

NORTH TEXAS TOLLWAY AUTHORITY
Minutes of the Board of Directors Meeting
January 18, 2012

A public notice of this meeting containing all items was posted at a place convenient to the public in the administrative offices of the North Texas Tollway Authority, provided to the Secretary of State, and provided to the County Clerk of Collin County, as required by Chapter 551 of the Texas Government Code, referred to as "The Open Meetings Act."

Minutes of the North Texas Tollway Authority Board of Directors meeting held at the North Texas Tollway Authority, 5900 West Plano Parkway, Plano, Texas, at 9:00 a.m. on January 18, 2012.

CALL TO ORDER

Chairman Barr called the meeting to order at 9:05 a.m.

1. Establishment of Quorum

Chairman Barr established a quorum by calling the roll.

The following Board members were present in the meeting:

Kenneth Barr	Chairman
Bill Moore	Vice Chairman
Dave Denison	Director
Matrice Ellis Kirk	Director
*Michael Nowels	Director
Tex Quesada	Director
Victor Vandergriff	Director
Jane Willard	Director

*Director Nowels arrived at 9:10 a.m.

NTTA employees attending the meeting were: Gerry Carrigan, Interim Executive Director; Ruby Franklin, Secretary; Lorelei Griffith, Assistant Secretary; Janice Davis, CFO/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Tom Bamonte, General Counsel; Clayton Howe, Assistant Executive Director Operations; Elizabeth Mow, Interim Assistant Executive Director Project Delivery; Kim Tolbert, Assistant Executive Director Administrative Services; Magdalena Kovats, Director of Internal Audit; Ray Zies, Controller; Kiven Williams, Director of Customer Service Center; Dave Pounds, Director of Information Technology; Anthony Coleman, Director of Business Diversity; Carrie Rogers, Director of Government Affairs; Eric Hemphill, Interim Director of Maintenance; Nina Arias, Director of Human Resources; Felix Alvarez, Director of Procurement Services; Marty Legè, Director of System Incident Management; Kim Jackson, Director of Communications.

Also present at the meeting representing the Authority were: Frank Stevenson, Locke Lord, Bissell & Liddell (LLBL), Outside Counsel to the Authority; Steve Knobbe, Stephanie Halliday, HNTB, General Engineering Consultant to the Authority; Ron Morrison, Andrew Mendelson, RBC Capital Markets, Financial Advisor to the Authority; Greg Schaecher, McCall Parkhurst & Horton (MPH), Bond Counsel to the Authority; Michael Copeland, Wilbur Smith Associates (WSA), Traffic & Revenue Consultant to the Authority.

2. Administer Oath of Office to Matrice Ellis-Kirk, Dallas County appointee to the NTTA Board of Directors

Chairman Barr introduced the new Dallas County appointee to the Board of Directors, Matrice Ellis-Kirk, and administered the Oath of Office. Chairman Barr extended a welcome to Director Ellis-Kirk.

3. General public comments not related to specific agenda items

There were no comments made under this item.

4. Comments and announcements from the Chairman and Board Members

There were no comments made under this item.

BRIEFING AND POSSIBLE ACTION ITEMS

5. Resolutions approving the minutes from the December 21, 2011 Board of Directors Regular Meeting

Director Quesada made a motion to approve the December 21, 2011 Board of Directors Regular meeting minutes, and Vice Chairman Moore seconded the motion. The motion was approved unanimously. (Resolution No. 12-01)

6. Briefing on and acknowledgement of receipt of the Special Projects System FY2011 audited financial statements and reports

Magdalena Kovats, Director of Internal Audit, introduced Kevin Smith of Crowe Horwath, who provided a briefing on the Special Projects System FY2011 audited financial statements and reports. Mr. Smith indicated that the audit resulted in an unqualified ("clean") opinion, and discussed the financial summary.

After some discussion and questions were addressed, Chairman Barr asked that the Finance & Audit Committee take some time to study the audited financial statements.

7. Briefing and possible action on a contract with Southwest Envirotech Partners, LP, for Meltdown 20® (Magnesium Chloride for Snow and Ice Events) in an amount not to exceed \$2,337,640.00

Eric Hemphill, Interim Director of Maintenance, provided a briefing on a contract with Southwest Envirotech Partners, LP, for Meltdown 20®. Mr. Hemphill discussed the

NTTA's snow and ice plan, materials used, and the financial impact, and addressed questions.

Director Willard made a motion to approve a contract with Southwest Envirotech Partners, LP, and Vice Chairman Moore seconded the motion. The motion was approved unanimously. (Resolution No. 12-03)

8. Briefing and possible action on the Maintenance Management Consultant (MMC) Request for Qualification (RFQ)

Mr. Hemphill briefed the Board on the scope of services for the MMC RFQ, including asset management, specialized asset condition inspections, management of major maintenance projects on the NTTA System and other maintenance related duties as necessary. Mr. Hemphill addressed questions of the Board.

Felix Alvarez, Director of Procurement Services, provided an overview of the standard RFQ template developed by staff, and discussed communications during the procurement process, including the "cone of silence". Mr. Alvarez addressed questions of the Board.

After some discussion, Director Denison made a motion to approve the MMC RFQ, and Director Nowels seconded the motion. The motion was approved unanimously. (Resolution No. 12-04)

9. Briefing and possible action on a new Board Ethics Policy

Tom Bamonte, General Counsel, provided a briefing on a new Board Ethics Policy, including recommendations that came out of the County Review. Mr. Bamonte discussed progress made to date, the business rationale for an Ethics Policy, sources used for the proposed policy, key components and the next steps.

After some discussion and questions were addressed, Director Nowels made a motion to approve the Ethics Policy, directing staff to review and draft ethics policies applicable to NTTA employees consistent with the Board Ethics Policy, and to appoint Tom Bamonte as the permanent Ethics Officer. Director Denison seconded the motion, and it was approved unanimously. (Resolution No. 12-05)

10. Briefing and possible action on a request for additional funding in the amount of \$4,705,441.00 to be paid to Electronic Transaction Consultants Corporation for the completion of the CSC RITE Upgrade project

Clayton Howe, Assistant Executive Director of Operations, provided a briefing on the RITE software upgrade, including project goals, feature highlights, impact on schedule and budget, and discussed advantages and disadvantages of three business case analysis options.

Mr. Howe and Tim Gallagher, ETCC, addressed questions of the Board. After some discussion and concerns were expressed, Director Quesada made a motion to approve an expenditure of funds of up to \$750,000, with the understanding that it would

ultimately come off of what's proposed of the \$4,705,441.00 in order to allow ETCC to continue working towards the September goal, and to allow more time to better understand the procurement process on this project. Director Ellis-Kirk seconded the motion. Chairman Barr clarified that this item would go back to the Finance and Audit Committee, with participation from the Customer Service and Operations Committee. The motion was approved unanimously. (Resolution No. 12-06)

11. Briefing and possible actions related to temporary staffing services contracts with Pride Staff, Inc., Superior Staff Resources, Inc., and Express Employment Professionals

Kim Tolbert, Assistant Executive Director of Administrative Services, provided a briefing on temporary staffing services, explaining some staffing expenditures during 2010 and 2011 that exceeded staff's approval authority. Ms. Tolbert discussed actions taken to prevent a reoccurrence, described the next steps, and addressed questions of the Board.

After some discussion, Vice Chairman Moore made a motion to approve contracts and ratification of funds expended to date with Superior Staff Resources, Inc., Express Employment Professionals and Pride Staff, Inc., and additional funds for temporary staffing services through the period ending June 30, 2012. Director Nowels seconded the motion and it was approved unanimously. (Resolution No. 12-07)

BRIEFINGS AND REPORTS

12. Briefing on legal services procurement process

Tom Bamonte provided a briefing on the legal services procurement process, including Board initiatives, key elements of the proposed plan, and the proposed schedule, and addressed questions of the Board.

13. Briefing on the Senate Bill 469 implementation and the NTTA's meetings with its member counties and justices of the peace

Clayton Howe briefed the Board on the SB 469 implementation, providing some background, the new billing process, SB 469 modifications, and outreach by Government Affairs to member counties. Mr. Howe explained the next steps and addressed questions of the Board.

14. Briefing on upcoming roadway completion ceremonies

- A. PGBT EE: "East Side Story" - January 23 at 1:00 p.m. at AMC Theatre Firewheel Town Center
- B. SRT/DNT: "Crossing the Finish Line" - January 30 at 1:00 p.m. at Granite Parkway

Kim Jackson, Director of Communications and Marketing, briefed the Board on two events being held this month, including the opening of the PGBT Eastern extension and the completion of the Sam Rayburn Tollway.

15. Third quarter Human Capital Metrics report

A report was included in the agenda packet.

16. Business Diversity Activity Report for the month of January 2012

A report was included in the agenda packet.

17. Monthly Financial Report for period ending November 30, 2011

Ray Zies, Controller, provided a briefing on the monthly financial report.

18. Executive Director Reports

- A. County Review action plan
- B. Recruitment process update
- C. Report on contracts, supplements, and orders not exceeding \$300,000.00 executed in December 2011

Gerry Carrigan, Interim Executive Director, indicated that progress was continuing on the County Review action plan, as well as the recruitment process. Mr. Carrigan stated that an executive committee had been established to review contracts less than \$300,000.00.

19. **EXECUTIVE SESSION**

Chairman Barr called the Board into Executive Session at 1:05 p.m. and reconvened the meeting into open session at 3:27 p.m. No final action, decision nor vote with regard to any matter was taken during the Executive Session.

- A. Section 551.071, to receive advice from legal counsel about pending or contemplated litigation and/or settlement offers or other legal matters
 - 1. Update on ongoing law enforcement matters
 - 2. Kelly Wall matters
 - 3. Legal matters arising after agenda posting (any such matter will be referenced in open meeting)

B. Section 551.074(a)(1), to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee

1. Interim Executive Director

20. Possible action on any matter deliberated in Executive Session

No action was taken.

Director Vandergriff departed 3:15 p.m.

ADJOURNMENT

The meeting adjourned at 3:27 p.m.



Kenneth Barr, Chairman



Ruby Franklin, Secretary