



Regional Wireless Cooperative

Board of Directors

Agenda

April 24, 2009

|    | <b><u>Agenda Item</u></b>   | <b><u>Presenter</u></b>  |
|----|---|--|
| 1) | <b>Call to Order</b>  | Acting Chair<br>Mr. Washington   |
| 2) | <b>Introduction of New Members</b>  | Acting Chair<br>Mr. Washington   |
| 3) | <b>Approval of Meeting Minutes from March 27, 2009</b><br><br><b>This item is for Information, Discussion, and Action</b>   | Acting Chair<br>Mr. Washington<br><br>Est. 1 min   |
| 4) | <b>Selection of a Chair and a Vice-Chair</b><br><br><b>This item is for Information, Discussion, and Action</b>   | Acting Chair Washington<br><br>Est. 5 min  |
| 5) | <b>Establish the Operations Working Group</b><br><br>The purpose of this presentation is to describe the Operations Working Group (OWG), its roles and responsibilities, and request Board authorization to establish the OWG.<br><br><b>This item is for Information, Discussion, and Action</b>                 | Mr. Bill Phillips<br>Information Technology<br>Manager, Phoenix<br><br>Est. 10 min   |
| 6) | <b>Asset Ownership</b><br><br>The purpose of this presentation is to present the need for a change to how assets are handled by the RWC Members to support the ability to use assets as collateral for loans and/or lease purchase agreements.<br><br><b>This item is for Information, Discussion, and Action</b> | Mr. Rob Sweeney<br>Assistant CIO, Phoenix;<br>Mr. Brad Hartig<br>CIO, Scottsdale;<br>Ms. Dawn Irvine<br>Budget Manager, Chandler;<br>Mr. Jim Tortora<br>Communications<br>Supervisor, Paradise Valley<br><br>Est. 20 min |
| 7) | <b>Review RWC Projects</b><br><br>This purpose of this report is to advise the Board of the various projects currently ongoing that affect the RWC.<br><br><b>This item is for Information, Discussion, and Possible Action</b>   | Mr. Rob Sweeney<br>Assistant CIO, Phoenix;<br>Mr. Bill Phillips<br>Information Technology<br>Manager, Phoenix<br><br>Est. 15 min   |

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|-------------------|---|---|
| <p><b>8)</b></p>  | <p><b>Conduct an RWC Detailed Design</b></p> <p>The purpose of this report is to advise the Board of the need to begin a Detailed Design to tie all of the RWC projects together, to account for system growth since the initial design in 2001, and to plan for addition of Police and Municipal users from many jurisdictions; and to request authorization to conduct the Detailed Design.</p> <p><b>This item is for Information, Discussion, and Possible Action</b></p> | <p>Mr. Bill Phillips<br/>Information Technology<br/>Manager, Phoenix</p> <p>Est. 15 min</p> |
| <p><b>9)</b></p>  | <p><b>Call to the Public</b></p>  | <p>Chair</p>  |
| <p><b>10)</b></p> | <p><b>Request for Future Agenda Items and meeting Schedule</b></p> <p><b>This item is for Information, Discussion, and Possible Action</b></p>  | <p>Chair</p>  |
| <p><b>11)</b></p> | <p><b>Adjournment</b></p>   | <p>Chair</p>  |



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.