

**Board of Directors of the Houston Ship Channel
Security District**

October 10, 2023

A regular meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on October 10, 2023, open to the public, at the offices of the Greater Houston Port Bureau, 4400 Highway 225, Suite 200, Deer Park, Texas, in accordance with the duly posted Notice of Public Meeting.

The roll was called to the officers and members of the Board as follows:

Eric Bass, Secretary
Jimmy Burke
Raymond
Espinosa
Erick Fink
Mark Griffin
Tim Krietemeyer, Vice Chair
Clayton Pace, Treasurer
Gary Scheibe, Chair
Buck Tadlock
Jessica Thomas, Assistant Secretary
LaKenya Wilson

And all said persons were present, except Directors Bass, Espinosa, Fink, Scheibe, and Tadlock thus establishing a quorum. Also present were Daniel Ringold of Schwartz, Page & Harding, L.L.P (“SPH”), legal counsel for the District, and Angela Gonzalez and CAPT Eric Carrero of the Greater Houston Port Bureau (“GHPB”), administrators for the District.

1. Call to Order

Vice Chair Krietemeyer called the meeting to order at 2:05 PM.

2. Public Comment

Vice Chair Krietemeyer asked if there were any public comments. None were presented.

3. Approval of Minutes of September 12, 2023, Board of Directors Meeting

Vice Chair Krietemeyer advised the Board that the draft minutes of the September 12, 2023, Board meeting were distributed as part of the Board Book materials and asked if there were any comments or suggested revisions to said minutes. There being none, Director Griffin moved to approve the minutes of the September 12, 2023 meeting, as presented. Director Pace seconded the motion, which passed unanimously.

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

Vice Chair Krietemeyer advised that he did not have any comments or updates on industry regulations or related matters.

5. Presentation of the FY 2022 Audit Report

The Board deferred consideration of the presentation of the annual audit report for the District's fiscal year ending December 31, 2022. Mr. Ringold advised that McCall Gibson Swedlund Barfoot PLLC intends to perform their field audit next week and an item will be included on the November meeting agenda for presentation of the annual audit report.

6. Quarterly Investment Officer's Report

Director Pace advised the Board that the District began the 3rd Quarter with an invested balance in TexPool Prime of \$8,400,220.85, and that during the quarter ending September 30, 2023, there were no deposits into the account, \$476,000 was transferred out to the District's checking account, and \$115,003.69 in interest was earned, resulting in an invested balance of \$8,039,224.54 as of September 31, 2023. Director Pace advised that the District's investment portfolio is in compliance with the strategies expressed in the investment policy and the Public Funds Investment Act, and that both Mrs. Gonzalez and he were up to date on their required investment officer training course attendance requirements. Director Thomas moved to accept the Quarterly Investment Officer's Report. Director Burke seconded the motion, which passed unanimously.

7. Quarterly Treasurer's Report

Director Pace provided the Treasurer's Report for the 3rd Quarter of 2023 – ending September 30, 2023. He noted that total funds available as of September 30, 2023 were \$ 8,039,224.54, and FY2022 Assessment Collections through the third quarter totaled \$2,233,338.08, which is 94.78% of the aggregate amount of billed assessments. He further noted that penalty & interest collections through September 30, 2023 total \$36,854.06, and \$147,984.01 in delinquent amounts have previously been turned over to and are pending with the collection attorney. Director Thomas moved to approve the report. Director Burke seconded the motion, which passed unanimously.

8. Adoption of Order Calling Hearing on Assessment Plan

Mr. Ringold addressed the Board regarding the adoption of an Order Calling a Hearing on 2023 Assessment Plan. He advised that a draft Order, including the proposed assessment plan and notice of public hearing was included in the Board Book materials. He reminded the Board that the Water Code requires that the District provide 30 days advance notice of a public hearing on the assessment plan, and that the Board hold such a public meeting before adopting an assessment plan. Following review and discussion of the proposed Order Calling a Hearing on the Assessment Plan, Director Thomas made a motion to adopt said Order and authorize the Greater Houston Port Bureau to mail the Notice of Public Hearing to each facility owner

subject to assessment or their designated representative. Director Griffin seconded the motion, which passed unanimously.

9. Legal Report

Mr. Ringold advised that he had nothing further of a legal nature on which to report at this time.

10. Status Report – Greater Houston Port Bureau

a. Administrative and Financial Reports

Mrs. Gonzalez advised the Board that there were several checks that required Board approval, as follows:

- (i) Payee: City of Baytown; Amount: \$72,932.33; Reference: For the purchase of high/low angle rescue and confined space equipment (2020 Security Project).
- (ii) Payee: Harris County; Amount: \$36,887.27; Reference: For reimbursement of prior approved operation and maintenance expenses and fuel reimbursement.
- (iii) Payee: Chemical Security Group LLC; Amount: \$16,200.00; Reference: For MTSA FSO training classes.
- (iv) Payee: GHPB Amount: \$15,951.29; Reference: For administrative services during the month of September 2023.

Director Thomas made a motion to approve the payment of the above listed checks, which was seconded by Director Pace, and passed unanimously.

b. Assessment Update

Mrs. Gonzalez noted that the assessment collection numbers were included in the Treasurer's report and advised that there were no further matters to report on relative to assessment collections at this time.

c. Education Report

Mrs. Gonzalez advised the Board of the dates of the MTSA FSO classes scheduled in November. She further advised that about 15 district facilities have employees pre-registered for this course.

d. Management and Outreach Report

CAPT Carrero advised the Board that the Port of Freeport will be hosting two FEMA sponsored training courses for first responders and emergency management coordinators, both on surface transportation emergency preparedness and security. One of the courses is geared towards freight haulers, and the other is geared towards senior officials. He advised that he and Mrs. Gonzalez would send details on the courses to the Board, the District's facility owners, and the District's law enforcement partners.

11. Status Report – City of Baytown

No one from the City of Baytown was present.

12. Status Report – City of Houston

Scott Berry advised that the City of Houston had nothing further to report other than the information included in the Board book materials. He advised that the City had provided information on the actual fuel burn rates for the City's marine assets and inquired as to when the City should request that the Board revisit the District's fuel reimbursement rates. Mr. Ringold noted that the proposed Assessment Plan for 2023 included the City's requests for fuel support at the current reimbursement rates, and, if the City is seeking adjustment in future years, such request should be made prior to or currently with the time the City submits its Port Security Grant Program funding requests, as the Board will need to take into consideration the potential effect on lowering the amount of PSGP funds available for allocation to those requests if more is to be dedicated to fuel reimbursement.

13. Status Report – Harris County

a. Universal Services – CTS

Mr. Bo Garces advised that all 181 cameras are fully operational. He further reported on repairs made to a few of the cameras that had been struck by lightning.

b. Engineering

Mr. Kenneth Payne noted that he did not have anything to report on at this time.

c. Sheriff's Office

Sgt. Carlton Horton reported on the HCSO's activities within the District over the past month, including providing personnel support to the City of Houston for their "Channel Run" operation and HCSO personnel training on thermal vision systems and night flare cameras used in connection with nighttime operations.

14. Status Report – Texas Department of Public Safety

No report was provided.

15. Status Report – U.S. Coast Guard

Mr. Gary Messmer advised that the next Area Maritime Security Committee meeting will be at the Coast Guard's Houston-Galveston Sector building on November 16th from 9 a.m. to 11:30 a.m. Mr. Keiton Moore also advised that the AMSC Facility Security Officer subcommittee will be meeting tomorrow.

16. Status Report – U.S. DHS/CISA

No one from DHS/CISA was present.

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.

17. Reconvene in Open Session and Take any Action Regarding Items Discussed in Executive Session

There was no Executive Session.

18. Consider Items for Future Meeting Agendas

Mr. Ringold advised that the Harris County Sherriff's Office had advised that FEMA approved more federal funding on their Marine and Dive Unit support grant request than was initially expected, resulting in the local matching share requirement being \$17,480.00 less than the amount approved by the Board for funding support, and, in light of same, they would like the Board to reconsider supporting the 25% local matching share funding requirement (\$14,816.00) on the Port Security Grant Program grant request for the purchase of six (6) drones for use by the HCSO's Air Unit. Following discussion, the Board concurred to include an item on the agenda for the November meeting to consider the request and funding of same out of funds received from the Port Authority.

Mr. Messmer advised the Board that the Coast Guard's Area Maritime Security Plan is due for its 5 year update. He noted that the District had agreed to cover the cost of the last update and requested that an item be added to next month's agenda for the Board to fund the cost of the update again this time.

19. Adjourn

Director Thomas moved to adjourn the meeting at 2:35 PM. Director Griffin seconded the motion, which passed unanimously

The next meeting of the Board will be on November 14, 2023, at 2:00 PM at the Battle Ground Golf Course for the Annual Luncheon. 1600 Georgia Ave, Deer Park, TX 77536

The above is a correct copy of the Minutes of the October 10th, 2023, meeting of the Board of Directors of the Houston Ship Channel Security District.

Eric Bass, Secretary

List of Exhibits

- A. Quarterly Investment Officer's Report
- B. Quarterly Treasurer's Report
- C. Adoption of Order Calling Hearing on Assessment Plan
- D. Administrative and Financial Reports
- E. Assessment Collection Report