

Board of Directors of the Houston Ship Channel Security District
March 12, 2024

A meeting of the Board of Directors ("Board") of the Houston Ship Channel Security District ("District") was convened on March 12, 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 of 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 Raymond Espinosa, Eric Bass, Mark Griffin, and Clayton Pace, thus establishing a quorum. Also, present were Diana Miller of Schwartz, Page & Harding, L.L.P. ("SPH"), legal counsel for the District, and Angela Gonzalez and Christine Schlenker of the Greater Houston Port Bureau ("GHPB"), administrators for the District.

1. Call to Order

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

2. Public Comment

There were no comments from the public.

3. Approval of Minutes of February 13, 2024, Board of Directors Meeting

Chair Schiebe advised the Board that the draft minutes of the February 13, 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 February 13, 2024 meeting, as presented. Director Krietemeyer seconded the motion, which passed unanimously.

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

Chair Scheibe discussed cybersecurity regulations and concerns, noting that anyone can be the victim of a cyberattack and industry and critical infrastructure facility owners should take appropriate preventative measures. Gary Mesmer of the United States Coast Guard ("USCG") noted that a decision was made at the last Area Maritime Security Committee meeting to have a working group to provide assistance with cybersecurity. Jeremy Hansen with the United States Cybersecurity & Infrastructure Security Agency ("CISA") advised that he provide updates from CISA during his report later in the meeting and noted that the recent cyberattack on CISA is in the process of being investigated.

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

Ms. Miller noted that Directors Espinosa, Finck, Harris County Commissioners Court appointed Bass, Krietemeyer, and Wilson to serve a two year term from January 2024 to January 2026. In connection with reseating those directors, she advised that they have signed their qualification statements, position bonds, oaths of office, and elections not to disclose personal information. Following discussion, Director Wilson moved to accept the Qualifications Statements, Bonds, Oaths of Office and Elections Not to Disclose Certain Information of such directors. Director Thomas seconded the motion, which passed unanimously.

6. Election of Officers of the Board: Chairman, Vice Chairman, Treasurer, Secretary, Assistant Secretary

Ms. Miller noted that the Board considers the election of officers following each director election cycle. Each of the current officers present indicated they would be willing to continue to carry out their current officer positions. The Board concurred to make no changes to the persons holding the offices of Chair, Vice Chair, Treasurer, Secretary and Assistant Secretary.

7. Appointment of a Port Security Grant Program (PSGP) Funding Support Review Committee

Chair Schiebe appointed Directors Thomas, Griffin, Finck, and Pace to the Committee to review PSGP funding support requests, with appropriate support from SPH and the GHPB.

8. Authorize the Greater Houston Port Bureau to research unclaimed property and to prepare and file Unclaimed Property Report as of as of March 1, 2024

As the next order of business, the Board considered authorizing certain District consultants to research their files for unclaimed property and authorizing the GHPB to prepare an Unclaimed Property Report as of March 1, 2024. Ms. Miller advised that the GHPB review their records and prepare the Unclaimed Property Report. She further advised the Board that the GHPB will file the report, if necessary, with the Comptroller of Public Accounts and escheat any unclaimed funds from the State of Texas. After discussion on the matter, Director Thomas moved to authorize the GHPB to research unclaimed property and to prepare and file Unclaimed Property Report as of as of March 1, 2024. Director Finck seconded the motion, which passed unanimously.

9. Engagement of Auditor to audit the District's financial records for the Fiscal Year Ending December 31, 2023

Mrs. Gonzalez advised the Board that the proposal from McCall, Gibson, Swedlund and Barfoot, PLLC to audit the District's records for its fiscal year ending December 31, 2023, a copy of which is attached to these minutes at Exhibit A, is included in the Board Book materials. Following discussion, Director Tadlock moved to approve such proposal and authorize the Chair to sign the same. Director Burke seconded the motion, which passed unanimously.

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

Mrs. Miller advised that she did not have anything further to report to the Board at this time.

11. Status Report – Greater Houston Port Bureau

a. Administrative and Financial Reports

Mrs. Gonzalez advised that the administrative and financial reports, a copy of which is attached to these minutes at Exhibit B, are in the Board Book materials. She advised the Board that there are two three checks which require Board approval: (1) Harris County \$54,166.00; (2) Harris County for \$35,713.75 for the Chemical Security Group – Area Maritime Security Assessment \$19,000.00. Director Burke moved to accept the reports and approve the checks presented for payment. Director Thomas seconded the motion, which passed unanimously.

b. Assessment Update

Mrs. Gonzalez advised there was no further update beyond what is reflected in the assessment collection report.

c. Education Report

Mrs. Gonzalez advised the Board that the Education Report is in the Board Book. She noted that the next MTSA FSO Class is scheduled for June 19th & 20th of this year.

d. Management and Outreach

Ms. Schlenker advised that 5 year update to the Area Maritime Security Assessment is underway, but Mr. Roberts of Chemical Security Group has expressed concern with completing the update by the deadline, which is 3 months away. She advised that CAPT Carrero has communicated that concern to CAPT Keith Donohue, who is seeking an extension from USCG District 8 for an extension. She noted that regulated facilities will soon be receiving a questionnaire/survey from Mr. Roberts via email in connection with this effort and encouraged everyone to promptly complete and return same. Ms. Schlenker next advised that CAPT Carrero and Chair Schiebe will be participating in a panel at the upcoming West Coast Ports conference.

12. Status Report – City of Baytown

Nothing to report currently.

13. Status Report – City of Houston

Mr. Scott Berry noted that his report was in the Board Book materials.

14. Status Report – Harris County

a. Universal Services/CTS

Mr. Garces reported that all cameras are up and running.

b. Engineering

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

c. Sheriff's Office

Sgt Horton advised the HCSO report was in the Board Book materials.

15. Status Report – Texas Department of Public Safety

No one from DPS was present.

16. Status Report – U.S. Coast Guard

Tyson Muniz noted that the 2024 PSGP Notice of Funding Opportunity has not yet been released, but the Coast Guard will notify all appropriate parties once it is. Keiton Moore advised that the date has not yet been set for the next AMSC meeting.

17. Status Report – U.S. DHS/CISA

Mr. Hansen noted that cyber threats are currently very prevalent, discussing recent activities by the Russian Foreign Intelligence Service (SVR) and their tactics to access systems through use of the cloud. He also discussed recent ransomware attack activity and noted that advisories regarding same are available at www.stopransomeware.gov. Lastly, he encouraged regular use of two factor identification and regular updating/changing of passwords.

18. 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.

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

There was no Executive Session, therefore nothing to report.

20. Consider Items for Future Meeting Agendas

Chairman Schiebe advised FBI has reestablished an outreach program after 9/11 and they are trying to connect with the private sector. They have asked to connect with HSCSD in the future.

21. Adjourn.

Director Thomas moved to adjourn the meeting at 2:39 p.m. Director Krietemeyer seconded the motion, which passed unanimously.

Next Meeting.

The next meeting of the Board will be on April 9, 2024, at 2:00 PM

The above is a correct copy of the Minutes of the March 12, 2024, meeting of the Board of Directors of the Houston Ship Channel Security District.



Eric Bass, Secretary