

MINUTES
METROPOLITAN TRANSIT AUTHORITY
OF HARRIS COUNTY, TEXAS
BOARD OF DIRECTORS
REGULAR BOARD MEETING
THURSDAY AUGUST 19, 2010

The Regular Meeting of the Metropolitan Transit Authority Board of Directors was called to order at 9:03 a.m. by Chairman Gilbert A. Garcia. Board Secretary, Jackie L. Freeman, and Board Members Burt Ballanfant, Dwight Jefferson, Carrin Patman, Christof Spieler, C. Jim Stewart, III and Trini Mendenhall-Sosa were present. Vice Chairman Allen Watson was absent.

Chairman Garcia first called for a motion for approval of the minutes of the regular board meeting of July 22, 2010. Board Member Spieler moved approval of the Minutes, as written. Board Member Sosa seconded the motion and all Board Members present voted their approval.

MOTION NO 2010-54

Chairman Garcia next called upon those persons who had requested to speak before the Board. The persons who spoke and the substance of their comments were as follows:

1. Mr. Hartwell Remsburg – objects to bicycles on the light rail vehicles and has requested a change in METRO's policies.

Board Member Spieler explained the success of bike racks on buses and the increased transit accessibility to the public. Similarly, by expanding the hours for bicycles on the rail vehicles, METRO is responding to a customer demand. Board Member Spieler added that the vast majority of cyclists who also use light rail are respectful of other passengers. METRO may not be able to accommodate bike racks on the front or back of the rail vehicles. However, seats have been removed to provide a larger open area where bicycles, baby carriers or other objects can be placed on board.

Mr. Greanias added that by removing a set of seats on certain rail vehicles METRO has increased the rail car capacity. New vehicles will have a different configuration which should enable more convenient placement of bicycles. METRO's goal is to increase ridership by making the system convenient and accessible to everyone who wants to use it.

Acting Vice President of Operations, Andy Skabowski suggested that Mr. Remsburg meet with Scott Grogan, head of Rail Maintenance. METRO has made changes to address many of Mr. Remsburg's concern.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
August 19, 2010
Page Two

2. Ms. Diane Sheffield – representing the residents of Cuney Homes, voiced her support for light rail. She is concerned, however, about the safety of children who attend schools that are located near the light rail tracks.

Mr. David Couch explained METRO's Safety program and its emphasis on teaching school children how to use the system. In depth safety information is provided at the schools prior to construction and prior to rail operation. "Refresher" courses are given throughout the course of the construction activities.

3. Ms. Theresa Bradley – of the "METRO Customer Advocacy Group", pledged to return each month until her issues are resolved. She thanked METRO for adjusting its charges for service between the two branches of Bus Route 86. She also thanked METRO for extending late night service, but stated that service should be further extended to 10 p.m. to better accommodate students at Lone Star College. Ms. Bradley asked that signs be posted with the correct schedule times, and that weekend service be provided.

Chairman Garcia offered to meet with Ms. Bradley after the Board meeting.

4. Mr. Mark Rodriguez - owns a small business on Harrisburg and serves as President of the Neighborhood Civic Association. He complained that some property owners are treated better than others and accused METRO of favoritism. He complained that on- going construction has caused business interruptions.

Mr. David Couch explained that the acquisition process has not been completed on some parcels. Thus, there has been no favoritism. METRO has implemented a business assistance program for those who have experienced economic losses, as a result of the construction. Mr. Couch further explained that most work is performed during the day time rather than at night, to avoid noise and disruptions to adjacent residential areas.

5. Mr. Vincent Roberts – a former bus Operator, requested reinstatement to his former position.

Mr. Skabowski stated that he and Rosalyn West, Director of Labor Relations, will meet with Mr. Roberts following the Board meeting.

6. Mr. Barry Klein – questioned the cost of light rail expansion. Mr. Klein stated that he believes the real cost of the program is nearly \$6 Billion, and accused METRO of placing incomplete information of its website. Mr. Klein also requested more information on the website about the miles of bus routes in operation.

Board Member Spieler agreed that more information should to placed on the website, and noted that METRO is currently working to provide more information about construction plans and project costs. He explained that the most accurate measures of METRO's bus service are service hours and passenger counts rather than service miles.

7. Mr. Ralph Lowe – presented information about a lubricating product, called "Luboron", which is intended to extend the useful life of engines and improve fuel efficiency.

Andy Skabowski suggested that Mr. Lowe meet with Maintenance department staff for further discussions.

8. Mr. Mark Smith – complained that he was forced to exit the bus before reaching the end of the route. Mr. Smith expressed his objections to the eliminations of bus routes and the high costs of light rail.

METRO Police Chief Tom Lamber stated that the incident of Mr. Smith's exit from the bus has been corrected.

9. Mr. Helen Callier – thanked METRO, the Board of Directors, and specifically Deborah Richard, Vice President of Small Business, for highlighting her company, Bradlink, LLC as a Small Business success story. She supports METRO and looks forward to continuing her business relationship with METRO.

10. Mr. Dominic Mazoch - thanked Mr. Greanias for his public service. He also complimented the Q Star Program in which businesses along the light rail line offer coupons for discounted services and products.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
August 19, 2010
Page Four

11. Ms. Norma Jacobi – General Administrator of the Harrisburg Health Clinic, asked for better coordination of construction activities with the utility companies and better communication with the community. Ms. Jacobi reported how a power outage caused the loss of medication that required refrigeration.

Mr. David Couch requested invoices for clinic losses due to construction activities. Board Secretary Freeman asked who bears primary responsibility for notifying residents that utilities will be off, temporarily, to accommodate certain construction. Mr. Couch stated that the responsibility lies with the utility company, but pledged better coordination of notices to the community.

12. Mr. Mike McMahan – suggested that the 402 Quickline Bellaire and the 2 Bellaire share bus stops and shelters.

13. Ms. Alethia Artemis – complained of a failure to respond to her concerns. Ms. Artemis stated that she has raised eight issues, including stalking by police officers. She also stated that she wishes to speak before the Board during the November Board meeting.

At the conclusion of the Public Comments portion of the meeting, Chairman Garcia called upon Mr. George Greanias for the President & CEO's Monthly Business Report.

Mr. Greanias began his report by recognizing Russ Frank who was recently honored at an event sponsored by The Houston Jaycees as one of the Five Outstanding Young Houstonians. He also reported Frank Gonzales' recognition as top bus operator by APTA, Kim Slaughter's appointment to a 3-year term to the APTA Board of Directors and former employee, Reggie Mason's appointment to a 1-year term on the APTA Board of Directors. Mr. Greanias then called upon Terence Fontaine, Vice President of System Performance & Compliance, for a presentation on METRO's document retention program.

Mr. Fontaine reported on the status of the program and its compliance with State requirements, implementation of guidelines and procedures, and employee training.

Chairman Garcia stated that the firm of Fulbright & Jawarski had been retained to conduct a review of METRO's compliance with State regulatory requirements. That review is now complete. He then called upon Mr. Neil Thomas for a summary of his report and its findings.

Mr. Thomas noted that his review began in May and that some matters, such as implementation of a records retention program, are now in place. He explained that the report is divided into four areas: 1) meetings and records, 2) financial management, 3) ethical management, and 4) business management. Mr. Thomas recommended maintaining records of discussions/actions at working committee meetings, and other changes that would enhance transparency.

Chairman Garcia next called upon Judge Dwight Jefferson for a report on METRO's finances.

Judge Jefferson first presented an overview of the current budget, sales tax receipts, fares and debt service. He stated that METRO has used local funds for some rail expansion costs pending receipt of federal grant funding. In the coming weeks, options will be presented for program continuation.

As the next item for business, Chairman Garcia called for consideration of the consent Agenda, containing Agenda items 6, 7, 8, 9, 10, 12 and 13. Board Secretary Jackie L. Freeman moved approval of the Consent Agenda. The Motion was seconded by Board Member Sosa and all Board Members present voted in favor.

MOTION NO. 2010- 55

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

1. Authorization for the President & CEO to execute and deliver a modification to the contract with Comcast for network connectivity for an additional six months, and to increase the maximum authorized expenditures under the contract by an amount not to exceed \$ 125,000.

RESOLUTION NO. 2010- 58

2. Authorization for the President & CEO to execute and deliver a contract with Johnson Controls, Inc. for preventive maintenance and break/fix services for METRO's security surveillance systems currently used at the Park & Ride lots and METRO's facilities, in an amount not-to-exceed \$ 2,672,238.63

RESOLUTION NO. 2010-59

3. Authorization for the President & CEO to execute and deliver a one- year requirements contract with Pumpelly Oil Company to supply and deliver Gasoline for METRO's non- revenue support vehicles for an amount not to exceed \$809,000.

RESOLUTION NO. 2010- 60

4. Authorization for the President & CEO to execute, and deliver a one- year requirements contract to ADA Resources to provide fuel transport services, for an amount not to exceed \$496,300.

RESOLUTION NO. 2010-61

5. Authorization for the President & CEO to execute contract modification to extend METRO's contractual arrangements for health plan benefits and administration for one additional year with the current providers of coverage (United Healthcare, DK Young, Consulting Services, Express Scripts, Delta Dental and Cigna) and increase the total expenditures by \$4,312,347

RESOLUTION NO. 2010-62

6. Authorization for the President & CEO to execute a Memorandum of Understanding with the Metropolitan Planning Organization, the Texas Department of Transportation and other providers of public transportation services in the eight county transportation planning region, setting forth the parties joint responsibilities in carrying out the Metropolitan Transportation Planning process.

RESOLUTION NO. 2010- 63

7. Authorization for the President & CEO to execute a Memorandum of Understanding establishing Metropolitan Transit Authority of Harris County as a member of the Consortium for Sustainable Communities Regional Planning.

RESOLUTION NO. 2010- 64

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
August 19, 2010
Page Seven

Board Secretary Freeman moved that the President & CEO be authorized and directed to execute and deliver modification to the contract with KBR to extend the contract term for an additional year and increase the maximum authorized expenditures under the contract by an additional amount not to exceed \$10 million. The Motion was seconded by Board Member Sosa. All Board Members present voted in favor, with the exception of Board Member Patman, who abstained. The Motion passed 7-0-1.

MOTION NO. 2010- 56
RESOLUTION NO. 2010-65

As the next item for business, Board Member Stewart moved that the President & CEO be authorized and directed to negotiate, execute and deliver a contract with Access Sciences, Inc. for staff support for the development of records management processes and procedures for an amount not to exceed \$251,000. Board Member Stewart further moved that the President & CEO be authorized to take such administrative action to implement all appropriate records management procedure without the necessity of further acknowledgement by the Board. The motion was seconded by Board Secretary Freeman and all Board Members present voted in favor.

MOTION NO. 2010- 57
RESOLUTION NO. 2010- 66

Board Member Stewart next moved that the President & CEO be authorized and directed to execute and deliver a contract with Motiva Enterprises, LLC for supply and delivery of diesel fuel for an amount not to exceed \$37,695,800. Board Secretary Freeman seconded the Motion, and all Board Members present voted in favor with the exception of Board Members Ballanfant and Patman, who abstained. The motion passed, 6-0-2.

MOTION NO. 2010- 58
RESOLUTION NO. 2010- 67

Chairman Garcia then convened the Meeting into **EXECUTIVE SESSION**, pursuant to the Texas Government Code, Section 551.071, 551.072, 551.074, and 551.076, the Board will consult with its attorneys on pending or potential litigation, including Higgins v METRO, et al; Cause No. 2010-24578: 127th Judicial District Court, legal matters in which the attorneys' duties are governed by the State Bar of Texas (Code of Conduct); and will deliberate, in accordance with the above statues, real estate matters, personnel matters, security matters and devices, and any legal issues regarding contract negotiations that may result in potential litigation.

Minutes of the Regular Meeting
of the Metropolitan Transit
Authority Board of Directors
August 19, 2010
Page Eight

Executive Session began at 11:00 a.m. Executive Session ended at 11:40 a.m., and Chairman Garcia reconvened the meeting into public session.

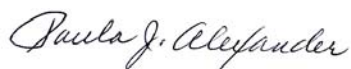
As the next item for business, Board Member Ballanfant moved declaration of public necessity for acquisition of three parcels of land as necessary for public transit development in the East End Corridor. The three parcels are out of the S.M. Williams survey and are generally described in the Board Materials as EE090, EE090-A, and EE090-B. Board Member Ballanfant further moved that the President & CEO be authorized to proceed with acquisition of the property by purchase, donation or eminent domain. Board Member Spieler seconded the Motion and all Board Members present voted in favor.

MOTION NO. 2010- 59
RESOLUTION No. 2010-68

There being no other matters to come before the Board, Board Secretary Freeman moved to adjourn. Board Member Sosa seconded the Motion and all Board Members present voted to adjourn. The meeting adjourned at 11:42 a.m.

MOTION NO. 2010-60

Respectfully submitted,



Paula J. Alexander
Assistant Secretary