

Meeting No. 938

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

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March 9, 2001

Austin, Texas

MEETING NO. 938

FRIDAY, MARCH 9, 2001.--The members of the Board of Regents of The University of Texas System convened via telephone conference call at 10:00 a.m. on Friday, March 9, 2001, on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present\_\_\_\_\_

Chairman Loeffler, presiding  
Vice-Chairman Clements  
Regent Hunt  
Regent Miller  
Regent Oxford  
Regent Riter  
Regent Romero  
Regent Sanchez

Absent\_\_\_\_\_

Counsel and Secretary Frederick

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Loeffler called the meeting to order. He announced that the purpose of this special called meeting was to consider matters of sufficient urgency to require immediate consideration by the Board prior to the next regularly scheduled meeting on May 9-10, 2001.

RECESS TO EXECUTIVE SESSION.--At 10:05 a.m., Chairman Loeffler announced the Board would recess to convene in Executive Session in accordance with Texas Government Code Section 551.074 to consider a personnel matter listed on the agenda.

RECONVENE IN OPEN SESSION.--At 10:15 a.m., the Board reconvened in open session. In response to Chairman Loeffler's inquiry as to whether there was any action from the floor, the following actions were taken:

1. U. T. System: Authorization to Lease the Surface Only of a Portion of University Lands Located in Blocks 19 and 20, University Lands Survey, Pecos County, Texas, to FPL Energy Pecos Wind I, L. P., Juno Beach, Florida, to be Used for the Construction and Operation of a Wind Power Project and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of West Texas Operations to Execute All Documents Related Thereto

As part of the electrical power deregulation legislation passed during the 76th Texas Legislature, power companies were required to generate a portion of their total energy output from renewable sources by the Year 2003. Wind power is currently viewed as one of the principal means of generating clean renewable electrical power in the State of Texas to meet this mandate.

In accordance therewith and upon motion of Regent Riter, duly seconded, the Board:

- a. Granted authorization to lease the surface only of approximately 1,000 gross acres of University Lands located in Blocks 19 and 20, University Lands Survey, Pecos County, Texas, to FPL Energy Pecos Wind I, L. P., Juno Beach, Florida, for the purpose of constructing and operating a wind farm to generate electrical power from wind power
- b. Authorized the Executive Vice Chancellor for Business Affairs or the Executive Director of West Texas Operations to negotiate the surface lease; to execute all documents, instruments, and other agreements; and to take all such actions deemed necessary or desirable to carry out the purpose and intent of the lease, subject to approval by the Office of General Counsel as to the legal form of any document, instrument, or agreement.

FPL Energy Pecos Wind I, L. P., will construct 48 turbines with a combined generating capacity of 31.68 megawatts on approximately 1,000 acres of University Lands in Pecos County, Texas, as part of the 160-megawatt Woodward Mountain Project. FPL Energy Pecos Wind I, L. P., is a wholly-owned subsidiary of FPL Group, Inc., which had revenues of over \$6 billion in 1999 and serves over seven million people in Florida.

Under the lease, FPL Energy Pecos Wind I, L. P., will pay an installation bonus of \$179,000 or approximately \$180 per acre. The term of the lease is twenty years with a minimum royalty of \$77,000 per year through year ten and \$86,000 for the remainder of the term. Total minimum royalty over the full term of the lease is approximately \$1.6 million. Early termination may be exercised by FPL Energy Pecos Wind I at the end of year ten with proper notice and payment of a penalty of \$172,000 and at the end of year fifteen with proper notice and the payment of a penalty of \$86,000.

Authorization for the lease is required prior to the May 2001 meeting of the U. T. Board of Regents to avoid added costs associated with shutdown or remobilization of ongoing construction on adjacent property. These added costs could diminish the value of including University Lands in this project by affecting the amount of up-front bonus that FPL Energy Pecos Wind I, L. P., may be willing to pay at a later date, thus possibly excluding University Lands from the project.

2. U. T. Health Science Center - Houston: Report on Appointment of Special Committee for the Selection of a President, Appointment of James T. Willerson, M.D., as President Effective Immediately, and Approval to Discharge the Special Committee for the Selection of a President

At the meeting on February 14, 2001, the U. T. Board of Regents provided public notice as required by law, that it was advancing James T. Willerson, M.D., as the sole candidate for consideration as President of The University of Texas Health Science Center at Houston under special presidential selection procedures detailed in the Regents' Rules and Regulations, Part One, Chapter II, Section 16. Chairman Loeffler subsequently appointed a Special Committee to evaluate Dr. Willerson's candidacy.

Regent Oxford moved that Dr. James T. Willerson, Interim President of U. T. Health Science Center - Houston, be elected President of that institution effective immediately, with compensation commensurate with the responsibilities of the office to be negotiated by Chancellor Burck and Executive Vice Chancellor Mullins and submitted to the Board via the usual budgetary procedures.

He further moved that the Board find, as required by State law, that this appointment is in the best interest of U. T. Health Science Center - Houston.

Regent Miller seconded the motions, which carried by unanimous vote, and the Regents commended Dr. Willerson for his academic and professional credentials, his national and international renown, and his spirit of collaboration among University of Texas System institutions and in the community.

The membership of the Special Committee, which the Board discharged with sincere appreciation for the input it provided to this search process, is here-with reported for the record as set forth below:

Special Committee for the Selection of a President for  
The University of Texas Health Science Center at Houston

U. T. System Administration Representatives

Chancellor R. D. Burck  
Executive Vice Chancellor for Health Affairs Charles B. Mullins  
(Chairman)

U. T. System Presidents

Kern Wildenthal, M.D., President, The University of Texas  
Southwestern Medical Center at Dallas  
Francisco G. Cigarroa, M.D., President, The University of Texas  
Health Science Center at San Antonio

Faculty Representatives

Nancy Bergstrom, RN, Ph.D., Theodore J. and Mary E. Trumble  
Professor and Associate Director of Research, School of Nursing  
James P. Turley, RN, Ph.D., Interfaculty Council Chair, Associate  
Professor and Vice Chairman, Health Informatics

Alumni Representative

Sonja Lanelli Randle, M.D., Assistant Professor, Psychiatry and  
Behavioral Sciences, Medical School

Dean

L. Maximilian Buja, M.D., Dean, Medical School

Nonfaculty Representative

Mrs. Gillian Rittman, University Classified Staff Council President,  
Research Scientist, Dental Branch

Student

Mr. Biruh Tesfa Workeneh, Student InterCouncil Vice President

Community/External Representatives

The Honorable Rodney G. Ellis  
Mr. Rodney Margolis  
Mr. Dee S. Osborne  
Mr. Roland Garcia, Jr.  
Mr. El Franco Lee  
Ms. Beth Robertson  
Ms. Rosie C. Zamora

ADJOURNMENT.--Chairman Loeffler announced that the purpose for which this meeting was called had been completed and the meeting was duly adjourned at 10:20 a.m.

/s/ Francie A. Frederick  
Counsel and Secretary to the Board

March 19, 2001