Education Report**

Mr. Cusick advised the Board that the Education Report is in the Board Book. The Education Report is attached to these minutes as Exhibit C.

**d. Management and Outreach**

CAPT Diehl advised the Board that the Port Bureau was beginning work on the annual Year-in-Review magazine.

**16. Status Report – City of Baytown**

Russell White advised the Board that Baytown's 24 foot fireboat is currently out of service for annual maintenance, and the City's Marine II vessel will be taken out of service for annual maintenance next week. He also advised that he is retiring, and this would be his last meeting. He introduced Jeremy Cox, who will be his replacement with the Baytown Dive Team. He also introduced Sgt. Freeman, soon to be Lt. Freeman, the commander of the Dive Team and the Bomb Squad.

**17. Status Report – City of Houston**

Scott Berry noted that a written report of the activities of the City of Houston's airborne and marine units is in the Board Book. He highlighted that the marine unit conducted seventy-two patrols during the World Petroleum Congress, operating around the clock.

**18. Status Report – Harris County**

**a. Universal Services/Central Technology Services**

Bo Garces reported on the operational status of the County's Port Information Network (PIN) camera system and the Command Bridge situational software. He advised that two replacement cameras need to be returned to the manufacturer for replacement as a result of moisture failure. Mr. Garces also provided an update on the County's routine and preventative maintenance activities on the PIN hardware and software. He advised that supply chain issues are impacting scheduled jobs.

**b. Engineering**

Greg Karr advised the Board that the network infrastructure is fully functional, and there is nothing additional to update.

**c. Sheriff's Office**

Lt. David Jasper reported that the monthly Sheriff's Office report is in the board book. The only significant activity was the explosion and fire at the Exxon facility. Sgt. Carlton Horton advised that the Multi-mission Interceptor SAFE boat is delayed at the manufacturer due to COVID-19 and supply chain interruptions, but should be delivered in the next 2 weeks

**19. Status Report – Texas Department of Public Safety**

Marisa Brusuelas advised that the Annual Threat Assessment is in final review and should be available for distribution to the Board any day. It will be a combined assessment for 2020 and 2021.

**20 Status Report – U.S. Coast Guard**

Larry Johnson advised the Board that the Area Maritime Security Committee would be meeting in person and virtually on February 24, 2022.

**21. Status Report DHS/CISA**

Larry Johnson advised that Rick Cary retired, leaving Julio Gonzalez as the only Protective Security Advisor (PSA) in the area. He advised that the Department of Defense (DOD) is now going to be issuing cyber security grant money. The amount of funds to be allocated through the DOD for Cyber grants is presently unknown, and it is further unknown whether such program will impact the pool of funds available under the Port Security Grant Program.

**22. 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.

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

There was no Executive Session.

**24. Consider Items for Future Meeting Agendas**

No specific items were requested for inclusion on the agenda for the next meeting.

**25. Adjourn.**

Director Finck moved to adjourn the meeting. Director Thomas seconded the motion, which passed unanimously at 2:34 PM.

**Next Meeting.**

The next regular meeting of the Board will be on February 8, 2022, at 2:00 PM

The above is a correct copy of the Minutes of January 11, 2022, meeting of the Board of Directors of the Houston Ship Channel Security District.



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Eric Bass, Secretary

LIST OF EXHIBITS:

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



Exhibit A

## HSCSD Administrative Report

January 11, 2022

### Financial and Investment Reports

- **Operating and Investment Statements as of December 31, 2021**
  - Operating Account Reconciliation and Cash Flow Statements show:
    - The bank balance was \$6,313.56
    - Deposits were \$131,933.76
    - Transfers from Money Market were \$0.00
    - Transfers from TexPool were \$0.00
    - Transfer to Money Market were \$50,000.00
    - Cleared checks were \$87,455.80.
    - Service Charge was \$190.69
    - Checks outstanding were \$0.00
  - Money Market Account Reconciliation shows:
    - The invested balance was \$380,054.48
    - Deposits were \$ 766,300.10
    - Transfers from TexPool Investments were \$0.00
    - Transfers to Operating were \$0.00
    - Transfers to TexPool Investments were \$700,000.00
    - Deposits in Transit were \$0.00
    - Interest earned was \$1.56 - 0.01%
  - TexPool Account Reconciliation shows:
    - The invested balance was \$7,647,987.23
    - Deposits were \$0.00
    - Transfers from Money Market were \$700,000.00
    - Transfers to Operating Account were \$0.00
    - Transfers to Money Market Account were \$0.00
    - Interest earned was \$563.17– 0.0904%
  - Disbursements totaled \$84,908.57
- **Incumbered and Committed PSGP Matching Funds**
  - \$3,287,470.43 outstanding as of 12/31/2021
- **Checks Requiring Board Approval**
  - Maritime Transportation System – Information Sharing and Analysis Center (MTS\_ISAC) annual community level subscription \$15,000.



Houston Ship Channel Security District

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

**2021 Assessment Analysis**

<b>2021 Assessment Roll – 182 Companies</b>			<b>\$2,356,750.00</b>
<b>Receipts to Date 55.1%</b>	97 Companies	last payment 12/28/21	1,297,825.00
<b>Receivables</b>	85 Companies		<b>\$1,058,925.00</b>
<b>Penalty &amp; Interest</b>	Accrued P&I as of		0.00
<b>P&amp;I Receipts to Date</b>	0 Companies		0.00
<b>P&amp;I Write-Off</b>	0 Companies		0.00
<b>P&amp;I Receivables</b>			<b>\$ 0.00</b>
<b>Total Receivable</b>			<b>\$1,058,925.00</b>

**2013-2020 Accounts with Collection Agency**

<b>Receivables</b>	Delinquent – 3 Companies	\$45,446.52	
	Accrued Penalty & Interest as of 12/01/21	30,401.01	
<b>Total at Collections</b>			<b>\$75,847.53</b>

- 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 2018 for a company was referred to Perdue, Brandon, Fielder, Collins & Mott L.L.P. July 1, 2019. Interest continues to accrue on this account. Legal action is being combined for 2013, 2014, 2015, and 2018.
- A third company was referred to Perdue, Brandon, Fielder, Collins & Mott on for 2019 on August 5, 2020. Interest continues to accrue on the account.
- An additional amount for 2020 was referred to Perdue, Brandon, Fielder, Collins and Mott LLP in August 1, 2021. Interest continues to accrue on the account. Legal action is being combined for 202019 and 2020.





Exhibit C

Houston Ship Channel Security District

## Education Report

January 11, 2022

### SCHEDULED COURSES

#### January 2022

- January 26 & 27, 2022 MTSA FSO Certified Training