

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

A special meeting of the Board of Directors ("Board") of the Houston Ship Channel Security District ("District") was convened on November 12, 2024, open to the public, at The Battleground Golf Course, 1600 Georgia Ave., Deer Park, Texas, 77536, 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
Jessica Thomas, Vice Chair
Clayton Pace, Treasurer
Gary Scheibe, Chair
Judson Coleman, Assistant Secretary
LaKenya Wilson

and all said persons were present, except Mark Griffin, 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 Eric Carrero of the Greater Houston Port Bureau ("GHPB"), administrators for the District.

1. Call to Order

Chair Scheibe called the meeting to order at 11:45 AM.

2. Public Comment

Chair Scheibe provided welcoming remarks to all in attendance at the annual meeting and luncheon. He discussed the history of the District and the economic impact it has had to date in new investment in security measures for the ship channel region. He concluded his opening remarks by thanking everyone for their diligence and dedication in carrying out the District's mission. No other public comments were presented.

3. Approval of Minutes of October 8, 2024, Board of Directors Meeting

Secretary Bass advised that the draft minutes of the October 8, 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 October 8, 2024, meeting, as presented. Director Pace seconded the motion, which passed unanimously.

4. Acceptance of Resignation of Jimmy Burke from the Board of Directors

The Board did not discuss or take action on this matter at this time.

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

Chair Scheibe provided a brief update on the status of the Chemical Facility Anti-Terrorism Standards renewal efforts.

6. Chair's Annual Report

Chair Scheibe provided his annual report to the Board, focusing on the importance of the work of the District in enhancing the security of the region and thanking the Board for their work in facilitating such work and financial stewardship.

7. Treasurer's Annual Report

Treasurer Pace provided his annual report to the Board, including actual and projected bank balances at the beginning and end of the current fiscal year, as well as assessment collection percentages, and profit and loss numbers compared to the annual budget. He noted that all District funds remain continuously secured, either through insured bank deposits or by being invested in a governmental investment pool meeting minimum rating requirements. Treasurer Pace further reported that both he and Mrs. Gonzalez are up to date on their required investment officer training.

8. City of Houston request for FY2021 PSGP grant extension

Scott Berry advised that no change to scope or cost was involved with this request and that the City of Houston has already secured FEMA approval for an extension of the performance period for its FY2021 grant awards. Following discussion, Director Thomas moved to approve the City of Houston's request for an extension of the performance period for the PSGP FY2021 grant award. Director Tadlock seconded the motion, which passed unanimously.

9. Recess Regular Meeting to Conduct Public Hearing on 2024 Plan of Assessment

Mr. Ringold noted that the Notice of Hearing on the proposed 2024 assessment plan has been provided to each facility owner in the District in accordance with the requirements of the Texas Water Code, and that it is necessary and appropriate for the Board to hold a public hearing and receive comments and objections to said proposed plan at this time. Chair Scheibe then recessed the meeting at 12:06 p.m., opened the public hearing, and called for any comments or objections to the proposed 2024 Plan of Assessment. No comments or objections were presented, and Chair Scheibe then closed the public hearing at 12:09 p.m.

10. Reconvene and call to order Regular meeting

Chair Scheibe reconvened and called to order the meeting at 12:10 p.m.

11. Consider and Rule on any objections to 2024 Plan of Assessment

Mr. Ringold advised that this item was not necessary, as there were no objections presented to the proposed 2024 Plan of Assessment.

12. Adoption of Resolution Adopting 2024 Plan of Assessment

The Board next considered adoption of the 2024 Plan of Assessment. Following discussion on the matter, Director Coleman moved to adopt a Resolution Adopting the 2024 Plan of Assessment. Director Finck seconded the motion, which passed unanimously.

13. Authorize the Greater Houston Port Bureau to prepare the 2024 Assessment Roll and mail Assessment invoices

Mr. Ringold advised that the Board is required to have an assessment roll prepared, which roll is required to be filed with the Secretary and open for public inspection. He recommended that the Board authorize the GHPB to prepare the assessment roll and to mail Assessment invoices to each of the facilities on the roll. He further noted that Facility Owners have thirty (30) days from the date of adoption of the 2024 Plan of Assessment to file a notice of appeal of their assessment, and that today marks the start of the 30-day period. Following discussion, Director Wilson moved to authorize the Greater Houston Port Bureau to prepare the 2024 assessment roll and mail assessment invoices. Director Burke seconded the motion, which passed unanimously.

14. Appointment of the Assessment Appeals Committee

Chair Scheibe asked for Board members to express their interest to be appointed to the Assessment Appeals Committee. Directors Pace, Thomas, Wilson, Finck and Tadlock volunteered to be appointed to said committee. Chair Scheibe then appointed those directors to the Assessment Appeals Committee.

15. Approval of an Agreement with the Port of Houston Authority for a Port Security Donation of \$61,675.00 and to maintain and Information Hub for Physical and Cyber Security

Mr. Ringold advised the proposed Agreement with the Port Authority is included in the board book materials, and is in the same form as in previous years. Director Thomas noted that the Agreement has already been approved by the Port Commission and is ready for Board approval. Director Finck moved to approve the Agreement with the Port Authority. Director Bass seconded the motion, which passed unanimously.

16. Approval of Letter Agreement with the City of Houston relative to 2024 PSGP projects and 2025 security services

Mr. Ringold advised the proposed Letter Agreement with the Port Authority is included in the board book materials and incorporates the City's 2024 PSGP projects for which the District has agreed to provide local matching share funding support as well as funding for fuel reimbursements for CY2025

air and marine patrols. He advised that the Letter Agreement has been forwarded to the City for review and comment. Following discussion, Director Pace moved to approve the Letter Agreement with the City of Houston, subject to non-substantive revisions based upon any comments received from the City. Director Finck seconded the motion which passed unanimously.

17. Approval of Thirteenth Amendment to Agreement with Harris County relative to 2024 Security Projects and 2025 Security Services

Director Wilson filed an affidavit with the District disclosing her employment with Harris County and abstained from discussion or participating in the vote on this matter. Mr. Ringold advised the proposed Thirteenth Amendment to the Agreement with Harris County is included in the board book materials and incorporates the County's 2024 PSGP projects for which the District has agreed to provide local matching share funding support, as well as funding for fuel reimbursements for CY2025 land, air, and marine patrols and routine and emergency maintenance to the network of security cameras owned and operated by the County. He advised that the Thirteenth Amendment has been forwarded to the County for review and comment. Following discussion, Director Pace moved to approve the Thirteenth Amendment to the Agreement with Harris County, subject to non-substantive revisions based upon any comments received from the County. Director Pace moved to approve the Thirteenth Amendment to Agreement with Harris County. Director Burke seconded the motion, which passed with everyone voting in favor of the motion except Director Wilson, who abstained.

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

Mr. Ringold advised he had nothing further to report.

19. 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 advised that there are checks which require Board approval, as follows:

- Payable to the City of Houston in the amount of \$41,231.80 for FY2019 PSGP IJ2 local matching share funding reimbursement;
- Payable to the City of Houston in the amount of \$84,440.40 for FY2021 PSGP IJ3 and IJ5 local matching share funding reimbursement;
- Payable to the City of Houston in the amount of \$24,383.22 for FY2022 PSGP IJ1 and IJ3 local matching share funding reimbursement;
- Payable to Harris County in the amount of \$42,950.22 for FY2020 PSGP IJ1 local matching share funding reimbursement; and
- Payable to Harris County in the amount of \$26,201.17 for FY2023 PSGP IJ4 local matching share funding reimbursement.

Director Thomas moved to approve the payment of the PSGP matching fund reimbursements, as presented. Director Bass seconded the motion, which passed unanimously.

Mrs. Gonzalez noted that there were two other checks that require Board approval, as follows:

- Payable to Harris County Universal Services in the amount of \$71,169.36 for site maintenance; and
- Payable to the GHPB in the amount of \$17,362.87 for services performed and reimbursement of expenses incurred during the month of October.

Director Thomas moved to approve the checks. Director Tadlock seconded the motion, which passed unanimously.

b. Assessment Update

Mrs. Gonzalez advised she had nothing else to report at this time.

c. Education Report

Mrs. Gonzalez advised the last MTSA FSO class in November is completely booked, and thereafter classes will resume in February of 2025.

d. Management and Outreach

CAPT Eric Carrero advised the Board of his outreach activities, noting that he has been to Austin twice in the last month, first to brief the Texas House of Representatives Transportation Committee regarding the District and other matter, and second to meet with the Governor's Office and the Lieutenant Governor's offices. He further advised that he had provided testimony to the City of Houston's Public Safety Committee this morning, discussing the District and growth economic activity in the Port of Houston in general.

20. Consider Items for Future Meeting Agendas

Chair Scheibe advised that Jimmy Burke will be stepping down from his position on the Board. Chair Scheibe expressed what a great joy it has been for him to serve with Director Burke and thanked him for his leadership and service. Chair Scheibe presented Director Burke with a plaque to show the Board's appreciation, and invited him to say a few words. Director Burke spoke about his time in public service, the lessons he has learned, and the bonds he has made with others in the process. He expressed his appreciation for having been able to serve on the Board and with the other Board members.

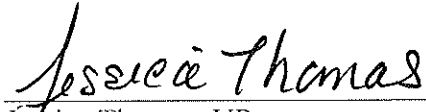
21. Adjourn

Director Burke moved to adjourn the meeting at 12:28 p.m. Director Thomas seconded the motion, which passed unanimously.

Next Meeting

The next meeting of the Board will be on December 10, 2024, at 2:00 PM at the East Harris County Manufacturers Association (EHCMA), 203 Ivy Avenue, Deer Park, TX 77536

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



Jessica Thomas, VP