

**MEETING OF THE
BOARD OF DIRECTORS OF MI-CONNECTION**

August ~~23~~ 2007

The Board of Directors of *MI-Connection* held a meeting beginning at 9:00 a.m. on Thursday, August 23, in the Town of Davidson Board Room.

Present were Davidson members Evan Webster, Ron Steen, and Ken Essex, Mooresville members ~~Joe~~ Cullen and interim member Erskine Smith, and Town of Cornelius member Anthony Roberts, a non-voting member, and Consortium Attorney Nicholas P. Miller of Miller & Van Eaton, P.L.L.C. Also present from Bristol Virginia Utilities were CEO/President Wes Rosenbaum, General Manager Junior Miller, Matt Jessup, Mark Lay, Scott Winky, Brian Bullock, Adam Martin, and Dave Randolph.

Evan Webster, interim Chairperson, called the meeting to order and gave an update. He informed the Board that Mooresville had appointed Joe Cullen a permanent Board member and Erskine Smith as interim member. He also stated the Mooresville Town Board and Financial Department met and had approved a line of credit to fund the transition and funds had been wired to BVU. Evan Webster is to send a financing schedule to members. He also gave a brief update on a conference call on Monday with various parties because an initial meetings scheduled for August 24th with Time Warner and Trustee Robert Sacks to discuss separation issues, time lines, responsibilities, and other possible issues before the closing on December 17th.

Ron Steen moved to approve minutes of the previous meeting as distributed. The motion was seconded by Ken Essex and unanimously approved.

Ron Steen made a motion and Ken Essex seconded, to elect Evan Webster as Chair. The motion passed unanimously. A motion was made by Ron Steen and seconded by Ken Essex to elect Joe Cullen as Treasurer. The motion passed by unanimous vote. A motion was made by Ron Steen to elect Ken Essex to serve as Secretary. A second was made by Joe Cullen and passed unanimously.

Acquiring liability insurance to cover the interlocal entity was discussed. Upon a recommendation by Attorney Miller, a motion was made by Ken Essex to authorize Chairperson Evan Webster and Attorney Miller to secure bids and acquire appropriate insurance. Following a second by Ron Steen, the motion passed by unanimous vote.

A discussion was held about educating Board members about fulfilling their roles and responsibilities such as operation of the system, marketing, competition and technology, and type of reports needed. Chairman Evan Webster suggested a tour of BVU facilities and meet with BVU personnel to get educated on the operation. Chairman Webster will explore a time and date to go in late September.

Attorney Miller stressed the need for quickly preparing by-laws and agreed to prepare a draft for review and discussion. He suggested it be adopted at the next meeting and stated the by-laws could be amended as needed. He asked members to contact Chairperson Webster with suggestions.

Information about e-mail accounts was presented by Chairman Webster. Suggestions were given about forwarding, deleting the string, and what the accounts should contain. Attorney Miller explained the need for being cautious about what the e-mails contain and a brief description of the Freedom of Information Act under North Carolina law.

A Board Work Program was distributed by Chairman Webster. He asked that additional thoughts and comments be e-mailed to him.

A brief discussion was held on selecting an auditing firm to conduct an audit on internal controls in March and an annual audit. Chairman Webster will discuss needs with the Mooresville audit firm and prepare RFPs to send.

Chairman Webster reported on a meeting with Corporate Imagine Group to discuss public relations during the transition. Some of the items covered were letters to be sent to current subscribers, advertising, identifying areas of confusion, and keeping current customers satisfied.

The Board then moved to closed session.

Upon return from closed session, Chairman Webster announced the next meeting would be on August 30, 2007, at 7:30 a.m

There being no additional business, a motion was made by Joe Cullen to adjourn. The motion was seconded by Ken Essex and passed unanimously.