

**GREATER AUSTIN AREA TELECOMMUNICATIONS
NETWORK (GAATN)
INTERLOCAL AGENCY**

**1111 West 6th Street
Austin, Texas 78703-5399**

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

MEETING HELD February 5, 2001

Agenda Item No. 1:

The meeting was called to order by Chairman Bill Bard at approximately 1:46 p.m.

The following Board members announced as present:

Bill Bard, on behalf of the University of Texas
Wayne Wedemeyer (alt.), on behalf of the University of Texas
Dave Kelly, on behalf of the State of Texas, General Services Commission
Steve Zoromsky, on behalf of the Lower Colorado River Authority
Tom Lott (alt.), on behalf of the Lower Colorado River Authority
Patrick Jordan, on behalf of the City of Austin
Debbie Opdahl, on behalf of Austin Independent School District
Martha Riekenberg (alt.) on behalf of the City of Austin
Gary Weseman, on behalf of the Austin Community College
Walter LaGrone, on behalf of Travis County

Agenda Item No. 2:

Citizen Communication

Chairman Bard asked if there were any citizen communications. There were no citizens present to speak but Heidi Cottingham from CoCom was introduced. CoCom is our maintenance contractor and it was good to have Heidi come by for the meeting. Chairman Bard took the opportunity to ask her about the possibility of acquiring some short lengths of cable for UT. After a brief discussion the possibility of a purchase like that looked promising as she claimed they could seldom use lengths that short, the issue was turned over to the Technical Committee to discuss and decide on a cost to charge for the short pieces of GAATN cable.

Agenda Item No. 3:

Executive Session

After speaking with GAATN Counsel before the meeting, Chairman Bard noted that there was no need to enter into executive session.

Agenda Item No. 4:

Approval of January 8, 2000 Board Minutes

There were no corrections to the GAATN Board minutes. Steve Zoromsky moved to accept and Patrick Jordan seconded. The minutes were approved unanimously. Walter LaGrone took the opportunity to inquire about something he had read from the minutes. It dealt with the possibility of expanding GAATN outside of Travis County. It was explained to him that the issue to which he was referring was having difficulties due to Texas utilities (see Minutes from January 8th 2001) restrictions. The issue of GAATN expansion and possible linkup with Round Rock schools is presently at a standstill and, based on comments from both Patrick Jordan and Martha Riekenberg, seems doubtful for anytime in the near future.

Agenda Item No. 5:

Hear report and discuss/consider Board Chairman Update.

Chairman Bard asked that everyone introduce themselves and had no specific update. He took the time to thank Steve Zoromsky for hosting the meeting at S.O.C.C and LCRA. Everyone agreed that the facility was very impressive and that LCRA has proven time and again to be a consummate host for the GAATN Board Meetings.

Agenda Item No. 6:

Hear report and discuss/consider financial report and budget issues.

Debbie Opdahl passed out the financial report for GAATN and noted that the report was through the month ending 12-31-00. She explained that it would not have the transfer issues (discussed in the January meeting) reflected in this report. Debbie then commented that she would take questions if there were any. Chairman Bard asked if there was any discussion, there being none he moved on with the agenda.

Agenda Item No. 7:

Hear Report and discuss/consider Technical Subcommittee Update.

Tom Lott reported that the Texas History Museum was moving forward and Martha added that the earliest splicing would be the 24th of this month. Tom asked Heidi about maintenance activity in the downtown area. She commented that permits were a problem at present due to all the activity and negative impact to traffic. Martha added that the downtown area is 'touchy' and that permitting was very guarded and cautious due to public opinion on construction.

Tom went on to note that we are still waiting to hear from Intel and the decision they were going to make to relocate GAATN. He also said that the B1N project was starting again. The Circle C damage situation was discussed. Tom then asked Ron Roberts about the SM&P contract. Ron stated that the contract was done, Katherine had looked at it and that SM&P was happy. He further stated that he had brought the contract to the meeting for Chairman Bard to sign. This contract is a continuation of a previous contract and does not require a bid process.

Tom explained to the Board that the Technical Committee had voted to retain at least 10% of the budget in the holding account. He also mentioned the Treaty Oak project and others like it that, if eliminated, would reduce the budget but waste an opportunity to enhance the GAATN network.

Agenda Item No. 8:

Hear report and discuss/consider report from the Network Manager's update.

Martha commented on the C-South agreement. Further, that TESS was now in place and that the Lone Star termination letter was sent out. She stated the Arboretum project was going ok and then moved into agenda 9.

Agenda Item No. 9:

Hear report and discuss/consider the FY2001 Network Rights Percentage Calculation

Martha told the Board Members that she had handed out a fresh copy of the Network Rights but that no comments had been made on it since she first handed it out in the January meeting. Patrick asked if she had gotten input on the Network Rights from the participants. She responded that she heard from some, but not all, participants. However, no one had made changes or new updates since January. Patrick asked Walter if Travis County had added new sites? Walter stated that things were planned, but not for this budget year. Wayne explained the process to him about adding as much to a node as you wanted but also the necessity for Board Approval before adding a node. Martha then briefly explained the criteria for assessment of use by the participants and why it was calculated in such a way. Chairman Bard commented that the Network Rights had to be adopted before the budget to make it official and moved to accept the Network Rights as presented. Gary Weseman so moved and this was seconded by Steve Zoromsky. The approved Network Rights percentages are as follows and read into the record: AISD 31.31%, COA 24.15%, State of Texas 11.9%, ACC 10.72%, Travis County 11.01%, LCRA 6.49%, UT 4.43%. These Network Rights Numbers were approved unanimously by the Board.

Agenda Item No. 10:

Hear report and discuss/consider the FY2001 Preliminary Budget

Martha reported that she and Debbie from AISD had been back and forth via email concerning the budget. The discussions they had, and also the input from the Technical Committee, produced the 2-page handout she prepared for the Board. Martha further stated that there were lots of ways to look at GAATN and that it

should run as a Network and not a convenience. Martha went on to explain that the two hurdles to overcome were construction, which is busy at the moment, and to take opportunities when possible. The latter is a long term cost savings for GAATN. Part of what the City of Austin, as Service Provider, is attempting to do is to identify and take advantage of opportunities that arise. She explained that GAATN is not static and the information brought today is for the Board to decide which direction and/or opportunities they want to pursue or ignore.

Martha noted that her biggest concern was the concept of trimming the cable reorder. This would be detrimental and leave GAATN unable to pay for the incoming orders due in a few months. She stated that she recognized the desire to trim from AISD and came up with the present options for the Board to choose from. She started with Option one, which she said was the easiest to implement but assumes the Board will allow insurance set aside to be lessened and a common equipment category. The common equipment category was new and explained as being things that multiple participants could utilize, such as the work station at the Maintenance Contractor's office or cards at Treaty Oak, etc.

Debbie responded that this is a new category and that the work station would doubtfully be more than \$7,000. This expense may be better to come from fund balance. Debbie felt that a project or acquisition having a benefit to just a couple of entities should be paid for by those participants. She noted that she agreed the category may be necessary but that the increase in the budget was 36% and cuts needed to be made. It was pointed out to her that the original increase was 36% but this new proposed budget is only increased around 15%.

Patrick noted that the interlocal agreement describes the need for a common equipment category and encourages the funding of it. He also stated that he wished to keep it in the Boards agenda as a category. Debbie responded that she would like the time to establish it as a formal category and then create a fund for it or transfer money into it. Patrick noted that if money could be transferred in then it could also be pulled out if needed. He again noted that the AISD request to cut the budget had already gone from 36% to 15%. The group decided to come back to this topic later in the meeting.

Chairman Bard redirected discussions to the Insurance Deduction, from \$200,000 to \$100,000. Martha commented that the deductible paid has been coming out of the construction bucket and then we have had to move money around to compensate. Further, she stated that she had discussions with the Risk Manager to not automatically file claims for under \$50,000 because it had the potential to cause GAATN problems with the insurance company. Debbie agreed with Martha. Martha went on to explain other aspects of the handout and Chairman Bard asked about income to GAATN. Specifically, he was referring to the recovery of expenditures such as repayments from construction, damage claim returns, etc. There was discussion and concern about the word income as it relates to GAATN but Chairman Bard noted that it was not prudent to exclude an income category from the budget to which everyone agreed.

Martha noted that any project could go from being reimbursable to a GAATN expense with a council vote. Walter was concerned over going into the hole and what the Board does when that occurs. Patrick noted that an occurrence like that had happened only once and it was early on in GAATN's history when no one had anticipated the amount of damage that squirrels could do to the network. Chairman Bard added that the Board had doubled the maintenance fee since then and it is sustained at present. He further commented that 'no one was watching the store' like they are now and that GAATN would have run into trouble with the budget over fiber costs had that not been brought to their attention. The fact that GAATN has not had to go back through the various entities for more money reflects better management and stability.

Walter questioned why GAATN had gone over budget by about \$100,000 this year but Martha noted that that was due to a bill being rolled over from a previous budget and not a lack of funds. She explained that it was an accounting error, which has since been corrected, and not a budgetary concern. Walter then asked if taxpayers would be upset to learn that GAATN retained a \$400,000 holding account. Wayne commented that they just bought \$100,000 worth of fiber that would barely handle the needs for GAATN the coming year and suggested that with that type of an expense then perhaps the holding account is underfunded. Chairman Bard noted that GAATN was becoming more stable and likely to level out and avoid both coming up short on the budget and also reducing the surplus. Patrick responded that with all the millions already into GAATN that he could argue that it wasn't enough. Debbie thought that the Technical Committee recommendation was good to keep 10% reserve. She further stated that through conversations with Martha she hoped to deflect some increase this year until next when it is anticipated that construction will slow.

Chairman Bard then asked if there was a motion to amend from AISD.

Debbie commented that she would like to take Gary's suggestion and reduce the Common Equipment category to \$10,000, which could be used for the work station at the Maintenance Contractors office. She was happy with that number and the ability to establish a bucket in the budget for this category. Wayne asked Martha if she selected a particular CIP to cut, to which she answered yes. She also noted that any

new project that popped up would be at the request of the developer and GAATN would have a check coming for those which would not upset the budget. Debbie noted that the City of Austin had such a handle on things that she could not foresee anything hitting us out of the blue. Martha added that she usually is able to have advanced warning and that a pattern of notification was developing among outside agencies who previously ignored GAATN.

Debbie moved to approve the second proposed budget with the exception of \$50,000 to \$10,000 in the common equipment category. The total budget would be \$2,131,000. This was seconded by Steve Zoromsky and the motion passed unanimously.

Agenda Item No. 11:

Confirm date, time and location for the next regular Board meeting as April 2, 2001 at 1:30 p.m. in room 517 of the Shapiro Building at LCRA on Lake Austin Blvd.

Steve Zoromsky noted that next month's meeting will be back at the old location of LCRA in room 517 of the Shapiro Building. Again Chairman Bard thanked Steve on behalf of all the participants for hosting the meeting.