



Board of Directors MEETING MINUTES

LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

September 5, 2013

Grace E. Simons Lodge
1025 Elysian Park Drive, Los Angeles, CA 90012

Board Members Present:

William "Bill" T Fujioka Chair, CEO, County of Los Angeles
Daryl L. Osby, Fire Chief, County of Los Angeles
Reginald "Reggie" Harrison, Deputy City Manager, City of Long Beach
Bill Walker, Fire Chief, City of Beverly Hills, representing the Los Angeles Area Fire Chiefs Association
Scott Pickwith, Police Chief, City of La Verne, representing the Los Angeles County Police Chiefs Association
LeRoy J. Jackson, City Manager, City of Torrance, representing At Large Seat
Gregory "Greg" L. Simay, Assistant General Manager, City of Burbank Water & Power, representing At Large Seat

Representatives For Board Members Present:

Patricia "Patty" J. Huber, representing Miguel Santana, for the City of Los Angeles Chief Administrative Office
Ronnie Villanueva, representing Brian Cummings, for the City of Los Angeles Fire Department
Matias Farfan, representing Gerry Miller, for the City of Los Angeles Chief Information Office
David Betkey, representing, Leroy "Lee" D. Baca, for the County of Los Angeles Sheriff Department
Cathy Chidester, representing Dr. Mitchell H. Katz, for the County of Los Angeles Department of Health Services
Nancy L. Ramirez, representing Steven K. "Steve" Zipperman, for the Los Angeles School Police Department
Ron Iizuka, representing Donald "Don" Pedersen, City of Culver City, At Large Seat
Derek Webster, representing Kim Raney, City of Covina, At Large Seat

Officers Present:

Pat Mallon, LA-RICS Executive Director
Patricia Saucedo, Board Secretary

Absent:

Charles "Charlie" L. Beck, Vice Chair, Police Chief, City of Los Angeles
Mark R. Alexander, City Manager, City of La Cañada Flintridge, representing the Contract Cities Association
Wendy L. Watanabe, Auditor-Controller, County of Los Angeles
Mark J. Saladino, Treasurer and Tax Collector, County of Los Angeles



I. CALL TO ORDER

II. ANNOUNCE QUORUM – Roll Call

Chair Bill Fujioka began the meeting promptly at 9:00 a.m., and acknowledged that a quorum was present.

III. APPROVAL OF MINUTES – (1)

1. August 15, 2013 Special Meeting Minutes. **MOTION APPROVED.**

IV. CONSENT CALENDAR – (None)

V. REPORTS – (2–5)

2. Committee Reports

- a. Finance Committee – Stephen Sotomayor

This item was held; to be addressed at a later point during this meeting.

- b. Legislative Committee – Olyvia Rodriguez

Chair Daryl Osby invited Vice-Chair Olyvia Rodriguez to give a report on behalf of the Legislative Committee.

Vice-Chair Olyvia Rodriguez greeted the Board members and provided an update of the August 21, 2013 Legislative Meeting where two items was discussed. One of them being the next steps with regards to the T-Band issues that were identified in the comments LA-RICS submitted to the FCC in May 2013, identifying the challenges with the T-Band, especially as it relates to adequate funding needed, as well as adequate spectrum. The Committee is continuing to look at potential recommendations to provide to your Board and will be meeting again with all committee members to further identify various options. Right now, Congress is not considering further major legislation in this area.

With regards to Grant opportunities, the Committee discussed looking at various funding options beyond the critical Federal Grants that the project currently relies on heavily; but, also looking at State and Federal revenue streams and working more closely with the Finance Committee and coordinating with them to identify different grant opportunities. This effort would apply not to just Homeland Security fund, but also to potential grants in transportation, schools, and anything that could help with the project.

Chair Bill Fujioka stated, as discussed in the past, now that we have a contract and we have real movement, it's time to shift our attention on the Legislative and Grant issues. I firmly believe that as we move forward, we are demonstrating our absolute progress (it's not potential any more) and viability. Those opportunities will be created for us. It just won't happen, until we knock on doors and make a presence, and that is for us as a region. Later in the meeting we are going to talk about the Grant Status and the Funding Plan, but I also want to put on our radar screen that there is a possibility of a group of us heading East to have a discussion on how we can generate additional funding, as it impacts our current Grants and some of the deadlines they have been placed on us.

- c. Operations Committee – No Report

- d. Technical Committee – No Report



3. Director's Report – Pat Mallon

Executive Director Pat Mallon provided an update on the LTE Project. A number of entities have registered to receive the LTE RFP and the supplement. A proposers' conference was held on August 22, 2013 and questions were due from the various proposers on August 29, 2013. Proposals are due on September 26, 2013.

We are still in need of evaluators. We ask that you look at your staff to see what can be contributed to support this effort. We have been advised by NTIA that we can use the BTOP Grant Funds to pay for those evaluators. Executive Director Mallon then reminded the Board of the conditions regarding who can participate as evaluators.

As far as the Land Mobile Radio System, which was approved by your Board on August 15th, we do anticipate that the Notice to Proceed for Phase 1 activity will be issued today.

We have been holding meetings with the various Cities regarding the Site Access Agreements. So far the responses have been very positive. I am very encouraged with that. But one question that is common amongst them is what their costs will be for participation in the project. We will be discussing that under the Funding Plan in Item 6.

4. Project Manager's Report – Pat Mallon

Executive Director Pat Mallon stated that the Jacobs report is included for your review.

5. Grant Status Report – Pat Mallon

Executive Director Pat Mallon stated, the Sub-recipient Agreement with the City of Los Angeles for the UASI 2010, has been executed and is proceeding forward. The Sub-recipient Agreement for UASI 2009 is pending inclusion on the City Council's Agenda for September 13th. The language for this agreement will be very similar in form to what was in the UASI 2010 agreement.

As Mr. Fujioka mentioned, the UASI 2010 Grant performance period ends on March 31, 2013. And we are working through the options relative to that Grant to make sure that we can expend all those funds.

VII. ADMINISTRATIVE MATTERS (7) – Out of Sequence

7. Oversight Committee – Pat Mallon

It is recommended that your board:

Authorize Chair Fujioka to establish an Oversight Committee to monitor change orders, amendments, completion of Tasks, Subtasks, Deliverables and Milestones, or any deviation thereof, as it relates to the LA-RICS Land Mobile Radio System contract, with committee members made up of one representative from each of the following:

- a. County of Los Angeles
- b. City of Los Angeles
- c. Other Member not representing the County or City of Los Angeles



Membership of the Oversight Committee will be rotated every ~~6 months~~ **12 months [Amended]**, or sooner as deemed necessary by the Chair. The Oversight Committee representatives will work with staff to establish a meeting schedule at their first meeting and provide reports to the Board of Directors at regular Board meetings.

Executive Director Pat Mallon stated that Item number 7 is a request of Mr. Santana and Mr. Miller to direct the Chair to appoint an Oversight Committee consisting of three members. Staff's recommendation is that the committee include one representative from the County, one from the City of Los Angeles, and a third member not representing either of those two entities.

Alternate Board Member Cathy Chidester asked, "What was the rationale for the six-month rotation?" Pat Mallon replied, that is just discretionary timeframe. After a brief discussion, Board Member LeRoy Jackson moved to motion to revise for one year. Seconded by another Board member and received no objections.

MOTION APPROVED.

VI. DISCUSSION ITEM (6) – Out of Sequence

6. Funding Plan – Pat Mallon

Chairman Bill Fujioka provided a Grant status report regarding USAI funds and reiterated to the Board that the City of Los Angeles is the Grant Administrator of these funds. As we look at USAI funds we want to ensure that we're going to be ready for the 2009 Grant funds. For the 2010 funds, flexibility is needed in the event that we have to proceed with this project, that we can expend the funds within the timeframe. Prior conversations with the City and FEMA regarding extensions were based on the fact that we didn't have a contract and had a couple of false starts. However at a meeting with FEMA staff back in May 2013, the impression was given that once our contract is in place they would be willing to discuss the extensions. In May 2013, we signed a contract. However, I think there is still concern from the City side that FEMA is going to say no. But based on that meeting we had in May, where there was at least a willingness to discuss the extension, that's one of the things that when I mention going back East and talking to folks, that's one of the critical items I would like to talk to the Feds about is the progress that has been made. We just need a short-term extension to this. In addition to meeting with FEMA, and then knocking on doors for money, this is a very critical trip for us. I'll be meeting with the City staff to talk about this because they are the administrators of this Grant. Board Member Greg Simay asked about latitude from the granting agency if we are able to interweave the design and construction aspect of the project. Pat Mallon stated that approach would cause concerns with the California Environmental Quality Act (CEQA). We have been in discussions with FEMA, and have started the consultation process with them and some other agencies regarding the sites.

Stephen Sotomayor, Chair of Finance Committee, provided an update of the last Finance Committee meeting. The Finance Committee had asked the Executive Director if they could retain finance expertise, to assist the Finance Committee with the development of a Funding Plan. In our last meeting, we received a presentation from County ISD on finance models that have been applied to the County's CIWRS system, as well as other models that exist, as well as potential consultants that could help the Finance Committee put together a funding plan from many different angles. We will hold a special meeting on September 12, 2013 to look at those different options. Mr. Mallon asked the Finance Committee about accelerating the timeline



associated with the funding plan, especially in light of the LTE system which has a cash match. Pat Mallon added that in the past we discussed pushing off the development of the financing plan until we had a detailed design for the LMR system completed. That works very well for that system, but if we wait until the conclusion of the detailed design (probably September 2014), it will be well past the timeframe when we need to begin construction on the LTE system. The Joint Powers Agreement stipulates that we have to offer a funding plan before we can begin construction. So with that in mind we've come to the conclusion that we can't wait until September 2014 to begin development of the funding plan. My recommendation is that we move forward on development of a plan immediately. There is potential for needing some adjustment as we get through the detailed design of the LMR system. Fortunately, we are in a good position with future UASI grants to potentially fund the project without relying on local revenue for the LMR system. We are in discussions with City Managers and have shared estimates of what that hard match requirement would be based on population and area of their City compared to the whole County. But if we developed a financing plan for LMR based on the known contract value and the financing plan for the LTE side of it based on the grants that we have, plus the hard match requirement, we think we can offer a relatively comprehensive funding plan. We also need to include consideration of the maintenance, whether we contract with that through the commercial enterprises or through Authority members. My hope is to be able to bring back for discussion, a preliminary financing plan to your Board at the November or December JPA meeting. That's a significant departure from our previous discussions.

Chairman Bill stated that preliminary estimates for the LMR System ran close to \$600 million. We know that price has changed significantly to the point where we can fund the LMR using grant dollars. The fact that this project will allow us to bring on a new communications system for our whole region through the use of grant funds is a huge benefit and impact. We are still faced with this 10% hard match for LTE. When the funding plan is presented, please look at it in an overall content. The savings, the benefit we have, the impact of the respective budget, by being able to fund the LMR side, which is grant funds, and hopefully, as I try to plan for the next five years for the County's budget and the money I've set aside for our communications upgrade, on the mobile radio side, it is my intent to convince at least my Board to say, this will be paid for through grant funds, and the funds I've set aside for that could be moved over to fund our share of the hard match for the LTE side. But its big folks, to be able to get a completely new radio system through the grant funds. Board Member Greg Simay stated a policy decision from the Board will be needed when it comes to the Operations & Management cost. Are we going to attempt to fund the potential replacement processes, and that would be the electronics since fortunately, the towers last for many years, or would the assumption be that there would be a bond issue or we wouldn't worry about the replacement next year or in the future, at which time you'd attempt to pass a bond issue or something? There are advantages and disadvantages to both. Chairman Bill Fujioka stated we have to put all the options on the table and look at what's the most viable for the short term and the long term basis.

Board Member LeRoy Jackson asked, "Will this provisional funding plan have a flow of the 10% required by each agency? Will you have an estimate of what the 10% will be for each agency?" Pat Mallon stated, yes. We can put forth a funding plan, and then, if there are significant adjustments that need to be made either because the bids that have come back in from the LTE project exceed what we think they're going to be or because of grant funds or the detail design process shows some anomaly. then we can make some adjustments and bring that back. Board



Member LeRoy Jackson stated, "There are some triggering mechanisms in the JPA Bylaws relative to when the financial plan is approved. Has Counsel agreed that the provisional plan does not start those triggering mechanisms?" Pat Mallon stated, I believe the issue of the funding plan was one of those dynamic issues. We can develop a funding plan and say, as an example, the subscriber costs for a device, exclusive of the infrastructure costs would be \$25 per unit. But that is based on maintenance of the infrastructure applied to all the subscribers units that are on it. If there are a number of agencies or municipalities that decide not to participate in the system, that's going to bring the subscribers contributions down but your fixed cost don't change. It will be an interactive process. Board Member Greg Simay stated, I think one of the keys in the LTE System is that when this grant cycle is done you'll have a starter system. A system that people will learn to stand on. A key to the economics of a starter system is, how you get the participation of agencies within the County that might have resources that can integrate with the system. Because the amount that we took in for the starter system, I don't think it's going to be owner risk, for most of the agencies. It's really how you go from there to a full blown system and what that will look like. That's really I think the challenge. Board Member Patty Huber stated, I think Mr. Jackson's question is valid. When we see this plan in December what we need to know is if it is triggering all the requirements of the JPA documents. Because there are timelines by which people have to make decisions. Pat Mallon stated, I agree. And that would certainly be a policy decision from the Board as to whether the Board feels that it should trigger the timelines. The issue is that until that trigger begins, we cannot begin construction. So it puts us in a tough position as far as being able to complete, particularly the Broadband project by August 2015, if we can't begin construction until to 2015. Board Member LeRoy Jackson stated, we spoke a while back of splitting the timelines between the two systems, for that very purpose. And, that may not be possible at this time. But, I'm not sure it's a policy or if it's a legal question, and you may want to talk to counsel on that. Board Member Patty Huber stated, because I think the document is very clear. Stephen Sotomayor stated, and I want to mention, from the Committee's standpoint, this is not something that we have discussed at this point. And as we move forward, I think what would be helpful is to have a consultant with a lot of experience in crunching these numbers to look at multiple angles for the JPA members to consider. But, there's a lot of underlying policy decisions associated with the funding plan, as you peel back each layer of the onion, you find a different aspect to the funding plan that needs to be considered by the Board. So what we hope is to get some of these policy issues out in front of the members, in advance, and whether or not that means that it triggers timelines, I can't answer that question as we haven't discussed it at this point.

Board Member Greg Simay stated, if the financial plans for the LMR part and the LTE parts are separate, then the Board would have the option of amending the Bylaws, so that it could commit firmly to its LTE commitment without necessarily committing firmly to LMR. That would hopefully simplify the problem by allowing an agency to consider the merits of each separately. The agency may feel comfortable with leaping in to the LMR, five or six years down the road, but also would feel comfortable on a separate basis leaping into LTE in the next 6 months. Chairman Bill stated, we talked about that policy discussion, which is something we're going to have to schedule soon. Counsel Amanda Drukker stated, "you've mentioned the need to fully look at all those issues and how that has to happen. Mr. Simay mentioned amending the Bylaws; I think that might be a JPA issue, so we need to really look at the mechanics of how all that will happen." Board Member LeRoy Jackson stated, even those discussions of starting to do the preliminary work, but before it comes back I think we have to address all of these issues before the Board takes action on them. Chairman Bill stated he agreed. Pat Mallon stated, we certainly don't



anticipate developing a funding plan in a vacuum, and then presenting it without it being an interactive process with the Board.

VIII. CLOSED SESSION REPORT – (None)

IX. MISCELLANEOUS – (None)

X. PUBLIC COMMENTS – (None)

XI. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD

8. Project Funding

9. Project Risk Controls

VII. ADJOURNMENT

Chair Bill Fujioka announced that the next meeting is scheduled for Thursday, October 3, 2013, at 9:00 a.m., at the Grace E. Simons Lodge, then adjourned the meeting at 9:40 a.m.