

MARIN EMERGENCY RADIO AUTHORITY

c/o Novato Fire Protection District
95 Rowland Way, Novato, CA 94945
PHONE: (415) 878-2690 FAX: (415) 878-2660
WWW.MERAONLINE.ORG

DRAFT: 6/12/19

Measure A Citizens Oversight Committee

Minutes of March 20, 2019 Regular Meeting

Call to Order

The meeting was called to order by Chair Herrerias at 4:00 p.m. on March 20, 2019, at the Marin Civic Center CAO Conference Room 315, San Rafael, California 94903.

Committee Members Present:

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| District #1 | Elizabeth Greenberg |
| District #2 | Bill Levinson |
| District #4 | Larry Luckham |
| District #5 | Paul Herrerias |

Committee Members Absent:

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| District #3 | Chuck Reite |
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Staff Present:

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| MERA Executive Officer | Maureen Cassingham |
| MERA Deputy Executive Officer – Next Gen Project | Dave Jeffries |

A. Minutes of December 19, 2018 Citizens Oversight Committee Regular Meeting

M/S/P Luckham/Greenberg to approve the minutes as presented.

AYES: All
NAYS: None
ABSTENTIONS: None
Motion carried.

B. Update on Status of Next Gen Project and Budget (Jeffries)

Jeffries distributed copies of the updated Project Budget and recapped his report beginning with the Project Schedule. The CEQA and design review processes, once completed, will be followed by an updated Schedule with more accurate milestones. All sections have been submitted for legal review except for the last chapter, which analyzes proposed and alternate sites. Once the draft is completed, it will be released in April for public comment. A 45-day comment period will follow, leading to a public hearing. The final EIR must address all the comments received and be presented thereafter for Governing Board adoption.

Jeffries said Customer Design Review (CDR) can be finalized after CEQA, once we are sure no sites will be changing. In the interim, remaining design issues are being vetted. Premature CDR approval before sites are finalized could trigger system redesign and considerable delay in Project implementation. Once the EIR is approved by the Governing Board, there is a litigation window of 30 to 60 days that follows.

Jeffries reported on advertising for Low-Income Senior Homeowners Measure A Parcel Tax Exemption. The first Media Advisory occurred on March 11, followed by another in April and May. Exemption information and application is on the MERA website, along with hard copy distribution to the members for use in their jurisdictions. Application is an annual process because eligibility is age and income based. Outreach is important to assure newly eligible senior homeowners are aware of the exemption. Jeffries announced Maura Griffin as the new Next Gen Project Administrative Assistant, replacing Alex Anderson. She joined MERA one month ago and is very involved with social media to assist with our messaging and the Project Newsletter.

Jeffries provided an overview of the Next Gen Project Change Orders (C.O.) to date. C.O. #1 for Fire Station Alerting (FSA) was not ready for inclusion and approval at the time the Motorola Contract was presented. Levinson inquired about the SUA in C.O. #1. Jeffries said this is the System Upgrade Agreement, which warrants C.O. #1 after the initial three-year system warranty expires, through years 4-15.

Herrerias asked if the Fire Service would cost share this with MERA. Jeffries said the current System provides FSA, which is why it is included in Next Gen. Herrerias asked why FSA was a C.O. Jeffries said it is being provided by a different vendor and its design was not finalized in time to be included in the Motorola Contract.

Jeffries said C.O.s #2, #3 and #4 were no cost modifications and a Motorola staff change which were approved administratively and reported to the Governing Board. C.O.s #5, #6, #7, #9, #10 and #11 were approved by the Governing Board late last year. C.O. #5 was necessitated by the Regional Planning Committee's (RPC) required system redesign. Motorola is covering Tiburon and Mill Valley equipment costs and MERA will pay for site development not included in the Motorola Contract. In response to Greenberg, this arose due to Motorola's need to redesign the new system to RPC requirements. Had this

been in the original contract, MERA would have had to pay anyway.

In response to Herrerias, Jeffries said Tiburon is an existing site requiring modifications and the Mill Valley water tank is a new site where we will be co-located with Marin Municipal Water District (MMWD). The M3 Core part of C.O. #5 is no-cost redesign computer equipment and PA functionality is no-cost public address equipment. Jeffries reviewed C.O. #6, Sonoma Mountain and Site Readiness, includes microwave equipment changes for Sonoma Mountain, which was to be decommissioned as a MERA radio site. Site readiness permits both systems to operate concurrently. The challenge is to move existing equipment while the current System is live to accommodate installation of Next Gen equipment in site shelters. Old equipment will be removed after cutover.

Jeffries said Motorola expected Site Readiness to be handled by County Radio Shop personnel. County personnel were not in the position to perform this work. Given Motorola's technical expertise and their assumption of liability for equipment movement, Motorola specialists have been engaged to do this work. C.O. #6 payment milestones will be paid for over time.

Jeffries reported on C.O. #7 as equipment clean-up with a single payment milestone upon delivery. Some of this equipment was affected by the dual-band radios and the encryption change with new radios. This also includes radio management software, which will permit Over the Air and WiFi reprogramming which permits fiscal and operational benefits going forward. Currently radios are brought to the Radio Shop for reprogramming. Any related site visits were charged to MERA, which will be eliminated with remote reprogramming. Luckham said this is well worth the money. Jeffries added that C.O. #7 will save 8 months on the Project Schedule because dual band mobiles can be installed ahead of cutover.

Regarding C.O. #8, Jeffries noted a decision is pending on it based on further analysis of Multi-Protocol Label Switching (MPLS) for the Microwave data. Greenberg asked about the issues with this. Jeffries said the RFP and Motorola Contract specify Layer 2. Layer 3 would accommodate the few data users on the MERA system including an FBI phone line, CHP use and County Fire cameras, associated with the new PG&E Alerting System. The concern with Layer 2 is that these uses could impact the radio system. Jeffries said MPLS is being reviewed in terms of its cost and return on investment. Other options include adding MPLS later on or using a different vendor. Greenberg asked if Motorola was recommending MPLS for their support of Next Gen and an additional sale. Jeffries said Motorola should have proposed MPLS versus Layer 2.

Jeffries summarized C.O. #9 as including equipment spares, licenses and redundant equipment in the amount of \$214K. Payment milestones occur from final design to Project completion. C.O.s #10 and #11 are for radio accessories and chargers and Early Order Mobile Radios. Specifically, chargers and certain accessories were listed as optional in the Motorola Contract and were not budgeted. Portables cannot be used without chargers. C.O. #11 was a tactical decision to permit radio programming prior to

cutover, saving 8 months on the Schedule as reported under C.O. #7. Those agencies wishing to upgrade to tri-band at that time will be a cost to them of \$500+ per radio. He noted the substantial increase in interoperability with the new radio code plugs and 700 MHz frequencies through Bay RICs which is all mutual aid channels.

Levinson said \$4.5M in C.O.s represents equipment purchases today to be delivered in 2-3 years. Given intervening technology and other changes, he asked if it was prudent to purchase now. Jeffries said some of the equipment is going into service in the current System and we are not paying for the rest until delivery. If new models are released, we can go back and revisit those purchases. New models tend to be more expensive but may not offer anything users need. Levinson asked if there were sufficient monies in reserves to cover an increase in expense in this area. Jeffries said he will address this under his presentation of the revised Next Gen Project Budget.

Jeffries distributed the Project Budget with expenditures revised through 3-11-19. The first column is the Governing Board approved Budget of 12-12-18 and the second column is actual audited expenditures through 6-30-18 plus expenses for FY18-19 through March 11, 2019. Project Funding Sources are also listed, including funding from another MERA Reserve for non-public safety radios not covered by Measure A. Motorola Contract payment milestones are also cited, including percentages of contract completion and estimated completion dates. This listing reflects Budget line items 1 and 2 for Motorola costs.

Jeffries reviewed Budget line items noting completion of some like Public Outreach. Line items 1 and 2 will be updated with any changes on Motorola costs. Line item 3 includes Site acquisition, Construction Costs and CEQA. Some sites may only require tower reinforcement where other locations will require buildings and towers. Line item 4 is for DPW Project implementation staffing costs. Item 5 represents Phase 1 and 2 of Federal Engineering Contract costs including RFP and vendor contract development and Project management. Line item 6 includes RGS contract staff costs for the Project for Jeffries', Cassingham's and Griffin's hours. Cassingham said Line item 7 represents frequency licenses and other fees. Line item 8 is Other Capital Costs.

Jeffries recapped Line item 9, MERA Legal, noting this is subject to change based on time required for CEQA document review and public comments. Herrerias asked about Project legal challenges. Jeffries said the Appellate Court ruling with Gen 1 on land use permitting should minimize some of that. Greenberg clarified that this challenge was made by Tiburon. Jeffries added that this Court decision allows MERA to bypass local jurisdiction permitting; however, MERA is providing Project presentations at local jurisdiction request. CEQA is taking longer than anticipated to insure its thoroughness and hopefully reduce the number of comments before it is finalized. In response to Greenberg, Jeffries said there was little public comment during Project Scoping. Graton Rancheria has signed off on the Project as proposed with minimal mitigation.

Jeffries said on release of the draft Subsequent Environmental Report (SEIR), which will

be an extensive document, public comments are expected, especially given the number of special studies, like RF and cultural resources appended to it. The SiteSafe RF report is being thoroughly vetted and its findings note the Project is well within Federal standards. Greenberg noted the difference between current system and Next Gen frequencies. Jeffries added Next Gen is not a commercial enterprise and is reliant on 18 towers across the County to provide mission critical public safety voice communications, not cell phone service.

Jeffries resumed his recap of Budget line items noting Line 10 was expended for Public Outreach about MERA and Next Gen pre-Measure A. Cassingham reviewed Line item 11, Administrative Fees, which includes tax administration services, audits, County collection fees, Measure A NFPD support and related website charges.

Jeffries said Line item 12 represents 2016 Bond financing costs. Line item 13 is the System Upgrade Agreement (SUA) which will be expensed in Year 4 through Year 15 of the Project, post basic system warranty. Nearly \$5M remains unallocated and available for unanticipated Project costs. Greenberg confirmed all Change Orders except for C.O. #8 are included in the Vendor Line item.

Levinson asked about the recognition of interest on Measure A Funds and Bonds proceeds investment as income. Cassingham confirmed it will be recognized in the next Budget iteration but is recognized in the Project financials. Jeffries reprised the Motorola Contract payment milestones noting Milestone #2 will likely occur in Q3 2019. Motorola is trying to accelerate #3 as it represents 45% of the cost of the Contract. Delivery will be delayed until after CEQA and design completion. Subscriber equipment, including the bulk of the portables, will be billed on delivery. Greenberg asked if the Project was running a year behind. Jeffries said this cannot be confirmed until the end of summer after CEQA and a new Project Schedule is delivered. Project Manager Mortimer has been working with Motorola on completion of other Project tasks during CEQA.

Luckham asked about Line item 6, RGS MERA Staffing, noting that of the \$1M+ budgeted, nearly half has been expended. Jeffries said the use of MERA RGS staff for Project implementation will decline after CEQA and final design and curtail at completion. Cassingham acknowledged Luckham's point that the longer the Project goes, the more RGS costs will be incurred. Luckham asked how to understand the percentage of expenditure relative to budget relative to the percentage of Project completion. Jeffries reiterated that once the labor intensity of the Change Order process, CEQA and design phase is over, RGS costs will decline considerably and be in line with the Project Budget.

Herrerias asked if a percentage could be expressed for expected expenditures at this point in the Project. Jeffries said once a Project Schedule is produced by Motorola, near or at the end of CEQA, a more accurate comparison of expenditures to date against Project progress can be produced. In response to Herrerias, Jeffries said the Finance Committee has reviewed Project cash flow and there is confidence at this point that receipt of Measure A Funds will be adequate to meet the timing of expenditures. Herrerias said a

column that measures expenses in terms of where we are with the Project would be helpful.

Luckham used the nearly 50% expenditure of Line item 6, by way of example, as subject to reduction during the life of the Project versus duration of the Measure A Tax. He added he cannot see, in looking at Budget to expenditures, where we are with the Project. Jeffries said a Schedule update may be available for review at the Committee's September meeting.

Greenberg suggested columns noting percentage expended and percentage expected to be expended at this point, which takes the timeline out of it. Some Line items reflect a 20-year expenditure timeline whereas others reflect 3 or 4 years. Levinson added that funding sources should reflect timelines for receipt. Jeffries acknowledged the Committee's suggested Budget updates, which will be addressed in its next iteration. Levinson said his focus will continue to be on Project reserves and unexpected Project costs. Jeffries said litigation, if any, and Site acquisition and construction are the most likely areas affecting costs.

Cassingham said she has reached out to Chief Gray about contingency percentage for San Rafael's projects, noting he felt 5% was appropriate for facilities construction. She said, given MERA's site construction activities, which are towers, tower modifications, shelters and shelter modifications, a lesser contingency could be adequate. Luckham added that the amount of contingency is better informed after detailed design. Jeffries said we are at 75% drawings now. Greenberg said the amount of contingency can also be impacted by increased wages and costs over time.

Levinson inquired about Project staffing changes and related impacts on the Project. Jeffries clarified he does not manage the Project and that MERA's Operations Officer is responsible for implementation. He added the contract with Federal Engineering provides full-time communication engineer services and Project management. His role is to represent the MERA Boards as liaison to the Project, not to direct the Project. Cassingham noted MERA's Operations Officer is a County employee under contract for current System management and Next Gen System implementation. Jeffries said County staff changes have been addressed within DPW remaining ranks.

Jeffries reviewed his Project-related roles with the Governing and Executive Boards, Citizens Oversight, Finance and Project Oversight Committees, management calls coordination and Ops participation. He also represents MERA in Motorola meetings, which also brings the perspective of a field user. Cassingham stressed the importance of Jeffries' MERA representation in dealing with other Project contractors. Jeffries noted, in response to Herrerias, that the Ops Group meetings tend to be of lesser priority than the others in terms of Next Gen issues. However, when Ops reviews, for example, Next Gen radio aliases and encryption, he participates.

Luckham asked if there was much interest in tri-band radios. Jeffries confirmed there was from the Fire side. He said he is trying to get interest from the Law side for increased interoperability. He noted the VHF Overlay Plans, which speak to VHF high-band channels primary for Fire use, and take loading off the system during peak events. He added we are awaiting Fire input on the dual band radios.

C. Informational Review of Funds 70038 and 70039 – Next Gen Project Revenues and Expenditures FY18-19

Cassingham recapped the Balance sheets and P&L detail for both Funds from July 1, 2018, through March 11, 2019. She focused specifically on expenditures from December 8, 2018, through March 11, 2019, since the last Committee meeting.

The reports are now paginated for easier reference. Expenditures reflect the usual categories of expenses such as Contract Services, Website and Legal. Inclusion of the complete expense memo field resulted in smaller print. Hard copies of invoices in the order presented in the P&Ls for this period were provided for Committee review.

Cassingham distributed the final copies of the Measure A Independent Compliance Audit, which includes the revision of Note 4 as requested by the Committee and approved by the Governing Board on January 23, 2019. In response to Levinson, Cassingham confirmed that P&L expenses were in the usual categories and there was nothing unique.

D. Update on Measure A Utility Parcel Collections

Cassingham reported the Northwestern Railroad collections, per the State Board of Equalization, will be suspended going forward since NWRR does not own the affected parcels. Remaining uncollected payments as of April 30 will be written off. Property liens were briefly discussed by the Committee and dismissed.

E. Review of Citizens Oversight Committee Reappointments for Terms Expiring on May 13, 2019: Greenberg, Levinson and Herrerias

Cassingham reported members with expiring terms have informally confirmed interest in reappointment and reviewed and initialed their original applications with no material updates. The new terms are for 4 years. Reappointments will be presented to the Governing Board for acceptance.

F. Other Informational Items

Cassingham confirmed the next COC meeting is June 19, 2019 at 4:00 p.m. Jeffries noted the Committee may be reading about the SEIR draft release in the coming weeks. Per Greenberg's request, Cassingham will provide a website link to the Committee members for the draft SEIR.

G. Open Time for Items Not on Agenda

None.

H. Adjournment

The meeting was adjourned at 5:02 p.m.

Respectfully submitted by:

Maureen Cassingham
MERA Executive Officer
and Secretary