



Regional Wireless Cooperative

**Board of Directors
Meeting Minutes**

April 24, 2009

City Council Chambers
200 W. Jefferson
Phoenix, Arizona 85003

Board Members Present

Rich Dlugas	Chris Nadeau
David Fitzhugh	Steve Penney
Jim Haner	Sandy Teetsel
Thomas Healy	Macara Underwood
Daniel Hughes	Alton Washington
Spenser Isom	Paul Wilson
Charlie Meyer	

Staff Present

Robert Demlong
Celicia Fiedler
Jen Hagen
Brad Hartig
Jesse Hinds
Dawn Irvine
Kevin Kalkbrenner
Rick Kolker
Brian Moore
Bill Phillips
Charlene Reynolds
Mark Schroeder
Kelly Stewart
Rob Sweeney
Jim Tortora

Public Present

Karen Allen	John Imig
Wade Brannon	Donna Marcu
Brenda Buren	Tom Melton
Carol Campbell	Jenae Naumann
Dan Cassels	David Nelson
Dave Collett	Vicky Scott
William Fleming	Joan Singleton
Mike Frazier	Michael Thompson
Helen Gandara	Shannon Tolle
Joe Gaylord	
Jared Griffith	
Lee Guillory	
Dave Heck	
Shawn Holcomb	
Keith Hoskins	

1. Call to Order

Acting Chair Washington called the meeting to order at 10:00 a.m.

2. Introduction of New Members

Acting Chair Washington introduced new members and representatives.

3. Approval of Meeting Minutes from March 27, 2009

Mr. Hughes moved approval of the March 27, 2009 minutes, and Mr. Meyer seconded the motion. The motion carried unanimously.

4. Selection of a Chair and a Vice-Chair

Mr. Isom moved to nominate Mr. Washington as Chair and Mr. Meyer as Vice-Chair. Mr. Penney moved to close the nominations and Ms. Teetsel seconded the motion. Mr. Haner moved to approve the nominations and Mr. Hughes seconded the motion. The motions carried unanimously. Mr. Washington and Mr. Myer were recused on this item.

5. Establish the Operations Working Group (OWG)

Chair Washington stated that this item is to consider a recommendation to establish an OWG. He added that the OWG would consider issues and reach a consensus before forwarding recommendations to the Board for further consideration. Mr. Phillips delivered a presentation on the OWG's roles and responsibilities and requested that the Board establish an OWG.

Mr. Hughes moved to establish the OWG. Mr. Penney seconded the motion, and the motion carried unanimously.

6. Asset Ownership

Chair Washington stated that this item involves a number of entities and the suggested changes would impact all members. He said that the intent is to consider ways that the Regional Wireless Cooperative (RWC) can address the issue of ownership that would allow entities to finance equipment, and still maintain the integrity of the overall network.

Mr. Sweeney, Ms. Irvine, Mr. Hartig, and Mr. Tortora delivered presentations on asset ownership.

In response to a question from Mr. Meyer, Mr. Hoskins, attorney with Gust Rosenfeld and bond counsel for the Cities of Scottsdale and Tempe, stated that he has been working with the City of Scottsdale on equipment financing. He said that during the terms of the lease purchase, the equipment is owned by the bank and leased to the city. He explained that the structure of the lease is that the landlord has to own it. He added that the title will transfer to the city once the equipment is paid in full. He said that, subject to how the asset ownership language is written, Scottsdale will provide provisions in the agreement for letting the bank know that the equipment is being used in conjunction with the RWC system. He continued, stating that it will also provide proposed language that suggests that the RWC would have the right to cure if, for any reason, Scottsdale did not appropriate the money.

Mr. Sweeney added that the working group will look at assets in three different ways:

- a) Technically - all assets need to be managed as one network.
- b) Ownership equity percentage - this would occur if a member sought voluntary termination from the RWC or if the RWC was to be dismantled. The asset ownership language would need to take into account how ownership is dealt with in terms of equity.
- c) Financially (how assets are owned) - with this new model, any entity could bring something in wholly owned and would retain rights as it relates to the RWC's understanding of ownership. Legally, the entity would maintain its financing arrangement and relationship with the bank. This would allow an entity to have a guarantee of individually owned assets. As the asset changes over time, accounting is simplified by replacing individually owned assets with RWC operations and maintenance dollars, making those assets shared and common to all RWC members.

Mr. Sweeney stated that a Working Group (current members as well as new members) has met and has agreed on the asset ownership language; but that there are still concerns regarding the liability, risk management, and ownership equity issues that need to be addressed appropriately, so that a liability is not created for other RWC members.

In response to a question from Mr. Wilson, Mr. Sweeney stated that the proposed language suggests that an entity would still have rights to its frequencies if it decides to leave the RWC voluntarily, as applicable by state and federal law and to the best of the ability of the RWC. He added that within the voluntary termination language, there will be a 24-month period before an entity can take back its frequencies. He stated that this period will be needed to determine how to best migrate and rebuild the remaining frequencies.

Chair Washington stated that the intent is to address needs of entities with unique financing, without having to redo the arrangements for all other RWC members.

Mr. Meyer stated that he suspects that the RWC may need to explore two prospects, (1) converting assets that have been brought into the system as was originally written, and (2) pursuing the parallel route to see if there is a cleaner and easier way to define assets that are brought in pursuant to a lease purchase agreement.

Mr. Sweeney agreed with Mr. Meyer's statement, and replied that the Working Group will want to have language for jointly purchased items to ensure that they

remain jointly owned, with ownership equity percentage based on an entity's investment. He added that the Working Group will also include language for entities with financing considerations, to allow those entities to keep assets purchased through a financing mechanism. He stated that those assets would eventually become jointly owned through the operations and maintenance process. He added that the Working Group will seek ways to balance this appropriately in order to (1) avoid creating difficult administrative processes, (2) meet the needs of potential members, and (3) keep the ownership, risk management, and equity language as clear as possible.

In response to a question from Ms. Teetsel, Mr. Sweeney answered that the same member jurisdictions that had been working on the asset ownership language would also be working on the recommendation. He commented that others would be given the opportunity to review and comment on the proposed language.

In response to a question from Chair Washington, Mr. Sweeney stated that the intent of this recommendation is to seek approval from the Board to bring the asset ownership language to the May 22, 2009 RWC Board of Directors meeting for approval.

Mr. Wilson moved to amend the asset ownership language to reflect the new ownership model. Mr. Hughes seconded the motion. The motion carried unanimously.

7. Review RWC Projects

Mr. Phillips delivered a presentation on various ongoing RWC projects.

8. Conduct an RWC Detailed Design

Mr. Phillips delivered a presentation on the 2009 Detailed Design, and requested Board approval to move ahead with the Detailed Design.

In response to a question from Mr. Wilson, Mr. Phillips replied that Mesa is separating from the network. He said that the RWC will maintain interoperability with Mesa, but it will not be seamless. He stated that if Mesa was to remain part of the RWC, the Detailed Design would not have to be changed very much. He added that if it separated and rejoined, it would continue to be a separate zone, like it is today, but would just need to be linked to the RWC.

In response to a question from Mr. Myer, Mr. Phillips stated that this Detailed Design is for the Automatic Aid partners that are dispatched directly by Phoenix Fire and are part of the RWC. He stated that Mutual Aid partners are not necessarily on the same radio system, but that the RWC tries to maintain interoperability with them. He added that the RWC will address the needs for all Automatic Aid partners by ascertaining their interoperability needs with their

Mutual Aid partners.

In response to a question from Mr. Penney, Mr. Phillips stated that the RWC has received a letter from the Maricopa County Sheriff's Office stating that it did not want to participate at this time.

Chair Washington stated that the recommendation is to have staff proceed to do the Detailed Design work and bring back the results for the Board to consider how best to proceed.

Mr. Isom moved to authorize staff to proceed to do the Detailed Design work. Ms. Teetsel seconded the motion, which passed unanimously.

9. Call to the Public

There were no members of the public requesting to speak.

10. Request for Future Agenda Items and Meeting Schedule

Chair Washington stated that members can contact Mr. Sweeney or Mr. Phillips to have items added to future agendas. He indicated that the next meeting is scheduled for May 22, 2009. He added that one of the issues that the Board will discuss is the recommended asset ownership language.

11. Adjournment

Mr. Wilson moved to adjourn. Mr. Hughes seconded the motion which passed unanimously. Chair Washington adjourned the meeting at 10:54 a.m.