

MINUTES

Board of Directors of the Houston Ship Channel Security District February 8, 2022

A meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on February 8, 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 Eric Finck
Mark Griffin
Tim Krietemeyer
Craig Nelson, Vice-Chair
Clayton Pace, Treasurer
Gary Scheibe, Chair
Jessica Thomas, Assistant Secretary

and all said persons were present, except Directors Aalund, Alkoussari, Griffin, and Nelson, thus establishing a quorum. Also present were 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

Chair Scheibe called the meeting to order at 2:01 p.m.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of January 11, 2022, Board of Directors Regular Meeting

Secretary Bass advised the Board that the draft minutes of the January 11, 2022, meeting was distributed as part of the Board Book materials and asked if there were any comments to said minutes. There being none, Director Thomas moved to approve the minutes of the January 11, 2022, meeting, as presented. Director Krietemeyer seconded the motion, which passed unanimously.

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

Chair Scheibe noted two relatively new laws relative to critical infrastructure facilities, one which prohibits activities by individuals or groups that interfere with the operation of such facilities, and another that addresses the right to carry a firearm in a protest or picket line. He also discussed recent legislation related to the flying of unmanned aircraft over critical infrastructure facilities. He encouraged all facility

representative to Be aware of these laws and routinely review the facility's procedures for securing its property boundaries and airspace with its security team.

5. Approval to Renew Directors and Officers Insurance with McDonald & Wessendorff Insurance Brokers

Mr. Cusick advised the Board that a proposal to renew the directors and officers liability insurance for 2022 was received from McDonald & Wessendorff insurance brokers for \$5 million of coverage at an annual premium of \$6,000. He noted the coverage is the same as prior years. Director Burke moved to accept the proposal and purchase the directors and officers liability insurance for 2022. Director Krietemeyer seconded the motion, which passed unanimously.

6. Treasurer's Report for 4th Quarter 2021

Chair Scheibe advised the Board that the Treasurer's report was in their Board Books and asked if there were any questions or discussion on the report. There being none, Director Finck moved that the Treasurer's Report to be accepted as presented. Director Thomas seconded the motion, which passed unanimously.

7. Investment Officer's Report for 4th Quarter 2021

Chair Scheibe advised the Board that the Investment Officer's report was in their Board Books and asked if there were any questions or discussion on the report. There being none, Director Finck moved the Investment Officer's Report be accepted as presented. Director Thomas seconded the motion, which passed unanimously.

8. Approval of Dive Helmet Equipment Substitution for FY2019 PSGP IJ#3 Marine Dive Unit Equipment and Training as Approved by FEMA and with No Change in the Amounts Budgeted

Lt. David Jasper advised the Board that the cost of the stainless steel dive helmets originally included in the County's grant application had increased, requiring the switch to lower cost fiberglass dive helmets to stay within budget. He advised that FEMA has approved the substitution. Following discussion on the matter, Director Burke moved to approve the change in dive helmets. Director Thomas seconded the motion, which passed unanimously.

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

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

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 were 2 checks which required Board approval this month: (i) a check for \$224,821.40 to the City of Houston for January fuel reimbursement and 2019 & 2020 PSGP reimbursement; and (ii) a check for \$68,446.15 to Harris County for August thru December 2021 fuel reimbursement and 2020 PSGP reimbursement. A copy of the Administrative and Financial Report is attached to these minutes as Exhibit A. Director Krietemeyer moved to accept the report and to approve the checks for payment. Director Bass seconded the motion, which passed unanimously.

b. Assessment Update

Mr. Cusick advised the Board that 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 is continuing to work on the annual Year-in-Review magazine.

11. Status Report – City of Baytown

Asst. Chief Roberts advised the Board that the City of Baytown's Fireboat No. 2 is out of the water for maintenance. Lt. Freeman reported that the City's FY2021 projects are before City Council for approval and the purchasing process for such projects should begin in the next two weeks.

12. 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 Interagency Marine Operations Center is coming online in phases, and the network connectivity for the building should be online in the next week. He further noted that the Shipboard Firefighting Training Props additions are arriving and being integrated into the simulator facility. He reminded all in attendance that the Shipboard Firefighting Training Prop is available for use by partner agencies and groups and to contact him should anyone want to utilize same for training exercises.

13. 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 the few cameras that are down are a result of moisture accumulation on the lenses of the cameras. The vendor and supplier are on site this week and believe they have arrived at a solution to eliminate the moisture.

b. Engineering

No one was present from Harris County Engineering.

c. Sheriff's Office

Lt. David Jasper reported that the monthly Sheriff's Office report is in the board book. He advised that the Sheriff's Office has taken delivery of the 35' Multi-Mission Interceptor SAFE Boat, which is currently undergoing sea trials. He further noted that the Sheriff's Office hosted a National Tactical Training Operators training course last week, and that, in addition to the Harris County Sheriff's Office, the Houston Police Department also participated in the course.

14. Status Report – Texas Department of Public Safety

Marisa Brusuelas advised that the 2021 Annual Threat Assessment report was released last month.

15. Status Report – U.S. Coast Guard

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

16. Status Report DHS/CISA

No one was present from CISA.

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

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

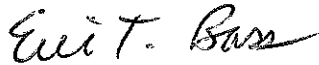
20. Adjourn.

Director Thomas moved to adjourn the meeting. Director Burke seconded the motion, which passed unanimously at 2:32 PM.

Next Meeting.

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

The above is a correct copy of the Minutes of February 8, 2022, meeting of the Board of Directors of the Houston Ship Channel Security District.



Eric Bass, Secretary

LIST OF EXHIBITS:

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



HSCSD Administrative Report

February 8, 2022

Financial and Investment Reports

- **Operating and Investment Statements as of January 31, 2022**
 - Operating Account Reconciliation and Cash Flow Statements show:
 - The bank balance was \$19,387.71
 - Deposits were \$26,725
 - Transfers from Money Market were \$35,000.00
 - Transfers from TexPool were \$0.00
 - Transfer to Money Market were \$0.00
 - Cleared checks were \$37,827.31.
 - Service Charge was \$198.54
 - Checks outstanding were \$10,625.00
 - Money Market Account Reconciliation shows:
 - The invested balance was \$502,679.15
 - Deposits were \$ 557,623.50
 - Transfers from TexPool Investments were \$0.00
 - Transfers to Operating were \$0.00
 - Transfers to TexPool Investments were \$400,000.00
 - Deposits in Transit were \$0.00
 - Interest earned was \$1.17 - 0.01%
 - TexPool Account Reconciliation shows:
 - The invested balance was \$8,048,642.76
 - Deposits were \$0.00
 - Transfers from Money Market were \$400,000.00
 - Transfers to Operating Account were \$0.00
 - Transfers to Money Market Account were \$0.00
 - Interest earned was \$655.53– 0.0904%
 - Disbursements totaled \$48,457.62
- **Incumbered and Committed PSGP Matching Funds**
 - \$3,056,117.28 outstanding as of 01/31/22
- **Checks Requiring Board Approval**
 - City of Houston \$224,821.40 for PSGP reimbursement and January fuel reimbursement
 - Harris County \$68,446.15 for August Thru December 2021 Fuel reimbursement and PSGP reimbursement



Houston Ship Channel Security District

Assessment Analysis
as of
January 31, 2022

2021 Assessment Analysis

2021 Assessment Roll – 182 Companies			\$2,344,525.00
Receipts to Date	80.2%	145 Companies last payment 01/31/22	1,880,875.00
Receivables		85 Companies	\$463,650.00
Penalty & Interest		Accrued P&I as of	0.00
P&I Receipts to Date		0 Companies	0.00
P&I Write-Off		0 Companies	0.00
P&I Receivables			\$ 0.00
Total Receivable			\$463,650.00

2013-2020 Accounts with Collection Agency

Receivables	Delinquent – 3 Companies	\$45,446.52	
	Accrued Penalty & Interest as of 01/01/22	30,855.48	
Total at Collections			\$76,302.00

- 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

February 8, 2022

SCHEDULED COURSES

March 2022

- March 1 & 2, 2022 MTSA FSO Certified Training