NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
April 4, 2013

A public notice of this meeting containing all items was filed in the Office of the Secretary of State as required by Chapter 551 of the Texas Government Code, referred to as "The Open Meetings Act."

Minutes of the Finance & Audit Committee meeting held at the North Texas Tollway Authority, 5900 West Plano Parkway, Plano, Texas, on April 4, 2013 at 9:15 a.m.

CALL TO ORDER

Committee Chairman Moore called the meeting to order at 9:54 a.m.

1. ESTABLISHMENT OF QUORUM

Committee Chairman Moore established a quorum by calling the roll. The following committee members were in attendance:

William Moore	Committee Chairman
Michael Nowels	Member
Bill Elliott	Member
Matrice Ellis-Kirk	Member

Chairman Barr and Directors Haddad, Willard and Quesada were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, CEO/Executive Director; John Carreker, COO/Deputy Executive Director; Tom Bamonte, General Counsel; Ruby Franklin, Secretary; Lorelei Griffith, Assistant Secretary; Janice Davis, Assistant Executive Director of Strategic & Innovative Solutions/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Elizabeth Mow, Assistant Executive Director of Infrastructure; Kim Tolbert, Chief Strategic Officer; Ray Zies, Controller; Magdalena Kovats, Director of Internal Audit; Eric Hemphill, Director of Maintenance; John Bannerman, Interim Director of Customer Service Center; Marty Legè, Director of System Incident Management; Anthony Coleman, Director of Business Diversity; Kim Jackson, Director of Public Affairs; Carrie Rogers, Director of Government Affairs; Dave Pounds, Director of Information Technology; Felix Alvarez, Director of Procurement Services; and Nina Arias, Director of Human Resources.

Also present at the meeting representing the Authority were Frank Stevenson, Locke Lord LLC, Board Counsel; Greg Schaecher, McCall Parkhurst & Horton, Bond Counsel to the Authority; Bill Mahomes, Mahomes Bolden, PC, Bond Counsel to the Authority; Stephanie Halliday, HNTB, Project Management Consultant to the Authority; Keith Jackson, Atkins North America, Inc., General Engineering Consultant to the Authority;

Phani Jammalamadaka, CDM Smith Associates, Traffic & Revenue Consultant to the Authority.

2. General public comments not related to specific agenda items

No comments were made under this item.

3. Approval of the minutes from the March 7, 2013 Finance and Audit Committee meeting

Director Nowels made a motion to approve the minutes of the March 7, 2013 Finance and Audit Committee meeting, and Director Ellis-Kirk seconded the motion. The minutes were approved unanimously. (Resolution No. 13-48)

4. An agreement with LBJ Infrastructure Group LLC (with approval from TxDOT) regarding substitute performance security under IH 635 Tolling Services Agreement and related matters

Dana Gibson-Boone, Director of Cash and Debt Management, presented details related to the substitute performance security with LBJ Infrastructure Group LLC. She discussed the background and TSA requirements for the Letter of Credit (LOC); including the related funding source and liquidity. The discussion disclosed financial, delivery, replacement, and base case requirements. Further discussion integrated potential for a substitute performance security versus a sole source relationship with Wells Fargo. TxDOT has informally approved the substitute performance arrangement. Ms. Gibson-Boone concluded the presentation with due date requirements and Staff responded to questions from the Committee.

The substitute performance security under IH 635 TSA was moved to the Board with no recommendation.

5. A one-year contract with four one-year extension options with Crowe Horwath LLP for professional auditing services in an amount not to exceed $260,000.00 for year one

Magdalena Kovats, Director of Internal Audit, presented the recommendation to procure a contract with Crowe Horwath LLP for independent external audit services. She stated the background and contractual inclusions (basic financial statements, CAFR, and report to manage controls for the System and Special Projects System). Ms. Kovats also communicated the procurement statistics, diversity goal (20%), scope, term, and compensation. She responded to questions from the Committee and the contract was unanimously approved for recommendation to the Board.

6. Briefing on updated Internal Audit Charter and Policy Statement

Magdalena Kovats, Director of Internal Audit, also provided information related to the updated Internal Audit Charter and Policy Statement. She conveyed that replicated information has been removed, the Internal Audit Charter and Policy Statement does

not require action, and noted it was included so it could be read before the next Committee Meeting.

7. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 10:31 a.m.

William Moore, Committee Chairman
NTTA Finance & Audit Committee

Lorelei Griffith, Assistant Secretary