

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

**625 East 10th Street, 6th Floor
Austin, Texas 78701**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
MEETING HELD February 4, 2008
Lower Colorado River Authority
Hancock Building, Board Conference Room
3701 Lake Austin Blvd**

Agenda Item No. 1:

The meeting was called to order by Chairman Gray Salada at 1:30 p.m

The following Board members announced as present at the start of the meeting:

Gray Salada, on behalf of Austin Independent School District
Martha Krischke, on behalf of the City of Austin
Paul Hopingardner, on behalf of the City of Austin
Wayne Wedemeyer, on behalf of the University of Texas
Tom Lott, on behalf of the Lower Colorado River Authority
John Kohlmorgan, on behalf of Austin Independent School District
Brian Kunz, on behalf of the Lower Colorado River Authority
Gary Weseman, on behalf of Austin Community College
John House, on behalf of the University of Texas
Dave Kelly, on behalf of the State of Texas

GAATN Personnel present at the start of the meeting:

Bill Bennett, GAATN
James Gomez, GAATN
Syd Falk, GAATN Attorney

Guests:

Darrel Rochte, City of Austin
Russ Rumney, City of Austin
Devon Desai, Attorney for the City of Austin
Russ Lambert, DYNEX – Trinity Investments
Jeff Phipps, Titus Electric Company
Carlos Reyes, Co Com Cabling Systems
Jeff Kirk, Co Com Cabling Systems
Buz Brymer, Co Com Cabling Systems
Cory Brymer, Co Com Cabling Systems

Agenda Item No. 2:

Citizen Communication

Not present.

Agenda Item No. 3:

Approval of the January 14, 2008 Minutes

Wayne Wedemeyer made the motion to approve the January 14, 2008 Board minutes. The motion was seconded by Tom Lott and passed by unanimous vote.

Agenda Item No. 4:

Discussion and possible action regarding the Board Chairperson Update.

A. Update on the Co Com situation

Gray Salada recognized Syd Falk who reviewed the recent developments in the Co Com bankruptcy situation. During the last 7-10 days the re-organization plan has changed into a Chapter 7 liquidation, leading to an auction of the accounts receivable and the existing contracts of Co Com. The auction could occur within the next few days (possibly February 6th), pending court approval. Two of the potential bidders might be Titus Electric and/or Dynex-Trinity Investments (who is the interim provider of financing) but others may also appear.

Syd stated that he, Martha and Devon Desai (COA attorney) had met with Bill Romney and Russ Lambert of Trinity Investments last week. At that meeting it was stated that the intended outcome of the pending events was that a new company would emerge owning the operational assets and existing contracts of Co Com. This new company would continue to service those existing contracts in a “business as usual” fashion.

In response to a question from Gray, Syd stated that there is GAATN owned property at Co Com, which is physically segregated from other owner’s property. Likewise, the COA and AISD property is physically separated from other property. The inventory of GAATN property does exist, and consists of fiber reels, miscellaneous accessories, and contents of the “GAATN secure room” (which contains the GAATN server/workstation and related software records). Further, Mr. Romney has executed a Confidentiality Agreement which should guarantee the security and integrity of the GAATN records. Syd added that the images of the server hard drives are in a safety deposit box under the jurisdiction of the Bankruptcy Court. Since this legal dispute is over money (not information), he feels that the risk to the information on those hard drives is minimal. He intends to be at the court on Wednesday to assure that all GAATN property is protected.

Syd indicated that the contract is valid in a legal sense and that it has been paid, in full, for the coming calendar year.

Agenda Item No. 5:

Executive Session:

Adjourn for closed session at 1:54 p.m., under one or more of Texas Government Code sections 551.071, 551.072, 551.074, and/or 551.076,

to seek legal advice about pending, anticipated or contemplated litigation concerning:

- A. Construction, equipment, and product warranty claims;
- B. Damage to GAATN fiber optic cables, equipment, hardware, and other property;
- C. Contractual or tort claims by or against GAATN; or
- D. the procedures and operations of the Board or the organization;

- E. and/or to consider matters concerning
- F. Real property purchase, exchange, lease or value;
- F. Personnel matters; or
- G. Security devices or security personnel.

The regular session reconvened at 3:12 p.m. for discussion and actions, if any, on matters considered in the closed session. It was moved by Gray Salada and seconded by Wayne Wedemeyer to direct Syd Falk to (as soon as feasible) file a notice of appearance for

Bankruptcy Case # 07-11549-FRM titled In Re: Complete Communications Services, Inc., in the Western District of Texas, Austin Division, Bankruptcy Court,

to monitor the ongoing proceedings, and to participate to protect GAATN interests. The motion passed unanimously.

There were no other items from executive session that required actions by the GAATN Board. The entire board thanked the group of guests for their participation today as they were now leaving..

Agenda Item No. 6:

Discussion and possible action regarding the financial report and budget issues

Gray Salada distributed the December Budget Report which was considered, but without major questions

Agenda Item No. 7:

Discussion and possible action regarding the Technical Subcommittee Update

Tom Lott stated that the committee had begun to discuss the Backup Maintenance contract issue. Good progress has been made and that Special subcommittee will meet again at 11:30 am before the regular Technical subcommittee meeting on February 20th.

In addition, the technical subcommittee discussed the Value Study of GAATN and James Gomez initiated a spreadsheet which has been distributed to all participants for each to make their input. The specific input that is needed is for each participant to inform the subcommittee their individual entity's Bandwidth/mile costs for various types of circuits.

Tom mentioned that the subcommittee had also discussed the Bentley software situation.

Agenda Item No. 8:

Discussion and possible action regarding the Network Manager's Update. This item may necessitate an executive session due to protection provided by Government Code 551.076. This will be at the discretion of the Chairperson.

A. Network Projects

Martha Krischke led the discussion of the Projects list reviewing the progress of the A!N group of self-support replacement items and how they might integrate with the B1S, C2S & Super Rings . Also, the pending Convention Center parking garage cable entrance project has been put on hold in light of the possible Cesar Chavez re-route. In response to a question from Wayne Wedemeyer, Martha said that she would try to facilitate the

splicing of the UT fibers at the parking garage to accommodate the Super Computing convention. Gray asked Martha if (in her estimation) GAATN's operational work has been proceeding in a timely fashion and with the same quality that we expect. She responded in the affirmative, saying that service efforts have actually focused more on GAATN resulting in faster service.

Dave Kelly requested a "heads up" regarding the timing of the A1N project on North Loop so that he can give his customers a 10 day notice of the work. Martha responded that she should have the schedule by the time of the Tech meeting.

B. **2008-2009 Budget** - Martha Krischke handed out the budget worksheets and led the discussion of the proposed budget. She stated that the tech committee is still discussing the details and priorities but that the \$ 492,000 shown on the worksheet had been agreed upon as a "placeholder" for the overall budget. After additional discussion, it was decided to set the annual budget at \$ 2,100,000. The details are:

2008-2009 Forecasted Income	
ITEM	AMOUNT
Interest Income	(\$ 54,000.00)
2008-2009 Forecasted Expenses	
ITEM	AMOUNT
Network Mgmt. SLA	\$ 183,000.00
Travel	0
FICA	0
Health	0
Workers Comp	0
Legal	\$ 50,000.00
Consultants	\$ 32,000.00
Maintenance	\$300,000.00
Continuing Fiber Contract	\$300,000.00
Teardown / Repair	\$250,000.00
Capital Improvements	\$342,000.00
Material / Cable Reorder	\$450,000.00
One Call Fees, Billings	\$ 90,000.00
Reproduction	0
Common Equipment	\$ 24,000.00
Supplies	0
Out of Town Travel	0
Insurance	\$125,000.00
Capital Outlay	0
Fees, Dues (SV, Pedernales)	\$ 8,000.00
BUDGETED AMOUNT	\$ 2,100,000.00

It was moved by Gray Salada and seconded by Wayne Wedemeyer to approve the 2008-2009 budge as amended and it passed unanimously.

Agenda Item No.9:

Confirm date, time, and location for the next regular Board meeting as March 3, 2008 at 1:30 p.m. in the Hancock Building at LCRA on Lake Austin Blvd.

A. Add agenda items for next month.

The meeting of the Board of Directors adjourned at 4:13 pm.