

Board of Directors of the Houston Ship Channel Security District
April 9, 2024

A meeting of the Board of Directors (“Board”) of the Houston Ship Channel Security District (“District”) was convened on April 9, 2024, 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 off the officers and members of the Board as follows:

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

and all said persons were present, except Directors Burke, Finck, and Krietemeyer, 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 of the Greater Houston Port Bureau (“GHPB”), administrators for the District.

1. Call to Order

Chair Schiebe called the meeting to order at 2:00 PM.

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of March 12, 2024, Board of Directors Meeting

Chair Schiebe advised the Board that the draft minutes of the March 12, 2024, 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 Thomas moved to approve the minutes of the March 12, 2024, meeting, as presented. Director Griffin seconded the motion, which passed unanimously.

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

Chair Scheibe advised of several proposed industry regulatory matters, including Cybersecurity rules, which are currently in a comment period. Chair Scheibe also reported that CISA Associate Director Kelly Murray will be in town at the beginning of May to discuss the status of CFATS reauthorization efforts and is looking to hold a broader meeting with all formerly regulated CFATS industry partners on May 6, 2024.

5. Report from the PSGP Review Committee

Director Pace provided a report from the committee regarding its receipt and review of Port Security Grant Program local share funding requests received by the District. He advised that several of the District's governmental partners indicated that they did not receive the initial communication from the GHPB setting forth the timeline for submission of requests for initial consideration and feedback, and, as a result, only requests from Harris County have been received to date. It was further noted that the City of Houston has indicated that it intends to submit funding requests, and the City of Baytown has stated that it will not pursue any funding this year. Director Pace then advised of the committee initial feedback and requests for additional information with respect to the requests from Harris County. He noted that all funding indications are preliminary and subject to change based upon other requests received and evaluation of all requests based upon the relative benefit to be derived by the District and its member facilities from the proposed projects, taking into account the limited funding available to support such requests.

6. Q1 2024 Treasurer's Report

Director Pace advised that the quarterly treasurer's report is in the Board book materials, which includes bank balances and information on the status of assessment collections for 2023 and prior years, as well as an actual vs. budget report.

Following review of the written report provided, Director Thomas moved to approve the Treasurer's Report. Director Griffin seconded the motion, which passed unanimously.

7. Q1 2024 Investment Officer's Report

Director Pace advised the Investment Officer's Statement of Compliance is in the Board Book materials, and reported that for the first calendar quarter of 2024, the District began with an invested balance of \$7,487,742.11 in TexPool Prime, no deposits or withdrawals were made, and with \$103,405.43 in earned interest during the quarter, the closing Invested Balance in TexPool Prime on March 28, 2024, was \$7,591,147.54.

Director Thomas moved to approve the Investment Officer's Report. Director Griffin seconded the motion, which passed unanimously.

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

Mr. Ringold advised that he did not have a separate legal report for today's meeting.

9. Status Report – Greater Houston Port Bureau

a. Administrative and Financial Reports

Mrs. Gonzalez advised that the administrative and financial reports are in the Board Books. She noted that two checks, payable to Harris County in the amount of \$20,750.61 for grant matching funds FY2020 IJ#1, and in the amount of \$130,147.50 for grant matching funds FY2022 IJ#1, were not reflected in the prior advance report, but have been added for approval at today's meeting. Director Wilson filed an affidavit disclosing her relationship to Harris County and abstained from discussion or voting on this matter. Director Pace moved to approve the report and the checks presented for payment. Director Thomas seconded the motion, which passed with all directors voting in favor with the exception of Director Wilson, who abstained from the vote.

b. Assessment Update

Mrs. Gonzalez noted that the assessment collection numbers were included in the Treasurer's report.

c. Education Report

Mrs. Gonzalez advised the Board that the Education Report is in the Board Book. She noted that the MTSA FSO Class that was scheduled for June 19th & 20th has been rescheduled for June 25th & 26th due to Juneteenth. Mrs. Gonzalez advised that she has already reached out to the students that had registered to advise them of the change of date.

d. Management and Outreach

Mrs. Gonzalez provided the following management and outreach report on behalf of CAPT Eric Carrero:

The Area Maritime Security Plan update is proceeding according to plan and the Captain Of The Port has sent a letter to port partners requesting their assistance with plan update. CAPT Carrero briefed the San Francisco Area Maritime Security Committee on the District, as they are looking to implement a similar type structure for their port area. Cybersecurity continues to be a topic of discussion across the nation, with CISA, DHS, and local industry organizations engaging with the GHPB to identify needs for tabletop exercises and/or other efforts.

Gary Mesmer noted that the USCG is pleased with the progress of the Area Maritime Security Plan update efforts, as a significant higher number of survey replies have been received for this update than were received in connection with the last update of the plan.

10. Status Report – City of Baytown

Lt. Mark Freeman advised that Baytown had nothing to report this month.

11. Status Report – City of Houston

Mr. Scott Berry advised that he is the point of contact for the Committee if there are any questions in connection with the City's Port Security Grant Program local share funding support requests.

12. Status Report – Harris County

a. Universal Services/CTS

Mr. Bo Garces reported that all the cameras are up and operating. He noted that Universal Services is working on several wireless pan-tilt-zoom camera replacements.

b. Engineering

Mr. Karr advised the Board he had nothing to report.

c. Sheriff's Office

Lt. David Jasper advised that he had nothing to report but noted that several members of the HCSO were in attendance to answer any questions that the Board members may have regarding the HCSO's PSGP funding requests.

13. Status Report – Texas Department of Public Safety

There was no one present from Texas DPS.

14. Status Report – U.S. Coast Guard

Gary Mesmer advised that, although the Notice of Funding Opportunity for the 2024 PSGP has not yet been released, he expects that the overall amount of grant funding available through the program will be \$90 million dollars instead of \$100 million. Mr. Mesmer also advised that FEMA will be hosting a couple of seminars, one on soft target grants and one on cyber grants, and the USCG will be sending out details on each.

15. Status Report – U.S. DHS/CISA

Nothing to report.

16. 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, including proposed settlement agreement in connection with pending litigation:

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, therefore nothing to report.

18. Consider Items for Future Meeting Agendas

Scheibe asked that even though the PSGP NOFO has not yet been released, all partners to please get their funding request documents to Ms. Gonzalez as quickly as possible so that the committee can go review them.

19. Adjourn.

Director Thomas moved to adjourn the meeting at 2:22 p.m. Director Tadlock seconded the motion, which passed unanimously.

Next Meeting.

The next meeting of the Board will be on May 14, 2024, at 2:00 PM

The above is a correct copy of the Minutes of the April 9, 2024, meeting of the Board of Directors of the Houston Ship Channel Security District.


Eric Bass, Secretary