

MINUTES

Board of Directors of the Houston Ship Channel Security District May 10, 2022

A meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on May 10, 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 Alkoussari, Bass, Burke, and Finck, 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 2:04 p.m.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of April 12, 2022, Board of Directors Regular Meeting

Secretary Bass advised the Board that the draft minutes of the April 12, 2022, meeting were distributed as part of the Board Book materials and asked if there were any comments on said minutes. There being none, Director Thomas moved to approve the minutes of the April 12, 2022, meeting, as presented. Director Pace seconded the motion, which passed unanimously.

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

Chair Scheibe commented on U.S. District Judge Robert Pitman’s recent ruling that the Texas drone law (Chapter 423 of the Local Government Code) is an unconstitutional restriction on freedom of speech and the press. Chair Scheibe noted that while Judge Pittman stated that there are other laws that protect critical infrastructure such that the drone law was not necessary, such other laws only covers drones if they are

interfering the actual operation of your facility, but do not prohibit operation of drones over critical infrastructure for security or safety reasons.

Chair Scheibe invited Marcus Woodring, Chief Port Security and Emergency Operations for the Port of Houston Authority, to address the Board. Mr. Woodring advised that he is a member of the National Maritime Security Advisory Committee ("NMSAC"), which is seeking input from the District on matters of interest to the District. In connection therewith, he noted that the United States Coast Guard ("USCG") has tasked NMSAC to evaluate certain cybersecurity matters, with an emphasis on information sharing. He further noted that the RAND report is due in June, and that DHS' Cybersecurity and Infrastructure Security Agency ("CISA") is working on establishing minimum cybersecurity goals for all critical infrastructure facilities, which are scheduled to be released in November. Lastly, he advised that the USCG is currently working on development of a cybersecurity playbook for operational commanders.

5. Acceptance of Resignation of Basil Alkoussari

Mr. Cusick reported that Basil Alkoussari submitted his letter of resignation from his position as a Zone 1 Director the Board. Director Griffin moved to accept Mr. Alkoussari's resignation. Director Aalund seconded the motion, which passed unanimously.

6. Appointment of New Director to Fill Vacancy on the Board of Directors

Chair Scheibe advised the Board that Raymond Espinosa has expressed interest in serving on the Board and is seeking to be appointed to the vacancy created by the resignation of Basil Alkoussari. It was noted that Mr. Espinosa's resume was included in the Board Book materials, and it appears he meets the requirements to serve as a Zone Director for Zone I, which is the position in which there is currently a vacancy. Following discussion, Director Thomas moved that the Board appoint Raymond Espinosa to fill the vacancy on the Board. Director Nelson seconded the motion, which passed unanimously. Chair Scheibe noted that Mr. Espinosa will be sworn-in and seated as a director at the June Board meeting

7. Acceptance of Qualification Statement, Bond, Oath of Office and Election Not to Disclose Certain Information of New Director

Deferred until the June board meeting.

8. Authorize Preparation of a Local Government Officers List in Connection with Conflict of Interest Disclosure Requirements

Deferred until the June board meeting.

9. Discuss Training Requirements for New Director Pursuant to the Texas Open Meetings Act and the Texas Public Information Act

Deferred until the June board meeting.

10. Discuss Conflicts Disclosure Statement Reporting Requirements Memorandum for New Director

Deferred until the June board meeting.

11. Approval of Request by Harris County for an Extension of the Period of Performance for FY 2019 PSGP Projects for One Year to August 31, 2023

Lieutenant Cabrera advised the Board that FEMA had approved extending the Period Of Performance for the County for all FY2019 PSGP projects. He advised that the extension approval request to the District only seeks to extend the period of performance of the grants for the same period that was approved by FEMA and has no impact on the grant budgets. Director Aalund moved that the period of performance for the County's FY 2019 PSGP grants be extended relative to District matching funds to August 31, 2023. Director Krietemeyer seconded the motion, which passed unanimously.

12. Approval of Request from Harris County Sheriff's Office for Direct Funding for 100 Licenses of the Bridger4PS Communications Application for \$7,560

Sgt. Wichkoski advised the Board that law enforcement, including the SMAG, has been using the basic version of this application. He explained the additional features and advantages of the professional version and asked for the District's support to acquire 100 licenses for the professional version. After discussion on the matter, Director Thomas moved to approve the request, using unrestricted funds, for the purchase of 100 licenses for the Bridge4PS application. Director Nelson seconded the motion, which passed unanimously.

13. Report from NMSAC Meeting

This was covered under the Chair's comments on industry regulations and related matters.

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 were three checks which required Board approval this month: 1) a check payable to the City of Houston for \$343,429.43 for April marine and vehicle fuel; and FY2019 & FY2020 PSGP matching fund reimbursement. 2) a check payable to Harris County for \$21,278.22 for March 2022 Fuel and O&M reimbursement, and FY2019 PSGP matching funds reimbursement; and 3) a check payable to the Greater Houston Port Bureau for \$17,396.03 for April Administrative Services. A copy of the Administrative and Financial Report is attached to these minutes as Exhibit A. Director Pace moved to accept the report and approve the checks presented for payment. Director Thomas 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 he had nothing additional to report.

16. Report from Assessment & Budget Committee

Director Pace advised the Board that the Assessment & Budget Committee met on April 20, 2022 to review existing commitments for Port Security Grants, FY2022 operating expenses, and operating expenses reserves. He advised that the Board has approximately \$850,000 – \$900,000 that it can commit to FY2022 PSGP projects without increasing assessments.

17. Presentation and Review of FY2022 PSGP Match Funding Requests.

Chair Scheibe requested that each agency or partner who is seeking financial support from the District for the local matching share of a PSGP grant provide a concise presentation of the project and its benefits to the facilities located in the District.

17a. City of Baytown

Lt. Mark Freeman presented four projects for consideration:

1. Purchase one large platform robot to replace the decommissioned unit for Regional Bomb Squad operations. Upgrade one medium platform robot to extend its useful life and prevent the prohibitive cost of replacement with newer models. Purchase thirteen drone/unmanned aircraft systems to add new capabilities to Bomb Squad/DIVE team operations. Match funding request \$197,250.
2. Purchase personal protective equipment (PPE) for the Regional Bomb Squad and the USAR/DIVE team members to improve outcomes and increase first responder safety. Both teams are deployable for rapid response in the Port region, the District, and the Greater Baytown area. PPE includes bomb suits, helmets, SCUBA masks, suits, etc. Match funding request \$55,450.
3. Purchase eleven rapid response vehicles (trucks) for the Regional Bomb Squad and the USAR/DIVE team members to improve outcomes, increase first responder safety and transport team members and their specialized response equipment. Both teams are deployable for rapid response in the Port region, the District, and the Greater Baytown area. Match funding request \$247,500.
4. Purchase four bomb response trailers for the Bay Area Regional Bomb Squad ("BARBS") to improve incident outcomes and haul the team's specialized response equipment. One trailer each will be stored with each of the 4 BARBS member cities: Baytown, Pasadena, LaPorte, and League City to enhance coverage and response times. BARBS is deployable for rapid response in the region, the District, and the Greater Houston-Galveston Port area. Match funding request \$105,000.

Chair Scheibe asked Lt. Freeman to verify that specialty vehicles are allowable under the grant regulations.

17b. City of Houston

Scott Berry presented five projects for consideration:

1. Bomb Squad Training and Equipment – Specialized Render Safe Training in a maritime environment for bomb detection and acquisition of a SPOT bomb robot. Match funding request \$58,750.
2. Dive Team - HPD Dive Team for Vessel (HSGP 2019) enhancements, new dive support equipment enhancements, dive suit enhancements, training for team and regional partners, and training supplies. Match funding request \$53,200.
3. Port Patrol Division – Port Patrol is requesting funding for training supplies, enhanced communication equipment, and equipment for and security enhancements to the Interagency Marine Operation Center (IMOC) – (PSGP 2018). Match funding request \$53,270.
4. HFD Hazmat Team – Funding for a new CRBRNE detection equipped foam truck, and new gas/vapor/explosives trace detection equipment. Match funding request \$232,729.
5. HFD Shipboard Firefighting Simulator –An additional simulator addition and associated infrastructure to the Houston Fire Department Training Academy shipboard firefighting prop (FY2015 PSGP funded) that will enhance its vessel-based training capabilities for Flashover Simulator in confined spaces. Match funding request \$88,000

Chair Scheibe asked that the City verify that the foam truck is allowable under the PSGP guidelines.

17c. Harris County

Bo Garza presented one project for consideration:

1. Universal Services/Central Technology Services – Port Security Surveillance System Microwave Radio Replacements for Equipment that has reached end of life, SMAG Workstations, video management system upgrades, and emergency services for maintenance items. Match funding request \$311,872.
2. Engineering – No requests

Lt. Cabrera presented one project for consideration:

3. Sheriff's Office – A Bell Helicopter 505 Jet Ranger which will enhance the Harris County Sheriff's Office Air Operations Section's response and deployment capabilities during Ship Channel events. This aircraft will allow for a quicker response time, increased payload, longer flight endurance over scenes, as well as provide a much safer platform than flying the existing aging aircraft. Match funding request \$333,333. HCSO is committed to funding the remaining \$423,467 necessary to complete the project.

Chair Scheibe asked that the HCSO give assurances that the ship channel will be a priority for the helicopter, including stationing the aircraft at an airfield in the ship channel area.

19. 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.

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

There was no Executive Session.

21. Consider Items for Future Meeting Agendas

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

22. Adjourn.

Director Thomas moved to adjourn the meeting. Director Griffin seconded the motion, which passed unanimously at 3:30 P.M.

Next Meeting.

The next regular meeting of the Board will be on June 7, 2022, at 2:00 PM

The above is a correct copy of the Minutes of May 10, 2022, meeting of the Board of Directors of the Houston Ship Channel Security District.



Jessica Thomas, Assistant Secretary

LIST OF EXHIBITS:

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



HSCSD Administrative Report

May 10, 2022

Financial and Investment Reports

- **Operating and Investment Statements as of April 30, 2022**
 - Operating Account Reconciliation and Cash Flow Statements show:
 - The bank balance was \$13,214.93
 - Deposits were \$0.00
 - Transfers from Money Market were \$200,000.00
 - Transfers from TexPool were \$0.00
 - Transfer to Money Market were \$0.00
 - Cleared checks were \$222,731.07.
 - Service Charge was \$184.23
 - Checks outstanding were \$2,400.15
 - Money Market Account Reconciliation shows:
 - The invested balance was \$44,008.53
 - Deposits were \$31,840.30
 - Transfers from TexPool Investments were \$0.00
 - Transfers to Operating were \$200,000.00
 - Transfers to TexPool Investments were \$0.00
 - Deposits in Transit were \$0.00
 - Interest earned was \$0.42 - 0.01%
 - TexPool Account Reconciliation shows:
 - The invested balance was \$7,904,083.49
 - Deposits were \$0.00
 - Transfers from Money Market were \$0.00
 - Transfers to Operating Account were \$0.00
 - Transfers to Money Market Account were \$0.00
 - Interest earned was \$2,885.05 – 0.4443%
 - Disbursements totaled \$226,280.07
- **Incumbered and Committed PSGP Matching Funds**
 - \$ 2,170,293.49 outstanding as of 04/30/22
- **Checks Requiring Board Approval**
 - City of Houston \$343,429.43 for April Marine & Vehicle Fuel; FY2019 & FY2020 PSGP Matching Funds Reimbursement.
 - Harris County \$21,278.22 for March 2022 Fuel and O&M reimbursement, and FY2019 PSGP Matching Funds Reimbursement
 - Greater Houston Port Bureau \$17,396.03 for April Administrative Services



Houston Ship Channel Security District

Exhibit B

**Assessment Analysis
as of
April 30, 2022**

2021 Assessment Analysis

2021 Assessment Roll – 182 Companies			\$2,344,525.00
Receipts to Date 90.2%	175 Companies	last payment 04/11/22	2,251,322.25
Receivables	12 Companies		\$93,202.75
Penalty & Interest	Accrued P&I as of 04/01/22		31,804.64
P&I Receipts to Date	15 Companies		21,902.30
P&I Write-Off	0 Companies		0.00
P&I Receivables			\$9,902.34
Total Receivable			\$103,105.09

2013-2020 Accounts with Collection Agency

Receivables	Delinquent – 3 Companies	\$45,446.52
	Accrued Penalty & Interest as of 01/01/22	32,218.99
Total at Collections		\$77,665.51

- 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

May 10, 2022

SCHEDULED COURSES

May 2022

- May 3 & 4, 2022 MTSA FSO Certified Training

September 2022

- TBD, MTSA FSO Certified Training

October 2022

- TBD, CFATS FSO Training

November 2022

- TBD, MTSA FSO Certified Training