

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
REGULAR BOARD MEETING
MARCH 18, 2010

The regularly scheduled monthly meeting of the Metropolitan Transit Authority Board of Directors was called to order at 1:08 p.m. by Chairman David S. Wolff. Co-Vice Chairman George DeMontrond, III, Board Secretary, Jackie L. Freeman, and Board Members Burt Ballanfant, Trini Mendenhall-Sosa, Carmen Orta, and C. Jim Steward, III were present and constituted a quorum. Vice-Chairman Gerald Smith was not present.

As the first order of business, Chairman Wolff called for approval of the Minutes of the regularly scheduled Board Meeting of February 18, 2010. Board Member Stewart moved approval of the Minutes. The Motion was seconded by Board Member Sosa and all Board Members present voted in favor.

MOTION NO. 2010 – 8

Chairman Wolff called for receipt of public comments and recognized, first, those elected and public officials who were present and might wish to address the Board.

A listing of elected and public officials included Mayor Sue Speck of Hedwig Village; Council Member Sue Lovell, representing the City of Houston; Mayor Allen Owen of Missouri City; Council Member Bobby Marshall of Missouri City; Leonard Scarcella, Mayor of Stafford; Charlie Jessup, Mayor of Meadows Place; Jim Gonzales, City Commissioner for Richmond; Grady Prestage, Fort Bend County Commissioner, Precinct 2; Don Smithers, City Council Member, District 1, Sugar Land; Russell Jones, Mayor Pro Tem, Sugar Land; Dr. Richard Wainerdi, President & CEO, Texas Medical Center; and Cynthia Buggage, Clarence Holliday and Raquel Rodriguez, representing Congressman Al Green.

The persons who spoke and the substance of their comments were as follows:

1. Mayor Sue Speck – City of Hedwig Village, thanked the outgoing Board Members for their cooperation and diligence in working with the Multi-cities and the multi-city representatives on the Board.

Board Member Burt Ballenfant added his appreciation for the fairness and responsiveness of the City of Houston representatives to the issues and concerns of the multi-cities.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
March 18, 2010
Page Two

Board Member Stewart stated how his service on this Board has been especially rewarding. He complimented the Board for its cohesiveness and the members' commitment to the transportation future of this region. Board Member Stewart added that the leadership of Chairman Wolff and the other four City of Houston representatives have made Houston a better place to live.

Chairman Wolff explained how this Board has functioned as a nine member board and has not been divided by the areas represented. He reminded the public of the Board's successes, such as the progress for receipt of nearly one billion dollars from the federal government, the acquisition of 100 new buses each year, new park and ride services, and METROLift services to the Texas Medical Center. Chairman Wolff stated that service on the METRO Board has been rewarding and many people have expressed their thanks for the work that has been done.

Board Member George DeMontrond noted that there have not been any "5 to 4" votes during his tenure, and that decisions are made by consensus.

2. Council Member Sue Lovell – City of Houston; thanked Chairman Wolff and President & Chief Executive Officer Frank Wilson for their work to improve the City. She stated how public service requires time away from family, business and personal time which others may not fully understand. Council Member Lovell concluded by stating how the City had benefited by their service and how she hopes to again work with the various outgoing board members.

3. Mayor Allen Owen – Missouri City; reminded the public that he also serves as chairperson of the Multi-City Coalition. He thanked the entire Board for its support of the 14 Multi-cities. He reported that Board Members Ballanfant and Stewart have been reconfirmed as the Multi-city representatives.

On behalf of Missouri City, Mayor Owen expressed his support for Agenda Item 8 for development of the U. S. 90A rail corridor. He called upon those public officials from other Fort Bend County entities to stand as an expression of their support for Corridor 90A development. While some have vocally opposed the presence of rail transit in their subdivisions, Mayor Owen stated that there are many persons in the Fort Bend County area who desperately want commuter rail. Other entities are far ahead, and have proven commuter rail's success. He thanked Congressman Green for his support and suggested that the proposed rail line along U. S. 90A be called the "Green Line." Mayor Owen then read a letter from Congressman Green to the METRO Board stating the importance of rail development in the U. S. 90A Corridor and its broad community support.

Chairman Wolff added that the Board has always favored a “bimodal” approach using both rail and buses. Rail is an important component of transit development because it lifts the level of service that can be provided. The initial phases of rail development are in the City of Houston because of the need to build the framework to which future extensions will be attached. Chairman Wolff noted the difficulties in constructing the Main Street Line and continuing challenges to lessen any negative operational impacts. He expressed appreciation for the hard work of the previous Board of Directors and appreciation for the unified Congressional delegation with its support of METRO.

4. Dr. Wainerdi – of the Texas Medical Center; stated that some ten million square feet of space is now under construction, which should add approximately 30,000 new jobs. A large number of employees live outside the City of Houston and will benefit from rail development in the U. S. 90A Corridor. On behalf of the Texas Medical Center, Dr. Wainerdi expressed his support for the project.

Chairman Wolff shared a recent conversation with Dr. Mendolsohn of MD Anderson in which they discussed the international recognition of the Texas Medical Center, and the need to support and appreciate the good work that it does.

5. John Branson – Assistant City Manager, City of Pearland; expressed support for Agenda Item 11, for development of a park and ride facility to be located in the Pearland area. Pearland is a rapidly growing community and the facility will address traffic issues. Mr. Branson thanked John Sedlak, METRO’s Executive Vice President, and Edith Lowery, METRO’s Director of Grants, for their assistance.

6. Gerald Roberts – Brazoria County Engineer; expressed support for the new park and ride facility. It will greatly benefit Brazoria County residents who travel along Highway 288 to the Texas Medical Center and to Downtown Houston.

7. Crystal Garza – a former bus operator; claims she was wrongfully terminated from her job. She left the premises prior to completing a drug and alcohol test and was discharged for violation of the drug and alcohol policy. Ms. Garza explained that she left the premises due to illness, and did complete the medical tests the following day.

Chairman Wolff advised Ms. Garza to meet with Helen Cavazos, METRO’s Vice President of Human Resources and Diversity.

8. Veronica Mosqueda – a former bus operator, claims she was wrongfully terminated from her job. She was fired for having an excessive number of tardies, or misses. Ms. Mosqueda explained that she was late because the METRO shuttle that she rode to her relief point was also late.

Andrew Skabowski, METRO's Acting Vice President of Operations, stated that a "miss" caused by bus or shuttle delays will not be charged against the Operator. He stated that he would review this matter further to determine if Ms. Mosqueda should not have been charged with a "miss."

9. David Espinoza – alleged unfair treatment of disabled bus patrons. Due to health reasons, Mr. Espinoza prefers to stand while riding the bus. He was not permitted to do so by the bus operator. He also complained that able-bodied passengers often take the seats reserved for the disabled.

Mr. Espinoza normally rides Bus Routes 82, 53 and 46. He stated that the bus operators occasionally spend a lot of time engaged in casual conversations with passengers. Bus operators should be more sensitive to the needs of the disabled. Mr. Espinoza also asked that more signs be displayed in Spanish as well as in English.

10. James Hollis – Transportation Director for Connect Transit and the Gulf Coast Center; expressed support for the new park and ride facility serving the Pearland area.

Chairman Wolff called attention to the importance of the initiatives to provide transit services into Fort Bend County and into Brazoria County.

At the conclusion of the Public Comment portion of the meeting, Chairman Wolff called upon Mr. Frank Wilson for his Business Report.

Mr. Wilson introduced David Couch, Managing Director of METRO Solutions, for a report on the status of various project activities. Mr. Couch reported that the contractor for METRO Solutions has been able to achieve small business participation of 53%, with a goal of some \$335 million as a part of the overall program. The goal of Community Outreach is to respond to any issues raised within 48 hours. Items are being monitored to track the amount of time taken to respond. A Community office is operating on each of the three rail lines that are active and under construction. The offices are staffed from 8:30 a.m. to 5:00 p.m.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
March 18, 2010
Page Five

Mr. Couch then reported on the East End line construction. Overall design should be completed in June. Nearly one quarter of the public and private utilities have been relocated.

Chairman Wolff noted that some 40% of the project costs are derived from the re-building of utilities, water, sanitary sewer, storm drainage and other such facilities.

Design of the North Line should be complete by August. Some 93% of the necessary parcels of land have been acquired. The project is 25% to 35% complete on the electrical, gas and communications lines.

The design packages for the Southeast Line are 85% complete. Eleven parcels of land remain to be acquired. Utility work will begin soon along Wheeler and Martin Luther King.

Limited design work has proceeded for the Uptown Line.

Ninety-eight percent of costs under the HRT contract are now fixed and firm. Recent updates show \$1.377 billion for four light rail lines. Expenditures for each line are tracked against the current fiscal year budget.

Regarding the University Line, the Public Comment Period has ended and METRO hopes to receive a Record of Decision from the FTA in April.

At the conclusion of Mr. Couch's report, Mr. Frank Wilson thanked the outgoing Board Members for their time, energy and dedicated service. He thanked them for the privilege of working with them. Mr. Wilson voiced his appreciation to Chairman Wolff for the lessons he has learned. He stated that history and time will only magnify the valuable contributions made by this Board.

Board Member Carmen Orta thanked the METRO staff for its hard work and caring spirit.

Chairman Wolff then called for consideration of the Summary Agenda. Board Member Stewart moved approval of the Summary Agenda, containing Agenda Items 5, 7, 9, 10 and 13. Board Member Orta seconded the Motion and all Board Members voted to approve the Summary Agenda.

By way of Summary Agenda, the Board of Directors approved the following:

1. Approval of pricing methodologies and the sale of Contractual Obligations to finance the purchase of transit vehicles.

RESOLUTION NO. 2010 – 10

2. Authorization for the President & CEO to execute and deliver a contact with Unity National Bank of Houston to administer the METRO Solution's Business Assistance Program for a total not-to-exceed amount of \$500,000.00

RESOLUTION NO. 2010 – 11

3. Authorization for the President & CEO to negotiate, execute and deliver a 3-year contract with Texas General Land Office for electricity, for an amount not to exceed \$14 million.

RESOLUTION NO. 2010 - 12

4. Authorization for the President & CEO to engage in a one-year agreement with Dallas Area Rapid Transit (DART) for a co-location disaster recovery site for an amount not to exceed \$125,000.00

RESOLUTION NO. 2010 – 13

5. Authorization for the President & CEO to delegate his signatory/execution authority on deeds and interests in Real Estate to the Managing Director of METRO Solutions on those parcels to be conveyed to the City of Houston.

RESOLUTION NO. 2010 – 14

Board Secretary Freeman then moved that the Board of Directors approve and authorize the execution of a modification to the transportation improvement agreement with the City of Houston, for Designated and Future Designated Projects, to extend the period of the Agreement through April 30, 2010. Board Member Sosa seconded the Motion and all Board Members present voted in favor.

MOTION NO. 2010 – 10

RESOLUTION NO. 2010 – 15

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
March 18, 2010
Page Seven

As the next item for business, Board Secretary Freeman moved adoption of a resolution expressing METRO's support for development of the U. S. 90A Corridor for high capacity transit. The Motion was seconded by Board Member DeMontrond and all Board Members present voted their approval.

MOTION NO. 2010 – 11
RESOLUTION NO. 2010 – 16

Board Secretary Freeman moved that the President & Chief Executive Officer be authorized and directed to negotiate, execute and deliver all appropriate documents for the acquisition of 12-acre tract in the Southwest Corner of State Highway 288 and County Road 59 for a park and ride facility. He further moved that the President & Chief Executive Officer be authorized and directed to negotiate, execute and deliver an agreement with Gulf Coast Center for operation of transit services. Board Member Stewart seconded the Motion and all Board Members present voted in favor.

MOTION NO. 2010 -12
RESOLUTION NO. 2010 – 17

The Board then proceeded to consideration of those matters discussed during Executive Session.

Board Member Freeman moved that the Board of Directors authorize the Chairman to execute a contract with the firm UHY Advisors to conduct a fact-finding inquiry into allegations made on March 10, 2010 in the lawsuit styled Lloyd E. Kelley vs. Frank J. Wilson, et al., in which Plaintiff's counsel alleged the improper use of public funds by President & Chief Executive Officer Frank Wilson. Board Secretary Freeman moved that the Chairman also be authorized to cause such inquiry to be done into these allegations and that UHY Advisors report its findings to the Board of Directors.

Chairman Wolff explained that we are dealing with unfortunate distractions caused by anonymous sources with no witnesses. Yet, METRO must take the allegations seriously and investigate them. These distractions take attention away from the more substantive issues of METRO's accomplishments. Chairman Wolff then highlighted the current construction of three light rail lines, the purchase of 100 buses a year, the conversion of HOV lanes to HOT lanes, and the anticipated receipt of nearly \$1 Billion in federal monies for transit expansion. Yet, Chairman Wolff explained, the recent allegations and intrusion into a person's private affairs causes many gifted people to avoid working in the public sector. He questioned the tendency to focus on

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
March 18, 2010
Page Eight

those who attack people who are merely trying to accomplish things. He urged the media to pay attention to the accomplishments of this Board and the people who work for METRO. Chairman Wolff stated that METRO will proceed with investigation of these allegations, although he is confident that the allegations have no substance. He asked only that the media give attention to the results.

Board Secretary Freeman's Motion was then seconded by Board Member DeMontrond. All those present voted in favor except Board Member Sosa, who abstained.

MOTION NO. 2010 – 13

Board Member DeMontrond then moved that, regarding the lawsuit Lloyd E. Kelley vs. Frank J. Wilson, et al, wherein President & Chief Executive Officer Frank Wilson is being sued in his official and individual capacities, that the Board of Directors finds that METRO's payment of legal fees incurred by Frank Wilson serve a public purpose in a matter of public interest requiring a vigorous defense. The Board further finds that, regarding the lawsuit's allegations of failing to respond to an Open Records request, Mr. Wilson has acted in good faith and within his official duties. He moved authorization to pay Mr. Wilson's legal fees with the firm Gibbs, Bruns, LLP, to cover Mr. Wilson's defense in the lawsuit Lloyd E. Kelley vs. Frank J. Wilson, et al. Such authorized payment is restricted to this lawsuit, and no other related or unrelated matters. Board Member DeMontrond further moved that the Chairman be authorized to make other restrictions of payments consistent with the discussions in Executive Session.

The Motion was seconded by Board Member Stewart and all Board Members present voted in favor.

MOTION NO. 2010 – 14

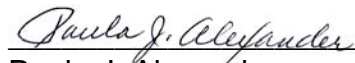
Board Member Sosa stated that it has been an honor to serve under Chairman Wolff's direction and expressed appreciation for the hard work of all of the City of Houston representative.

Board Member DeMontrond also thanked Chairman Wolff for his leadership and consensus building.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
March 18, 2010
Page Nine

There being no further matters to come before the Board, the meeting
adjourned at 2:25 p.m.

Respectfully submitted,



Paula J. Alexander
Assistant Secretary