MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406
November 2, 2023

Call to Order:

PRESENT: Commissioner Myles Getto
Commissioner Harry Scharmann
Commissioner Justin Heath
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chairman Myles Getto asked if there was any public comment but there was none.

Verification of Posting of Agenda:

It was verified by Shelly Bunyard, Administrative Assistant, that the Agenda for this meeting was posted on the 26th day of October, 2023 between the hours of 1 pm and 5 pm at all of the locations listed on the Agenda, in accordance with NRS 241.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Commissioner Justin Heath made a motion to approve the Agenda as submitted. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Minutes of the meeting held on:

A- September 20, 2023

Commissioner Harry Scharmann made a motion to approve the Minutes of the meeting held on September 20, 2023 as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

B- October 5, 2023

Commissioner Harry Scharmann made a motion to approve the Minutes of the meeting held on October 5, 2023 as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: employee purchase of service request for Dawn Ballard.

Mark Feest, CC Communications. We are asking for a motion to approve the employee purchase of service request in the amount of $38,646.74, which was calculated by PERS. According to Policy 7.6 which is attached to this item provides an employee may request the company to purchase up to one year of service credit to allow an employee to retire when such purchase creates a cost savings for the company. The following numbers were used to determine the potential cost savings pursuant to the methodology outlined in the policy. PERS provided us

with a number of $38,646.74 for purchasing one year. Per the policy we look at a three-year savings that equals $79,820.00 in reduced wages. Our policy also requires us to look at hiring transaction costs which will be pretty high. I've broken down the costs for advertising and travel for candidates to roughly $10,000.00. Moving expenses and hiring bonus is at the top of moving expenses and hiring bonuses that we would offer based on an accounting position we just filled. We would probably first publish in newspapers, trade associations, and in the public employee local government book before we choose a hiring agency. Agency fees would be roughly $22,882.00. It's a percentage of the starting salary. That's where we get a pretty big number of $47,582.00 for hiring transaction cost. When we subtract that from the $79,820.00, you end up with a net savings of $32,238.00. I would say that net savings of $32,238.00 is the worst-case scenario. I put down here the three options: one is to purchase $32,238.00 worth of service credit; second you can go down to six months which would be half of the $38,646.00; and third purchase the full one year of service credit that has been requested at $38,646.00.

I think there's a couple potential justifications for doing that. The employee making the request worked for CC Communications for one year as a manpower temp employee prior to directly rolling into a full-time regular employee position. They did not at that time replace a filled position rather they simply filled the position they had. So essentially what had occurred, CC Communications had practice of often going to manpower filling a position through manpower in order to have the opportunity to test out the employee. Then they would roll that employee into that open position that they filled as a temp, but they filled it for a long time. The former Deputy District Attorney told him that's probably not a good idea because you're somewhat circumventing paying them benefits that they'd otherwise be entitled to. If it is a position in FTE that's authorized in the books, you should fill it with an employee. This employee was one of the last three employees that CC Communications had done that too. Where they brought them on as manpower for a year and then hired them. It is not clear why the position was not filled originally as a full-time regular position. It is quite possible that we will not incur the full expense because of the hiring bonus and the transaction costs may not be there at $47,000.00.

I think there's a couple of good reasons not to or to approve it up to the full year. I think your three options really are or the fourth option is don't approve it at all. At $38,646.74 at the total cost of worst-case scenario savings at $32,238.00 or just six months, whatever the board's pleasure is in deciding that. Thank you.

Commissioner Bus Scharmann. Which would you prefer?

Mark Feest, CC Communications. I prefer you don't approve it and the employee stays here longer. I personally believe the employee should have been hired directly in the first place and that they've been hired directly in the first place they would have that one year of purse. I believe in fairness to the employee. one year should be purchased.

Commissioner Bus Scharmann. So, $38,646.00? Ok.

Commissioner Justin Heath. If we approve that, are we going to save money.

Mark Feest, CC Communications. Absolutely, if we don't end up hiring or using a consultant that gets a portion of their first-year salary, we definitely save money. I do not know what the response will be for HR because that's one position we have, we've done a lot of accounting inside planning and IT. I don't know what the HR demand will be.

Commissioner, Justin Heath. Ok.

Commissioner, Myles Getto. Are there any other questions seeing none can we get a motion please.

Commissioner Justin Heath made a motion to approve employee purchase of service request in the amount of $38,646.74 for Dawn Ballard. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

B- Discussion and explanation of call routing and voice interconnection

Mark Feest, CC Communications. I just wanted to go over the issues that I have previously told you are off network. I want to ensure that you have a better understanding of how calls flow and the multiple ways that calls can be made compared to the old days to today. The very last thing I will go over is what we're going to try to do to get more control of our network, so we don't have these outages for certain types of calls. Then, I have to come in here and I have to tell people and we have to tell people on the Internet, it's not us, it's off our network and we have no control. I think that the more times you tell people that, there's a little more doubt whether that is a genuine statement or not. Last December was the first time this issue really popped up for an extended period of time. At the January 2023 meeting, after I reported on the outage, I said "I am concerned because it's substantially the same issue that happened when 911 went down in Lyon County. I am concerned that this might become a more common issue." AT&Ts complete lack of urgency to resolve this issue is concerning, even though at that time it only affected people in Fernley. I have a slide that shows why it affected people in Fernley and Yerington. I've been here 20 years, and this type of issue has only happened around three times. Then it happened three times in 6 months, and it's happened three times since then. The way we move traffic between one carrier and the other is kind of antiquated. There's a better way to do it but the big carriers like AT&T, specifically, are the ones who we go into what's called a tandem in Reno with them. They do not want to make the change to the newer methodology unless it is mandated by the FCC that everybody does it across the country. They don't want to one off make the change. Their previous policy was we want the FCC to lay down a date certain when everybody has to move to IP handoffs. I noted in that meeting that we have some equipment in our office that we literally can't get any training on it. Everybody's retired who has been to any formal training at all. We cannot get parts for it. The last time we had a problem AT&T gave us a part for it. They said we have plenty. They refused to interconnect in a different model. This is what we're stuck in. We do think we have a work around. That's to improve things not to address every issue. So, I will go through the different ways.

POTS, plain old telephone service, that is really what that stands for. POTS to POTS means your old-time division multiplexing phone. Traditional phone line you have a house, you have a phone and you're making your phone call on copper or fiber. It doesn't matter. That phone call leaves your house. This is all staying on our network, it goes through a couple splice locations, goes through a cabinet, comes to our central office and goes out to our other POTS customers. All our customers, all on our network. If that kind of call doesn't work, it is absolutely our fault. That second customer could be where you have a house that could be the Sheriff's Office. That could be a 911 call. If our POTS customer isn't getting to the Sheriff's Office, it's our fault. If our customers are getting to the Sheriff's Office but the Sheriff isn't getting all of the location data may or may not be our fault because you go off network to get location data through a company called TCS.

We were getting every POTS to off network and any of those POTS phones we see are all getting back to our central office. See the dashed line around four houses and central office. That is what is in our control. POTS to off network. Once it goes to our central office it goes to what's called a trunk. A trunk is a division of a circuit in T1. There are 28 channels on a single T1. It goes to AT&T Fernley. When we had that outage in December, it was a bad card at AT&T in Fernley. AT&T Fernley goes to AT&T Reno. When AT&T was sending phone calls to Fernley, Fallon and Yerington, it went through AT&T Fernley's bad card. Everyone on that facility in Fernley and Fallon could not receive a call from your network off your network including 911 information or 911 from a wireless caller. Ours would complete, but you do not have any information about what their first name or address.

Anytime we go off network from a POTS phone, it is going time division multiplexing. It must go this federally located path to AT&T in Reno. Once it gets to Reno, it goes to something called Signaling System 7 (SS7), it goes out to Syniverse. The call has something called a point code, you can make the phone call from your house in Fallon, and you make a call to somebody in San Francisco it has a point code. It knows it has to go to Reno first because it's POTS. It goes to Reno and goes up through Signaling System 7 and it tells what route you take to that end user. This is out of our control. It tells AT&T that route how AT&T is a tandem to get to this end point.

On this attachment here, it's going to that house, you would follow the green line, it gets that information from Syniverse. It tells AT&T to send that phone call along that green line. That green line goes to all kinds of crazy places. We have no control over that. It's trying to load balance all of the phone calls going to let's say they're in San Francisco. They go all around to get there trying to load balance it. Once they tell that call it has to go that route, it dies if there's a cut along the way. If there's a cut at some point along the way, it will die. We have no control over it.

Commissioner, Bus Scharmann. Did it take you a while to figure out that the problem was in Fernley?

Mark Feest, CC Communications. No. We never know where the problem is. We can only know if the problem is between Fallon and Reno or after Reno. We knew it was somewhere in

between Reno and Fallon. So, you can assume there's either a fiber cut or there's a problem in the Fernley central office. Once it gets to Reno AT&T we have no way of telling you. We don't know what path any given call was taken, and we have no ability to reroute it. You have to go into Syniverse and change the routing tables and we can't do that.

On the last slide we'll talk about how we think we can solve this issue. The Off network to local POTS, see the cell phone at the very bottom. So, if somebody makes a cell phone call and they make that phone call to a house in Fallon, it will still have to transfer first in their network. They're going go to some intermediate provider could be themselves, could be charter town, and then they're going to follow that based on that point though to get to (inaudible) If you follow that blue line, it might not even look that rational, but they are going to eventually do the same thing. They're going to go through AT&T Reno they're going to go get a dip from SS7 and they're going to get that route from there back to us. From our perspective it does not matter that cellular call is coming from San Francisco or it's coming from Bench, it doesn't matter it is going to go to their switch and all that way anything could be cut, and we don't have control. It doesn't touch our network until it comes back.

Voyant calls are VoIP calls that we are selling so there are not a POTS customer anymore. They are a VoIP customer of ours. Calls for our hosted VoIP customers are handled differently depending on whether they are incoming or outgoing. Outgoing calls are handled via IP, so if we have your house and your business and you have a Voyant VoIP phone from us, you're not going through the old TDM network. You are not going to hit that tandem in Reno. It will go out over the Internet and that creates redundancy. There will be times when a POTS call can't get to San Francisco, but a Voyant customer can.

POTS to Voyant is our customer calling somebody else in Fallon who is a VoIP customer. That will also leave our network. When it is outgoing, because it starts out as time division multiplex at your home, it must go through the AT&T tandem. That is where that call can get stuck, and our POTS customer might not be able to call our Voyant customer. The call goes out our AT&T tandem and goes through the SS7 methodology and then it comes back across our internet. The call can come back through Las Vegas at the SWITCH data center, can come back through TRIC at the SWITCH data center, can come back through our POP at S. Virginia Street, Reno and then it comes back over internet and not back through our SWITCH and straight to the person's house. You have a call that can technically go to this customer, but it can go out from the other customer because it went through the whole process.

The reverse is good news to try to mitigate some of these problems. This is completely IP and never goes through a SWITCH, the tandem in Reno, SS7, or a trunk we don't control. It will go from your house to our data center, not our SWITCH. It will go from our data center out to 200 S. Virigina Street, Reno. Now, 200 S. Virginia Street, Reno is inside of our box of control, because it's not having to go out over the TDM Network. It's going out over our internet through four redundant paths that can move between those paths without changing the routing table. They will just take the path available and go to 200 S. Virginia Street and go to the

SWITCH data center and return back to us, completing the VoIP to POTS call. The other side is really the reverse of that same route happening.

Voyant to all off network. That can be cell phone in Fallon or San Francisco, anything off of our network. The call doesn't go through the tandem or AT&T, it has IP routes and will complete the call unless the entire internet is down. That gives us an idea of how we can try to solve some of these problems.

Off network to Voyant shows the same thing. It starts out with POTS and will get converted to IP and will be delivered to our Voyant customer. It's all data centers and not traditional SWITCHs.

Base to all off networks. It's really not different but I wanted to show what the box of control looks like. It has to go through their trunk groups. It's their trunk groups not ours, they got between the Nortel Meridian CS1000 Phone System back to our central office, which is Taqua. They own those trunks and from time to time might fail. We still have to take the calls out the same way over TDM. They are wanting to transition to an IP system. They say they have a mandate to transition, but the date keeps changing. They said they have to change over within 3 years. We would like to move them over sooner. I think we have a better solution to come up with the SWITCH upgrade that you previously approved at the last meeting.

Efforts to Create Redundancy. When we can avoid going through AT&T, we can have redundancy. We want to go around AT&T whenever we can. That will take moving to SIP which means Session Internet Protocol. It's taking a TDM call and converting it to IP. It has multiple dedicated pathways. We can do that for long distance, 800 and 911 calls. We will need the agreement with the Sheriff's office for 911. Currently, we have an old Taqua T7000 switch you have approved the acquisition of a C15 switch. We don't want to make any routing changes to the old switch. We're told that by January 31, 2024, the C15 switch will be installed and running. The vendor was here yesterday gathering information to prepare the plan for installing the C15 and migrating customers to the C15. Within the next few weeks, we should receive the plan and how difficult the migration will be. I don't think it's a good idea to try to change routing to a really old switch that's a couple of software upgrades behind and has had failures when we've tried to upgrade the software. What would happen with the new C15 switch? If you leave our network, you will be moved to a SIP trunk and there will be multiple paths out that will go around AT&T's tandem. There is something called a PIC, which is a Primary Interexchange Carrier. A long time ago, when the pin dropped, we were told it's only 0.10 per minute for long distance calls. That's when it was deregulated, and a company was allowed to become an internet exchange carrier, and everyone had the right to choose who their long-distance carrier is. Customers picked themselves where they could tell us they want to become a Sprint long-distance carrier. You can't use your internal data called customer proprietary network information to market to them. We can't go through the 50% of people who have chosen sprint and go after them with a marketing plan. Anyone who did not pick us, we can't help them when the trunk goes down, it's because they're picked to a company that is choosing

to use a single trunk on TDM going through the tandem that was cut. We can't control that. If they are our customers, we are going to move it to SIP out of the new switch and there will be multiple paths out of town. We have solved the issues for the customer calls who picked us.

SS7 – IP based signaling. We are going to switch to a IP based signaling. Again, when we look back and we kept having the tandem of AT&T in Reno and then the four lines up to Syniverse. Those are trunks that are picked by AT&T and if one of those goes down, you won't complete a phone call or get the SS7 information. The IP based signaling doesn't seem to work with our old Taqua T7000 switch. It has failed to work multiple times when we've tried to implement it. Hundreds of companies have the newer C15 switch with Telco Bridges on it and it's doing IP based signaling instead of old TDM signaling. We knew our switch was end of life soon. We will continue to try to get the Telco Bridges box media converter installed on the T7000. We will try this again on Monday. All that happens when it fails is it just doesn't signal. We go back and talk to vendors to try to figure out why it's not working. They keep saying we are too far behind on the software versions.

Commissioner Bus Scharmann. How are you going to market to the PIC customers?

Mark Feest, CC Communications. You can market to them, but you can't market to them using any knowledge you may have because you're the local exchange carrier. You will have to mass market to everyone, even the people who don't need to change their PIC. They just can't be targeted.

Commissioner Bus Scharmann. I see.

Mark Feest, CC Communications. The combination of moving the LD, 800, 888, 911, etc., off of TDM to SIP helps us get around AT&T. I predict that will be sometime around the 4th quarter of this fiscal year we are in. Anytime in between there and anything outside those boxes of our control, it will continue to be the same. I think there has been an improvement with AT&T as far as being more responsive to us and acknowledging the problem. The first few times they never acknowledged the problem. The first time they acknowledged it was them, was when there was the Fernley issue. I think that's because so many people went out in Yerington, Fallon and Fernley plus the 911 calls in all those places. They have a person that returns our emails and phone calls now when this happens. That's an improvement. Until we have a route around them and only for the customers who have a route around them because there will always remain customers who do not have a route around them, we can't control the fact that Charter or the Wireless customer can't get to 911. They choose their path and when their path goes to Sacramento and back and a trunk is down off of our network, the call won't go through. I don't envision there will ever be a change to that. It would literally take changing their routing table for them which we can't do anyways. I don't see a fix to that until the FCC says all traffic must be IP. Once they do that, everyone will instantly have redundant routes just like we have our opportunity with SIP.

Commissioner Justin Heath. Is Charter IP or do they go through the AT&T path?

Mark Feest, CC Communications. They go through their own switch. I don't know how they get there. I believe they are IP out, but when they come back through the point codes in their switch that says if you want to reach 775-423 you will go to the AT&T Tandem in Reno and then AT&T converts it to TDM.

Commissioner Justin Heath. And this won't have any interference with any 911 calls from Charter?

Mark Feest, CC Communications. Yes, that's why 911 calls fail when we have those off network issues from Charter customers. They leave but they don't come back.

Commissioner Justin Heath. Will they stay on that system?

Mark Feest, CC Communications. Yes, they will stay on that system. I will reach out to them when we have a solution in place that works for us. I will attempt to get them to change the way they are doing things. I think there is a possible chance. They take on landline telephone company which you have greater obligations for 911 than a wireless company does. We worked well with them the last time they did a 911 equipment change. There is no hope for the out-of-town people who will just mail you a phone and no hope for wireless carriers. We can try to reach out to them, but I don't think they will respond.

Informational Only

Chairman Myles Getter asked if there was any public comment but there was none.

Consent Items:

A- Consideration and possible action re: PO#150192 VertiGis, LLC, dba Mapcom $86,569.76 M4 Maintenance for Mapcom software. NRS 332.115(1)(a)

Commissioner Harry Scharmann made a motion to approve the consent item as submitted Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

Reports: General Manager Report:

1. Industry News
    a. Discuss attached articles and relevance to CC Communications
2. Grants
    a. SCA
        1. SCA Phase on track with schedule provide NTIA and Elko County
        2. Phase 1-2 are complete. Phase III is in pulling fiber phase.

3. The project should remain on pace unless material supply or weather creates delays.
    a. Management will meet tomorrow to discuss potential changes to the schedule and marketing communications approach.
    b. The extreme (1.5 year) delay between the award and getting approval to start has resulted in a changed market and changed costs.

b. Tribal
    i. ITCN has hired project managers, which should help to move this forward.
    ii. YPT has approved agreements that allow us to move to the Environmental and historical preservations stage.
    iii. WRPT has approved agreements that allow us to move to the Environmental and historical preservations stage.
    iv. No significant progress with other Awardees
        1. Same agreements remain before:
            a. FPST
            b. Elko Te-Moak

3. Network
    a. Edge Routing redesign and implementation continues.
    b. Modifications to network monitoring and maintenance in progress.
    c. IPV4 to IPV6 transition planning.
    d. Transport Gear upgrades will start once equipment is approved and delivered.
        i. We will need to resolve the issue of acquiring a temporary pair from Switch or otherwise plan for hot cutovers.
    e. Switch upgrade and routing changes previously discussed in agenda item on routing

4. Human Resources
    a. Accountant hired and started November 1, 2023
    b. Jobs posted for
        i. COO
        ii. CTO
        iii. Network engineers

iv. Installer

v. Accountant or accounting assistant

vi. CSR

5. Accounting

   a. Auditors came and went

   b. Significant requirements with grants

   c. Software cutover from EOL software to Elations

      i. This has gone less than optimal

      ii. Issues are escalated at this point and we hope to see resolution soon

      iii. Many issues resolved, however, we are still working through some

         1. This impacted ability to provide information to auditors.

Affidavit of Posting:

Public Comment:
Chairman Myles Getto asked if there was any public comment but there was none.

Adjournment:
The meeting was adjourned at 2:45 p.m.

APPROVED: _____
Myles Getto, Chairman

APPROVED: _____
Harry Scharmann, Vice, Chairman

APPROVED: _____
Justin Heath, Commissioner

Shelly Bunyard, Administrative Assistant

Mark Feest, General Manager/CEO