

MARIN EMERGENCY RADIO AUTHORITY

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DRAFT: 11/13/19

Measure A Citizens Oversight Committee

Minutes of September 18, 2019 Regular Meeting

Call to Order

The meeting was called to order by Chair Herrerias at 4:00 p.m. on September 18, 2019, at the Marin Civic Center CAO Conference Room 315, San Rafael, California 94903.

Committee Members Present:

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

Committee Members Absent:

District #3	Chuck Reite
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Staff Present:

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

A. Minutes of June 19, 2019 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 System Project and Budget (Jeffries)

- Project Motorola-Change Order #8: Multi-Protocol Label Switching (MPLS) for the Microwave Network
- Project Schedule
- CEQA Process Update
- Media Updates

Jeffries reported on the status of Change Order #8, noting this has been to the Next Gen Project Oversight Committee (NGPOC) twice for review. The NGPOC Committee has recommended acquiring MPLS and supports Governing Board approval of Options 1 and 4A. The MERA Finance Committee (FC) has determined that the Next Gen Project Budget can fund either Option. Both Committees recommendations will go to the Governing Board on September 25. The difference between the two Options is whether MERA acquires the MPLS Service Upgrade Agreement (SUA) now or retains those funds and acquires that support later.

In response to Levinson, Jeffries explained the difference between the Layer 2 technology currently in the base contract and Layer 3 MPLS. Layer 2 is essentially one pipe for all data to flow through. Layer 3 has many hoses in the pipe to keep different types of data separate. If there is a problem with one data stream on Layer 3, it will not impact the others.

Jeffries noted in the original Motorola Contract, the network was to be refreshed twice. Option costs are proposed to be reduced with one refresh for a savings of \$413K, which helps defray the costs of moving to MPLS. Option 1 cost is \$1.3M, including the SUA and Option 4A is \$90K. Without the SUA, there is some risk. The MERA Operations Officer has evaluated other service options and vendors and determined Motorola will provide the best support service for the best price.

In response to Herrerias, Jeffries clarified that the reduction to one network refresh will save \$413K, which will offset MPLS costs. He added that the value and timing of an MPLS SUA is still under discussion. Having an SUA at a locked in price now is safer but Budget impacts are a factor. Herrerias also asked about the media reference to Next Gen as a \$40M Project, yet the Project Budget is \$67M. Jeffries said Measure A generates about \$72M over 20 years for Project Implementation, financing costs and future system needs.

Greenberg asked about the proposed upgrade to MPLS from Layer 2. Jeffries clarified that acquisitions of MPLS technology is supported by the NGPOC but discussion is ongoing over the SUA. Greenberg said she supported the addition of the SUA, realizing this is a financial decision as well.

Levinson asked if the proposed refresh savings should be linked or considered separately when deciding about MPLS in the best interests of the Project. He expressed concern

over reducing refreshes to support the MPLS acquisition. Luckham asked for clarification about the network refresh. Jeffries said there were two microwave refreshes in the Motorola Base Contract to refresh and replace equipment as needed. Reducing the number of refreshes reduces the cost of MPLS. He noticed the current System has never been refreshed, which was the basis for believing one refresh was sufficient.

Levinson asked if it was important enough for 2 refreshes to be included in the Base Motorola Contract, why are we now considering only one. In response to Levinson that these are 2 separate issues, Jeffries said going to one refresh is how the cost of MPLS is defrayed. If this is not done, MPLS Option costs go up by \$413K. Luckham said the Microwave refresh experience with the current System should be taken into account. After an initial system burn-in period, the hardware is dependable forever. Therefore, he is not concerned about going to a single refresh unless our experience with the current Microwave System would suggest this is a mistake. Jeffries confirmed DPW's microwave experience to date gives them comfort in reducing the refreshes.

Herrerias said, based on the background on this provided by Jeffries, these matters have been thoroughly vetted and handled appropriately. Jeffries added that Change Orders (COs) have also been evaluated based on return on investment. The feeling is going to MPLS is a positive enhancement to the Next Gen System. The SUA is being evaluated more from a fiscal impact perspective. Luckham said MPLS has positive operational impacts, noting other considerations are primarily budgetary. Reducing refreshes, if something goes wrong, will have a future out-of-pocket fiscal impact.

Herrerias asked about the difference between the \$9M SUA and the MPLS SUA. Jeffries said the former is for the base system and the latter is for the MPLS Layer 3. Herrerias requested clarification on MPLS Option costs. Jeffries said Option 4A cost for MPLS only would be \$90K but without the refresh it would be \$500K. Option 1 with the SUA would cost \$1.3M but \$1.8M without the refresh. The SUA covers Years 4 through 15. He added Years 1 through 3 are covered by warranty. The MPLS SUA would run concurrently with the base system SUA from Year 4 through 15.

In response to Herrerias, Jeffries said, like the current System, which is 20+ years old, Next Gen should likely have the same longevity given the SUA support through Year 15. He noted funding from the 20-year Measure A Parcel Tax will permit system enhancements throughout the system's useful life. Greenberg said there will also be technological changes along the way to address additional data transportation. Jeffries added new technologies may not give us what MERA wants or needs along the way. MERA's first priority is voice communications, and data may be added if it becomes a priority.

Jeffries addressed Project Schedule, which will come into focus after CEQA and the litigation period is concluded. At that point, Project milestones and cash flows will be more accurately identified. Cutover is the key date. Regarding the CEQA process, the draft Subsequent Environmental Impact Report (SEIR) was released on September 6.

Formal notices to the parties were sent along with issuance of a MERA Newsletter announcing this. He distributed 2 media articles from the IJ and Pt. Reyes Light on the SEIR. Comments on the IJ article were included in his handouts. There were 7 commenters and 12 comments to date. He confirmed there are no written comments at this time. A Public Hearing to receive public comments is scheduled for October 10.

Jeffries recapped the Project Budget, noting minor changes from the last version presented. Expenditures are through 6-30-19. Marin County's \$2M Firefighters Assistance Grant, which was just awarded, may have a positive budgetary impact in that it will pay for Fire Tri-Band Radio upgrades. MERA pays for Dual Band Radios and agencies wanting Tri-Bands must pay the difference. Some grant funds may be used to buy the "entire" radios which would reduce Next Gen Project equipment costs. This will be factored into future Budget iterations once savings are identified. Luckham said Tri-Bands would be a big benefit to the Fire agencies.

Cassingham said the SEIR has been posted on the County's website and MERA's website features a link to it. She reiterated the October 10 Public Hearing date is at 6 p.m. in MCC Room 330. The comment period ends on October 21. She said this hearing is a special meeting of the MERA Governing Board. Jeffries said the Hearing is for verbal comments. Greenberg asked about COC interaction with the Media. Cassingham noted this is covered by the Committee's Bylaws but they are free to comment as members of the public.

C. Review of Funds 70038 and 70039 – Next Gen Project Revenues and Expenditures

- FY18-19: June 19, 2019 – September 11, 2019
- FY19-20: July 1, 2019 – September 11, 2019

Cassingham noted the books for FY18-19 have not been closed so there may be some posting adjustments thereafter. She added the Town of Corte Madera, effective July 1, is now providing MERA with Financial Support Services. She reported that during the CEQA process, expenditures have occurred within the usual account codes for both Funds, including Contract Services, Financial/Administrative Services, Website, Legal, and Next Gen Implementation Capital Outlay for County staff, Environmental Consultants, Federal Engineering and other contractors. She presented expenditure invoice hard copies for both Funds for Committee review. Specifically, those invoices are from vendors RGS, NBS, Marinfo and Town of Corte Madera. Once more activity occurs with Next Gen Implementation, there will be more invoices to review. Jeffries cited the next Motorola 10% payment milestone will occur in Q1 2020, followed by the 45% Fixed Equipment milestone.

Herrerias mentioned the transfer activity in and out of the Funds. Cassingham said these were Parcel Tax transfers, from the County to the Trustee and the Trustee to MERA. She noted the additional interest income from the Bayern LB Guaranteed Investment Contract (GIC) over the 1% earned with the Nataxis GIC. We are averaging about \$75,000 per

month earned on the unexpended Bond proceeds. In response to Herrerias, Cassingham confirmed MERA's accounting is on an accrual basis. Cassingham noted the Bad Debt write-off of \$4,500 for Northwestern Railroad and Leonardi Properties Utility Parcel owners. Northwestern's taxes are collected by the State Board of Equalization.

D. Other Informational Items

Levinson suggested future Project Newsletters note the type of SEIR comments received and MERA's responses to them. Jeffries said the next Newsletter will be released after CEQA and the litigation period is concluded. Levinson added it is important to inform the public why such complex projects take so long.

E. Open Time for Items Not on Agenda

None.

F. Adjournment

The meeting was adjourned at 4:43 p.m.

Respectfully submitted by:

Maureen Cassingham
MERA Executive Officer
and Secretary