

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

**625 East 10<sup>th</sup> Street, 6<sup>th</sup> Floor  
Austin, Texas 78701**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS  
MEETING HELD March 3, 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  
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  
John House, on behalf of the University of Texas

GAATN Personnel present at the start of the meeting:

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

Guests:

Russ Rumney, City of Austin  
Deven Desai, Attorney for the City of Austin  
Jeff Phipps, Co Com Cabling Systems  
Ty Runyon, Titus Systems, LP  
Cory Brymer, Co Com Cabling Systems

**Agenda Item No. 2:**

**Citizen Communication**

Gray Salada recognized the three visitors, Jeff Phipps, General Manager of Co Com, Ty Runyon, owner of Titus Systems, LP, and Cory Brymer of Co Com. Mr. Runyon gave a short description of the history of Titus Systems including his future plans to bring Co Com back to its original vitality. It was explained that Jeff Phipps had been General Manager at Titus for about 2.5 years until he was installed into the General Manager position at the new Co Com. Also, Mr. Runyon mentioned that his firm operates a motorcycle distributorship in Austin. Furthermore, he mentioned that he has employed an experienced controller for the new Co Com, and moved a chief accountant from Titus over to Co Com. He stated that most of the project managers and

technicians had been retained, due to the fact that Titus had been able to step in so quickly to purchase Co Com.

Mr. Runyon also noted that Titus Electric brings high voltage expertise and good management to the partnership as well as being a fully Certified Contractor with the COA and an MBE contractor(also called a historically underutilized businesses).

**Agenda Item No. 3:**

**Approval of the February 4, 2008 Minutes**

Wayne Wedemeyer noticed a typo on item 8-A, and then made the motion to approve the amended Board minutes. The motion was seconded by Gray Salada 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 reviewed the recent upheaval due to the bankruptcy filing in August, 2007, of Co Com, the auction of assets under Chapter 7 bankruptcy court supervision, and the recent assumption of ownership of Co Com by Titus Systems, LP. Gray stated that it now appears that the new Co Com seems to be stabilized, as was described by Mr. Ty Runyon, earlier in the meeting. He also stated that the transition seems

**B. Discussion and possible action regarding matters related to the CoCom bankruptcy case, including but not limited to possible actions: (i) to be taken in the bankruptcy case; (ii) regarding First Citizen's Bank (North Carolina) claims that GAATN is liable for any misdirected CoCom invoice payments; (iii) regarding First State Bank's (Texas) secured lender claims regarding certain inventory located at the CoCom facilities but claimed by GAATN; or (iv) regarding Titus Electric/"new" CoCom as new GAATN Maintenance Contractor.**

Gray Salada recognized Syd Falk who reviewed the recent developments in the Co Com bankruptcy situation. Syd explained that there are several undecided items in the pending bankruptcy case (although a motion to dismiss has been filed by the trustee). Even though unsecured creditors are essentially left out (as a result of the auction of assets), Syd has recently filed with the court a "Proof of Claim" document, which could possibly protect GAATN from priority claims against GAATN's inventory at Co Com. AISD and COA took similar actions. This step was taken in collaboration with a UT System lawyer, Tracy Cotton.

First Citizens Bank of North Carolina (FCBNC) has asserted (informally and legally) that they are still unsatisfied with the amount of money that they have received through the current pending settlement. FCBNC asserts that GAATN, AISD and/or COA may now be liable under Texas law to make additional payments to FCBNC. These claimed additional payments by (GAATN, AISD and/or COA) are for certain alleged payments made for factored invoices, which were allegedly incorrectly directed to Co Com, rather than FCBNC, prior to the bankruptcy filing. This issue is further clouded by the fact that there still is disagreement between Co Com's records and FCBNC's records as to exactly what was paid and to whom.

The second bank involved is a local one, First State Bank (FSB), which was loaning the old Co Com money for furniture, equipment, fixtures and inventory. GAATN is also in a cross-claim position with this bank regarding GAATN inventory. Syd said that at this time there no known issues with the new Co Com (Titus Electric) which was purchased at auction. He mentioned also that Heidi Cottingham has raised issues as to whether the existing contracts were transferred correctly.

**C. Discussion and possible action item regarding the GAATN Network Manager - Chairperson, City - 20 minutes.**

The COA Board Member, Paul Hopingardner, addressed the meeting stating that James Gomez was taking over the duties of GAATN Network Manager effective immediately. Also, Russ Rumney, the manager of the Network Services area will be taking a more active role the general oversight such as approving invoices, payments, etc. Paul mentioned that the COA will be actively reviewing the status of the transition including back-up procedures, on-call notifications, cross-training and all other pertinent areas of possible concern.

**Agenda Item No. 5:**

**Executive Session:**

Adjourn for closed session at 1:49 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;

and/or to consider matters concerning

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

The regular session reconvened at 3:40 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 hire a bankruptcy attorney to answer certain legal questions related to the Co Com bankruptcy lawsuit and related issues and to represent GAATN in bankruptcy court and/or related court actions involving issues regarding the Co Com invoice payments, GAATN inventory, the GAATN maintenance contract and other questions regarding to the Co Com bankruptcy, or to related issues and claims by or against GAATN regarding those issues, with a not-to-exceed cost of \$ 5000.00, with the understanding that the attorney may also represent related entities. The motion passed unanimously.

Mr. Ty Runyon was then recognized by Gray Salada. Mr. Runyon described his firm's plans to purchase all assets of the old Co Com from FSB. In exchange for money paid by Titus Electric to First State Bank, FSB will release their claim on all physical assets and inventory of fiber related

materials (including GAATN's inventory) within the premises. Mr. Runyon said that his intention is to bring GAATN's inventory back into balance as a gesture of Goodwill toward the GAATN and its participants. This action, which is to be completed within a few days, will allow all GAATN participants to restore their former business relationship with the new Co Com – Titus.

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 January 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 good discussions on inventory procedures. Also, the Technical Subcommittee has approved a recommendation from the Special Subcommittee on the Maintenance Contract RFP. That recommendation is that GAATN employ the services of a Combs Consulting Services to assist in the preparation and evaluation of the RFP, at a cost not to exceed \$ 10,000.00. Tom Lott made the motion to employ the services of Combs Consulting Services to assist in the preparation and evaluation of the RFP, at a cost not to exceed \$ 10,000.00. The motion was seconded by Wayne Wedemeyer and passed by unanimous vote.

**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.**

James Gomez led off the discussion (looking at the **Operations** portion (of the CURRENT BUSINESS spreadsheet), explaining that several projects have been temporarily slowed down due to two factors. First, COA's hold on Co Com expenditures (due to legal concerns) has affected the progress of joint GAATN-COA projects. Secondly, the (mid-March) South By Southwest (SxSW) festival has made it prudent to delay certain jobs for about two weeks. These two factors are slowing down the AIN self-support replacement project but that the project is still in motion. The last cut-in will be done after SxSW.

Paul Hopingardner added that James is only talking about the COA hold on projects with Co Com (does not apply to GAATN) and that COA's hold is expected to be settled within a few days. This should result in COA resuming normal operations with the new Co Com and that the intent is to resume COA projects as soon as possible.

Also, James mentioned that the Fire Station #6 project (item 3 of current business) is stopped temporarily (due to the problems mentioned above), but that items 3 through 11 are being re-scheduled / evaluated.

Under the **Completed** category (of the CURRENT BUSINESS spreadsheet), James pointed out that the Convention Center project on A2N has been completed.

Further discussion regarding the 2009 planned projects spreadsheet ensued. Wayne Wedemeyer explained that the amount shown in the column 2008-2009 only includes labor and miscellaneous material. Wayne noted that the Board has always shown it this way, with the estimated cost of the cable shown in the column "Cable Cost", but that amount is not added in with the column designated "2008-2009". Tom Lott explained that this is due to the fact that cable is budgeted as a separate item and that we should always be aware that there is additional cost for whatever cable is used (for a project).

Finally, James added that if the Board members would like any changes to the exhibits he uses, please send him your changes.

**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.**

None were requested.

The meeting of the Board of Directors adjourned at 4:19 pm.