



AGENDA

LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

BOARD OF DIRECTORS MEETING

Thursday, April 2, 2020 • 9:00 a.m.

Teleconference Meeting*

Meeting Call-in Number for Board Members and Public:

(562) 526-3800

Access Code: 993 948 998

Los Angeles Regional Interoperable Communications System Authority (the "Authority")

AGENDA POSTED: March 27, 2020

Complete agendas are available on the Authority's website at <http://www.la-rics.org>.

**The procedures used for this Teleconference Meeting is permitted pursuant to Executive Order N-29-20 issued on March 17, 2020, by the Governor of the State of California.*

Members:

1. **Sachi Hamai**, CEO, County of Los Angeles
2. **Daryl L. Osby**, Vice-Chair, Fire Chief, County of Los Angeles Fire Dept.
3. **Alex Villanueva**, Chair, Sheriff, Los Angeles County Sheriff's Dept.
4. **Cathy Chidester**, Dir., EMS Agency, County of LADHS
5. **Chris Donovan**, Fire Chief, City of El Segundo Fire Dept.
6. **Joe Ortiz**, Chief of Police, City of South Pasadena Police Dept.
7. **Mark R. Alexander**, City Manager, CA Contract Cities Assoc.
8. **Mark Fronterotta**, Chief of Police, City of Inglewood Police Dept.
9. **Chris Nunley**, Chief of Police, City of Signal Hill Police Dept.
10. **John Curley**, Chief of Police, City of Covina Police Dept.

Alternates:

John Geiger, General Manager, CEO, County of Los Angeles
Thomas Ewald, Deputy Fire Chief, County of Los Angeles Fire Dept.
Mark Glatt, Chief, Los Angeles County Sheriff's Dept.
Roel Amara, Asst., Dir., EMS Agency, County of LADHS
Scott Haberle, Fire Chief, City of Monterey Park Fire Dept.
Brian Solinsky, Captain, City of South Pasadena Police Dept.
Marcel Rodarte, Executive Dir., CA Contract Cities Assoc.
Louis Perez, Deputy Chief, City of Inglewood Police Dept.
Brian Leyn, Captain, City of Signal Hill Police Dept.
David Povero, Captain, City of Covina Police Dept.

Officers:

Scott Edson, Executive Director
Arlene Barerra, County of Los Angeles Auditor-Controller
Keith Knox, County of Los Angeles, Treasurer and Tax Collector
Priscilla Dalrymple, Board Secretary



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

II. ANNOUNCE QUORUM – ROLL CALL

III. APPROVAL OF MINUTES (A)

A. March 5, 2020 – Minutes

Agenda Item A

IV. PUBLIC COMMENTS

V. CONSENT CALENDAR – NONE

VI. REPORTS (B-E)

B. Director's Report – Scott Edson

- Executive Summary

Agenda Item B

C. Project Manager's Report – Justin Delfino

Agenda Item C

D. Joint Operations and Technical Committee Chairs Report – No Report

E. Finance Committee Chair Report – No Report

VII. DISCUSSION ITEMS (F)

F. Outreach Update

Agenda Item F



VIII. ADMINISTRATIVE MATTERS (G-I)

G. FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2019 AND JUNE 30, 2018 (RESTATED) – BCA WATSON RICE LLP

It is recommended that your Board receive the auditor's report for the year ending June 30, 2019, (enclosed) as well as restated report for the year ending June 30, 2018.

Agenda Item G

H. APPROVE AMENDMENT NO. 45 TO AGREEMENT NO. LA-RICS 007 FOR LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM LAND MOBILE RADIO SYSTEM

It is recommended that your Board:

1. Find that (a) approval of Amendment No. 45 to contemplate Change Order Modifications at two (2) LMR System sites, Loop Canyon [LPC] and Magic Mountain Link [MML], to perform certain environmental work is within the scope of the Final Environmental Impact Report (EIR) for the LA-RICS LMR System, which was previously certified by the Board under CEQA on March 29, 2016; and (b) that there are no changes to the project at these sites or to the circumstances under which the project is undertaken that require revisions to the previous EIR due to new significant effects or substantial increase in the severity of previously identified significant effects.
2. Approve Amendment No. 45 (Enclosure) to Agreement No. LA-RICS 007 for a LMR System with Motorola Solutions, Inc. (Motorola), which revises the Agreement to incorporate certain LMR Change Order Modifications as further described in this letter for a cost increase in the amount of \$39,050.
3. Authorize an increase to the Maximum Contract Sum in the amount \$39,050 from \$290,219,275 to \$290,258,325.
4. Delegate authority to the Executive Director to execute Amendment No. 45, in substantially similar form, to the enclosed Amendment (Enclosure).

Agenda Item H



I. APPROVE AN INCREASE TO THE BUDGET FOR SIX (6) TELECOMMUNICATION FACILITY CONSTRUCTION AND INSTALLATION PROJECTS

It is recommended that your Board:

1. Make the following finding:

- a. Find the work and cost contemplated in this recommended action at six (6) sites, Claremont Police Department (CLRMPD1), Compton Court Building 2 (CCB2), Cougar Park (COUG), Irwindale Police Department (IRWDPD), Port of Los Angeles 2 (POLA2), and Port of Long Beach Harbor Plaza (POLB1) are within the scope of the activities your Board previously found categorically exempt from review on January 24, 2019, and December 5, 2019, under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline sections 15301, 15303, 15304, and/or 15332, for the reasons set forth in this Board Letter and as noted in the record of the project, and the determination that these activities are exempt from CEQA remains unchanged.

2. Increase the project budgets in the amounts set forth below for a total aggregate increase of \$392,996 for six (6) LA-RICS Telecommunication Facility Construction and Installation sites as follows, and delegate authority to the Executive Director to award contracts and issue notices to proceed for these amounts:

- a. Increase the Claremont Police Department (CLRMPD1) project budget by \$54,290 to a new total of \$436,000.
- b. Increase the Compton Court Building 2 (CCB2) project budget by \$205,765 to a new total of \$487,695.
- c. Increase the Cougar Park (COUG) project budget by \$51,891 to a new total of \$433,601.
- d. Increase the Port of Long Beach Harbor Plaza (POLB1) project budget by \$24,724 to a new total of \$329,724.
- e. Increase the Port of Los Angeles 2 (POLA2) project budget by \$32,156 to a new total of \$413,866.



- f. Increase the Irwindale Police Department (IRWDPD) project budget by \$24,170 to a new total of \$587,170.

Agenda Item I

IX. MISCELLANEOUS – NONE

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

XI. CLOSED SESSION REPORT - NONE

XII. ADJOURNMENT AND NEXT MEETING:

Thursday, May 7, 2020, at 9:00 a.m., via Teleconference Meeting.



BOARD MEETING INFORMATION

In accordance with Executive Order No. 25-20 on March 17, 2020 by the Governor of the State of California, this Meeting can be conducted via teleconference. Members of the public are invited to participate in the Teleconference meeting via the phone number provided above, and address the LA-RICS Authority Board on any item on the agenda prior to action by the Board on that specific item. Members of the public may also address the Board on any matter within the subject matter jurisdiction of the Board. The Board will entertain such comments during the Public Comment period. Public Comment will be limited to three (3) minutes per individual for each item addressed, unless there are more than ten (10) requests for each item, in which case the Public Comment will be limited to one (1) minute per individual. The aforementioned limitation may be waived by the Board's Chair.

(NOTE: Pursuant to Government Code Section 54954.3(b) the legislative body of a local agency may adopt reasonable regulations, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.)

It is requested that individuals who require the services of a translator contact the Board Secretary no later than the day preceding the meeting. Whenever possible, a translator will be provided. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request as soon as possible. (323) 881-8291 or (323) 881-8295

SI REQUIERE SERVICIOS DE TRADUCCION, FAVOR DE NOTIFICAR LA OFICINA LO MAS PRONTO POSIBLE. (323) 881-8291 o (323) 881-8295

The meeting is recorded, and the recording is kept for 30 days.



BOARD OF DIRECTORS MEETING MINUTES

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

Thursday, March 5, 2020 • 9:00 a.m.
Los Angeles County Sheriff's Department
The Hertzberg Davis Forensic Science Center
Conference Room 223 through 227
1800 Paseo Rancho Castilla, Los Angeles, CA 90032

Board Members Present:

Cathy Chidester, Dir., EMS Agency, County of LADHS
Joe Ortiz, Chief of Police, City of South Pasadena Police Dept.
Mark Alexander, City Manager, CA Contract Cities Assoc.
John Curley, Captain, City of Covina Police Dept.

Alternates For Board Members Present:

John Geiger, General Manager, CEO, County of Los Angeles
Thomas Ewald, Deputy Fire Chief, County of Los Angeles Fire Dept.
Mark Glatt, Chief, Los Angeles County Sheriff's Dept.
Louis Perez, Deputy Chief, City of Inglewood Police Dept.

Officers Present:

Scott Edson, LA-RICS Executive Director
Priscilla Dalrymple, LA-RICS Board Secretary

Absent:

Chris Donovan, Fire Chief, City of El Segundo Fire Dept.
Chris Nunley, Chief of Police, City of Signal Hill Police Dept.



NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

I. CALL TO ORDER

Alternate Chair, Mark Glatt, called the meeting of the Board to order at 9:03 a.m.

II. ANNOUNCE QUORUM – Roll Call

Alternate Chair Glatt asked for a roll call and acknowledged a quorum was present.

III. APPROVAL OF MINUTES (A)

A. February 6, 2020 – Regular Meeting Minutes

Alternate Chair Glatt asked if there were any questions or comments from the Board.

There were none.

Alternate Board Member John Geiger motioned first, seconded by Alternate Vice-Chair Thomas Ewald.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

IV. PUBLIC COMMENTS – NONE

V. CONSENT CALENDAR – NONE

VI. REPORTS (B-E)

B. Director's Report – Scott Edson

Executive Director Scott Edson stated we have nine (9) LMR sites pending execution of Site Access Agreements. The nine (9) sites are Black Jack Mountain (BJM), Dakin Peak (DPK), Tower Peak (TWR), Rancho Palos Verdes Tee (RPVT), San Pedro Hill (SPH), Burnt Peak 1 (BUR1), East Sunset Ridge (ESR), Frost Peak (FRP) and Johnstone Peak 2 (JPK2). Individual examples of items holding up execution are: At BJM, the County of Los Angeles is negotiating their respective final details on an agreement with the Catalina Conservancy. Execution is expected by end of this month; DPK & TWR are going to the Catalina Conservancy Board in April.



As for RPVT, the County shifted its position and now requires we take the item under the County of Los Angeles Department of Parks and Recreation. It has been quite an undertaking but we expect resolution from County leaders.

Executive Director Edson stated the Coastal Sites are pending Coast Development Permits from County of Los Angeles Department of Regional Planning (DRP). We continue to work with them to ensure hearing dates are scheduled and/or exemption letters are released.

An FAA "Outgrant" signature is pending on SPH. Executive Director and Chief Glatt are going to DC next week to Lobby congress to repeal the T-Band take away and plan on visiting the FAA to push or thank them, depending in the status at that time.

Special Use Permits (SUP) from the United States Forest Service (USFS) for final batch of sites are pending on FRP, JPK2 and BUR1. Of the 58 LMR sites, we've received 35 building permits, with 3 USFS permits pending, 7 coastal sites and 5 others (UNIV, RPVT, RHT, SPH, GRM). Of the sites where we received USFS SUP, construction starts have pushed out due to delayed soil testing. We are working closely with Motorola (MSI) and its subcontractors to ensure we stay on track and recovery is implemented to mitigate any delays.

Executive Director Edson went on to state one of the sites named BUR, in the Northwest Angeles Forest area, is a site critical to public safety as it fills a gap in the forest and shoots to the north into the desert. As it has been reported to your Board in the past, there is a power issue at this site. Existing power is inadequate and Southern California Edison (SCE) cannot upgrade as their infrastructure there is at maximum capacity.

The Jacobs Team worked to creatively identify a solution that would allow BUR1 (LMR site) and BUR1-2 (LTE2 site) to proceed within grant-funded dollars and schedule.

As for Frost Peak, as you may recall, JPL is concerned about interference at their Table Mountain facility, and we are finally in contact with the right person at JPL and they are performing an interference study, which they hope to complete this month or early April. We will then share with the USFS.

Executive Director Edson stated since this is a critical site, we will be working with our partners at David Evans & Associates (DEA) under our existing design contract to proceed with the solar power solution required to keep this site in the Land Mobile Radio (LMR) and Long Term Evolution (LTE) system. We are also strategizing to get the solar design information to the USFS to allow the SUP to proceed on schedule. Given this change in direction, and any other loose ends that may pop up, we ask your



Board's flexibility for a Special Meeting in March. Staff will be reaching out to verify date(s) but we are targeting the week of the 23rd.

We are on track to close out the Urban Areas Security Initiative (UASI) 17 grant this month. Agenda Item J reflects the final reconciliation of work performed at UASI 17 sites, which will allow for successful closeout. Program Manager Justin Delfino will provide your Board with details on the LMR build activity under his Project Manager's Report.

In regards to the LTE update, Executive Director Edson stated with four (4) months remaining in the grant performance period the teams have been working diligently to finalize site designs, process Information for Bids (IFB) and award contracts for construction of the 26 LTE 2 sites.

Of the 26 priority sites in LTE 2, MSI is now only responsible for six (6), and of the remaining 20, we have 12 contracts awarded to date for construction, with six (6) scheduled to be awarded in March and the remaining two (2) to be awarded in April.

One site is returning to your Board for an increase in budget (SCEGAL) resulting from a move in the site location, that is Agenda Item N. We have contingency sites in the queue as well, just in case a site unexpectedly drops we have sites in the queue ready for construction. One of those sites is before your board today as Agenda Item L, the Montebello Police Department (PD) site. If we do not have to build any contingency sites, there is still a good chance AT&T FirstNet will allow us to include them, as they recognize the sites greatly benefit the coverage.

There are 19 sites pending permit and DEA is on track to deliver drawings by mid-March. There are nine (9) sites in the construction queue; MVS2, IGPD and UCLA in this quarter, and the six (6) SCE sites starting in Quarter 2.

We had a great meeting with our partners at the County of Los Angeles Department of Public Works (DPW) and they will continue to treat our submissions as priority.

Executive Director Edson stated Scholl Canyon has had major changes in the Sanitation District staff, which has caused us some delays as previously approved items are now being revisited by a new Sanitation District lead and team of attorneys. We will keep your Board abreast of issues moving forward.

As reported under LMR, BUR1-2 is an LTE 2 site collocated on site (BUR1), where we are proceeding with the BUR1-2 scope through DEA and IFB, Builders. We have the same issue on CRN2 and LACFDelVal2, contingency sites for LTE2, where MSI has also reported they do not have the bandwidth to complete the work on time or without



impacting LMR. This is unfortunate because it was ideal to use the same builder at each site.

We continue to work closely with our regional and vendor partners to accomplish completion of the 26-site project. A special thanks to the cities of Covina, Irwindale and Claremont, which today are meeting our DEA partners at the permit counters for permit submission. Their continued support and endorsement are ensuring permits are issued in a timely manner allowing for scheduled construction starts and completion within the grant period.

On the COLT solution, we finally achieved agreement with AT&T for First Responder Mobility Zone Services that will allow us to acquire the right equipment including satellite services. This item is before you as Agenda Item M.

This concludes the Director's Report.

There was no further discussion.

C. Project Manager's Report – Justin Delfino

Project Manager Justin Delfino presented photos to the Board illustrating the Construction/Implementation Update.

LTE Round 2 Highlights

Current Status:

Project Manager Delfino provided an update on the current status of the Architect and Engineer (A&E) centric effort for March 2020 adding that there is currently one (1) site with permit issued and six (6) sites under plan check review. By next week, 17 permit applications will be made and the five (5) remaining sites are planned for submission in late March for a total of 29. Twelve sites are under contract, six (6) sites are out for bid, and one (1) site which is IGPD is under construction. LTE2 scope is on track for grant completion deadline in June 2020. FirstNet AT&T has offered support for Radio Equipment Expediting.

LABOR COMPLIANCE

A Labor compliance kick-off meeting is scheduled with Jitney Construction later this month for MVS2. No accidents or injuries reported to date.

IGPD:



We are currently in the process of completing construction in the radio room, however due to differing field conditions the roof of the building was not able to sustain the planned dead load of the antenna sleds, therefore improvements to the sub-roof must be made to handle the weight of the sled mounts. The materials are on order and installation is planned to start late March 2020. IGPD progress is approximately 70% complete.

LMR Highlights

CONSTRUCTION OVERVIEW

Project Manager Delfino stated forty (40) permits have been issued to date. Zero (0) recordable injuries to date. UASI 18 sites have started construction and Phase 2 acceptance walks are underway for next group of sites since PLM, and LAN were successfully completed.

UASI 17 Status

BKK, OAT, DPW038, AGH, LACFDEL, UCLA, and INDWT are all built. MIR impacted by underground utilities.

USFS SITES

Since February 6, 2020, seven (7) sites have been permitted, the remaining SUP's are anticipated at the end of March and beginning of April timeframe.

SAA's

Since our last update in February nine (9) SAA's have been executed, leaving only nine (9) outstanding. Of the nine (9) remaining, four (4) are USFS, three (3) are Catalina, SPH, and RPVT.

Current Focus:

The Team is currently focused on receipt of all of the second and third batched sites by the USFS as well as the construction mobilization and progress at batch one (1) and two (2) USFS sites which are behind at this point in time. In addition to the focus on the USFS the team is also focusing efforts on DRP hearing dates for sites previously submitted for approval.

The MIR site has re-started, the tower permit was submitted for approval on March 2, 2020 and the site is planned to finish on May 14, 2020. The Team is planning to start construction at RHT, BHS and RIH; all by the end of March. There are (4) sites where construction starts are pending Phase 2 soil study results and abatement plans (if any) to clear the sites to start.



LACFDEL: Program Manager Delfino stated this is a UASI 17 site that is completed and shared a photos of the erected tower.

UCLA FACTOR BUILDING: Program Manager Delfino stated this is a UASI 17 site that is completed and highlighted the roof top site with the shelter on the left. The inside of the building is all built out with the radios and cabling.

MIR: Program Manager Delfino stated MIR construction costs were transferred to the UASI 18 spending plan. Updated photos of the MIR shelter reveal all of the new electrical routing on the outside of the building as well as the foundations for fuel tank and generator are underway.

INDWT: Program Manager Delfino stated this is a UASI 17 finished compound. This site turned out to be a very beautiful site and shared a few photos to show the Arial view. The photos also show the layout of the fuel tank, shelter, HVAC, monopole, etc.

OAT: Program Manager Delfino stated this is a UASI 17 finished compound with a brand new tower and shelter and shared a photo shown of tower climbers mounting antennas earlier this year.

WTR: Program Manager Delfino stated this is a UASI 17 finished compound and is currently under construction. The builder is laying out the foundation for the tower.

WMP: Program Manager Delfino stated this is a USFS site and shared a photo depicting tracked auger machinery taking up all of the width of the fire road as it makes its way to the site to start the tower foundation excavation.

This concludes the Project Manager's Report.

There was no further discussion.

D. Joint Operations and Technical Committee Chairs Report – No Report

E. Finance Committee Report – No Report

VII. DISCUSSION ITEMS (F-G)

F. Outreach Update

Executive Assistant Wendy Stallworth-Tait presented Agenda Item F reporting outreach activities in the month of February with weekly meetings with AT&T; meetings with representatives from Covina and South Pasadena; Children and Family Services and Cal State University at Northridge.



Lieutenant Sven Crongeyer stated we are very excited to work with the Cal State Universities and they seem to be very interested in LA-RICS. We reached out to Cal State University Dominguez Hills about the talk groups and radios and they are very happy with the progress of LA-RICS. Cal State University Northridge is also interested in coming on board. Lieutenant Crongeyer stated he is scheduled to meet with Cal State University Los Angeles' Police Department today. So far all the colleges are very interested in joining LA-RICS because of the capability to communicate with each other. Currently, they are not able to communicate with each other and stated the Los Angeles County Department of Health Services (DHS) has about ten test radios to observe how LA-RICS works for their operations and they are also very interested in joining LA-RICS.

There was no further discussion.

G. Statement of Receipts & Disbursements for AT&T Business Agreement Fund for Public Safety Broadband Network

Contracts Manager Jeanette Arismendez presented Agenda Item G and inquired if there were any questions she could address. No questions were asked and there was no further discussion on this item.

VIII. ADMINISTRATIVE MATTERS (H-N)

H. CALIFORNIA JOINT POWERS INSURANCE AUTHORITY – CERTIFICATION OF EXECUTIVE DIRECTOR AND ALTERNATE APPOINTMENT

Executive Assistant Wendy Stallworth-Tait presented Agenda Item H and recommended the Board take the following action:

It is recommended that your Board re-appoint Mark Alexander and the Executive Director as the LA-RICS Designee and Alternate designee to represent the Authority on the California Joint Powers Insurance Authority (CJPIA) in accordance with the provisions of Article 7 of the CJPIA.

Board Member Alexander stated he attends the meeting because his city is a member, and could attend on our behalf as well. He also mentioned the meetings are only once a year.

Alternate Vice Chair Thomas Ewald motioned first, seconded Board Member Cathy Chidester.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.



MOTION APPROVED.

I. REQUEST TO REINSTATE CITY OF SOUTH PASADENA AS A MEMBER AGENCY IN THE LA-RICS AUTHORITY

Executive Assistant Wendy Stallworth-Tait presented Agenda Item i and recommended the Board take the following action:

1. Approve the reinstatement of the City of South Pasadena 's membership into the LA-RICS Authority as a member agency of the JPA; and
2. Authorize the Executive Director to provide notice to the City Manager of South Pasadena that the Board of Director's has accepted their request to reinstate their LA-RICS membership as a member agency in the JPA.
3. Authorize the Chair of the Board of Directors or his designee, to execute the Joint Powers Agreement with the City of South Pasadena to allow for the City of South Pasadena's participation as a member agency.

Board Member Mark Alexander motioned first, seconded by Board Member John Curley.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

J. APPROVE AMENDMENT NO. 43 TO AGREEMENT NO. LA-RICS 007 FOR LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM LAND MOBILE RADIO SYSTEM

Contracts Manager Arismendez presented Agenda Item J and recommended the Board take the following action:

1. Approve Amendment No. 43 to Agreement No. LA-RICS 007 for a LMR System with Motorola Solutions, Inc. (Motorola), which revises the Agreement to reflect the following:
 - a. Reconciliation of the LMR System to reduce certain equipment at three (3) LMR System Sites for a cost decrease in the amount of \$50,313.
 - b. Make changes necessary to incorporate certain LMR Change Order Modifications for a cost increase in the amount of \$185,344.



2. Authorize an increase to the Maximum Contract Sum in the amount \$135,031 from \$290,081,635 to \$290,216,666 when taking the cost decrease and increase into consideration.
3. Delegate authority to the Executive Director to execute Amendment No. 43, in substantially similar form, to the enclosed Amendment enclosed with the Board Letter package.
4. Allow for the issuance of one or more Notices to Proceed for the Work contemplated in Amendment No. 43.

Board Member Alexander inquired what the source of funding is for this item to which Contracts Manager Arismendez responded the work would be funded by the UASI grant.

Alternate Vice-Chair Ewald motioned first, seconded by Board Member Mark Alexander.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

K. APPROVE AMENDMENT NO. 41 TO AGREEMENT NO. LA-RICS 008 FOR LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM PUBLIC SAFETY BROADBAND NETWORK

Contracts Manager Arismendez presented Agenda Item K and recommended the Board take the following action:

1. Approve Amendment No. 41 to Agreement No. LA-RICS 008 for the PSBN with Motorola to reconcile certain PSBN Components for a cost increase in the amount of \$79,610.
2. Authorize an increase to the Maximum Contract Sum in the amount of \$79,610 from \$137,949,498 to \$138,029,108.
3. Delegate authority to the Executive Director to execute Amendment No. 41, in substantially similar form, to the Amendment enclosed with the Board Letter package.
4. Allow for the issuance of one or more Notices to Proceed for the Work contemplated in Amendment No. 41.



Contracts Manager Arismendez informed the Board the proposed work is funded by the BTOP grant.

Board Member Mark Alexander motioned first, seconded by Alternate Chair Mark Glatt.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

L. ADOPT, ADVERTISE, AND AWARD TELECOMMUNICATION FACILITY CONSTRUCTION AND INSTALLATION WORK AT ONE LA-RICS SITE AND APPROVE THE PROJECT BUDGET

Contracts Manager Arismendez presented Agenda Item L and recommended the Board take the following action:

1. Make the following finding:
 - a. Find the adoption, advertising and award of construction, implantation, and installation work at one (1) site, Montebello Police Department (MNTBLPD), as identified in Enclosure 1 to the Board Letter package, is within the scope of the activities authorized at this site which your Board found statutorily exempt from review under California Environmental Quality Act (CEQA) on March 6, 2014, pursuant to Public Resources Code §21080.25, the exemption adopted specifically for the LA-RICS project, and any leased circuit work that may occur outside of the site, if needed, to provide connectivity to the Long Term Evolution (LTE) (inclusive of phase 2 LTE) System, is categorically exempt under CEQA pursuant to CEQA Guidelines §§15301, 15303 and 15304, and the determination that these activities are exempt from CEQA remains unchanged.
2. Approve the proposed LA-RICS Telecommunication Facility Construction and Installation work for the MNTBLPD site as follows:
 - a. Approve an estimated total project budget of \$381,710.
 - b. Adopt plans and specifications that are on file with the LA-RICS Authority for the construction of the MNTBLPD site.
 - c. Authorize the advertisement of the project for bids to be received and opened in accordance with the Instruction Sheet for Publishing Legal Advertisements.



- d. Authorize the Executive Director to award and execute a construction contract, in the form previously approved by Counsel to the Authority, to the apparent lowest responsive and responsible Bidder, if the low bid can be awarded within the approved total project budget for the MNTBLPD site.
3. As it relates to Recommended Item 2, delegate authority to the Executive Director:
- a. To make the determination that a bid is nonresponsive and to reject a bid on that basis.
 - b. To waive inconsequential and non-material deficiencies in bids submitted.
 - c. To determine, in accordance with the applicable contract and bid documents, whether the apparent lowest responsive and responsible Bidder has timely prepared a satisfactory baseline construction schedule and satisfied all the conditions for contract award.
 - d. To take all other actions necessary and appropriate to deliver the projects.
4. Delegate authority to the Executive Director to:
- a. Approve and process amendments for changes in work the MNTBLPD site, provided they are approved as to form by Counsel to the Authority, up to the maximum amount of \$25,000, plus 5% of the amount of the original contract amount in excess of \$250,000 per site. The Executive Director will report back to your Board monthly regarding what Amendments, if any, were approved and executed by the Executive Director in the prior month.
 - b. Authorize the issuance of one or more Notices to Proceed for the proposed work.

Contracts Manager Arismendez informed the Board the proposed work is funded by the BTOP grant.

Alternate Vice-Chair Thomas Ewald first, seconded by Alternate Chair Glatt.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.



M. APPROVE A SOLE SOURCE AGREEMENT WITH AT&T CORP., FOR FIRST RESPONDER MOBILITY ZONE SERVICES

Contracts Manager Arismendez presented Agenda Item M and recommended the Board take the following action:

1. Authorize the Executive Director to enter into and execute a sole source Agreement, substantially similar to the Agreement enclosed with the Board Letter package, with AT&T for FRMZ services that will allow the Authority to acquire specialized equipment and satellite services for the Authority's rapid response vehicles for a total not to exceed amount of \$78,482.
2. Delegate authority to the Executive Director to approve and execute Amendments to the Agreement that do not impact the total contract amount, the term, or any terms and conditions of the Agreement, provided any such Amendments are approved as to form by Counsel to the Authority.

Alternate Chair Glatt asked what the duration of the Agreement. Contracts Manager Arismendez stated the Agreement is one year from the date the actual service commences, which is slated for May 2020. Board Member Alexander asked Executive Director Edson if he was comfortable with the cost given it is a sole source and further inquired if the value is comparable to the fair market value today for the type of service. Executive Director Edson informed the Board he was comfortable with the value. Alternate Chair Glatt asked if the service is for two (2) rapid response vehicles, to which Executive Director Edson confirmed service is for two COLTs.

Board Member John Curley first, seconded by Alternate Chair Mark Glatt.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

N. APPROVE AN INCREASE TO THE BUDGET FOR ONE (1) TELECOMMUNICATION FACILITY CONSTRUCTION AND INSTALLATION PROJECT

Contracts Manager Arismendez presented Agenda Item N and recommended the Board take the following action:

1. Find the work and cost contemplated in this recommended action at the Southern California Edison Gallatin (SCEGAL) site, are within the scope of the activities your Board previously found categorically exempt from review on January 24, 2019 and October 3, 2019, respectively, under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline sections 15303, 15304, and 15332, for the



reasons set forth in this Board Letter and as noted in the record of the project, and the determination that these activities are exempt from CEQA remains unchanged.

2. Delegate Authority to the Executive Director to increase the project budget by \$33,740 for one (1) LA-RICS Telecommunication Facility Construction and Installation site, Southern California Edison Gallatin (SCEGAL).

Board Member Mark Alexander motioned first, seconded by Alternate Vice-Chair Thomas Ewald.

Ayes 8: Alexander, Chidester, Curley, Ewald, Geiger, Glatt, Ortiz, and Perez.

MOTION APPROVED.

IX. MISCELLANEOUS – NONE

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

Board Member Alexander asked about the outcome of the request to change the meeting dates. Executive Director Edson stated we received notice we could remain on our current schedule. Board Member Curley acknowledged and thanked Chris Odenthal, Justin Delfino, and Tanya Roth for coming out to Covina.

XI. CLOSED SESSION REPORT – NO CLOSED SESSION REPORT

XII. ADJOURNMENT AND NEXT MEETING:

The Board meeting adjourned at 9:39 a.m., and the next meeting will be held on Thursday, April 2, 2020, at 9:00 a.m., at the Los Angeles Sheriff's Department, Scientific Services Bureau, Hertzberg Davis Forensic Science Center, located at 1800 Paseo Rancho Castilla, Los Angeles, CA 90032.

Executive Summary

April 2, 2020

LTE Update

- PSBN Round 1 site assignment agreements are nearing completion between AT&T and LA-RICS legal counsel. AT&T is conducting field work to upgrade sites for integration into AT&T network operating center.
- PSBN Round 2 design and entitlement activities although hampered by protracted review and approvals for Phase 1 work at the onset of the Program; Phase1 work is now progressing better than ever before and all building permit applications are on track to end at the close of first quarter 2020. Twenty-five (25) applications have been submitted to date. Site Access Agreements (SAA's) have been initiated with all land owners at all sites, although not all SAA's are completed. Scholl Canyon (SCHOL) has proven to be particularly difficult to resolve as well as the Port of Los Angeles sites and the Port of Long Beach site. The present time thirteen (13) SAA's are unexecuted, six (6) of which however, are the SCE sites and are ready for execution just prior to the start of construction early April 2020. The remaining seven (7) SAA's are planned to be executed in April 2020. Twenty-six (26) sites have gone out to bid. CRN, LACFDEL and BUR-1-2 have not yet gone out to bid to date. Eighteen (18) sites are currently under contract for construction. The majority of the sites are planned to start construction in April of 2020, and construction activity will end at the end of June 2020. The Fifth (5th) and final Supplemental Environmental Assessment (SEA) was submitted to NTIA, and a finding of no significant impact (FONSI) was issued on January 16, 2020.

LMR Update

- Building Permit(s) Received – 43 Sites to date. There are 15 building permits remaining. Total site count remains 58 sites.
- All Ph.2 work will be completed in 2021. All Ph.4 work will be completed by March 21, 2022, according to Integrated Master Schedule dated March 15, 2020.
- Sites Eligible to Construct: (Includes Completed Sites, Sites under Construction and/or Equipment Installs and Locations).

- | | |
|---|-----------------------------------|
| 1. APC – Junction of I-105 and I-405 | 14. MVS – Whittier |
| 2. BMT – Angeles, overlooking CA-138 and I-5 | 15. ONK – Oat Nike |
| 3. CCB – Compton | 16. PHN – Puente Hills |
| 4. CCT – Downtown | 17. PLM – Palmdale |
| 5. CLM – Claremont | 18. SDW – San Dimas Water Tank |
| 6. FCCF – 1320 Eastern Ave | 19. TPK – Gorman |
| 7. HPK – Northern Angeles, | 20. VPK – Verdugo Peak – Glendale |
| 8. LAN – Lancaster Sherriff Station | 21. SGH – Signal Hill |
| 9. LDWP243 – Junction of I-5 and CA-14 | 22. MIR – Mirador |
| 10. LASDTEM – Temple City | 23. BKK - West Covina |
| 11. LA-RICS HQ, - Monterey Park | 24. OAT – Nike |
| 12. MLM – Mira Loma Detention Center | 25. AGH – Agoura Hills |
| 13. MMC – Palmdale – Sierra Pelona Mountain Way | 26. INDWT – Industry Water Tank |
| | 27. BHS – Baldwin Hills |
| | 28. RIH – Rio Hondo |
| | 29. CRN – Cerro Negro |
| | 30. POM – Pomona Courthouse |

31. DPW038 – Water Works Substation 038
32. UCLA
33. Del Valle Training Center
34. RHT – Rolling Hills Transmit
35. GMT – Grass Mountain
36. JPK2 – Johnstone Peak 2
37. PRG – Portal Ridge
38. WMP – Whitaker Middle Peak

39. WTR – Whitaker Ridge
40. LPC – Loop Canyon
41. MML – Magic Mountain Link
42. PMT – Pine Mountain
43. MDI – Mount Disappointment

LA-RICS GRANT STATUS					
Grant	Award	Costs Incurred/NTP Issued	Invoiced / Paid	Remaining Balance	Performance Period
UASI 12	\$18,263,579	\$18,263,579	\$18,263,579	\$-	3/31/17
UASI 13	\$13,744,067	\$13,744,067	\$13,744,067	\$-	3/31/18
UASI 14	\$4,997,544	\$4,997,544	\$4,997,544	\$-	7/31/17
UASI 16	\$5,240,455	\$5,240,455	\$5,240,455	\$-	5/31/19
UASI 17	\$34,763,750	\$34,763,750	\$27,072,104	\$7,691,646	5/31/20
UASI 18	\$35,000,030	\$32,473,444	\$-	\$-	5/31/21
UASI 19	\$35,000,000	\$8,520,932	\$-	\$-	Not yet awarded
BTOP	\$154,640,000	\$131,356,667	\$127,128,922	\$27,511,078	



Los Angeles Regional Interoperable Communications System

PROJECT DESCRIPTION

Events of September 11, 2001 highlighted the need for first responders to be able to communicate with each other. Emergency communications primarily address local jurisdictional needs and most agencies utilize separate radio towers, equipment, and radio frequencies. LA-RICS is designed to address each of these concerns.

Currently, there is duplication of systems which leads to increased costs while continuing to inhibit first responders' ability communicate with each other. Many legacy systems around the County are obsolete and well beyond their useful life. The LA-RICS Project vision is to provide innovative solutions for the public safety community by removing barriers to interoperable voice and data communications and allow individuals and agencies to focus on accomplishing their mission with the tools necessary to provide excellent service to their communities. To accomplish this vision, the program is implementing a County-wide public safety wireless voice and data radio system for all first and secondary responders. Existing radio frequencies will be pooled, and the current infrastructure utilized wherever practical.

Design, construction, and deployment of a County-wide Land Mobile Radio (LMR) voice network utilizes 59 sites. Additionally, the Authority is analyzing twenty-six (26) sites for the purpose of augmenting the FirstNet deployment in the region. All sites in both the LMR and LTE augmentation will comply with CEQA and NEPA standards.

Project and Construction Management Services will provide network, infrastructure, project, and advisory services across four of the five program phases (Phase 5 – Maintenance is excluded) for each of the LMR and LTE projects:

- Phase 1 - System design
- Phase 2 - Site construction and modification
- Phase 3 - Supply telecommunication system components
- Phase 4 - Telecommunications system implementation
- Phase 5 - Telecommunications system maintenance

Location:

2525 Corporate Place, Suite 100
Monterey Park, CA 91754

Authority:

Los Angeles Regional Interoperable
Communications System

Management:

LA-RICS Project Team

Consultant:

Jacobs Program Management Company

Communications Vendor:

LMR - Motorola Solutions, Inc.
LTE - Motorola Solutions, Inc., David Evans
& Associates, Metrocell, Inc., Diversified
Communications, Inc, Motive Energy, Inc.
and Jitney, Inc.



Monthly Report No. 95

For March 2020

Submitted March 27, 2020

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AGENDA ITEM C

LTE UPDATES

- No new activity

Operations/Governance

- The LA-RICS Operations team is holding meetings three (3) times a week to focus on the following:
 1. Manage network migration from LA-RICS PSBN to AT&T FirstNet
 2. Ensure internal LA-RICS operational aspects are in place
 3. Develop and Implement Policies

LTE Round 1 Updates

- Construction and testing of LTE Round 1 (LTE1) sites are complete. Final SAA negotiations continue with AT&T and site owners as AT&T continues their efforts to complete site improvements to tie the LTE1 sites into the NPSBN System.

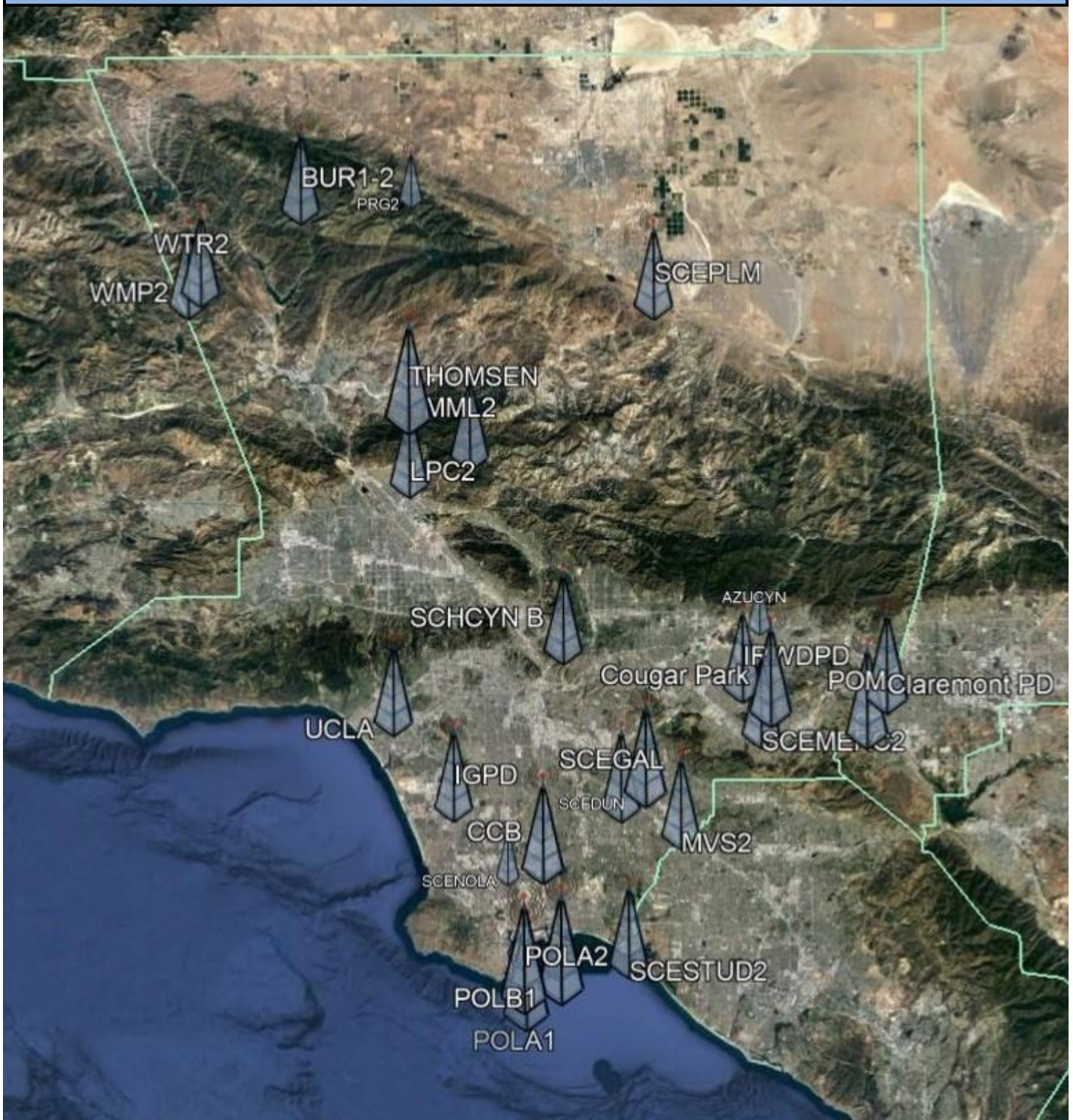
Special Events

- No new activity.

LTE Round 2 Updates

- Building permit submittals have been made for 25 of 26 sites. The remaining submittal is due to be made before March 30th. One building permit has been issued to date.
- Zoning Approval has been received from the City of Azusa for the AZUCYN site. Zoning applications were submitted to Los Angeles County on Feb. 27 for the THOMSEN site, and to the City of Claremont on March 4 for the CLRMPD site. The Authority continues its efforts in coordinating and participating in multiple weekly meetings with AT&T RAN, and AT&T Construction and Engineering to ensure the schedule and scope of work are identified appropriately. LA-RICS has reached an agreement with AT&T on site acceptance standards, which are being formally documented, this document is referred to as the site acceptance checklist and took 7 months to mutually agree. Statements of Qualifications (SOQ's) have been received from antenna site construction firms interested in participating in LTE Round 2. A total of six firms have been pre-qualified. This will ensure that sites are designed and constructed by the Authority and accepted by AT&T in an efficient and cost-effective manner. A request for supplemental funding was submitted to NTIA. Subsequently NTIA approved the request for additional funding, which will allow the Team to better utilize resources to complete the sites in accordance with the approved schedule.
- The FONSI for SEA5 was signed by NTIA on January 16th, 2020 and received from NTIA on February 6, 2020.
- NOEs were filed for LTE2 sites MNTBLPD and SCEGAL on March 5.

LTE SITES



LMR UPDATES

Environmental Update

- Continued to review PNS' and FCS' pre-construction forms and weekly and daily compliance reports and attend a weekly compliance meeting.
- Prepared a Notice of Determination for multiple sites and NOEs for sites MDI and PRG and filed them after the February 6th 2020 Board meeting.
- Have accomplished Worker Environmental Awareness Program (WEAP) training for 1,105 persons as of March 6th 2020. Provided condor hazing training on-site at Site WMP on February 26th, 2020.

Permitting Support

- Authority, Jacobs, and MSI personnel met with DRP staff to submit seven of the eight California Coastal Commission sites to the Department of regional planning, the last submission was made on 9/12/2019. To date all the first-round review comments have been received by the Project Team with the exception of LACF072. Responses by the contractor are currently in draft and ready to re-submit to the jurisdiction by mid-December as updated FAA Navigation Hazard Determination letters are still pending. A determination was made by the City of Los Angeles that GRM is exempt from California Coastal Review and will instead be submitted to the City of Los Angeles Public Works Department for building permit as it is zoning exempted.
- The Decision Memo for the 13 LMR sites on the ANF was issued by the Angeles National Forest (ANF) on October 31st, 2019. Plans of development (PODs) for all 13 sites were submitted to USFS in three batches (the last batch submitted on December 5th, 2019) in support of Special Use Permits (SUPs). USFS released leases for the Batch 1 sites (LPC, MML, PRG, WMP, and WTR) on February 7th 2020 accompanied by a joint LA-RICS-USFS press release on February 12th 2020; it released leases for three Batch 2 sites (JPK2, MDI, and PMT) on February 18th 2020 and a fourth site (GMT) on February 26th 2020. Construction on the first five sites was scheduled to commence on February 17th 2020. Three sites (PRG, WMP, and WTR) were started that day, however, construction starts for sites LPC and MML are on hold pending resolution of soils investigation issues. Construction at Site JPK2 began on March 8th 2020, and Site GMT began on March 9th 2020. Final design details are being completed to support submission of the final PODs for Batch 3 sites (BUR1, ESR, FRP, and MTL2). The IMS planned to start the USFS sites in November initially but didn't get permitted at the sites by LA County Public Works until January 2020.
- Geotechnical drilling is complete at the ANF sites, and towers have been ordered. In the month of January LA-RICS Team has worked with the Contractor to learn how the aging agent can be applied in the field to save cure time at the manufacturing plant.

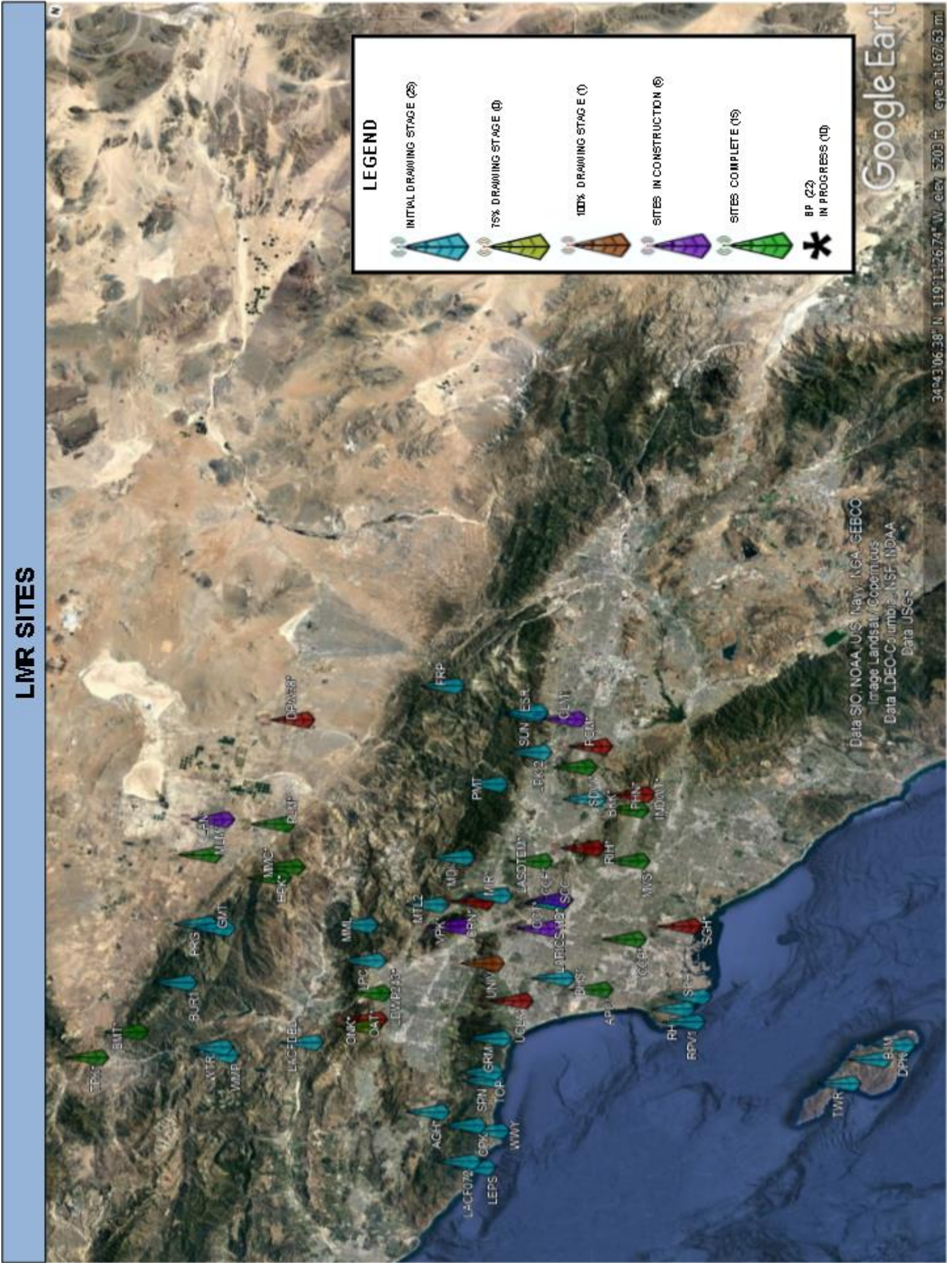
Site/Civil

- The Authority and MSI met the UASI 17 spending requirements although due largely to late delivery of power by Southern California Edison some sites like INDWT, OAT, and DPW038 were not energized by the established grant deadline and a reduction to Ph.2 dollars were made. At UCLA, power was also not delivered by UCLA and a reduction was made to the MSI billing to account for it. The large majority of Ph.2 and Ph.4a work was completed at INDWT, LACFDEL, OAT, AGH, UCLA, BKK, and DPW038, although some reductions to Ph.4a were made due to incomplete cabling on account of weather and high wind conditions at the end of February 2020. The LA-RICS Team did request that UASI deadline be extended by 30 days to allow MIR to finish within the performance period, however, after the meeting with the UASI, MSI informed that MIR will not be completed until May 14th, 2020.
- MSI efforts to complete drawings and submit sites into the jurisdiction for building permits is an on-going challenge for MSI and its design build partners. A proactive step was taken at the request of the LA-RICS Authority. A meeting was held with LA County DPW, the Authority, and MSI to discuss lessons learned from previous plan check rejections. On 3/11/2020 the Authority transmitted a prioritized list of projects that had date specific approval requests, assuming that the contractor will improve on the quality of the submissions to keep the dates. The contractually stipulated method for submission and review of the drawings had been supplanted by "live joint reviews" between the LA-RICS Authority and MSI and its' contractors in order to attempt to save as much time as possible. However, after analyzing the durations, contract method vs. live review, we learned that there was not a significant enough time savings to justify the practice. Therefore, in the Month of March 2020 the Authority re-instated the contractual process via formal directive to Motorola.
- Forty-five (45) building permit applications have been made to date (LACFDEL, PHN, BMT, HPK, LDWP243, LASDTEM, FCCF, APC, CCB, CCT, PLM, MLM, MVS, ONK, LARICSHQ, CLM, MMC, TPK, VPK, POM, LAN, CRN, SDW, SGH, DPW038, OAT, UCLA, INDWT, AGH, BKK, MIR, BHS, BUR1, FRP, GMT, JPK2, LPC, MDI, MML, PMT, PRG, WMP, WTR, RIH and RHT) and forty-three (43) of the forty-five (45) sites have permits issued to date. MSI has elected to split permits at a number of project sites in the program for various reasons. An example of splitting the Ph. 2 scope into multiple permits is at RHT, where there is a "civil work" building permit issued, but the antenna support structure scope is an entirely separate permit, etc.

LMR UPDATES Continued

- Below is an update of the remaining LMR sites and their projected permit submission dates based on Motorola's Microsoft Projects schedule dated 3/14/2020. SPN 5/14/20, TWR 5/21/20, TOP 3/27/2020, CPK 3/23/20, DPK 5/29/20, BJM 4/27/20, LACF072 5/7/20, RPVT 6/18/20, ESR 4/29/2020, MTL2 6/12/20, GRM 4/14/20, SPH 8/13/2020, UNIV 4/7/2020.
- As of 3/17/2020 forty-one (41) executed SAA's and a Special Use Permit (SUP) at nine (9) USFS sites allowing construction starts are in place. Batch three (3) comprised of four (4) sites is anticipated for clearance in April 2020. Those sites are ESR, MTL2, FRP and BUR1.

LMR SITES





Monthly Report #79

Reporting Period: 3/6/2020 thru 3/20/2020

**Los Angeles Regional Interoperable Communications
System (LA-RICS) - Land Mobile Radio System**

Motorola Solutions, Inc.



MOTOROLA SOLUTIONS

Table of Contents

1. Executive Summary	3
2. Project Status.....	11
2.1 Tasks in Progress or Completed.....	11
2.2 Tasks Planned for Next Period.....	12
3. Project Risk Register	14
4. Areas of Concern	14
5. Disputes and Claims.....	15
6. Financial Status.....	15
7. LA-RICS Master Schedule	15

1. Executive Summary

The Los Angeles Regional Interoperable Communications System Land Mobile Radio (LA-RICS LMR) program consists of the following five (5) phases; Phase 1 LMR System Design, Phase 2 LMR Site Construction and Site Modifications, Phase 3 Supply LMR System Components, Phase 4 LMR System Implementation, and Phase 5 LMR System Maintenance. Phases 1-4 span over a five (5) year period which includes one (1) year of system warranty. Phase 5 provides the Authority with fifteen (15) one year options for Motorola Solutions Inc. (MSI) to provide system monitoring and maintenance services.

The LA-RICS LMR program is currently in Phase 1 LMR System Design, Phase 2 Site Construction and Site Modifications, and Phase 3 Supply LMR System Components. Notices-To-Proceed numbers 1 through 16 have been issued authorizing distinct work for system Design services, the design and implementation of the initial deployment of the LMR system elements termed “Early Equipment”, “Specified Equipment and System on Wheels”, and “Station B Equipment”, “Frequency Licensing”, “UPS System”, and “Portable Radios, Consolettes and Consoles”, “Portable Radio Equipment”, alternate sites “Project Descriptions”, “Frequency Licensing for the Base System”, “Bridge Warrant for Early”, “Retuning of SOW & Station B UHF Frequencies”, “Project descriptions for Nine Potential Replacement Sites” and “LMR System Redesign and Relocation of Core 2”.

On April 25 the Authority executed **Amendment 17** to make necessary changes to Phase 1 for additional project descriptions, to make changes to reflect the Work in the applicable Phases for the change in the number of sites in the LMR system, to exercise the Unilateral Options for all Work pertaining to Phases 2-4.

On April 27, 2016 the Authority issued **NTP17** authorizing specific Work related Phases 2, 3, and 4 for ten (10) LMR sites.

On May 4, 2016 the Authority executed **Amendment 18** to make necessary changes to Phase 1 for additional project descriptions and to make adjustments to Phase 1 services to accommodate additional sites.

On May 5, 2016 the Authority Board of Directors approved **Amendment 19** to remove one (1) site from the system and to reconcile equipment quantities for certain LMR sites. **Amendment 19** was executed with an effective date of May 5, 2016.

On June 2, 2016 the Authority issued **NTP18** authorizing Work to develop Project Descriptions for two LMR sites.

On September 8, 2016 the Authority Board of Directors approved **Amendment 20** to reconcile nine (9) LMR Sites to reflect the updated LMR System Design, inclusion of 3D modeling drawings, and remove certain Site Lease Exhibits from the contract.

On October 6, 2016 the Authority Board of Directors approved **Amendment 21** to reconcile ten (10) LMR sites to reflect the updated LMR System Design, replace one (1) LMR site with a new site, remove five (5) Project Descriptions from the contract, and make administrative cost changes to one (1) LMR site.

On October 11, 2016 the Authority issued **NTP 19** authorizing specified Work related to Phases 2-4 for nine (9) LMR sites.

On November 3, 2016 the Authority Board of Directors approved **Amendment 22** to reconcile three (3) LMR sites to reflect the updated LMR System Design and to make administrative changes to Exhibit F (Administration of Agreement). On December 12, 2016 the Authority issued **NTP 20** authorizing specified Work related to Phases 2-4 for two (2) replacement LMR sites along with Special Operations Testing for DTVRS, ACVRS, LARTCS, and NMDN.

On December 12, 2016 the Authority Board of Directors approved **Amendment 23** to authorize specified Work related to Phases 2-4 for ten (10) LMR sites.

On December 2, 2016 the Authority issued **NTP 20** authorizing Phase 2-4 work at two (2) sites; and specified pre-installation acceptance testing for DTVRS, ACVRS, LARTCS, NMDN, and final core staging and SOT Prep.

On December 19, 2016 the Authority issued **NTP 21** authorizing specified Work related to Phases 2-4 for Six (6) LMR sites; all remaining work in Phase 2-4 at one (1) site; and all work related to ACVRS equipment in Phase 3 for six (6) sites.

On January 12, 2017 the Authority Board of Directors approved **Amendment 24** reconciling the following five (5) LMR System Sites (CLM, LACFDEL, LARICSHQ, WMP, and WTR) to align with the updated System Design.

On March 2, 2017 the Authority Board of Directors approved **Amendment 25** reconciling the following six (6) LMR System Sites (AGH, VPK, BMT, CRN, MVS, and ONK) to align with the updated System Design. This Amendment also acknowledges three (3) sites (BHS, DPW38, and RPV1) into the scope of Phases 2, 3, and 4 to align with the updated LMR System Design.

On March 31, 2017 the Authority issued a Supplemental **NTP 21** authorizing specified Work related to Phases 2-4 for Seven (7) LMR sites (AGH, CRN, MVS, ONK, TPK, VPK, and LDWP243).

On April 6, 2017 the Authority Board of Directors approved **Amendment 26** reconciling the following seven (7) LMR System Sites (BUR1, JPK2, LPC, MDI, MML, MTL2, and PRG) to align with the updated System Design. This Amendment also acknowledges one (1) site (LAN) into the scope of Phases 2, 3, and 4 to align with the updated LMR System Design.

On June 1, 2017 the Authority Board of Directors approved **Amendment 27** reconciling the following two (2) LMR System Sites (FRP and PLM) to align with the updated System Design. This Amendment also includes two (2) sites (BKK and UCLA) into the scope of Phases 2, 3, and 4 to align with the updated LMR System Design.

On June 29, 2017 the Authority issued **NTP 22** authorizing specified Work related to work for Task A.1.9.1 (Mitigation Monitoring and Reporting Plan (MMRP)).

On August 3, 2017 the Authority Board of Directors approved **Amendment 28** reconciling one (1) LMR System Site (BMT) to align with the updated System Design.

On September 7, 2017 the Authority Board of Directors approved **Amendment 29** reconciling one (1) LMR System Site (POM) to align with the updated System Design and to make changes necessary to reflect LMR Change Order Modifications.

On September 14, 2017 the Authority issued **NTP 23** authorizing specified Work related to Phases 2-4 for Five (5) LMR sites.

On September 25, 2017 the Authority issued **NTP 24** authorizing specified Work related to Phases 2-4 for Five (5) LMR sites.

On November 9, 2017 the Authority Board of Directors approved **Amendment 30** reconciling seven (7) LMR System Sites (BUR1/DPW38/FRP/JPK1/MIR/MML/RHT) to reflect the updated LMR System Design for these sites. This Amendment also includes one (1) LMR System Site (UNIV) into the scope of Phases 2, 3, and 4 to align WITH THE UPDATED LMR SYSTEM Design.

On December 20, 2017 the Authority issued **NTP 25** authorizing specified Work related to Phases 2-4 for Eighteen (18) LMR sites – with the exception of ACRVS and NMDN equipment order. This NTP also authorized Motorola to proceed with Work for Task 6 Multiprotocol Label Switching (MPLS) Mobile Backhaul.

On February 28, 2018 the Oversight Committee approved **Amendment 31** approving Change Order Modifications in the amount of \$19,573.00.

On March 6, 2018 the Authority Board of Directors approved **Amendment 32** reconciling three (3) LMR System Sites to align with the updated LMR System Design for a cost decrease in the amount of \$4,131,931; (b) a cost neutral administrative reconciliation in connection with the Narrowband Mobile Data Network (NMDN) Subsystem to align all corresponding per site NMDN costs to a single line item cost, impacting thirty-three (33) LMR System Sites; (c) decrease the Maximum Contract Sum by \$4,131,931 from \$300,051,310 to \$295,919,379 when taking the cost decrease into consideration; and (d) make other certain changes as set forth in this Amendment No. 32.

On May 30, 2018 the Authority Board of Directors approved **Amendment 33** to make changes necessary to reflect (a) certain LMR Change Order Modifications for a cost increase in the amount of \$17,490.

On June 15, 2018 the Authority issued **NTP 26** authorizing all Work related to Phases 3 for Twelve (12) LMR sites – with the exception of the Phase 3 ACRVS equipment which was previously captured in NTP25. This NTP also authorized Motorola to proceed with Work for Task 6 Multiprotocol Label Switching (MPLS) Mobile Backhaul.

On July 31, 2018 the Authority Board of Directors approved **Amendment 34** to make changes necessary to reflect (a) the inclusion of one (1) LMR System Site into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,016,780; (b) certain LMR Change Order Modifications for a cost increase in the amount of \$90,744; (c) the removal of certain Authority equipment, in particular an Uninterruptible Power Supply (UPS), from the Los Angeles Police Department's Valley Dispatch Center (LAPDVDC) for a cost increase in the amount of \$6,010; (d) an extension of a bridge warranty for the certain Early

Deployment/Specified Equipment purchased and deployed under previously approved Amendments to bridge the warranty gap for this equipment until December 31, 2019, for a cost increase in the amount of \$430,800; (e) increase the Maximum Contract Sum by \$1,544,334 from \$295,936,869 to \$297,481,203 when taking the cost increase into consideration; and (f) make other certain changes as set forth in this Amendment No. 34.

On August 28, 2018 the Authority issued **NTP 27** authorizing Work related to Phases 2-4 for the LMR INDWT LMR site, extension of the bridge warranty for certain deployed/specified equipment under previously approved Amendments until December 31, 2019.

On October 11, 2018 the Authority Board of Directors approved **Amendment 35** to make changes necessary to reflect (a) the reconciliation of one (1) LMR System Site Olinda (OLI) from the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same for a cost decrease in the amount of \$701,234; (b) the inclusion of one (1) LMR System Site Winding Way (WWY) into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of 1,064,388; (c) certain LMR Change Order Modifications for a cost increase in the amount of \$13,115 (d) make changes necessary to reflect an administrative reconciliation, a reconciliation related to the removal of certain Authority equipment, in particular an Uninterruptible Power Supply (UPS), from the Los Angeles Police Department's Valley Dispatch Center (LAPDVDC) for a cost increase in the amount of \$601; (e) increase the Maximum Contract Sum by \$376,870 from \$297,481,203 to \$297,858,073 when taking the cost decrease and increase into consideration; and (f) make other certain changes set forth in this Amendment No. 35.

On November 1, 2018 the Authority Board of Directors approved **Amendment 36** to make changes necessary to reflect (a) the reconciliation of five (5) LMR System Sites to align with the updated LMR System Design; (b) the inclusion of one (1) LMR System Site San Pedro Hill (SPH) into the scope of Phase 2 (Site Construction and Site Modification), Phase 3(Supply LMR Components), Phase 4 (LMR System Implementation), exercising the Unilateral Options of the same, to align with the updated LMR System Design; (c) incorporate an LMR Change Order Modification; (d) increase the Maximum Contract Sum by \$311,442 from \$297,858,073 to \$298,169,515 when taking the cost decreases and increases into consideration; and (e) make other certain changes as set forth in this Amendment No. 36.

On December 20, 2018 the Authority issued **NTP 28** authorizing Work related to Phases 2-4 for seventeen (17) sites – BJM, DPK, GMT, GRM, LPC, MDI, MTL2, PRG, PMT, RIH, RPV1, SPH, SPN, TWR, WMP, WTR, and WWY. This amendment reiterated the directive to suspend the purchase of UHF DTVRS equipment and corresponding work tied to the UHF DTVRS equipment.

On February 26, 2019 the Authority Board of Directors approved **Amendment 37** to make changes necessary to reflect (a) incorporate certain LMR Change Order Modifications for a cost increase in the amount of \$56,337; (b) increase the Maximum Contract Sum by \$56,337 from \$298,169,515 to \$298,255,852 when taking the cost increases into consideration; and (c) make other certain changes as set forth in this Amendment No. 37.

On June 11, 2019 LARICS executed **Amendment 38** to make changes necessary to reflect (a) incorporate certain LMR Change Order Modifications resulting in a net cost decrease in the amount of \$47,393; (b) decrease the Maximum Contract Sum by \$47,393 from \$298,225,852 to \$298,178,459 when taking the cost increases and decreases into consideration; and (c) make other certain changes as set forth in this Amendment No. 38.

On 1 August 2019, the Authority Board of Directors approved **Amendments 39 and 40**. **Amendment 39** makes changes necessary to (a) reflect a reconciliation related to the Narrowband Mobile Data Network (NMDN) Subsystem resulting in a cost decrease in the amount of \$720,207, (b) incorporate certain LMR Change Order Modifications as further described in this Amendment No. 39 that results in a cost increase in the amount of \$73,606, (c) decrease the Maximum Contract Sum by \$646,601 from \$298,178,459 to \$297,531,858 when taking the cost increase and decrease into consideration, and (d) make other certain changes as set forth in this **Amendment No. 39**. **Amendment 40** makes changes to (a) remove Lower Encinal Pump Station (LEPS) and Winding Way (WWY) Phase 2 through Phase 4 scope, (b) incorporate certain LMR Change Order Modifications for a cost decrease in the amount of \$10,920, (c) decrease the Maximum Contract Sum by \$1,261,169 from \$297,531,858 to \$296,270,689 when taking the cost increase and decrease into consideration, (d) incorporation of Channel 15 and Channel 16 Interference Mitigation into LMR System Specifications, and (e) make other certain changes as set forth in this **Amendment No. 40**.

On 3 October 2019, the Authority Board of Directors approved **Amendment 41**. **Amendment 41** makes changes necessary to (a) incorporate Land Mobile Radio (LMR) Change Order Modifications for a cost increase in the amount of \$255,975 as further described in this **Amendment 41**, and (b) increase Maximum Contract Sum in the amount \$255,975 from \$296,270,689 to \$296,526,664 when taking the cost increase into consideration.

On 15 January 2020, the Authority Board of Directors approved **Amendment 42**. **Amendment 42** makes changes necessary to (a) revise Exhibit B.1, Section 4.1 (Acceptance Testing), (b) revise Exhibit C.1 (LMR System Payment Summary) to reflect the payment revisions contemplated in this **Amendment 42**, (c) revise Exhibit C.4 (Phase 3 – Supply LMR System Components) to reflect the reduction in certain Pre-Installation Acceptance Test costs, (d) revise Exhibit C.5 (Phase 4 – LMR System Implementation) to reflect reduction in costs in connection with the modified ATP, (e) revise Exhibit C.16 (LMR Mitigation Monitoring and Reporting Plan [MMRP]) to reflect collective amounts for LMR Monitoring, Surveys, and Reporting Tasks and LMR Contingency Tasks, (f) revise Exhibit C (Schedule of Payments) to include Exhibit C.20 (LMR Bridge Warranty), and (g) revise Exhibit D (LMR System Maintenance and Warranty), Section 9, replacing it with Bridge Warranty for Specified Equipment included in this **Amendment 42**, (h) revise Exhibit D.2.1 (Motorola Customer Support Plan) to reflect updated information which is incorporated in this **Amendment 42**, and (i) revise Base Document, Section 8.1 (Maximum Contract Sum and Contract Sum – General) by a decrease in Maximum Contract Sum in the amount \$6,445,029 from \$296,526,664 to \$290,081,636 when taking the cost decrease into consideration.

On 5 March 2020, the Authority Board of Directors approved **Amendment 43**. **Amendment 43** makes changes necessary to (a) reflect a reconciliation of certain equipment reductions which results in a cost decrease in the amount of \$50,313 (b) incorporate certain LMR Change Order Modifications for three microwave links that results in a cost increase in the amount of \$185,344; (c) increase the Maximum Contract Sum by \$135,031 from \$290,081,635 to \$290,216,666 when taking aforementioned actions and costs into consideration; and (d) make other certain changes as set forth in this **Amendment No. 43**.

This report covers the period from 3/6/2020 thru 3/20/2020

During this reporting period Phase 1 design tasks continue for the remaining LMR sites. MSI is finalizing 100% progress construction drawings with LA-RICS for 7 of 8 Coastal sites within LA County jurisdiction, in parallel with the Coastal zoning application development. GRM Coastal site is within the City of Los Angeles jurisdiction and its construction drawings are nearing 100% Progress level. Special Use Permits (SUP) or Communications Use Leases for 9 of the 13 USFS sites, originally expected in early December have been received: LPC, MML, PRG, WMP, WTR, JPK2, MDI, PMT, and GMT. LA County DRP has issued 8 site building permits, with the PMT site package still under review with the plan checkers. MTL2 is in the final design review stage with a target for submission to LA County DPW in the next period. Motorola has submitted ESR 100% Progress drawings for review, however the design has paused as LA-RICS owes Motorola additional design requirements before Motorola can resume design modifications of the existing shelter. USFS SUPs for these two sites are still outstanding. BUR1's site layout had been previously submitted to LA County DPW and was included in the approved USFS application resulting in the USFS Decision Memo on 11/1/2019. At LA-RICS direction, BUR1 site is currently being re-located to eliminate emergency backup subsystem and move the shelter southeast from the originally coordinated location. LA-RICS is undertaking the design and provision of BUR1 alternate primary power given the high cost of bringing power to the site by the utility, SCE.

Motorola worked closely with LA-RICS to complete most of remaining construction, equipment delivery, and installation work designated for UASI 2017 grant funding, although there was residual work remaining due to lack of power to the site, supply chain issues, and weather. Construction work continues at three USFS sites (PRG, WMP, WTR) with planned starts for two more USFS sites with permits through March (GMT and JPK2). If FRP's USFS Special Use Permit is received and the construction permit is subsequently issued by LA County DPW, there is a potential for an additional work start in the next period. LPC and MML sites are expected to commence construction in the next period following subsurface soil testing. Motorola will continue to monitor potential restrictions in light of the COVID-19 pandemic.

The Authority and MSI senior management team continue to meet bi-weekly to review and manage the project's critical path schedule.

LMR System Design

System design activities for this period include Los Angeles Regional Tactical Communications System (LARTCS) design, system management and monitoring system (SMMS) design, and incorporation of LMR System design parameters into the construction drawing process.

LA-RICS is coordinating activities, including LASD narrow banding and LA County fire Channel 14 voice cutover to Channel 16, in parallel with LMR System deployment. To maintain the project schedule, the narrow banding was originally targeted to be completed by August 2020. MSI was informed on 2/24/20 by LA-RICS that LASD will only narrowband Channel 16 legacy systems that will remain in long term operation. MSI and LA-RICS continue to evaluate the impact to the planned frequency migrations and overall project schedule. The reduced number of available frequencies for optimization, based on LASD's current narrow banding plans, may require a project schedule re-planning with early user cutovers to the LMR System by cell rather than a single cutover following completion of acceptance tests.

LA-RICS and MSI are working to resolve the requirement arising out of the USFS Decision Memo and individual site SUPs to address aesthetic (visual impact) measures restricting RF antenna and MW dish colors or finishes. The current designs and antenna and dish models procured deviate from the USFS requirements and MSI continues to seek waivers for these selections to minimize performance and schedule impacts.

System Management and Monitoring System – The joint technical teams continue to review the need for implementing additional alarms at sites with existing on-site alarm monitoring, on a site by site basis. The team reviewed a draft acceptance test plan and was provided screenshots of how alarms can be verified using the element managers as part of the acceptance test plan.

System Upgrade to Version 7.18 – MSI completed core site upgrades in January and upgraded LA-RICS dispatch center logging consoles during the first three weeks of February. Upgrades of the equipment in two communications trailers (Site on Wheels and Station B) will be scheduled with the LA-RICS team.

LA-RICS Deliverables - Authority Site Access Agreements

Authority's efforts to develop and execute the applicable Right of Entry and Site Access Agreements (SAA) for the remaining sites in the LMR design are ongoing. This activity is primarily being driven by the Authority's Site Access Team in conjunction with LA County CEO Real Estate Division. As of this reporting period (41 out of 58) Site Access Agreements have been executed, with the execution of the SAA's for GRM and BHS sites. USFS Communications Use Leases (aka SUPs) are remaining to be executed for 4 USFS sites (BUR1, ESR, FRP, and MTL2).

Site Design Activities

LMR sites not yet permitted include 5 of 13 USFS sites, 8 Coastal sites, and other sites including RHT, RPVT, UNIV (2 locations, 2 separate jurisdictions) and SPH. Motorola continues to respond to LA County DPW plan check comments for various sites (PMT, MIR) and is ready to pick up RHT's civil permit. Currently the DPW plan checkers are telecommuting making the logistics permit pickup difficult.

Nine (9) SUPs have been issued to date and four (4) are still under review by USFS. The remaining SUP's are now forecasted in April. LA County DPW has issued permits based on the receipt of site SUPs. LA-RICS has determined that the BUR1 Site will be powered alternate primary power in lieu of the more expensive SCE utility power to the site. LA-RICS has taken on the turnkey responsibility of providing power to the BUR1 sites. BUR1 site layout is being refined at the direction of LA-RICS to remove the currently designed emergency backup system and move the shelter from it originally approved location. The road to the MTL2 site, sections of which are in need of repair, remains a challenge. MSI is providing a quote for an alternative site staging and BUR1 construction methodology. This quote requires a subcontractor survey of the road, but this continues to be delayed due to weather. In addition to scheduling subsurface testing at LPC and MML, full construction starts are pending road maintenance completions to access these sites.

Lease exhibits and zoning drawings continue to be refined for the following replacement sites, coordinating these with their respective site owners: San Pedro Hill (SPH) and Los Verdes Golf Course (RPVT). MSI has received LA County DRP comments for all seven of the Coastal site application

packages within their jurisdiction. MSI has provided the requested responses and drawing updates to LA-RICS for review and resubmission to DRP. Two of the Catalina sites require plant restorations plans that LA-RICS has to resolve with the Santa Catalina Island Conservancy. MSI continues to assist LA-RICS in support of its desired zoning exemptions for the CPK and TOP Coastal sites, originally forecast to be a four month process and granted in January 2020.

GRM site construction progress drawings have been refined with geotechnical drilling data that was delayed by the execution of a lease agreement with State of California Parks. GRM 100% Progress construction drawings are now being finalized based on this geotechnical information for review by LA-RICS prior to submission to LA County DRP. Universal (UNIV) 100% Progress Construction Drawings for both locations have been provided to LA-RICS for review and comments. BKK permitted Phase 2 work has been completed. Working with the land owner on behalf of LA-RICS, a more robust permanent power solution, including a transformer upgrade, has been designed and submitted to LA County DRP plan check, under a separate permit. Mirador (MIR) site's revised generator/fuel tank foundation has been completed with the generator set in place. MSI and LA-RICS continue to negotiate change orders associated with the MIR site. MSI has proactively and in good faith moved forward with the design updates and construction is in process.

Rolling Hills Transit (RHT) and Pine Mountain (PMT) site plans are under LA County DRP review, with RHT recently receiving its civil permit approval. MSI is awaiting clarifications on how to pick up the permit given the current COVID-19 restrictions. PMT responses to DRP comments have been resubmitted.

43 site design packages been submitted for building department plan check to date.

Pre-Construction Activities

The construction teams continue to access road accessibility to sites LPC, MML, and MTL2, with road access and subsurface soil testing at the first two sites gating construction work starts. Pending testing, wet weather and winds have affected some site builds, but the teams continue to prepare for work starts at upcoming sites: LPC, MML, RIH, and BHS. The construction team also anticipates a permit pickup at RHT in order to mobilize.

41 site permits have been received.

Construction Activities

During this reporting period, Phase 2 construction tasks continue. 27 of 58 sites are substantially complete with 6 sites under construction, including the recently permitted WMP, WTR, and PRG sites. LPC and MML are delayed due to road access issues and soil testing requirements. To date, 15 of 44 new towers have been erected. 26 of 57 shelters are complete. MSI is working with LA-RICS to obtain Phase 2 construction completion acceptance by sites, as Phase 2 civil site work is completed. MSI has submitted over 20 Phase 2 Construction Closeout Packages. LA-RICS continues to struggle to complete comprehensive reviews and grant final acceptance of the Phase 2 close out packages.

The site construction at UCLA is substantially complete under UASI 2017 grants with power to the site yet to be provided by UCLA. Construction teams are completing utility runs and associated work on behalf of

LA-RICS to AGH and LACFDEL. LA-RICS continues to address easements needed by the electrical utility to bring commercial power to numerous sites. The lack of these utility easements is delaying completion of Phase 2 construction completion at several sites, including AGH.



Equipment Supply

MSI responded to a Request for Quote to evaluate the potential RF subsystem reduction and re-use of delivered LMR equipment originally intended for certain sites. Equipment funded on the UASI 2017 grant was staged in Motorola's Elgin facility and shipments have been received. Some residual equipment has been delayed due to longer lead times and current supply chain delays.

System Implementation

MSI contractors continue to install RF and microwave antennas and lines at sites, install and configure low-voltage site alarms, and configure RF equipment. Initial Phase 4a internal site audits and checks were completed. Equipment and antenna crews prioritized and completed Phase 4a UASI 2017 grant-funded work at sites: AGH, BKK, CRN, DPW38, INDWT, LACFDEL, OAT, POM, SDW, SGH, and UCLA.

The following table provides a dashboard snapshot of the projects' health signs.

Category	Rating	Change	Comments
Schedule			<p>A new August 2019 baseline for the master schedule has been approved 12/5/2019. The current schedule shows LMR System Acceptance on 3/21/2022. Activity sequencing and durations for SMMS, NMDN, Frequency Licensing and Coordination, and Backhaul Sequencing are being communicated to LA-RICS.</p> <p>The Authority and MSI continue to optimize the construction drawing review and approval process for the remaining sites, including the eight Coastal sites.</p>
Risk			<p>Risk items have been identified regarding: site selection, zoning approval process, Site Access Agreements, plan check approval process, spectrum, narrow banding, Channels 15 and 16 interference, site power, and site conditions. FEMA independent site environmental approvals required. Potential for additional USFS site environmental mitigation measures.</p>

2. Project Status

The following sections identify task activities during the reporting period and the planned activities for the next reporting period.

2.1 Tasks in Progress or Completed

The following depict the task activity that occurred during the current reporting period.

Site ID	Activity Name	Activity Status
BHS	Site Access Agreement Finalized	Complete
GRM	Site Access Agreement Finalized	Complete
System	7.18 Upgrade	Complete
AGH	Install Power Infrastructure	Complete
AGH	DC Wiring Complete - DC Plant - FNE & MW Racks	Complete
BKK	Emergency Power System Completed	Complete
BMT	Civil Site Audit Walk and corrections addressed	In Process
BMT	Site Complete with Power	In Process
CLM	Civil Site Audit Walk and corrections addressed	In Process
MIR	Construction Drawings – Tower relocated per LA-RICS request with tower supplement in LA County DPW review	In Process
System	DTVRS UHF, LARTC, ACVRS Licensing and Frequency Plan	In Process

2.2 Tasks Planned for Next Period

The following depict the task activity that is planned for the next reporting period.

Site ID	Activity Name	Activity Status
BHS	Construction Start / Mobilization	Planned
BKK	Install Microwave Dishes and Outdoor Units	Planned
CLM	Phase 2 Customer Acceptance with Power On	Planned
CRN	Install Antennas & Lines, Fixed Network Equipment	Planned
DPW38	Phase 2 Customer Acceptance (less Utility power)	Planned
JPk2	Construction Start / Mobilization	Planned
LPC	Subsurface Soil Testing, Construction Start / Mobilization	Planned
MLM	SCE Installation of Commercial Infrastructure, set Power Meter	Planned
MMC	SCE Installation of Commercial Infrastructure, set Power Meter	Planned

ONK	SCE Installation of Commercial Infrastructure, set Power Meter	Planned
GMT	Construction Start / Mobilization	Planned
RIH	Construction Start / Mobilization	Planned
UCLA	UCLA to provide electrical power to site	Planned
UCLA	Install Power Infrastructure	Planned

3. Project Risk Register

Title	Assigned	Impact	Risk Description	Status
Site Parameters	Authority	High	Site parameters (e.g. tower heights, RF equipment configurations) are different from the baseline agreement and may impact System performance.	Active
Environmental Process	Authority	High	The individual determination of environmental impacts or mitigation may impact the schedule for site work (e.g., bird nesting season). Individual environmental releases from FEMA are required to start work at sites.	Active
Delayed Drawings and Permit Release	Motorola & Authority	High	Site changes and System redesign elements are impacting drawing progress for certain sites, including the coordination of 3 rd party components (antennas, dishes).	Active
Site Access Agreements	Authority	Med	Lease holders approvals are needed in order to implement LA-RICS improvements. Utility easements are required to provide power to sites.	Active
Project Schedule	Authority & Motorola	High	Critical path elements include receipt of SAAs, Coastal sites zoning application approvals, provision of utility power at sites, and completion of replacement site designs and permitting. Timely execution of narrow banding, functional and coverage testing to achieve System Acceptance in March 2022.	Active

4. Areas of Concern

This section describes any events and or circumstances of which the Contractor is aware that has delayed or may delay project activities and what corrective or remedial actions was taken or will be taken to resolve the issue. Outstanding Issues Log (the “OIL Log”) entries are also tabulated and monitored in this section. “OIL Log” items include, for example, sequencing, infrastructure, site access, coordination issues, congestion of workers and equipment, time requirements for design, procurement, and installation.

ID	Event / Circumstance	Remedial Action Taken or Required
02-02	System Design impacts due to changes in site conditions	Motorola and the Authority have analyzed probable site changes and suitable site replacement candidates. Adjusted tower heights and undetermined site parameters at several of the sites will impact the coverage. System design efforts will determine system impacts. Impact includes, microwave backhaul, equipment reconfigurations, channel plan changes, system coverage, licensing, and site design and permitting.

5. Disputes and Claims

This section describes any disputes, potential claims, and claims made during the reporting period.

Dispute / Claim / Potential Claim	Status / Actions	Resolution Date
None at this time		

6. Financial Status

The following represents the invoice payments that were completed during the reporting period and the remaining amount to be invoiced and paid.

Invoice Payment Category	Invoice Payment Totals (\$)
Contract Sum Full Payable Amount (Phases 1-4)	159,663,710
Cumulative Invoice Payments from Last Report	90,540,825
Total Invoice Payments This Period	179,220
Remaining Amount to be Paid	68,943,665

7. LA-RICS Master Schedule

A new August 2019 baseline for the master schedule has been approved 12/5/2019. The most recent weekly master schedule update has a data date of 3/14/2020.



LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

2525 Corporate Place, Suite 100
Monterey Park, California 91754
Telephone: (323) 881-8291
<http://www.la-rics.org>

SCOTT EDSON
EXECUTIVE DIRECTOR

April 2, 2020

To: LA-RICS Authority Board of Directors

From: Scott Edson
Executive Director

OUTREACH UPDATE

The purpose of this discussion item is to update your Board on the status of outreach activities pertaining to the LA-RICS Public Safety Broadband Network (PSBN) and Land Mobile Radio (LMR) project. The below meetings occurred since our last report to you:

Municipality	Meeting Date
<i>Meetings with representatives from AT&T</i>	March 4, 11, 18 and 25, 2020
<i>Visit with Congress to discuss repealing the T-Band and the FAA regarding San Pedro Hill</i>	March 9 - 11, 2020

Various meetings continued in the month of March with AT&T to discuss ongoing Technical and Program Management concerns, Transfer Transition logistics, Checkpoint Calls, Round 2 Specifications, Assignment and Assumption Agreements, Network Coverage Review and quarterly progress review.

Executive Director Scott Edson, LASD Chief Mark Glatt and LACoFD Deputy Fire Chief Thomas Ewald joined the International Fire Chief's Association, and several other Fire Chiefs and Police Chiefs, in visiting Congress in support of repealing the T-Band take away.

Additionally, Edson, Glatt and Ewald visited the FAA and met with Jeff McCoy, Telecommunications Manager for the Nation, and thanked him for his support of us building our site at San Pedro Hill, a co-location site with the FAA.

Lastly, Volume 5, Issue 1 of the Newsletter is now scheduled for release in April.

WST:pdd

AGENDA ITEM F



**LOS ANGELES REGIONAL INTEROPERABLE
COMMUNICATIONS SYSTEM AUTHORITY**

2525 Corporate Place, Suite 100
Monterey Park, California 91754
Telephone: (323) 881-8291
<http://www.la-rics.org>

SCOTT EDSON
EXECUTIVE DIRECTOR

April 2, 2020

Board of Directors
Los Angeles Regional Interoperable Communications System Authority (the "Authority")

Dear Directors:

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT FOR THE
FISCAL YEAR ENDING JUNE 30, 2019 AND JUNE 30, 2018 (RESTATED) – BCA
WATSON RICE LLP**

SUBJECT

The purpose of this discussion item is to provide your Board with Financial Statements and Independent Auditor's Report for the year ending June 30, 2019, as well as restated report for the year ending June 30, 2018.

RECOMMENDED ACTION

It is recommended that your Board receive the auditor's report for the year ending June 30, 2019, (enclosed) as well as restated report for the year ending June 30, 2018.

Respectfully submitted,

SCOTT EDSON
EXECUTIVE DIRECTOR

Enclosure

cc: Counsel to the Authority

AGENDA ITEM G

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

For the Year ended June 30,2018



2355 Crenshaw Blvd. Suite 150 Torrance, CA 90501
t: (310) 792-4640 f: (310) 792-4140

AGENDA ITEM G - ENCLOSURE

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	Page
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Governmental Activities Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet	11
Reconciliation of the Governmental Fund Balance Sheet to the Governmental Activities Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balance.....	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Statement of Activities	14
Notes to the Basic Financial Statements	15
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	25
Notes to the Required Supplementary Information	26
Audit of Federal Awards Programs	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	30

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS
(Continued)

	Page
Schedule of Expenditures of Federal Awards	33
Notes to the Schedule of Expenditures of Federal Awards	34
Schedule of Findings and Questioned Costs	35

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2018, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Authority as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) (pages 4 through 8) and the Required Supplementary Information (page 24) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

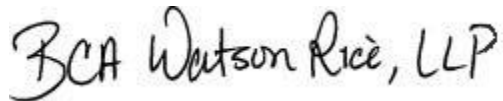
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California

March 20, 2019, except for Note 13, as to which the date is February 18, 2020

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018**

The Management's Discussion and Analysis (MD&A) of the financial activities of the Los Angeles Regional Interoperable Communications System Authority (Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the accompanying basic financial statements, footnotes and supplementary information.

Financial Highlights

- During the current year, the Authority's assets totaled \$96,431,144. Cash and Investments deposited in the County Treasury Pool totaled \$9,291,340.
- Program revenues totaled \$33,297,292 and mainly consisted of federal grants in the amount of \$18,589,313, contributions from the County of Los Angeles in the amount of \$7,771,586, sale of a communication system in the amount of \$6,000,000, and local match grant contributions in the amount of \$933,393.
- The Authority has a cash operating loan balance totaling \$5,141,685 from the County of Los Angeles for the funding of start-up and operational costs. The loan bears no interest and has no definite repayment schedule.
- As of June 30, 2018, the Authority had \$80,276,683 in Capital Assets consisting of telecommunication equipment under construction valued at \$78,434,888, telecommunications equipment valued at \$1,734,756, and office furniture valued at \$107,039.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Authority assets reduced by liabilities, which represent net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial position of the Authority is improving or deteriorating.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018**

The Statement of Activities presents information that indicates how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that affect cash flows in future periods, for example, accrued but unpaid contract and professional fees.

The government-wide financial statements report the following different types of programs or activities:

Governmental Activities – All of the Authority's programs during fiscal year 2017-2018 are reported under this category.

Business-type Activities – The Authority has no business-type activities during fiscal year 2017-2018.

Fund Financial Statements

The fund financial statements contain information regarding major individual funds. A fund is a fiscal and accounting entity with a balanced set of accounts. The Authority uses separate funds to ensure compliance with fiscal and legal requirements. The Authority's funds are all classified as governmental funds during fiscal year 2017-2018.

Governmental Funds - These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary schedules in the format of the basic financial statements, showing the activity for each fund.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018**

Financial Statement Analysis

During fiscal year 2017-2018, operating revenues decreased by \$12.30 million and operating expenditures decreased by \$12.60 million as a result of the completion of the Long Term Evolution (LTE) system Round 1 as described in more detail below. Federal grant revenue decreased by \$20.07 million and contributions from local governments increased by \$5.10 million.

Capital Assets

On February 22, 2012, Congress enacted the Middle Class Tax Relief and Job Creation Act of 2012 (Act) (HR 3630) which, among other things, assigned to public safety a 20 MHz section of spectrum known as the "D-Block" and mandated the creation of a nationwide public safety broadband network (NPSBN). The Act also created the First Responder Network Authority (FirstNet), an independent authority within the Department of Commerce's NTIA, charged to build, deploy, and operate the NPSBN in consultation with state, local, tribal and territorial entities. Effective July 1, 2013, the Authority and FirstNet executed the Spectrum Manager Lease Agreement (SMLA) for spectrum usage rights for the Authority to operate the PSBN on the 700 MHz public safety broadband spectrum. LARICS was notified that the SMLA would not be renewed and the license to operate on the spectrum returned to FirstNet. On March 30, 2017, FirstNet announced the award of a contract to AT&T to build and operate the FirstNet NPSBN, which utilizes a priority and preemption solution over AT&T's network. On December 28, 2017 the State of California opted into the NPSBN.

Subsequent to this information, LA-RICS executed an Asset Transfer Agreement and corresponding Business Agreement with AT&T Corp. (AT&T) for the transfer and assignment of the Authority's right, title, and interest in the LA-RICS PSBN Round 1 deployment for use in the FirstNet NPSBN. The Business Agreement allows the Authority to accept \$12 million in connection with the Asset Transfer Agreement and contemplates the replacement of up to 3,300 routers and/or devices at the discretion of the Authority in the event the that the current routers or devices utilized by the Authority and its users are not compatible (e.g. do not provide full functionality with redundant SIM slots) with the FirstNet NPSBN. As an added measure, AT&T will also provide the Authority with an additional \$2.5 million in services to pay for replacement and installation services should the routers and SIM cards require replacement. Almost all of the Long Term evolution (LTE) assets owned by LARICS were transferred to AT&T. LARICS has recognized an impairment of assets in the amount of \$84,665,412.

NTIA and the NOAA Grants Office approved the expansion of the LA-RICS PSBN Project (Round 2). This will allow LA-RICS to continue to build public safety grade sites that will form part of the NPBSN Round 2 using grant revenue. At the completion of this phase, the assets will be transferred to AT&T.

During fiscal year 2017-2018, the Authority continued building the Land Mobile Radio (LMR) system and purchased equipment that will eventually be used to operate and support the LMR system. As of June 30, 2018, the Authority has capital assets in the form of telecommunication equipment under construction valued at \$80,276,683, telecommunication equipment valued at 1,734,756 and office furniture valued at \$107,039.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018**

Debt Administration

The County of Los Angeles provided the Authority a cash operating loan for the funding of start-up and operational costs until a long term funding plan is adopted by the Authority members. This loan bears no interest and has no definite repayment schedule. As of June 30, 2018, the Authority has \$5,141,685 in loans payable compared to \$7,113,271 loans payable as of June 30, 2017.

Economic Factors

The Authority was established to engage in regional and cooperative planning and coordination of governmental services to establish a wide-area interoperable public safety communications network (commonly referred to as the "Los Angeles Regional Interoperable Communication Systems (LA-RICS)"). The Authority is a collaborative effort of local government, law enforcement, fire service, and health professionals with elected and appointed officials working towards the common goal to develop LA-RICS.

The Authority is the recipient of the Broadband Technology Opportunity Program (BTOP) grant administered by the Department of Commerce (DOC) to fund the LTE system, its proposed public safety broadband network (also known as the "PSBN"). The grant will continue to be administered by the DOC in fiscal year 2018-2019.

The following LA-RICS activity is anticipated for fiscal year 2018-2019:

- **Status of LMR and LTE Systems**

The LMR System contract was executed in August 2013 with Motorola Solutions, Inc. (Motorola) and work began in September 2013. System design and construction activities continue and it is anticipated that the LMR system will be completed and tested in 2020. The Authority anticipates that managing cash flow will be critical through this project. While the majority of the project is grant funded, the grantors require that expenditures be paid before they are reimbursed.

The LTE contract was executed in March 2014. The work on the LTE system began in fiscal year 2014-2015. On February 22, 2012, Congress enacted the Middle Class Tax Relief and Job Creation Act of 2012 (Act) (HR 3630) which, among other things, assigned to public safety a 20 MHz section of spectrum known as the "D-Block" and mandated the creation of a nationwide public safety broadband network (NPSBN). The Act also created the First Responder Network Authority (FirstNet), an independent authority within the Department of Commerce's NTIA, charged to build, deploy, and operate the NPSBN in consultation with state, local, tribal and territorial entities. On March 30, 2017, FirstNet announced the award of a contract to AT&T to build and operate the FirstNet NPSBN, which utilizes a priority and preemption solution over AT&T's network.

On September 30, 2015, the expenditure deadline for the BTOP grant was extended through fiscal year 2019-2020. The Authority requested the remaining \$37 million, of which \$2.9

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018**

million was initially awarded via grant augmentation for certain objectives, while other objectives were held for approval pending activities relating to action taken at the federal level in accordance with law enacted via HR 3630. Due to uncertainties of AT&T's plans for the National PSBN, the grantor felt it could not approve all objectives for use of the remaining \$37 million in BTOP funds. Thus, they only approved certain objectives which were not contingent upon AT&T's next steps in the amount of \$2.9 million.

As discussed previously, on December 14, 2017, the LA-RICS Board of Directors approved an Asset Transfer Agreement and corresponding Business Agreement with AT&T Corp. (AT&T) for the transfer and assignment of the Authority's right, title, and interest in the LA-RICS PSBN Round 1 deployment for use in the FirstNet NPSBN. The Authority is working with member agencies to finalize router selection and acceptance and with AT&T to finalize payment of \$2.5 million in services. The Business Agreement contains two payment triggers, \$6 million paid at the successful transfer of assets from PSBN Round 1, with another \$3 million payable at the delivery of 13 out of 26 sites from Round 2 as approved by NTIA and the NOAA and the final \$3 million payable at the delivery of the final 13 out of 26 sites with grantor approval.

With the successful transfer of Round 1 assets to AT&T, the focus of LTE-related activities is on the deployment of Round 2. On February 15, 2018, the Authority submitted the PSBN Round 2 Project Implementation Plan (PIP) to NTIA and NOAA for consideration. On June 25, 2018 NTIA and NOAA approved two PIP objectives for a total of \$32 million in grant revenue. The BTOP grant has a 20% match requirement which will be satisfied with land value/in-kind match. The LTE grant will continue to be managed on an advance basis. The LA-RICS Authority continues to work with AT&T to transition the sites from Round 1 asset transfer to the FirstNet Core. With the \$32 million in grant augmentation, the BTOP award requirements were restored to the match requirement of 20%. The Authority has demonstrated that the match requirement can be met.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities
ASSETS	
Cash and investments (Note 3)	\$ 9,291,340
Interest receivable	21,279
Accounts receivable (Note 4)	6,776,265
Prepaid expenses	65,577
Capital assets (Note 5)	80,276,683
Total Assets	<u>\$ 96,431,144</u>
LIABILITIES	
Accounts payable (Note 6)	\$ 4,604,966
Loans payable (Note 7)	5,141,685
Deferred revenue (Note 8)	4,005,771
Total Liabilities	<u>13,752,422</u>
NET POSITION	
Net investment in capital assets	80,276,683
Unrestricted	2,402,039
Total Net Position	<u>\$ 82,678,722</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

		Program Revenues	Net (Expense) Revenue and Change in Net Position
	Expenses	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>			
Governmental activities -			
Interoperable communications and safety programs	\$ 15,704,165	\$ 33,297,292	\$ 17,593,127
Total	\$ 15,704,165	\$ 33,297,292	17,593,127
	General revenues:		
	Investment income		44,779
	Impairment loss (Note 5)		(84,665,412)
	Change in net position		(67,027,506)
	Net position, beginning of year		149,706,228
	Net position, end of year		\$ 82,678,722

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

BALANCE SHEET
June 30, 2018

ASSETS

Cash and investments (Note 3)	\$ 9,291,340
Interest receivable	21,279
Prepaid expenses	65,577
Accounts receivable (Note 4)	<u>6,776,265</u>
Total Assets	<u><u>\$ 16,154,461</u></u>

LIABILITIES

Accounts payable (Note 6)	\$ 4,604,966
Loans payable (Note 7)	5,141,685
Deferred revenue (Note 8)	<u>4,005,771</u>
Total Liabilities	<u>13,752,422</u>

FUND BALANCE

Unassigned	<u>2,402,039</u>
Total Fund Balance	<u>2,402,039</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 16,154,461</u></u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION**

June 30, 2018

Fund balance - Governmental Funds (page 11)	\$ 2,402,039
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not current financial resources
and therefore, are not reported in the governmental balance sheet.

<u>80,276,683</u>

Net Position of Governmental Activities (page 9)	<u><u>\$ 82,678,722</u></u>
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See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended June 30, 2018

Revenues

Federal grants	\$ 18,589,313
Contribution from other governmental agencies	7,771,586
Sale of communication system equipment (Note 5)	6,000,000
Local match (Note 10)	933,393
Interest income	44,779
Others	3,000
Total revenues	<u>33,342,071</u>

Expenditures

Capital expenditures - telecommunication equipment	15,501,943
Consultants' services	8,771,721
County department services	5,005,411
Donated services (Note 10)	933,393
Rentals	194,945
Utilities	137,015
Permit and license fees	110,438
Security services	55,256
Travel and transportation	49,831
Insurance	38,790
Professional fees	28,125
Miscellaneous	6,905
Total expenditures	<u>30,833,773</u>

Excess of revenues over expenditures	2,508,298
Fund balance, beginning of year	<u>(106,259)</u>
Fund balance, end of year	<u>\$ 2,402,039</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
GOVERNMENTAL STATEMENT OF ACTIVITIES**

June 30, 2018

Net Change in Fund Balance – Governmental Funds (page 13)	\$ 2,508,298
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Amounts reported for governmental statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the governmental statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Additions to capital assets amounted to \$15,501,943 for the current period, and an impairment loss of \$84,665,412 was recognized.	(69,163,469)
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Depreciation expense on capital assets is reported in the governmental statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	(372,335)
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Change in Net Position of Governmental Activities (page 10)	<u>\$ (67,027,506)</u>
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See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 – REPORTING ENTITY

The Los Angeles Regional Interoperable Communications System Authority (Authority), a separate public entity, was created in May 2009 through a Joint Powers Agreement (JPA) between the County of Los Angeles, the City of Los Angeles, and eighty-five (85) other public agencies located in the greater Los Angeles Area. The Authority was created to exercise the powers shared in common by its members to engage in regional and cooperative planning and coordination of the governmental services to establish a wide-area interoperable public safety communications network.

The composition of the JPA has changed since inception. During fiscal year 2017-2018, the Authority was governed by a ten (10) member Board of Directors which served without compensation. The 10 Board members consisted of the following:

1. County of Los Angeles, Chief Executive Officer
2. County of Los Angeles, Fire Chief
3. County of Los Angeles, Sheriff
4. County of Los Angeles, Department of Health Services Director
5. Los Angeles Area Fire Chief Association
6. Los Angeles County Police Chiefs Association
7. California Contract Cities Association
8. City of Inglewood (At Large)
9. City of Covina, Police Chief (At Large)
10. City of Signal Hill (At Large)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements

In accordance with Governmental Accounting Standards Board (GASB) 34, the basic financial statements consist of the following:

- Government-wide financial statements;
- Fund financial statements; and
- Notes to the basic financial statements.

Government-wide Financial Statements

The statement of net position and statement of activities display the financial activities of the Authority. These statements present the governmental activities of the Authority.

The statement of activities presents a comparison between direct expenses and program revenues for the Authority's governmental activities. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to a particular program. Program revenues include capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (Continued)

Net position is classified into the following three components: 1) net investment in capital assets; 2) restricted, and 3) unrestricted. At June 30, 2018, the net investment in capital assets balance was \$80,276,683 and the unrestricted net position was \$2,402,039. There was no restricted net position balance at June 30, 2018.

Fund Financial Statements

The accounts of the Authority are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and for individual funds based on the purpose for which they are spent and means by which spending activities are controlled.

The Authority's General Fund is available for any authorized purpose and is used to account for and report all financial resources not accounted for and reported in another fund. Funding comes primarily from federal grants through the Department of Commerce, Broadband Technology Opportunities Program (BTOP) and the Department of Homeland Security, State Homeland Security Grant Program and contributions from the County of Los Angeles.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The General Fund is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Capital Assets

Capital assets, consisting primarily of telecommunication equipment, are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Costs include labor, materials, interest during construction, retirement plan contribution and other fringe benefits. Donated assets are reported at acquisition value rather than estimated fair market value at the date of donation.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets other than land are depreciated using the straight-line method over the estimated useful lives of the assets.

Fund Balances

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The reported fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

Restricted Fund Balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

Committed Fund Balance – amounts that can only be used for the specific purposes determined by a formal action of the Authority’s highest level of decision-making authority, the Authority’s Board. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

Assigned Fund Balance – amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned Fund Balance – the residual classification for the Authority’s General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Authority’s Board establishes, modifies, or rescinds fund balance commitments and assignments through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Revenue

Recognition of revenues arising from non-exchange transactions, which include revenues from grants and contributions, is based on the primary characteristic from which the revenues are received by the Authority. Grant funds are considered earned to the extent of expenditures made under the provisions of the grants.

Deferred inflow of resources arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Deferred inflow of resources also arises when the Authority receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

New Pronouncements Issued and Implemented

The following summarizes recent GASB pronouncements issued and implemented during fiscal year ended June 30, 2018 and their impact, if any, on the basic financial statements:

In June 2015, GASB issued **Statement No. 75**, *“Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions.”* This Statement is to improve accounting and financial reporting by governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information about financial support that is provided by other entities for making decisions, assessing accountability, and creating additional transparency. This Statement replaces Statements No. 45, *“Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,”* as amended, and No. 57, *“OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.”* As of June 30, 2018, the Authority did not have a postemployment benefit plan in place and this Statement did not have an impact to the financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements Issued and Implemented (Continued)

In March 2016, GASB issued **Statement No. 81**, *“Irrevocable Split Interest Agreements.”* This Statement is to improve accounting and financing reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement are effective for financial statements for reporting periods beginning after December 15, 2016. As of June 30, 2018, the Authority did not have irrevocable split interest agreements in place and this Statement did not have an impact to the financial statements.

In March 2017, GASB issued **Statement No. 85**, *“Omnibus 2017.”* This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements, including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). This Statement includes requirements for the timing and measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus, and simplification of certain aspects of the alternative measurement method for OPEB. The provisions of Statement No. 85 are effective for financial statements for reporting periods beginning after June 15, 2017. Implementation of this Statement did not have an impact on the Authority’s financial statements for the fiscal year ended June 30, 2018.

In May 2017, GASB issued **Statement No. 86**, *“Certain Debt Extinguishment Issues.”* This Statement is to improve consistency in accounting and financing reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The provisions of Statement No. 86 are effective for financial statements for reporting periods beginning after June 15, 2017. Implementation of GASB Statement No. 86 did not have an impact on the Authority’s financial statements for the fiscal year ended June 30, 2018.

NOTE 3 - CASH AND INVESTMENTS

The Authority’s cash and investments are pooled and invested by the County of Los Angeles Treasurer and Tax Collector (Treasurer) and are subject to withdrawal from the pool upon demand. The Authority’s share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on the fund’s average cash and investment balance, as provided by the California Government Code Section 53647. The Authority’s cash and investment balance as of June 30, 2018 is \$9,291,340.

Investments are stated at fair value and are valued on a monthly basis. The Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix Pricing is used to value securities based on the securities’ relationship

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 - CASH AND INVESTMENTS (Continued)

to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government investment pool is not subject to reporting within the level hierarchy.

Investment policies and associated risk factors applicable to the Authority are included in the County of Los Angeles' Comprehensive Annual Financial Report for the year ended June 30, 2018. Detailed deposit and investment risk disclosures are included in Note 5 of the County of Los Angeles' Comprehensive Annual Financial Report.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2018 in the amount of \$6,776,265, represent \$1,366,352 receivable from the Department of Commerce for allowable Broadband Technology Opportunities Program (BTOP) expenditures, and receivable from the Department of Homeland Security for allowable Urban Areas Security Initiative (UASI) Program expenditures of \$5,409,913.

NOTE 5 – CAPITAL ASSETS

Capital assets as of June 30, 2018 consist of the following:

	Balance at June 30, 2017	Increases	Decreases	Impairment	Balance at June 30, 2018
Governmental activities:					
Capital assets, being depreciated:					
Telecommunication equipment	\$ -	\$ 86,747,119	\$ -	\$ (84,665,412)	\$ 2,081,707
Office furniture and fixture	193,683	-	-	-	193,683
Total	193,683	86,747,119	-	(84,665,412)	2,275,390
Less accumulated depreciation	(61,260)	(372,335)	-	-	(433,595)
Total capital assets, being depreciated	132,423	86,374,784	-	(84,665,412)	1,841,795
Capital assets, not being depreciated:					
Construction in progress-telecommunication equipment	149,680,064	15,501,943	(86,747,119)	-	78,434,888
Total capital assets, not being depreciated	149,680,064	15,501,943	(86,747,119)	-	78,434,888
Governmental activities capital assets, net	\$ 149,812,487	\$ 101,876,727	\$ (86,747,119)	\$ (84,665,412)	\$ 80,276,683

Depreciation expense for the government activities during fiscal year 2017-18 was \$372,335.

On February 22, 2012, Congress enacted the Middle Class Tax Relief and Job Creation Act of 2012 (Act) (HR 3630) which, among other things, assigned to public safety a 20 MHz section of spectrum known as the "D-Block" and mandated the creation of a nationwide public safety broadband network (NPSBN). The Act also created the First Responder Network Authority (FirstNet), an independent authority within the Department of Commerce's NTIA, charged to build, deploy, and operate the NPSBN in consultation with state, local, tribal and territorial entities. Effective July 1, 2013, the Authority and FirstNet executed the Spectrum Manager Lease Agreement (SMLA) for spectrum usage rights for the Authority to operate the PSBN on the 700 MHz public safety broadband spectrum. LARICS was notified that the SMLA

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

NOTE 5 – CAPITAL ASSETS (Continued)

would not be renewed and the license to operate on the spectrum returned to FirstNet. On March 30, 2017, FirstNet announced the award of a contract to AT&T to build and operate the FirstNet NPSBN, which utilizes a priority and preemption solution over AT&T's network. On December 28, 2017 the State of California opted into the NPSBN.

Subsequent to this information, LA-RICS executed an Asset Transfer Agreement and corresponding Business Agreement with AT&T Corp. (AT&T) for the transfer and assignment of the Authority's right, title, and interest in the LA-RICS PSBN Round 1 deployment for use in the FirstNet NPSBN. The Business Agreement allows the Authority to accept \$12 million in connection with the Asset Transfer Agreement and contemplates the replacement of up to 3,300 routers and/or devices at the discretion of the Authority in the event that the current routers or devices utilized by the Authority and its users are not compatible (e.g. do not provide full functionality with redundant SIM slots) with the FirstNet NPSBN. As an added measure, AT&T will also provide the Authority with an additional \$2.5 million in services to pay for replacement and installation services should the routers and SIM cards require replacement. Almost all of the Long Term evolution (LTE) assets owned by LARICS were transferred to AT&T. LA-RICS received \$6 million from AT&T during the year ended June 30, 2018 in connection to the Business agreement.

As a result of the Asset Transfer agreement with AT&T, LA-RICS realized a net \$84.67 million impairment loss on the telecommunications equipment transferred to AT&T to be used for the NPSBN system to be operated by AT&T as these assets will no longer provide a benefit to LA-RICS throughout the remaining useful life of the assets.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2018 in the amount of \$4,604,966, represents accruals of vendors' invoices not yet paid as of that date.

NOTE 7 – LOANS PAYABLE

The initial funding of the Authority's start-up and operational costs was provided through a cash operating loan from the County of Los Angeles. This loan bears no interest and has no definite repayment schedule. The balance of this loan as of June 30, 2018 was \$5,141,685.

NOTE 8 – DEFERRED REVENUE

Deferred revenue as of June 30, 2018 in the amount of \$4,005,771 represents BTOP and UASI program expenditures of \$14,527 and \$3,991,244, respectively. These program expenditures have not yet been submitted for reimbursement with the funding agencies.

NOTE 9 – OFFICE LEASE

The Authority leases 8,335 square feet of office space in a building located in Monterey Park, California. The operating lease agreement is for seven (7) years commencing on October 15, 2014. Rent expense under this operating lease during fiscal year 2017-2018 was \$194,945.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

NOTE 9 – OFFICE LEASE (Continued)

As of June 30, 2018, future minimum payments of the operating lease are as follows:

Fiscal Year Ending June 30:	
2019	\$ 200,911
2020	206,938
2021	213,146
2022	62,700
	<u>\$ 683,695</u>

NOTE 10 – LOCAL MATCH

The BTOP grant requires the Authority to provide, from non-federal sources not less than 20% of the total project cost. Matching funds can be in the form of either cash or in-kind contributions. The Authority has recorded the in-kind contributions and donated services in the amount of \$933,393 for the year ended June 30, 2018.

NOTE 11 – CONTINGENT LIABILITIES

The Authority is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of the Authority.

NOTE 12 – SUBSEQUENT EVENTS

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through March 20, 2019, the date the financial statements were issued.

The Business Agreement with AT&T contains two payment triggers. The first payment, \$6 million, was paid at the successful transfer of assets from PSBN Round 1. Another \$3 million will be payable at the delivery of 13 out of 26 sites from Round 2 as approved by NTIA and the NOAA and the final \$3 million will be payable at the delivery of the final 13 out of 26 sites with grantor approval.

With the successful transfer of Round 1 Assets to AT&T, the focus of LTE-related activities is on the deployment of Round 2. The LTE grant will continue to be managed on an advance basis. The LA-RICS Authority continues to work with AT&T to transition the sites from Round 1 asset transfer to the FirstNet Core. With the \$32 million in grant augmentation, the BTOP award requirements were restored to the match requirement of 20%. The Authority has demonstrated that the match requirement can be met.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018**

Note 13 – RE-STATEMENTS AFTER THE ISSUANCE OF THE REPORT

The financial statements as of June 30 2018, have been re-stated to reflect adjustments for expenditures totaling \$52,448, which were reported by the Authority as Urban Areas Security Initiative (UASI) program expenditures in the Schedule of Expenditures of Federal Awards (SEFA) and correspondingly recognized as Accounts Receivable and Grant Revenue as of that date. These expenditures were not yet claimed for grant reimbursement and as such should have not been recognized as grant revenue, instead as deferred revenue. Moreover, it should have not been reported as UASI program expenditures in the SEFA. The re-statement resulted to the reduction of grant revenue, increased deferred revenue, reduction of fund balance and reduction of UASI program expenditures in the SEFA by \$52,448, respectively as of June 30, 2018. Our audit procedures of the re-statements were limited solely to the financial information described above.

REQUIRED SUPPLEMENTARY INFORMATION

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Federal grants	\$ 55,342,000	\$ 55,692,000	\$ 18,589,313	\$ (37,102,687)
Contribution from other governmental agencies	8,589,000	8,589,000	7,771,586	(817,414)
Sale of communication system			6,000,000	6,000,000
Local match (Note 10)	-	-	933,393	933,393
Interest income	-	-	44,779	44,779
Others			3,000	3,000
Total revenue	63,931,000	64,281,000	33,342,071	(30,938,929)
Expenditures:				
Consultant' services	53,819,000	53,653,000	8,771,721	44,881,279
County department services	8,180,000	8,696,000	5,005,411	3,690,589
Donated services (Note 11)			933,393	(933,393)
Building rentals	200,000	200,000	194,945	5,055
Utilities			137,015	(137,015)
Security services			55,256	(55,256)
Travel and transportation	287,000	287,000	49,831	237,169
Insurance premiums	544,000	544,000	38,790	505,210
Professional fees	65,000	65,000	28,125	36,875
Supplies	139,000	139,000	-	139,000
Miscellaneous	657,000	657,000	117,343	539,657
Capital expenditures	40,000	40,000	15,501,943	(15,461,943)
Total expenditures	63,931,000	64,281,000	30,833,773	33,447,227
Excess of revenues over expenditures	-		2,508,298	2,508,298
Fund balance, beginning of year			(106,259)	(106,259)
Fund balance, end of year	\$ -	\$ -	\$ 2,402,039	\$ 2,402,039

See accompanying notes to the required supplementary information.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

BUDGETARY DATA

The Authority adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

AUDIT OF FEDERAL AWARDS PROGRAMS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2018 and the related notes to the financial statements and have issued our report thereon dated March 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

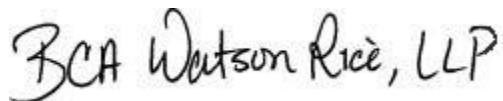
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance.

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California

March 20, 2019, except for Note 13, as to which the date is February 18, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

Report on Compliance for Each Major Federal Program

We have audited the Los Angeles Regional Interoperable Communications System Authority's (Authority) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2018. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2018, and have issued our report thereon dated March 20, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BCA Watson Rice, LLP

Torrance, CA

March 20, 2019, except for Note 13, as to which the date is February 18, 2020

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Award/ Pass- through Identification Number	Total Expenditures
FEDERAL			
<u>U.S. Department of Commerce/National Telecommunications and Information Administration</u>			
<u>Direct Program</u>			
Broadband Technology Opportunities Program (BTOP) – ARRA	11.557*	NT10BIX5570158	\$ 4,392,585
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the City of Los Angeles</i>			
Homeland Security Grant Program – 2013	97.067*	C-128868	12,778,061
Homeland Security Grant Program – 2016	97.067*	C-130810	1,418,667
			<u>14,196,728</u>
Total Federal Expenditures			<u><u>\$ 18,589,313</u></u>

* Major Program

See accompanying notes to the schedule of expenditures of federal awards.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Los Angeles Regional Interoperable Communications System Authority and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Authority has elected not to use the 10% de minimis indirect cost rate as covered in §200.414 Indirect (F&A) costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

The Authority has no sub-recipients for the year ended June 30, 2018.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

A - Financial Statements

- | | |
|---|---------------|
| 1) Type of auditor’s report issued: | Unmodified |
| 2) Internal control over financial reporting: | |
| a) Material weakness (es) identified? | No |
| b) Significant deficiency (ies) identified not
considered to be material weaknesses? | None reported |
| 3) Noncompliance material to financial statements
noted? | No |

B - Federal Awards

- | | |
|--|---------------|
| 1) Type of auditor’s report issued on compliance
for major programs: | Unmodified |
| 2) Internal control over major programs: | |
| a) Material weakness(es) identified? | No |
| b) Significant deficiency(ies) identified not
considered material weakness(es)? | None reported |
| 3) Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)? | No |

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018**

SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)

B - Federal Awards (Continued)

4) Identification of major program:

CFDA Number(s)	Name of Federal Program
11.557	Broadband Technology Opportunities Program (BTOP) – ARRA
97.067	State Homeland Security Grant Program - 2016
97.067	State Homeland Security Grant Program - 2013

5) Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

6) Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.

February 18, 2020

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

We have audited the basic financial statements of the Los Angeles Regional Interoperable Communication System Authority (Authority) as of and for the year ended June 30, 2018, as re-stated and have issued our report thereon dated March 20, 2019, except for Note 13, as to which the date is February 18, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 2 to the financial statements. There have been no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There was no material, corrected financial statement misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management dated February 18, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BCA Watson Rice, LLP

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

For the Year ended June 30,2019



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AGENDA ITEM G - ENCLOSURE

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

	Page
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Governmental Activities Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet	10
Reconciliation of the Governmental Fund Balance Sheet to the Governmental Activities Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balance.....	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Statement of Activities	13
Notes to the Basic Financial Statements	14
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	22
Notes to the Required Supplementary Information	23
Audit of Federal Awards Programs	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	27

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS
(Continued)

	Page
Schedule of Expenditures of Federal Awards	30
Notes to the Schedule of Expenditures of Federal Awards	31
Schedule of Findings and Questioned Costs	32

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Authority as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) (pages 4 through 7) and the Required Supplementary Information (page 22) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

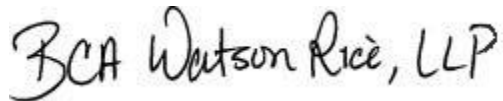
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California
February 18, 2020

THE LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended June 30, 2019

The Management's Discussion and Analysis (MD&A) of the financial activities of the Los Angeles Regional Interoperable Communications System Authority (Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements, footnotes and supplementary information.

Financial Highlights

- During the current year, the Authority's assets totaled \$112,826,415. Cash and Investments deposited in the County Treasury Pool totaled \$5,325,083.
- Program revenues totaled \$25,902,534 and mainly consisted of federal grants in the amount of \$24,511,409, communication services of \$811,033, and local match grant contributions in the amount of \$570,967.
- The Authority has a cash operating loan balance totaling \$12,141,685 from the County of Los Angeles for the funding of start-up and operational costs. The loan bears no interest and has no definite repayment schedule.
- As of June 30, 2019, the Authority had \$94,908,044 in Capital Assets consisting of telecommunication equipment under construction valued at \$93,438,584, telecommunications equipment valued at \$1,387,807, and office furniture valued at \$81,653.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also includes other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Authority assets reduced by liabilities, which represent net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Activities presents information that indicates how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Therefore, revenues and

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2019**

expenses are reported in these statements for some items that affect cash flows in future periods, i.e. accrued but unpaid contract and professional fees.

The government-wide financial statements report the following different types of programs or activities:

Governmental Activities – All of the Authority's programs during fiscal year 2018-2019 are reported under this category.

Business-type Activities – The Authority has no business-type activities during fiscal year 2018-2019.

Fund Financial Statements

The fund financial statements contain information regarding major individual funds. A fund is a fiscal and accounting entity with a balanced set of accounts. The Authority uses separate funds to ensure compliance with fiscal and legal requirements. The Authority's funds are all classified as governmental funds during fiscal year 2018-2019.

Governmental Funds - These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary schedules in the format of the basic financial statements, showing the activity for each fund.

Financial Statement Analysis

During fiscal year 2018-2019, operating revenues decreased by \$7.34 million and operating expenditures increased by \$0.83 million. Federal grant revenue increased by \$5.87 million and

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2019**

contributions from local governments decreased by \$7.77 million. During the fiscal year ended June 30, 2019, no contributions were received from local governments.

Capital Assets

During fiscal year 2018-2019, the Authority continued building the Land Mobile Radio (LMR) system and purchased equipment that will eventually be used to operate and support the LMR system. As of June 30, 2019, the Authority had capital assets in the form of telecommunication equipment under construction valued at \$93,438,584, telecommunication equipment valued at \$1,387,806 and office furniture valued at \$81,654.

Debt Administration

The County of Los Angeles provided the Authority a cash operating loan for the funding of start-up and operational costs until a long-term funding plan is adopted by the Authority members. This loan bears no interest and has no definite repayment schedule. As of June 30, 2019, the Authority had \$12,141,685 in loans payable compared to \$5,141,685 loans payable as of June 30, 2018.

Economic Factors

The Authority is the recipient of the Broadband Technology Opportunity Program (BTOP) grant administered by the Department of Commerce (DOC) to fund the LTE system, its proposed public safety broadband network (also known as the "PSBN"). The grant will continue to be administered by the DOC in fiscal year 2019-2020.

The following LA-RICS activity is anticipated for fiscal year 2019-2020:

- **Status of LMR and LTE Systems**

The LMR System contract was executed in August 2013 with Motorola Solutions, Inc. (Motorola) and work began in September 2013. System design and construction activities continue and it is anticipated that the LMR system will be completed and tested in 2020. The Authority anticipates that managing cash flow will be critical through this project. While the majority of the project is grant funded, the grantors require that expenditures be paid before they are reimbursed.

On December 14, 2017, the LA-RICS Board of Directors approved an Asset Transfer Agreement and corresponding Business Agreement with AT&T Corp. (AT&T) for the transfer and assignment of the Authority's right, title, and interest in the LA-RICS PSBN Round 1 deployment for use in the FirstNet NPSBN. The Authority is working with member agencies to finalize router selection and acceptance and with AT&T to finalize payment of \$2.5 million in services. The Business Agreement contains two payment triggers, \$6 million paid at the successful transfer of assets from PSBN Round 1, with another \$3 million payable at the delivery of 13 out of 26 sites from Round 2 as approved by NTIA and the NOAA and the final \$3 million payable at the delivery of the final 13 out of 26 sites with grantor approval. The \$6 million was received during fiscal year 2017-2018.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2019**

With the successful transfer of Round 1 assets to AT&T, the focus of LTE-related activities is on the deployment of Round 2. On February 15, 2019, the Authority submitted the PSBN Round 2 Project Implementation Plan (PIP) to NTIA and NOAA for consideration. On June 25, 2019 NTIA and NOAA approved two PIP objectives for a total of \$32 million in grant revenue. The BTOP grant has a 20% match requirement which will be satisfied with land value/in-kind match. The LTE grant will continue to be managed on an advance basis. The LA-RICS Authority continues to work with AT&T to transition the sites from Round 1 asset transfer to the FirstNet Core.

On December 11, 2019, the Authority submitted a request for funding augmentation to NTIA and NOAA requesting \$3,506,048 in additional funding to support completion of the construction of the 26 sites. This request for funding augmentation captures funds required to complete the 26 site deployment within a compressed timeframe. It is expected that formal approval of grant fund augmentation is forthcoming.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
ASSETS	
Cash and investments (Note 3)	\$ 5,325,083
Interest receivable	24,309
Accounts receivable (Note 4)	12,490,210
Prepaid expenses	78,769
Capital assets (Note 5)	94,908,044
Total Assets	<u>\$ 112,826,415</u>
LIABILITIES	
Accounts payable (Note 6)	\$ 2,456,364
Loans payable (Note 7)	12,141,685
Deferred revenue (Note 8)	6,534,308
Total Liabilities	<u>21,132,357</u>
NET POSITION	
Net investment in capital assets	94,908,044
Unrestricted	(3,213,986)
Total Net Position	<u>\$ 91,694,058</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

		Program Revenues	Net (Expense) Revenue and Change in Net Position
	Expenses	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>			
Governmental activities -			
Interoperable communications and safety programs	\$ 17,037,007	\$ 25,902,534	\$ 8,865,527
 Total	 \$ 17,037,007	 \$ 25,902,534	 8,865,527
 General revenues:			
Investment income			149,809
Change in net position			9,015,336
 Net position, beginning of year			82,678,722
Net position, end of year			\$ 91,694,058

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

BALANCE SHEET
June 30, 2019

ASSETS

Cash and investments (Note 3)	\$ 5,325,083
Interest receivable	24,309
Accounts receivable (Note 4)	12,490,210
Prepaid expenses	78,769
Total Assets	<u>\$ 17,918,371</u>

LIABILITIES

Accounts payable (Note 6)	\$ 2,456,364
Loans payable (Note 7)	12,141,685
Deferred revenue (Note 8)	6,534,308
Total Liabilities	<u>21,132,357</u>

NET POSITION

Unrestricted	<u>(3,213,986)</u>
Total Net Position	<u>(3,213,986)</u>
 Total Liabilities and Fund Balance	 <u>\$ 17,918,371</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION**

June 30, 2019

Fund balance - Governmental Funds (page 10)	\$ (3,213,986)
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not current financial resources
and therefore, are not reported in the governmental balance sheet.

94,908,044

Net Position of Governmental Activities (page 8)

\$ 91,694,058

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended June 30, 2019**

Revenues

Federal grants	\$ 24,511,409
Communication services	811,033
Local match (Note 10)	570,967
Interest income	149,809
Others	9,125
Total revenues	<u>26,052,343</u>

Expenditures

Capital expenditures - telecommunication equipment	15,003,696
Consultants' services	10,705,525
County department services	4,557,675
Donated services (Note 10)	570,967
Security services	208,219
Rentals	200,665
Permit and license fees	182,670
Insurance	86,386
Utilities	66,711
Travel and transportation	40,159
Professional fees	29,700
Miscellaneous	15,995
Total expenditures	<u>31,668,368</u>

Deficit of revenues over expenditures (5,616,025)

Fund balance, beginning of year 2,402,039

Fund balance, end of year \$ (3,213,986)

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE
GOVERNMENTAL STATEMENT OF ACTIVITIES
June 30, 2019

Net Change in Fund Balance – Governmental Funds (page 12)	\$ (5,616,025)
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Amounts reported for governmental statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the governmental statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Additions to capital assets amounted to \$15,003,696 for the current period.	15,003,696
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Depreciation expense on capital assets is reported in the governmental statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.	(372,335)
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Change in Net Position of Governmental Activities (page 9)	<u>\$ 9,015,336</u>
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See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – REPORTING ENTITY

The Los Angeles Regional Interoperable Communications System Authority (Authority), a separate public entity, was created in May 2009 through a Joint Powers Agreement (JPA) between the County of Los Angeles, the City of Los Angeles, and eighty-five (85) other public agencies located in the greater Los Angeles Area. The Authority was created to exercise the powers shared in common by its members to engage in regional and cooperative planning and coordination of the governmental services to establish a wide-area interoperable public safety communications network.

The composition of the JPA has changed since inception. During fiscal year 2018-2019, the Authority was governed by a ten (10) member Board of Directors which served without compensation. The 10 Board members consisted of the following:

1. County of Los Angeles, Chief Executive Officer
2. County of Los Angeles, Fire Chief
3. County of Los Angeles, Sheriff
4. County of Los Angeles, Department of Health Services Director
5. Los Angeles Area Fire Chief Association
6. Los Angeles County Police Chiefs Association
7. California Contract Cities Association
8. City of Inglewood (At Large)
9. City of Covina, Police Chief (At Large)
10. City of Signal Hill (At Large)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements

In accordance with Governmental Accounting Standards Board (GASB) 34, the basic financial statements consist of the following:

- Government-wide financial statements;
- Fund financial statements; and
- Notes to the basic financial statements.

Government-wide Financial Statements

The statement of net position and statement of activities display the financial activities of the Authority. These statements present the governmental activities of the Authority.

The statement of activities presents a comparison between direct expenses and program revenues for the Authority's governmental activities. Direct expenses are those that are specifically associated with a program and, therefore, are clearly identifiable to a particular program. Program revenues include capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (Continued)

Net position is classified into the following three components: 1) net investment in capital assets; 2) restricted, and 3) unrestricted. At June 30, 2019, the net investment in capital assets balance was \$94,908,044 and the unrestricted net position was negative \$3,213,986. There was no restricted net position balance at June 30, 2019.

Fund Financial Statements

The accounts of the Authority are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and for individual funds based on the purpose for which they are spent and means by which spending activities are controlled.

The Authority's General Fund is available for any authorized purpose and is used to account for and report all financial resources not accounted for and reported in another fund. Funding comes primarily from federal grants through the Department of Commerce, Broadband Technology Opportunities Program (BTOP) and the Department of Homeland Security, State Homeland Security Grant Program and contributions from the County of Los Angeles.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The General Fund is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Capital Assets

Capital assets, consisting primarily of telecommunication equipment, are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Costs include labor, materials, interest during construction, retirement plan contribution and other fringe benefits. Donated assets are reported at acquisition value rather than estimated fair market value at the date of donation.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets other than land are depreciated using the straight-line method over the estimated useful lives of the assets.

Fund Balances

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The reported fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

Restricted Fund Balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

Committed Fund Balance – amounts that can only be used for the specific purposes determined by a formal action of the Authority’s highest level of decision-making authority, the Authority’s Board. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

Assigned Fund Balance – amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned Fund Balance – the residual classification for the Authority’s General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Authority’s Board establishes, modifies, or rescinds fund balance commitments and assignments through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Revenue

Recognition of revenues arising from non-exchange transactions, which include revenues from grants and contributions, is based on the primary characteristic from which the revenues are received by the Authority. Grant funds are considered earned to the extent of expenditures made under the provisions of the grants.

Deferred inflow of resources arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Deferred inflow of resources also arises when the Authority receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred inflow of resources is removed from the balance sheet and revenue is recognized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

New Pronouncements Issued and Implemented

The following summarizes recent GASB pronouncements issued and implemented during fiscal year ended June 30, 2019 and their impact, if any, on the basic financial statements:

In November 2016, GASB issued **Statement No. 83**, “*Certain Asset Retirement Obligations*” – The primary purpose of this Statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. This statement did not have a material impact on the Authority’s financial statements.

In April 2018, GASB issued **Statement No. 88**, “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*”. The objective of this Statement is to improve the information that is disclosed in the notes to the governmental financial statements related to debt, including direct borrowings and direct placements, and requires additional essential information related to debt be disclosed in notes to financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The implementation of GASB Statement No. 88 did not have an impact on the Authority’s financial statements.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 3 - CASH AND INVESTMENTS

The Authority's cash and investments are pooled and invested by the County of Los Angeles Treasurer and Tax Collector (Treasurer) and are subject to withdrawal from the pool upon demand. The Authority's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on the fund's average cash and investment balance, as provided by the California Government Code Section 53647. The Authority's cash and investment balance as of June 30, 2019 is \$5,325,083.

Investments are stated at fair value and are valued on a monthly basis. The Treasurer categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix Pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government investment pool is not subject to reporting within the level hierarchy.

Investment policies and associated risk factors applicable to the Authority are included in the County of Los Angeles' Comprehensive Annual Financial Report for the year ended June 30, 2019. Detailed deposit and investment risk disclosures are included in Note 5 of the County of Los Angeles' Comprehensive Annual Financial Report.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 in the amount of \$12,490,210, represents \$913,910 receivable from the Department of Commerce for allowable Broadband Technology Opportunities Program (BTOP) expenditures, receivable from the Department of Homeland Security for allowable Urban Areas Security Initiative (UASI) Program expenditures of \$11,261,056, and receivable from AT&T for reimbursement of expenditures of the Business Services Agreement in the amount \$315,244.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 5 – CAPITAL ASSETS

Capital assets as of June 30, 2019 consist of the following:

	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
Governmental activities:				
Capital assets, being depreciated:				
Telecommunication Equipment	\$ 2,081,707	\$ -	\$ -	\$ 2,081,707
Office furniture and fixture	193,683	-	-	193,683
Total	2,275,390			2,275,390
Lesss accumulated depreciation	(433,595)	(372,335)	-	(805,930)
Total capital assets, being depreciated	1,841,795	(372,335)	-	1,469,460
Capital assets, not being depreciated:				
Construction in progress-telecommunication equipment	78,434,888	15,003,696	-	93,438,584
Total capital assets, not being depreciated	78,434,888	15,003,696	-	93,438,584
Governmental activities capital assets, net	<u>\$ 80,276,683</u>	<u>\$ 14,631,361</u>	<u>\$ -</u>	<u>\$ 94,908,044</u>

Depreciation expense for the government activities during fiscal year 2018-2019 was \$372,335.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2019 in the amount of \$2,456,364, consists of \$1,930,909 accruals of vendors' invoices not yet paid as of that date and \$525,455 settlement claimed by Southern California Edison Company (SCE). The claim was for fiber services and related taxes and fees provided to cell on wheels (COWS) units stationed at nine SCE sites. The 9 COWS were deployed to SCE sites as part of the Round 1 Public Safety Broadband Network buildout by the Authority.

NOTE 7 – LOANS PAYABLE

The initial funding of the Authority's start-up and operational costs was provided through a cash operating loan from the County of Los Angeles. This loan bears no interest and has no definite repayment schedule. The balance of this loan as of June 30, 2019 was \$12,141,685.

NOTE 8 – DEFERRED REVENUE

Deferred revenue as of June 30, 2019 in the amount of \$6,534,308 represents UASI program expenditures. These program expenditures have not yet been submitted for reimbursement with the funding agency.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

NOTE 9 – OFFICE LEASE

The Authority leases 8,335 square feet of office space in a building located in Monterey Park, California. The operating lease agreement is for seven (7) years commencing on October 15, 2014. Rent expense under this operating lease during fiscal year 2018-2019 was \$200,665.

As of June 30, 2019, future minimum payments of the operating lease are as follows:

Fiscal Year Ending June 30:	
2020	206,938
2021	213,146
2022	62,700
	<u>\$ 482,784</u>

NOTE 10 – LOCAL MATCH

The BTOP grant requires the Authority to provide, from non-federal sources not less than 20% of the total project cost. Matching funds can be in the form of either cash or in-kind contributions. The Authority has recorded the in-kind contributions and donated services in the amount of \$570,967 for the year ended June 30, 2019.

NOTE 11 – CONTINGENT LIABILITIES

The Authority is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of the Authority.

NOTE 12 – SUBSEQUENT EVENTS

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 18, 2020, the date the financial statements were issued.

The Business Agreement with AT&T contains two payment triggers. The first payment, \$6 million, was paid at the successful transfer of assets from PSBN Round 1. Another \$3 million will be payable at the delivery of 13 out of 26 sites from Round 2 as approved by NTIA and the NOAA and the final \$3 million will be payable at the delivery of the final 13 out of 26 sites with grantor approval.

REQUIRED SUPPLEMENTARY INFORMATION

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Federal grants	\$ 75,118,000	\$ 75,118,000	\$ 24,511,409	\$ (50,606,591)
Contribution from other governmental agencies	3,000,000	3,000,000	-	(3,000,000)
Communication services	2,500,000	2,500,000	811,033	(1,688,967)
Local match	-	-	570,967	570,967
Interest income	-	-	149,809	149,809
Others	-	-	9,125	9,125
Total revenue	80,618,000	80,618,000	26,052,343	(54,565,657)
Expenditures:				
Consultant' services	69,081,289	69,081,289	10,705,525	58,375,764
County department services	9,400,011	9,400,011	4,557,675	4,842,336
Donated services	-	-	570,967	(570,967)
Building rentals	241,614	241,614	200,665	40,949
Travel and transportation	350,500	350,500	40,159	310,341
Insurance premiums	444,000	444,000	86,386	357,614
Professional fees	29,700	29,700	29,700	-
Supplies	120,000	120,000	-	120,000
Miscellaneous	930,886	930,886	473,595	457,291
Capital expenditures -Furnitures	20,000	20,000	-	20,000
Capital expenditures -Telecommunication Equipment	-	-	15,003,696	(15,003,696)
Total expenditures	80,618,000	80,618,000	31,668,368	48,949,632
Excess of revenues over expenditures	-	-	(5,616,025)	(5,616,025)
Fund balance, beginning of year	-	-	2,402,039	2,402,039
Fund balance, end of year	\$ -	\$ -	\$ (3,213,986)	\$ (3,213,986)

See accompanying notes to the required supplementary information.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

BUDGETARY DATA

The Authority adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

AUDIT OF FEDERAL AWARDS PROGRAMS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2019 and the related notes to the financial statements and have issued our report thereon dated February 18, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

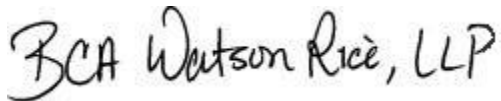
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance.

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California
February 18, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

Report on Compliance for Each Major Federal Program

We have audited the Los Angeles Regional Interoperable Communications System Authority's (Authority) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2019, and have issued our report thereon dated February 18, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BCA Watson Rice, LLP

Torrance, CA
February 18, 2020

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Award/ Pass- through Identification Number	Total Expenditures
FEDERAL			
<u>U.S. Department of Commerce/National</u>			
<u>Telecommunications and Information Administration</u>			
<u>Direct Program</u>			
Broadband Technology Opportunities Program (BTOP) – ARRA	11.557*	NT10BIX5570158	\$ 5,877,860
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the City of Los Angeles</i>			
Homeland Security Grant Program – 2016	97.067*	C-130810	3,821,788
Homeland Security Grant Program – 2017	97.067*	C-131396	14,811,761
Subtotal			<u>18,633,549</u>
Total Federal Expenditures			<u><u>\$ 24,511,409</u></u>

* Major Program

See accompanying notes to the schedule of expenditures of federal awards.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Los Angeles Regional Interoperable Communications System Authority and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Authority has elected not to use the 10% de minimis indirect cost rate as covered in §200.414 Indirect (F&A) costs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUBRECIPIENTS

The Authority has no sub-recipients for the year ended June 30, 2019.

NOTE 3 – RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying Schedule agree to amounts reported within the Authority's basic financial statements.

NOTE 4 – CONTINGENCIES

Under the terms of federal grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

**THE LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

A - Financial Statements

- | | |
|---|---------------|
| 1) Type of auditor’s report issued: | Unmodified |
| 2) Internal control over financial reporting: | |
| a) Material weakness (es) identified? | No |
| b) Significant deficiency (ies) identified not
considered to be material weaknesses? | None reported |
| 3) Noncompliance material to financial statements
noted? | No |

B - Federal Awards

- | | |
|--|---------------|
| 1) Type of auditor’s report issued on compliance
for major programs: | Unmodified |
| 2) Internal control over major programs: | |
| a) Material weakness(es) identified? | No |
| b) Significant deficiency(ies) identified not
considered material weakness(es)? | None reported |
| 3) Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)? | No |

**LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)

B - Federal Awards (Continued)

4) Identification of major program:

CFDA Number(s)	Name of Federal Program
11.557	Broadband Technology Opportunities Program (BTOP) – ARRA
97.067	State Homeland Security Grant Program - 2017
97.067	State Homeland Security Grant Program - 2016

5) Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

6) Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None reported.

February 18, 2020

To the Board of Directors of
The Los Angeles Regional Interoperable Communications System Authority

We have audited the basic financial statements of the Los Angeles Regional Interoperable Communication System Authority (Authority) as of and for the year ended June 30, 2019 and have issued our report thereon dated February 18, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 2 to the financial statements. There have been no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There was no material, corrected financial statement misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management dated February 18, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BCA Watson Rice, LLP



LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

2525 Corporate Place, Suite 100
Monterey Park, California 91754
Telephone: (323) 881-8291
<http://www.la-rics.org>

SCOTT EDSON
EXECUTIVE DIRECTOR

April 2, 2020

LA-RICS Board of Directors
Los Angeles Regional Interoperable Communications System Authority (the "Authority")

Dear Directors:

APPROVE AMENDMENT NO. 45 TO AGREEMENT NO. LA-RICS 007 FOR LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM LAND MOBILE RADIO SYSTEM

SUBJECT

Board approval is requested to authorize the Executive Director to execute Amendment No. 45 to Agreement No. LA-RICS 007 (Agreement) to contemplate the incorporation of certain Change Order Modifications resulting in an increase to the Maximum Contract Sum in the amount of \$39,050.

RECOMMENDED ACTIONS

It is recommended that your Board:

1. Find that (a) approval of Amendment No. 45 to contemplate Change Order Modifications at two (2) LMR System sites, Loop Canyon [LPC] and Magic Mountain Link [MML], to perform certain environmental work is within the scope of the Final Environmental Impact Report (EIR) for the LA-RICS LMR System, which was previously certified by the Board under CEQA on March 29, 2016; and (b) that there are no changes to the project at these sites or to the circumstances under which the project is undertaken that require revisions to the previous EIR due to new significant effects or substantial increase in the severity of previously identified significant effects.
2. Approve Amendment No. 45 (Enclosure) to Agreement No. LA-RICS 007 for a LMR System with Motorola Solutions, Inc. (Motorola), which revises the

Agreement to incorporate certain LMR Change Order Modifications as further described in this letter for a cost increase in the amount of \$39,050.

3. Authorize an increase to the Maximum Contract Sum in the amount \$39,050 from \$290,219,275 to \$290,258,325.
4. Delegate authority to the Executive Director to execute Amendment No. 45, in substantially similar form, to the enclosed Amendment (Enclosure).

BACKGROUND

As construction continues to progress approval of certain change order modifications may be necessary to address and continue construction activities that were not originally contemplated in Motorola's scope. As a result, the recommended actions contemplate LMR Change Order Modifications.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize the Executive Director to execute Amendment No. 45 to incorporate certain Change Order Modifications resulting in an increase to the Maximum Contract Sum in the amount of \$39,050.

The Change Order Modifications contemplated in this Amendment No. 45 are necessary to perform Environmental Phase II work, namely limited subsurface investigative work at two (2) LMR System Sites (Loop Canyon [LPC] and Magic Mountain Link [MML]) to ensure subsurface conditions are appropriate for construction activities.

The LMR Change Order Modifications contemplated in Amendment No. 45, have been reviewed by Authority staff, including its consultants, and the LMR Contractor, Motorola and both parties have negotiated each claim, including the associated costs for each change order. The changes presented in Amendment No. 45 benefit the LMR project and are required for the completion of the LMR System. LMR change orders are considered for a variety of reasons and reflect items that were not originally considered in the contract or are performed in order to ratify an agreement between the Authority and its Contractor, Motorola, regarding work to be performed.

FISCAL IMPACT/FINANCING

The activities contemplated in Amendment No. 45 will result in an increase to the Maximum Contract Sum by \$39,050 from \$290,219,275 to \$290,258,325 when taking the recommended actions into consideration. All work contemplated in Amendment No. 45 shall be fully reimbursed by the Urban Areas Security Initiative (UASI) grant.

ENVIRONMENTAL DOCUMENTATION

The two (2) LMR System Sites (LPC and MML) contemplated in Amendment No. 45 were evaluated in the EIR prepared by the LA-RICS Authority for the LMR System. On March 29, 2016, your Board certified the Final EIR for the LMR System in compliance with CEQA, made findings with respect to the environmental impacts of the project, and adopted the Mitigation Monitoring Program (MMP) as a condition of approval for the project. The currently recommended actions related to these two (2) LMR System Sites are within the scope of the impacts analyzed in the previously certified Final EIR and the Board's previous environmental findings. There have been no changes to the impacts analyzed or to the circumstances under which the project is undertaken for these two (2) LMR System Sites that would require revisions to the previous EIR due to new significant effects or a substantial increase in the severity of previously identified significant effects pursuant to Public Resources Code section 21166 or CEQA Guidelines sections 15162 and 15163. The previously adopted MMP will continue to apply.

Upon the Board's approval of the recommended actions for this Amendment No. 45, the Authority will file a Notice of Determination for the two (2) LMR System Sites (LPC, and MML) with the County Clerk in accordance with Section 21152(a) of the California Public Resources Code and Section 15094 of the State CEQA Guidelines.

FACTS AND PROVISIONS/LEGAL REQUIREMENT

The Authority's counsel has reviewed the recommended actions and approved as to form.

CONCLUSION

Upon the Board's approval of the recommended actions, the Executive Director or his designee will have delegated authority to proceed in a manner described in the recommended actions.

Respectfully submitted,



SCOTT EDSON
EXECUTIVE DIRECTOR

JA

E:\MOTOROLA (LA-RICS 007)\2. Amendments\Amendment 45 (Draft)\Amendment No. 45_Board Letter_03-27-20.docx

Enclosure

cc: Counsel to the Authority

**AMENDMENT NUMBER FORTY-FIVE
TO AGREEMENT NO. LA-RICS 007
FOR
LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM
LAND MOBILE RADIO SYSTEM**

RECITALS

This Amendment Number Forty-Five (together with all exhibits, attachments, and schedules hereto, "Amendment No. 45") is entered into by and between the Los Angeles Regional Interoperable Communications System Authority ("Authority") and Motorola Solutions, Inc. ("Contractor"), effective as of April _____, 2020, based on the following recitals:

The Authority and Contractor have entered into that certain Agreement No. LA-RICS 007 for Los Angeles Regional Interoperable Communications System ("LA-RICS") – Land Mobile Radio System, dated as of August 15, 2013 (together with all exhibits, attachments, and schedules thereto, all as amended prior to the date hereof, the "Agreement").

The Agreement has been previously amended by Amendment Number One, effective as of September 5, 2013, to exercise the Unilateral Option for all Work pertaining to Phase 1 (System Design), without the Additive Alternates; with no change to the Maximum Contract Sum.

The Agreement has been previously amended by Amendment Number Two, effective as of October 29, 2013, to exercise the Unilateral Option for all Work pertaining to Project Descriptions in Phase 1 (System Design) for the Bounded Area Coverage Additive Alternate; with no change to the Maximum Contract Sum.

The Agreement has been previously amended by Amendment Number Three, effective as of December 19, 2013, to, among other things, exercise the Unilateral Option for all Work pertaining to Contractor's provision and implementation of Specified Equipment (as defined in Amendment No. 3) increasing the Maximum Contract Sum by \$1,285,230, from \$280,354,954 to \$281,640,184.

The Agreement has been previously amended by Amendment Number Four, effective as of December 19, 2013, to, among other things, provide and implement under Phase 1 (System Design) certain additional equipment referred to as "Station B Equipment" increasing the Maximum Contract Sum by \$1,169,047, from \$281,640,184 to \$282,809,231.

The Agreement has been previously amended by Amendment Number Five, effective as of March 27, 2014, to, among other things; include license coordination fees, increasing the Maximum Contract Sum by \$20,240, from \$282,809,231 to \$282,829,472.

The Agreement has been previously amended by Amendment Number Six, effective as of April 17, 2014, to, among other things, upgrade to the Los Angeles Police Department's Valley Dispatch Center's ("LAPDVDC") Uninterruptible Power Supply

("UPS") to accommodate the installation and deployment of Core 2 at this facility, increasing the Maximum Contract Sum by \$68,146, from \$282,829,472 to \$282,897,618.

The Agreement has been previously amended by Amendment Number Seven, effective as of May 8, 2014, to, among other things, purchase portable radios, radio accessories, consolettes, and consoles; and to add a provision to address potential joint obligations of Authority and Contractor under the Antennae Lease Agreement dated April 17, 2014, between the City of Los Angeles, the Authority, and Contractor; increasing the Maximum Contract Sum by \$5,177,051, from \$282,897,618 to \$288,074,669.

The Agreement has been previously amended by Amendment Number Eight, effective as of August 28, 2014, to purchase additional portable radios and radio accessories; increasing the Maximum Contract Sum by \$3,671,006, from \$288,074,669 to \$291,745,675.

The Agreement has been previously amended by Amendment Number Nine, effective November 19, 2014, to (a) make changes necessary to reflect the removal of one (1) LMR System Site and all the Work and equipment associated with the removal of this site; (b) make the necessary changes to reflect Phase 1 (System Design) Project Description Work only for twenty-six (26) potential replacement sites; (c) exercise the Unilateral Options for all Work pertaining to Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) for twenty-six (26) existing LMR System Sites; with no increase to the Maximum Contract Sum.

The Agreement has been previously amended by Amendment Number Ten, effective February 17, 2015, to (a) make the necessary changes to reflect Phase 1 (System Design) Description Work for one (1) potential replacement site; (b) make changes necessary to reflect the removal of four (4) LMR System Sites and all the Work and equipment associated with these sites; (c) make changes necessary to reflect the inclusion of four (4) LMR System Sites and all the Work and equipment associated with these sites and exercise the Unilateral Options for all Work pertaining to Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) for these four (4) LMR System Sites; (d) exercise the Unilateral Options for all Work pertaining to Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) for eight (8) LMR System Sites currently contemplated in the Design; (e) allow for two power load studies to be conducted; and (f) make other certain changes as reflected in Amendment No. 10, increasing the Maximum Contract Sum by \$1,101,138, from \$291,745,675 to \$292,846,813.

The Agreement has been previously amended by Amendment Number Eleven, effective April 28, 2015, to (a) make the necessary changes to reflect Phase 1 (System Design) Description Work for two (2) potential replacement sites; (b) make changes necessary to reflect an existing credit from Amendment No. 3 in the amount of \$547,158 in Phase 3 (Supply LMR System Components) for one (1) LMR System Site, (c) make changes necessary to add project management costs that were inadvertently omitted in

Amendment No. 10 in the amount of \$64,282 in Phase 4 (LMR System Implementation) for one (1) LMR System Site, and (d) make other certain changes as reflected in Amendment No. 11, all of which reduced the Maximum Contract Sum by \$459,529, from \$292,846,813 to \$292,387,284.

The Agreement has been previously amended in Amendment Number Twelve, effective August 27, 2015, to (a) make the necessary changes to reflect the shifting of FCC Licensing Work and costs from Phase 3 (Supply LMR System Components) to Phase 1 (System Design) in the amount of \$284,041; (b) make certain changes to reflect the increase of FCC Licensing Work to contemplate the licensing of all UHF T-Band frequencies as referenced in Attachment B, at each of the applicable subsystem sites in order to achieve compliance with the performance criteria set forth in the Agreement, all in the amount of \$139,076; (c) make the necessary changes to reflect the inclusion of a bridge warranty for the Specified Equipment (Core 1, Core 2, repeater sites, Site on Wheels, and Station B Equipment) previously purchased under Amendment No. 3 and Amendment No. 4, to bridge the gap in warranty for this equipment until such time as Final LMR System Acceptance is achieved in the amount of \$647,533; and (d) to purchase portable radios, radio accessories, consolettes, and a control station for the Los Angeles Sheriff's Department Aero Bureau for purposes of mutual aid in the amount of \$386,234; increasing the Maximum Contract Sum by \$1,172,843 from \$292,387,284 to \$293,560,127.

The Agreement has been previously amended to Amendment Number Thirteen effective October 30, 2015 to make the necessary changes to reflect Phase 1 (System Design) Work to add lease exhibits to twenty-nine (29) LMR System Sites; increasing the Maximum Contract Sum by \$14,888 from \$293,560,127 to \$293,575,015.

The Agreement has been previously amended in Amendment Number Fourteen, effective November 17, 2015, to reflect the Work to reprogram UHF frequencies in accordance with Attachment A and purchase upgraded equipment for the County of Los Angeles Sheriff's Department's (LASD) Station B, as well as the Authority's System on Wheels to prepare for use at certain scheduled events in the amount of \$64,256, increasing the Maximum Contract Sum from \$293,575,015 to \$293,639,271.

The Agreement has been previously amended in Amendment Number Fifteen, effective December 17, 2015, to reflect the inclusion of Phase 1 (System Design) Project Description Work for eleven (11) potential replacement sites in the amount of \$128,414, increasing the Maximum Contract Sum from \$293,639,271 to \$293,767,685.

The Agreement has been previously amended in Amendment Number Sixteen, effective December 23, 2015, to (a) reflect the removal of thirty-one (31) LMR System Sites from the scope of Phase 1 (System Design) Work only for a cost reduction in the amount of \$1,132,374; (b) reflect the inclusion of seventeen (17) LMR System Sites into the scope of Phase 1 (System Design) only which includes all Work associated with the addition of these sites into Phase 1 (System Design) for a cost increase in the amount of \$635,537; (c) exercise the Unilateral Options for all Work pertaining to Phase 1 (System Design) for seventeen (17) LMR System Sites; (d) include Phase 1 (System Design)

Project Description Work only for one (1) potential replacement site (LACF134) for a cost increase in the amount of \$11,674; (e) account for a comprehensive redesign of the LMR System and all associated Work for a cost increase in the amount of \$1,054,440; (f) reflect the removal, relocation, and deployment of the LMR System Core 2 equipment from Los Angeles Police Department Valley Dispatch Center (LAPDVDC) to Palmdale Sheriff Station (PLM) and necessary Work associated with this relocation and for a cost increase in the amount of \$499,912; increasing the Maximum Contract Sum by \$1,069,189 (\$635,537 + \$11,674 + \$1,054,440 + \$499,912 - \$1,132,374 when taking the above cost increases and decreases into consideration) from \$293,767,685 to \$294,836,874.

The Agreement has been previously amended in Amendment Number Seventeen, effective April 25, 2016, as follows:

- (a) Make changes necessary to reflect the removal of thirty-four (34) LMR System Sites from the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same for a cost reduction in the amount of \$45,143,083.
- (b) Make the changes necessary to reflect the inclusion of nineteen (19) LMR System Sites into the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same for a cost increase in the amount of \$23,677,589.
- (c) Re-baselining of the project management overhead expenses, attributable in the Agreement to each phase of the work that contemplates project management fees, to more accurately reflect the current project scope, and to establish a formula to more accurately price the net impact on project management overhead expenses of any subsequent addition or removal of sites. The re-baseline removes costs on a per site basis to a new per phase deliverable as contemplated in Amendment No. 17 in the amount of \$8,207,108. This re-baselining does however result in a net cost reduction in the amount of \$572,826 which is contemplated in the re-baseline.
- (d) Reconcile equipment necessary for certain LMR System Sites as well as the logging recorder as a result of redesign for a cost increase in the amount of \$3,171,159.
- (e) Exercise the Unilateral Options for all Work pertaining to Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) respectively, for those LMR System Sites contained in the LMR System reflecting the reconciliation of sites contemplated in Amendment No. 17.

- (e) Decreasing the Maximum Contract Sum by \$10,087,227 ($-\$45,143,083 + \$23,677,589 + \$8,207,108 + \$3,171,159$) when taking the above cost increases and decreases into consideration) from \$294,836,874 to \$284,749,647.
- (f) Make other certain changes as set forth in Amendment No. 17.

The Agreement has been previously amended in Amendment Number Eighteen, effective May 4, 2016, to (a) reflect the inclusion of eight (8) LMR System Sites into the scope of Phase 1 (System Design) Work only which includes all Work associated with the addition of these sites into Phase 1 (System Design) for a cost increase in the amount of \$76,136; (b) exercise the Unilateral Options for all Work pertaining to Phase 1 (System Design) for eight (8) LMR System Sites; (c) reflect the inclusion of Phase 1 (System Design) Project Description Work for four (4) LMR System Sites for a cost increase in the amount of \$46,696; and (d) increasing the Maximum Contract Sum by \$122,832 ($\$76,136 + \$46,696$), when taking the cost increases into consideration from \$284,749,647 to \$284,872,479.

The Agreement has been previously amended in Amendment Number Nineteen, effective May 5, 2016, to make changes necessary to (a) reflect the removal of one (1) LMR System Site from the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) for a cost reduction in the amount of \$1,192,712, which includes a reduction in the amount of \$20,322 for project management costs for this site; (b) reconcile equipment necessary for certain LMR System Sites as a result of redesign for a cost increase in the amount of \$1,197,256; increasing the Maximum Contract Sum by \$4,544 ($\$1,197,256 - \$1,192,712$), when taking the cost increases and decreases into consideration, from \$284,872,479 to \$284,877,023; and (c) make other certain changes as set forth in Amendment No. 19.

The Agreement has been previously amended in Amendment Number Twenty, effective September 28, 2016, to make changes necessary to (a) reconcile nine (9) LMR System Sites to reflect the updated LMR System Design for a cost increase in the amount of \$367,144, (b) include 3D Modeling Work for certain LMR System Sites for a cost increase in the amount of \$6,534; (c) remove Site Lease Exhibit Work for certain LMR System Sites for a cost decrease in the amount of \$14,884; (d) increasing the Maximum Contract Sum by \$358,794 ($\$367,144 + \$6,534 - \$14,884$) from \$284,877,023 to \$285,235,817 when taking the cost increases and decreases into consideration and (e) make other certain changes as set forth in Amendment No. 20.

The Agreement has been previously amended in Amendment Number Twenty-One, effective October 27, 2016, to make changes necessary to reflect (a) the replacement of one (1) LMR System Site Johnstone Peak (JPK) with site Johnstone Peak 2 (JPK2) by (1) removing site JPK from the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same; and (2) include the JPK2 site into the scope of Phase 1 (System Design), Phase 2

(Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same, with the equivalent scope and cost for all Phases as JPK resulting in a cost neutral replacement; (b) exercise the Unilateral Options for all Work pertaining to Phase 1 (System Design) only for the replacement site Johnstone Peak 2; (c) reconcile ten (10) LMR System Sites to reflect the updated LMR System Design for a cost increase in the amount of \$804,944; (d) remove five (5) Project Descriptions from the scope of Phase 1 Work for a cost decrease in the amount of \$58,370; (e) make changes necessary to reflect an administrative revisions for a cost decrease in the amount of \$32,001; (f) increasing the Maximum Contract Sum by \$714,573 (\$804,944 - \$58,370 - \$32,001) from \$285,235,817 to \$285,950,390, when taking the cost increases and decreases into consideration; and (g) make other certain changes as set forth in Amendment No. 21.

The Agreement has been previously amended in Amendment Number Twenty-Two, effective November 17, 2016, to make changes necessary to reflect (a) the reconciliation of three (3) LMR System Sites to reflect the updated LMR System Design for a cost increase in the amount of \$476,676; (b) increasing the Maximum Contract Sum by \$476,676 from \$285,950,390 to \$286,427,066, when taking the cost increase into consideration; and (c) make other certain changes as set forth in Amendment No. 22.

The Agreement has been previously amended in Amendment Number Twenty-Three, effective December 21, 2016, to make changes necessary to (a) include four (4) LMR System Sites and all Work and equipment associated with these sites into Phase 1 (System Design) to be contemplated in the LMR System for a cost increase in the amount of \$36,068; (b) exercise the respective Unilateral Options all Phase 1 (System Design) Work pertaining to the four (4) LMR System Sites; (c) purchase certain Radio Equipment to be used with Authority's User Equipment for a cost increase in the amount of \$948; (d) increase the Maximum Contract Sum by \$39,016 from \$286,427,066 to \$286,466,082, when taking the cost increases into consideration; and (d) make other certain changes as set forth in Amendment No. 23.

The Agreement has been previously amended in Amendment Number Twenty-Four effective January 25, 2017, to make changes necessary to reflect (a) the reconciliation of six (6) LMR System Sites to align with the updated LMR System Design for a cost increase in the amount of \$2,379,232; (b) increase the Maximum Contract Sum by \$2,379,232 from \$286,466,082 to \$288,845,314, when taking the cost increase into consideration; and (c) make other certain changes as set forth in Amendment No. 24.

The Agreement has been previously amended in Amendment Number Twenty-Five effective March 20, 2017, to make changes necessary to reflect (a) the reconciliation of five (5) LMR System Sites to align with the updated LMR System Design for a cost decrease in the amount of \$330,670; (b) the inclusion of three (3) LMR System Sites into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercising the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$4,684,205 (c) increase the Maximum Contract Sum by \$4,353,535 from

\$288,845,314 to \$293,198,849, when taking the cost increase and decrease into consideration; and (d) make other certain changes as set forth in Amendment No. 25.

The Agreement has been previously amended in Amendment Number Twenty-Six, effective April 13, 2017, to make changes necessary to reflect (a) the reconciliation of seven (7) LMR System Sites to align with the updated LMR System Design for a cost increase in the amount of \$2,336,048; (b) the inclusion of one (1) LMR System Site into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercising the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$64,744 (c) increase the Maximum Contract Sum by \$2,400,792 from \$293,198,849 to \$295,599,641, when taking the cost increase into consideration; and (d) make other certain changes as set forth in Amendment No. 26.

The Agreement has been previously amended in Amendment Number Twenty-Seven, effective June 1, 2017, to make changes necessary to reflect (a) the reconciliation of two (2) LMR System Sites to align with the updated LMR System Design for a cost decrease in the amount of \$355,410 (b) the inclusion of two (2) LMR System Sites into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercising the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,439,627 (c) make changes necessary to reflect an administrative reconciliation, a reconciliation related to dropped sites, and a reconciliation related to services performed in Phase 1 for a cost decrease in the amount of \$3,434,574; (d) increase the scope to include all Work necessary to implement an environmental Mitigation Monitoring and Reporting Plan into the LMR program to assess and ensure mitigation measures are met for a cost increase in the amount of \$2,912,356, (e) increase the Maximum Contract Sum by \$561,999 from \$295,599,641 to \$296,161,640 when taking the cost increases and decreases into consideration; and (f) make other certain changes as set forth in Amendment No. 27.

The Agreement has been previously amended in Amendment Number Twenty-Eight, effective August 21, 2017, to make changes necessary to reflect (a) the reconciliation of one (1) LMR System Site to align with the updated LMR System Design for a cost increase of \$868,771 (b) make changes necessary to reflect LMR Change Order Modifications for a cost increase in the amount of \$31,487; (c) increase the Maximum Contract Sum by \$900,258 from \$296,161,640 to \$297,061,898 when taking the cost increases into consideration; and (d) make other certain changes as set forth in Amendment No. 28.

The Agreement has been previously amended in Amendment Number Twenty-Nine, effective September 07, 2017, to make changes necessary to reflect (a) the inclusion of one (1) LMR System Site into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,170,471 (b) make changes necessary to reflect LMR Change Order Modifications for a cost increase in the

amount of \$31,922; (c) increase the Maximum Contract Sum by \$1,202,393 from \$297,061,898 to \$298,264,291 when taking the cost increases into consideration; and (d) make other certain changes as set forth in Amendment No. 29.

The Agreement has been previously amended in Amendment Number Thirty, effective November 09, 2017, to make changes necessary to reflect (a) the reconciliation of seven (7) LMR System Site to align with the updated LMR System Design for a cost decrease of \$1,664,767 (b) the inclusion of one (1) LMR System Site into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,228,018 (c) make changes necessary to reflect LMR Change Order Modifications for a cost increase in the amount of \$4,195; (d) upgrade equipment for the Multiprotocol Label Switching (MPLS) Mobile Backhaul which will provide the backhaul capacity necessary for network performance reliability and functionality for a cost increase in the amount of \$2,200,000; (e) increase the Maximum Contract Sum by \$1,767,446 from \$298,264,291 to \$300,031,737 when taking the cost increases and decreases into consideration; and (f) make other certain changes as set forth in Amendment No. 30.

The Agreement has been previously amended in Amendment Number Thirty-One, effective February 28, 2018, to make changes necessary to reflect (a) certain LMR Change Order Modifications, in particular the installation of tower lighting at Mira Loma (MLM) LMR System Site, for a cost increase in the amount of \$19,573; (d) increase the Maximum Contract Sum by \$19,573 from \$300,031,737 to \$300,051,310 when taking the cost increases into consideration; and (b) make other certain changes as set forth in Amendment No. 31.

The Agreement has been previously amended in Amendment Number Thirty-Two, effective March 1, 2018, to make changes necessary to reflect (a) the reconciliation of three (3) LMR System Sites to align with the updated LMR System Design for a cost decrease in the amount of \$4,131,931; (b) a cost neutral administrative reconciliation in connection with the Narrowband Mobile Data Network (NMDN) Subsystem to align all corresponding per site NMDN costs to a single line item cost, impacting thirty-three (33) LMR System Sites; (c) decrease the Maximum Contract Sum by \$4,131,931 from \$300,051,310 to \$295,919,379 when taking the cost decrease into consideration; and (d) make other certain changes as set forth in Amendment No. 32.

The Agreement has been previously amended in Amendment Number Thirty-Three, effective May 30, 2018, to make changes necessary to reflect (a) certain LMR Change Order Modifications for a cost increase in the amount of \$17,490 (b) increase the Maximum Contract Sum by \$17,490 from \$295,919,379 to \$295,936,869 when taking the cost increase into consideration; and (c) make other certain changes as set forth in Amendment No. 33.

The Agreement has been previously amended in Amendment Number Thirty-Four, effective July 31, 2018, to make changes necessary to reflect (a) the inclusion of one (1) LMR System Site into the scope of Phase 2 (Site Construction and Site Modification),

Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,016,780; (b) certain LMR Change Order Modifications for a cost increase in the amount of \$90,744; (c) the removal of certain Authority equipment, in particular an Uninterruptible Power Supply (UPS), from the Los Angeles Police Department's Valley Dispatch Center (LAPDVDC) for a cost increase in the amount of \$6,010; (d) an extension of a bridge warranty for the certain Early Deployment/Specified Equipment purchased and deployed under previously approved Amendments to bridge the warranty gap for this equipment until December 31, 2019, for a cost increase in the amount of \$430,800; (e) increase the Maximum Contract Sum by \$1,544,334 from \$295,936,869 to \$297,481,203 when taking the cost increase into consideration; and (f) make other certain changes as set forth in Amendment No. 34.

The Agreement has been previously amended in Amendment Number Thirty-Five, effective October 11, 2018, to make changes necessary to reflect (a) the reconciliation of one (1) LMR System Site Olinda (OLI) from the scope of Phase 1 (System Design), Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation), respectively, and all associated Work of the same for a cost decrease in the amount of \$701,234; (b) the inclusion of one (1) LMR System Site Winding Way (WWY) into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), and exercise the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$1,064,388; (c) certain LMR Change Order Modifications for a cost increase in the amount of \$13,115 (d) make changes necessary to reflect an administrative reconciliation, a reconciliation related to the removal of certain Authority equipment, in particular an Uninterruptible Power Supply (UPS), from the Los Angeles Police Department's Valley Dispatch Center (LAPDVDC) for a cost increase in the amount of \$601; (e) increase the Maximum Contract Sum by \$376,870 from \$297,481,203 to \$297,858,073 when taking the cost decrease and increase into consideration; and (f) make other certain changes as set forth in Amendment No. 35.

The Agreement has been previously amended in Amendment Number Thirty-Six, effective November 19, 2018, to make changes necessary to reflect (a) reconciliation of five (5) LMR System Sites to align with the updated LMR System Design for a cost decrease in the amount of \$535,981; (b) inclusion of one (1) LMR System Site San Pedro Hill (SPH) into the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR Components), Phase 4 (LMR System Implementation), exercising the Unilateral Options of the same, to align with the updated LMR System Design for a cost increase in the amount of \$842,471; (c) incorporate an LMR Change Order Modification for a cost increase in the amount of \$4,952 (d) increase the Maximum Contract Sum by \$311,442 from \$297,858,073 to \$298,169,515 when taking the cost decreases and increases into consideration; and (e) make other certain changes as set forth in Amendment No. 36.

The Agreement has been previously amended in Amendment Number Thirty-Seven, effective February 26, 2019, to make changes necessary to (a) incorporate

certain LMR Change Order Modifications for a cost increase in the amount of \$56,337; (b) increase the Maximum Contract Sum by \$56,337 from \$298,169,515 to \$298,255,852 when taking the cost increases into consideration; and (c) make other certain changes as set forth in Amendment No. 37.

The Agreement has been previously amended in Amendment Number Thirty-Eight, effective June 11, 2019, to make changes necessary to (a) incorporate certain LMR Change Order Modifications as further described in Amendment No. 38 that results in a net cost decrease in the amount of \$47,393; (b) decrease the Maximum Contract Sum by \$47,393 from \$298,225,852 to \$298,178,459 when taking the cost increases and decreases into consideration; and (c) make other certain changes as set forth in Amendment No. 38.

The Agreement has been previously amended in Amendment Number Thirty-Nine, effective September 16, 2019, to make changes necessary to (a) reflect a reconciliation related to the Narrowband Mobile Data Network (NMDN) Subsystem resulting in a cost decrease in the amount of \$720,207, (b) incorporate certain LMR Change Order Modifications as further described in Amendment No. 39 that results in a cost increase in the amount of \$73,606; (c) decrease the Maximum Contract Sum by \$646,601 from \$298,178,459 to \$297,531,858 when taking the cost increase and decrease into consideration; and (d) make other certain changes as set forth in Amendment No. 39.

The Agreement has been previously amended in Amendment Number Forty, effective September 16, 2019, to make changes necessary to (a) reflect a reconciliation to remove two (2) LMR System Sites, Lower Encinal Pump Station (LEPS) and Winding Way (WWY), from the scope of Phase 2 (Site Construction and Site Modification), Phase 3 (Supply LMR System Components), and Phase 4 (LMR System Implementation) and reconcile the Narrowband Mobile Data Network (NMDN) Subsystem to align with the updated LMR System Design for a net cost decrease in the amount of \$2,053,456; (b) revise Exhibit B (LMR System Specification) to include the scope for certain Work related to Channel 15 and 16 Interference Mitigation resulting in a cost increase in the amount of \$803,207; (c) incorporate certain LMR Change Order Modifications as further described in Amendment No. 40 that results in a cost decrease in the amount of \$10,920; (d) decrease the Maximum Contract Sum by \$1,261,169 from \$297,531,858 to \$296,270,689 when taking the cost increases and decreases into consideration; and (e) make other certain changes as set forth in Amendment No. 40.

The Agreement has been previously amended in Amendment Number Forty-One, effective October 17, 2019, to make changes necessary to (a) incorporate certain LMR Change Order Modifications as further described in Amendment No. 41 that results in a cost increase in the amount of \$255,975; (b) increase the Maximum Contract Sum by \$255,975 from \$296,270,689 to \$296,526,664 when taking the cost increase into consideration; and (c) make other certain changes as set forth in Amendment No. 41.

The Agreement has been previously amended in Amendment Number Forty-Two, effective February 20, 2020 to make changes necessary to (a) reflect a modification to

the scope of the Acceptance Testing Plan (ATP) for a cost decrease in the amount of \$6,512,264; (b) in consideration of the modified ATP scope; (c) reduce certain Pre-Installation Acceptance Testing for a cost decrease in the amount of \$245,663; (d) extend the Bridge Warranty certain Early Deployment/Specified Equipment purchased and deployed under previously approved Amendments to bridge the warranty gap for this equipment until December 31, 2020, for a cost increase in the amount of \$312,897; (e) revise Exhibit C.16 (LMR Mitigation Monitoring and Reporting Plan [MMRP]) to reflect collective amounts for LMR Monitoring, Surveys, and Reporting Tasks and LMR Contingency Tasks, which is cost neutral; (f) decrease the Maximum Contract Sum by \$6,445,029 from \$296,526,664 to \$290,081,635 when taking aforementioned actions and costs into consideration; and (g) make other certain changes as set forth in Amendment No. 42.

The Agreement has been previously amended in Amendment Number Forty-Three, effective _____, 2020 to make changes necessary to (a) reflect a reconciliation of certain equipment which results in a cost decrease in the amount of \$50,313 (b) incorporate certain LMR Change Order Modifications as further described in this Amendment No. 43 that results in a cost increase in the amount of \$185,344; (c) increase the Maximum Contract Sum by \$135,031 from \$290,081,635 to \$290,216,666 when taking aforementioned actions and costs into consideration; and (d) make other certain changes as set forth in Amendment No. 43.

The Agreement has been previously amended in Amendment Number Forty-Four, effective _____, 2020 to make changes necessary to (a) reflect a reconciliation related to certain LMR Change Order Modifications as further described in this Amendment No. 44 which results in a cost increase in the amount of \$2,609 (b) increase the Maximum Contract Sum by \$2,609 from \$290,216,666 to \$290,219,275 when taking aforementioned actions and costs into consideration; and (c) make other certain changes as set forth in Amendment No. 44.

The Authority and Contractor desire to further amend the Agreement to make changes necessary to (a) incorporate certain LMR Change Order Modifications as further described in this Amendment No. 45 which results in a cost increase in the amount of \$39,050 (b) increase the Maximum Contract Sum by \$39,050 from \$290,219,275 to \$290,258,325 when taking aforementioned actions and costs into consideration; and (c) make other certain changes as set forth in this Amendment No. 45.

This Amendment No. 45 is authorized under Section 2 (Changes to Agreement) of the Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, all of which are incorporated as part of this Amendment No. 45, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, Authority and Contractor hereby agree as follows:

1. Capitalized Terms; Section References. Capitalized terms used herein without definition (including in the recitals hereto), have the meanings given to such terms

in the Base Document. Unless otherwise noted, section references in this Amendment No. 45 refer to sections of the Base Document, as amended by this Amendment No. 45.

2. LMR Change Order Modifications. The parties agree and acknowledge that Contractor will perform those certain Change Order Modification Work set forth in Exhibit C.17 (LMR Change Order Modifications) and pursuant to this Section 2, in exchange for the amounts set forth in Exhibit C.17 (LMR Change Order Modifications) to Exhibit C (Schedule of Payments).

Item No.	Site ID	COR No.	Description	Amount
2.1	LPC	MSI-6018	Environmental Phase II Limited Subsurface Investigation	\$19,740
2.2	MML	MSI-6019	Environmental Phase II Limited Subsurface Investigation	\$19,310
TOTAL AMOUNT:				\$39,050

3. Amendments to the Base Document.

- 3.1 Section 8.1 (Maximum Contract Sum and Contract Sum – General), in particular Section 8.1.1 of the Base Document, is deleted in its entirety and replaced with the following:

8.1.1 The "Maximum Contract Sum" under this Agreement is Two Hundred Ninety Million, Two Hundred Fifty-Eight Thousand, Three Hundred Twenty-Five Dollars (\$290,258,325) which includes the Contract Sum and all Unilateral Option Sums, as set forth in Exhibit C (Schedule of Payments).

- 3.2 Section 24.4 (Limitation of Liability), in particular Section 24.4.1 of the Base Document, is deleted in its entirety and replaced with the following:

24.4.1 Except for liability resulting from personal injury, harm to tangible property, or wrongful death, Contractor's total liability to the Authority, whether for breach of contract, warranty, negligence, or strict liability in tort, will be limited in the aggregate to direct damages no greater than Two Hundred Eighty-Three Million, One Hundred Eighty-Nine Thousand, Two Hundred Forty-Nine Dollars (\$283,189,249). Notwithstanding the foregoing, Contractor shall not be liable to the Authority for any special, incidental, indirect, or consequential damages.

4. Amendments to Agreement Exhibits.
 - 4.1 Exhibit C.1 (LMR System Payment Summary) to Exhibit C (Schedule of Payments) is deleted in its entirety and replaced with Exhibit C.1 (LMR System Payment Summary), which is attached to this Amendment No. 45 and incorporated herein by this reference. Exhibit C.1 (LMR System Payment Summary) is revised to reflect the payment revisions contemplated in this Amendment No. 45.
 - 4.2 Exhibit C.17 (LMR Change Order Modifications) to Exhibit C (Schedule of Payments) is deleted in its entirety and replaced with Exhibit C.17 (LMR Change Order Modifications), attached to this Amendment No. 45, which is incorporated herein by this reference.
5. This Amendment No. 45 shall become effective as of the date identified in the recitals, which is the date upon which:
 - 5.1 An authorized agent of Contractor has executed this Amendment No. 45;
 - 5.2 Los Angeles County Counsel has approved this Amendment No. 45 as to form;
 - 5.3 The Board of Directors of the Authority has authorized the Executive Director of the Authority, if required, to execute this Amendment No. 45; and
 - 5.4 The Executive Director of the Authority has executed this Amendment No. 45.
6. Except as expressly provided in this Amendment No. 45, all other terms and conditions of the Agreement shall remain the same and in full force and effect.
7. Contractor and the person executing this Amendment No. 45 on behalf of Contractor represent and warrant that the person executing this Amendment No. 45 for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term and condition of this Amendment No. 45, and that all requirements of Contractor to provide such actual authority have been fulfilled.
8. This Amendment No. 45 may be executed in one or more original or facsimile counterparts, all of which when taken together shall constitute one in the same instrument.

* * *

**AMENDMENT NUMBER FORTY-FIVE
TO AGREEMENT NO. LA-RICS 007
FOR
LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM
LAND MOBILE RADIO SYSTEM**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 45 to be executed on their behalf by their duly authorized representatives, effective as of the date first set forth above.

LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY

MOTOROLA SOLUTIONS, INC.

By: _____

Scott Edson
Executive Director

By: _____

Arturs A. Vanags
Motorola Project Director

APPROVED AS TO FORM FOR THE
LOS ANGELES REGIONAL
INTEROPERABLE COMMUNICATIONS
SYSTEM AUTHORITY:

MARY C. WICKHAM
County Counsel

By: _____

Truc L. Moore
Principal Deputy County Counsel

EXHIBIT C.1*Agreement No. LA-RICS 007 - Amended and Restated under Amendment No. 45*

EXHIBIT C.1 - SCHEDULE OF PAYMENTS LMR SYSTEM PAYMENT SUMMARY				
Summary	Unilateral Option Sum	Contract Sum - Full Payable Amount	10% Holdback Amount	Payment Minus 10% Holdback Amount
Phase 1 ^(Note 1)	\$ -	\$ 42,322,029	\$ 3,124,069	\$ 39,197,960
Phase 2	\$ -	\$ 43,692,747	\$ 4,259,884	\$ 39,432,862
Phase 3	\$ -	\$ 60,585,857	\$ 4,654,988	\$ 55,930,869
Phase 4	\$ -	\$ 21,653,892	\$ 2,102,017	\$ 19,551,875
SUBTOTAL (Phases 1 to 4):	\$ -	\$ 168,254,525	\$ 14,140,959	\$ 154,113,565
Phase 5 (15 Years)	\$ 55,898,518	\$ -	\$ -	\$ 55,898,518
TOTAL (Phases 1 to 5):	\$ 55,898,518	\$ 168,254,525	\$ 14,140,959	\$ 210,012,084
Bounded Area Coverage Additive Alternate ^(Note 1)	\$ 19,109,375	\$ -	\$ 1,910,937	\$ 17,198,437
Mandatory Building Coverage Additive Alternate	\$ 29,828,448	\$ -	\$ 2,982,845	\$ 26,845,603
Metrorail Coverage Additive Alternate	\$ 4,792,260	\$ -	\$ 479,226	\$ 4,313,034
LMR System Maintenance for Additive Alternates	\$ 19,620,355	\$ -	\$ 1,962,036	\$ 17,658,320
Source Code Software Escrow	\$ 1,304,000	\$ -	\$ 130,400	\$ 1,173,600
LMR Mitigation Monitoring and Reporting Plan		\$ 2,912,356	\$ -	\$ 2,912,356
LMR Change Order Modifications		\$ 779,006	\$ 77,901	\$ 701,105
Multiprotocol Label Switching Mobile Backhaul		\$ 2,200,000	\$ 220,000	\$ 1,980,000
Channel 15 and Channel 16 Interference Mitigation		\$ 803,207		\$ 803,207
LMR Bridge Warranty		\$ 1,391,230		\$ 1,391,230
SUBTOTAL	\$ 130,552,956	\$ 176,340,324	\$ 21,904,304	\$ 282,076,620
TOTAL CONTRACT SUM:	\$176,340,324			
LMR Discounts ^(Note 2)	-\$16,634,955			
MAXIMUM CONTRACT SUM(Total Unilateral Option Sum plus Total Contract Sum):	\$290,258,325			

Note 1: The cost for the Project Descriptions for the Bounded Area Coverage only are reflected in Exhibit C.2 (Phase 1 - System Design) as amended and restated in Amendment No. 2., and included (\$173,110) in Phase 1 Contract Sum - Full Payable Amount. The balance of the remaining Unilateral Option Sum for Bounded Area

Note 2: The total remaining balance of the LMR Discounts applied to the Max Contract Sum will be utilized at the discretion of the Authority.

SCHEDULE OF PAYMENTS
EXHIBIT C.17 - LMR CHANGE ORDER MODIFICATIONS

Change Order Number	Site ID	Item/Category	Contract Sum - Payable Amount	10% Holdback Amount	Payable Amount Less 10% Holdback Amount
Amendment No. 28					
MSI 003 Revised	OLI	MSI-003 OLI Tower Mapping (Revised)	\$ -	\$ -	\$ -
MSI-007	LDWP243	MSI-007 LDWP243 Additional Structural Analysis for Coverage Enhancement	\$ 2,200	\$ 220	\$ 1,980
MSI-008	LMR	MSI-008 Station B Reprogramming of 700 MHz DTVRS Stations	\$ 9,912	\$ 991	\$ 8,921
MSI-009	AGH	MSI-009 AGH SCE Engineering Fee Reimbursement	\$ 5,634	\$ 563	\$ 5,071
MSI-012	LMR	MSI-012 Site 3D Models per Authority Request BJM, DPK, TWR	\$ -	\$ -	\$ -
MSI-015	BUR1	MSI-015 BUR1 SCE Engineering Fee	\$ 3,308	\$ 331	\$ 2,977
MSI-016	BMT	MSI-016 BMT SCE Engineering Fee	\$ 592	\$ 59	\$ 533
MSI-017	MML	MSI-017 MML SCE Engineering Fee	\$ 3,308	\$ 331	\$ 2,977
Amendment No. 28 Subtotal			\$ 24,953	\$ 2,495	\$ 22,458
Amendment No. 29					
MSI-030	APC	MSI-030 Saturday Labor and Crane Cost	\$ 2,405	\$ 241	\$ 2,165
MSI-020R	BKK	MSI-020R Tower Mapping and Painting	\$ 26,225	\$ 2,623	\$ 23,603
MSI-024	BKK	MSI-024 Dispersive Wave Testing	\$ 5,426	\$ 543	\$ 4,883
MSI-1208	POM	MSI-LMR1208 ACM and LCP Testing Services	\$ 4,400	\$ 440	\$ 3,960
Amendment No. 29 Subtotal			\$ 38,456	\$ 3,846	\$ 34,610
Amendment No. 30					
MSI-1205	MVS	MSI-1205 MVS LCP Testing Services	\$ 4,195	\$ 420	\$ 3,776
Amendment No. 30 Subtotal			\$ 4,195	\$ 420	\$ 3,776
Amendment No. 31					
MSI-1265	ONK	MSI-1265 Environmental Testing ACM and LPC Services	\$ 3,633	\$ 363	\$ 3,270
MSI-1206	CCT	MSI-1206 HVAC Condenser Pad Modification	\$ 9,745	\$ 975	\$ 8,771
MSI-1321	AGH	MSI-1321 Additional Title, Survey, Research	\$ 2,100	\$ 210	\$ 1,890
MSI-1267R	LARICSHQ	MSI-1267R Environmental Testing ACM and LPC Services	\$ 4,095	\$ 410	\$ 3,686
Amendment No. 31 Subtotal			\$ 19,573	\$ 1,957	\$ 17,616
Amendment No. 33					
MSI-1528	MLM	MSI-1528 MLM Tower Light	\$ 17,490	\$ 1,749	\$ 15,741
Amendment No. 33 Subtotal			\$ 17,490	\$ 1,749	\$ 15,741
Amendment No. 34					
MSI-1447	AGH	MSI-1477 AGH Additional Electrical Work	\$ 84,503	\$ 8,450	\$ 76,053
MSI-1435	HPK	MSI-1435 HPK Power Conduit Outside Compound	\$ 6,241	\$ 624	\$ 5,617
Amendment No. 34 Subtotal			\$ 90,744	\$ 9,074	\$ 81,670
Amendment No. 35					
MSI-5002	SDW	MSI-5002 SDW Waveguide Bridge Installation	\$ 13,115	\$ 1,312	\$ 11,804
Amendment No. 35 Subtotal			\$ 13,115	\$ 1,312	\$ 11,804
Amendment No. 36					
MSI-5003	BJM	MSI-5003 BJM Tower Mapping Services	\$ 4,952	\$ 495	\$ 4,457
Amendment No. 36 Subtotal			\$ 4,952	\$ 495	\$ 4,457
Amendment No. 37					
MSI-5010	CRN	CRN Lead Paint Abatement and Consulting Services	\$ 3,754	\$ 375	\$ 3,379
MSI-5008	CRN	CRN Siren	\$ 10,113	\$ 1,011	\$ 9,102
MSI-5015	CRN	CRN Permanent Fence	\$ 5,043	\$ 504	\$ 4,539
MSI-1209R	FCCF	FCCF Receptacle Light Installation	\$ 12,336	\$ 1,234	\$ 11,102

EXHIBIT C.17*Agreement No. LA-RICS 007 - Amended and Restated under Amendment No. 45*

Change Order Number	Site ID	Item/Category	Contract Sum - Payable Amount	10% Holdback Amount	Payable Amount Less 10% Holdback Amount
MSI-5031	HPK	HPK SCE Trenching	\$ 12,623	\$ 1,262	\$ 11,361
MSI-UNI-002	MMC	MMC Concrete Under Asphalt	\$ 9,765	\$ 977	\$ 8,789
MSI-UNI-003	MMC	MMC Electrical Power Conduits	\$ 2,703	\$ 270	\$ 2,433
Amendment No. 37 Subtotal			\$ 56,337	\$ 5,634	\$ 50,703
Amendment No. 38					
MSI-5017	PMT	PMT 2nd GeoTechnical Engineering Services	\$ 23,626	\$ 2,363	\$ 21,263
MSI-5030	UCLA	UCLA ACM and LCP Testing Services	\$ 4,725	\$ 473	\$ 4,253
MSI-UNI-004	FCCF	FCCF Relocated Prime Site Equipment		\$ -	\$ -
MSI-5038	SGH	SGH Barrel Tile Roof	\$ 6,843	\$ 684	\$ 6,159
MSI-5021	SGH	SGH NB CX Stand Down Costs	\$ 7,652	\$ 765	\$ 6,887
MSI-5046	DPW38	DPW38 LCP Testing	\$ 2,363	\$ 236	\$ 2,127
MSI-5043	VPK	VPK Tower Foundation	\$ 34,102	\$ 3,410	\$ 30,692
MSI-5006	VPK	VPK Power Run	\$ 50,027	\$ 5,003	\$ 45,024
MSI-UNI-005	VPK	VPK Retaining Wall Credit	\$ (68,141)	\$ (6,814)	\$ (61,327)
MSI-UNI-006	LACFDEL	LACFDEL Reuse of Existing Shelter	\$ (121,819)	\$ (12,182)	\$ (109,637)
MSI-5024	MIR	MIR Additional Topography	\$ 2,205	\$ 221	\$ 1,985
MSI-5061	MDI	MDI 2nd GeoTechnical Engineering Services	\$ 7,588	\$ 759	\$ 6,829
MSI-5028	MDI	MDI Underground Utility Locator	\$ 756	\$ 76	\$ 680
MSI-5029	MDI	MDI Addition Topo Survey	\$ 2,100	\$ 210	\$ 1,890
MSI-5050	WWY	WWY Native American Monitoring	\$ 580	\$ 58	\$ 522
Amendment No. 38 Subtotal			\$ (47,393)	\$ (4,739)	\$ (42,654)
Amendment No. 39					
MSI-5073	AGH	AGH Encroachment Permit Fee	\$ 4,807	\$ 481	\$ 4,326
MSI-5045	CCB	CCB Abatement and Remediation Work	\$ 13,125	\$ 1,313	\$ 11,813
MSI-5076	LACFDEL	LACFDEL New Phase 1 Work_Rev.1	\$ 43,271	\$ 4,327	\$ 38,944
MSI-5068	SPH	SPH Lease Exhibit Option_Rev.1	\$ 1,065	\$ 107	\$ 959
MSI-5063	UNIV	UNIV Recuperation of Cost for Day Tank for Cancelled Site	\$ 11,338	\$ 1,134	\$ 10,204
Amendment No. 39 Subtotal			\$ 73,606	\$ 7,361	\$ 66,245
Amendment No. 41					
MSI-5071	RIH	Location Change	\$ 37,705	\$ 3,771	\$ 33,935
MSI-5070	UNIV	New Phase 1 Work	\$ 51,024	\$ 5,102	\$ 45,922
MSI-5069	RPV1	New Phase 1 Work	\$ 54,696	\$ 5,470	\$ 49,226
MSI-5042	INDWT	Request for Road Repairs	\$ 14,425	\$ 1,443	\$ 12,983
MSI-5067	RHT	ACM/LCP Testing and Monitoring	\$ 1,697	\$ 170	\$ 1,527
MSI-5066	SPH	RF Engineering Coverage Assessment/Maps	\$ 12,672	\$ 1,267	\$ 11,405
MSI-5072	LMR	Addition of Microwave Link from BHS to SPH	\$ 22,740	\$ 2,274	\$ 20,466
MSI-5078	CPK	Additional Ice Bridge	\$ 1,975	\$ 198	\$ 1,778
MSI-5081	LMR	LARTCS VHF Frequency Changes	\$ 48,041	\$ 4,804	\$ 43,237
MSI-5087	MTL2	Road Repair Design	\$ 11,000	\$ 1,100	\$ 9,900
Amendment No. 41 Subtotal			\$ 255,975	\$ 25,598	\$ 230,378
Amendment No. 43 and Amendment No. 44					
MSI-6017	RIH	Addition of Microwave Link	\$ 51,604	\$ 5,160	\$ 46,444
MSI-6016	SPH	Addition of Microwave Link	\$ 61,638	\$ 6,164	\$ 55,474
MSI-6015	UNIV	Addition of Microwave Link	\$ 74,711	\$ 7,471	\$ 67,240
Amendment No. 43 and Amendment No. 44 Subtotal			\$ 187,953	\$ 18,795	\$ 169,158
Amendment No. 45					
MSI-6018	LPC	Environmental Phase II Limited Subsurface Investigation	\$ 19,740	\$ 1,974	\$ 17,766
MSI-6019	MML	Environmental Phase II Limited Subsurface Investigation	\$ 19,310	\$ 1,931	\$ 17,379
Amendment No. 45 Subtotal			\$ 39,050	\$ 3,905	\$ 35,145
TOTAL FOR ALL LMR CHANGE ORDER MODIFICATIONS			\$ 779,006	\$ 77,901	\$ 701,105

Note 1: The above identified Change Order Modifications have been fully negotiated between the Authority and the Contractor, and the above amounts represent a full and final resolution of all changes contained in those identified Change Order Modifications.

AGENDA ITEM H - ENCLOSURE



LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

2525 Corporate Place, Suite 100
Monterey Park, California 91754
Telephone: (323) 881-8291
<http://www.la-rics.org>

SCOTT EDSON
EXECUTIVE DIRECTOR

April 2, 2020

LA-RICS Board of Directors
Los Angeles Regional Interoperable Communications System Authority (the "Authority")

Dear Directors:

APPROVE AN INCREASE TO THE BUDGET FOR SIX (6) TELECOMMUNICATION FACILITY CONSTRUCTION AND INSTALLATION PROJECTS

SUBJECT

The Authority is seeking Board approval to increase the project budget and delegate authority to the Executive Director to award the resulting contract and issue notices to proceed within the respective project budgets for six (6) Telecommunication Facility Construction and Installation sites for a total aggregate increased amount of \$392,996 to account for additional requested work, unforeseen conditions, new changes requested by the landowners, and increases in costs at these sites.

RECOMMENDED ACTIONS

It is recommended that your Board:

1. Make the following finding:
 - a. Find the work and cost contemplated in this recommended action at six (6) sites, Claremont Police Department (CLRMPD1), Compton Court Building 2 (CCB2), Cougar Park (COUG), Irwindale Police Department (IRWDPD), Port of Los Angeles 2 (POLA2), and Port of Long Beach Harbor Plaza (POLB1) are within the scope of the activities your Board previously found categorically exempt from review on January 24, 2019, and December 5, 2019, under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline sections 15301, 15303, 15304, and/or 15332, for the reasons set forth in this Board Letter and as noted in the record of the

project, and the determination that these activities are exempt from CEQA remains unchanged.

2. Increase the project budgets in the amounts set forth below for a total aggregate increase of \$392,996 for six (6) LA-RICS Telecommunication Facility Construction and Installation sites as follows, and delegate authority to the Executive Director to award contracts and issue notices to proceed for these amounts:
 - a. Increase the Claremont Police Department (CLRMPD1) project budget by \$54,290 to a new total of \$436,000.
 - b. Increase the Compton Court Building 2 (CCB2) project budget by \$205,765 to a new total of \$487,695.
 - c. Increase the Cougar Park (COUG) project budget by \$51,891 to a new total of \$433,601.
 - d. Increase the Port of Long Beach Harbor Plaza (POLB1) project budget by \$24,724 to a new total of \$329,724.
 - e. Increase the Port of Los Angeles 2 (POLA2) project budget by \$32,156 to a new total of \$413,866.
 - f. Increase the Irwindale Police Department (IRWDPD) project budget by \$24,170 to a new total of \$587,170.

BACKGROUND

As your Board is aware, the National Telecommunications and Information Administration (NTIA) approved the expansion of the PSBN (also known as PSBN Round 2) utilizing Broadband Technology Opportunities Program (BTOP) grant funding. In connection with this approval, on November 1, 2018, your Board authorized the Executive Director to procure construction services to expand the PSBN pursuant to a request for statement of qualifications (RFSQ) process. On August 1, 2019, among other things, your Board approved the list of six (6) prequalified Bidders as well as the adoption, advertisement, and resultant award of contracts for construction and installation work at six (6) PSBN Round 2 sites with a previous total aggregate not to exceed amount of \$2,501,000.

Further, on December 5, 2019, your Board approved the adoption, advertisement, and resultant award of contracts for construction and installation work at five (5) PSBN Round 2 sites with a previous total aggregate not to exceed amount of \$1,708,990.

Lastly, on February 6, 2020, your Board approved the adoption, advertisement, and resultant award of contracts for construction and installation work at two (2) PSBN Round 2 sites with a previous total aggregate not to exceed amount of \$763,420.

The aforementioned Board actions contemplated the six (6) sites that are the subject of this Board Letter.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions contemplated in this Board Letter will authorize the Executive Director to increase the project budget for six (6) PSBN Round 2 sites for a total amount of \$392,996. Due to additional requested work, unforeseen conditions, new changes requested by the landowners, and increases in costs at these sites, the Authority requests increases to the project budgets for these sites as reflected in the table below for the reasons stated in this Board Letter.

SITE	BID AMOUNT	PREVIOUSLY AUTHORIZED PROJECT BUDGET	DELTA	NEW PROJECT BUDGET
CLRMPD1	\$436,000	\$381,710	\$54,290	\$436,000
CCB2	\$487,695	\$281,930	\$205,765	\$487,695
COUG	\$433,601	\$381,710	\$51,891	\$433,601
POLB1	\$329,724	\$305,000	\$24,724	\$329,724
POLA2	\$413,866	\$381,710	\$32,156	\$413,866
IRWDPD	\$587,170	\$563,000	\$24,170	\$587,170
TOTAL INCREASE:			\$392,996	\$2,688,056

Claremont Police Department (CLRMPD1)

On December 5, 2019, your Board authorized a project budget of \$381,710 for the CLRMPD1 site. On December 10, 2019, Public Works issued an Invitation for Bid (IFB) for the CLRMPD1 site on behalf of the Authority. On February 27, 2020, bids were submitted and opened publicly.

The original budget for this site contemplated a standard monopole, however, a stealth monopole is now required to satisfy the agreement and request by the underlying land owner, which impacted the cost.

Compton Court Building 2 (CCB2)

On December 5, 2019, your Board authorized a project budget of \$281,930 for the CCB2 site. On December 10, 2019, Public Works issued an IFB for the CCB2 site on behalf of the Authority. On March 4, 2020, bids were submitted and opened publicly.

This site requires an increase to the project budget due to a design change. It was discovered that there would be too much interference caused on the roof top and the LTE2 antennae had to be relocated to the sides of the penthouse which is a more labor intensive location to install the equipment.

Cougar Park (COUG)

On December 5, 2019, your Board authorized a project budget of \$381,710 for the COUG site. On December 10, 2019, Public Works issued an IFB for the COUG site on behalf of the Authority. On March 23, 2020, bids were submitted and opened publicly.

The COUG site is unique in that it is situated in a public park owned by the City of Covina adjacent to a sports stadium owned by the Covina-Valley Unified School District. As a condition of the site access agreement, the Authority was required to revise certain design elements so that the LTE2 installation would best preserve the functional use, access and aesthetic appeal of the park and stadium. These revisions necessitate a cost increase.

Port of Long Beach Harbor Plaza (POLB1)

On August 1, 2019, your Board authorized a project budget of \$305,000 for the POLB1 site. On March 3, 2020, Public Works issued an IFB for the POLB1 site on behalf of the Authority. On March 19, 2020, bids were submitted and opened publicly.

The original routing of the electrical conduit required revisions and will need to go underground. In addition to the underground utility change, the Contractor determined it necessary to pot-hole to find the location of the existing building foundation so as not to cause damage during construction. This work is needed in the absence of as-built documents from the Port of Long Beach and has an impact on the cost.

Port of Los Angeles 2 (POLA2)

On February 6, 2020, your Board authorized a project budget of \$381,710 for the POLA2 site. On March 4, 2020, Public Works issued an IFB for the POLA2 site on behalf of the Authority. On March 25, 2020, bids were submitted and opened publicly.

This site requires an increase to the project budget due to the fact that a change to the electrical utility design was required, since the equipment will be powered by a new utility run from LADWP in lieu of a sub-meter off existing infrastructure as originally contemplated.

Irwindale Police Department (IRWDPD)

On August 1, 2019, your Board authorized a project budget of \$412,000 for the IRWDPD site. On March 9, 2020, Public Works issued an IFB for the IRWDPD site on behalf of the Authority. On March 25, 2020, bids were submitted and opened publicly.

The Authority is requesting an increase to the cost to the IRWDPD to employ a trade recommended technique of foundation installation in difficult soil locations.

FISCAL IMPACT/FINANCING

The requested increased total amount of \$392,996 for the construction at six (6) PSBN Round 2 sites will be fully funded by the BTOP grant and is within the existing budget.

ENVIRONMENTAL DOCUMENTATION

Claremont Police Department (CLRMPD1) and Cougar Park (COUG)

As the CEQA lead agency, the Authority previously determined on July 11, 2019 and in a prior Board action on December 5, 2019, respectively, the design, construction, implementation, operation, and maintenance (CLRMPD1 and COUG) at which PSBN Round 2 infrastructure may be installed are categorically exempt from review under CEQA pursuant to 14 Cal. Code Regs. ("CEQA Guidelines") §§ 15301, 15303, 15304, and/or 15332.

For Sites CLRMPD1 and COUG, these sites are exempt from review under CEQA pursuant to CEQA Guideline sections 15303, 15304, and 15332. This determination was based on a detailed analysis of each site, available in the Authority's files, which demonstrates that the communication equipment and infrastructure proposed at each site (1) consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and/or the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (Guidelines § 15303); (2) consists of minor alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees (Guidelines § 15304); and (3) qualifies as in-fill development (Guidelines § 15332). The analysis also demonstrated that none of the activities proposed at these sites trigger any applicable exception to the identified categorical exemption(s). (Guidelines § 15300.2.)

Specifically, for the CLRMPD1 and COUG sites, the project would not impact any environmental resources of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Further, at none of the sites would the cumulative impact of successive projects of the same type in the same place, over time be significant; at none of the sites is there a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; at none of the sites would the project result in damage to scenic resources within a highway officially designated as a state scenic highway; none of the sites are located on a site included on any list compiled pursuant to Section 65962.5 of the Government Code; and at none of the sites would the project cause a substantial adverse change in the significance of a historical resource.

Compton Court Building 2 (CCB2)

As the CEQA lead agency, the Authority previously determined on July 11, 2019 and in a prior Board action on December 5, 2019, respectively, the design, construction, implementation, operation, and maintenance of CCB2 at which PSBN Round 2 infrastructure may be installed are categorically exempt from review under CEQA pursuant to 14 Cal. Code Regs. ("CEQA Guidelines") §§ 15301, 15303, 15304, and/or 15332.

CCB2 is exempt from review under CEQA pursuant to CEQA Guidelines §§ 15301, 15303, 15304, and 15332. This determination was based on a detailed analysis of this site, available in the Authority's files, which demonstrates that the communications equipment and infrastructure proposed at this site (1) consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use (Guidelines § 15301); (2) consist of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and/or the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (Guidelines § 15303); (3) consist of minor alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees (Guidelines § 15304); and (4) qualify as in-fill development (Guidelines § 15332). The analysis also demonstrates that none of the activities proposed at this site triggers any applicable exception to the identified categorical exemption(s). (Guidelines § 15300.2.).

Specifically, the project would not impact any environmental resources of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Further, at none of the sites would the cumulative impact of successive projects of the same type in the same place, over time be significant; at none of these sites is there a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; at none of the sites would the project result in damage to scenic resources within a highway officially designated as a state scenic highway; none of the sites are located on a site included on any list compiled pursuant to Section 65962.5 of the Government Code; and a none of the sites would the project cause a substantial adverse change in significance of a historical resource.

Port of Long Beach Harbor Plaza (POLB1)

As the CEQA lead agency, the Authority previously determined on January 24, 2019, the design, construction, implementation, operation, and maintenance of POLB1 at which PSBN infrastructure may be installed is exempt from review under CEQA pursuant to 14 Cal. Code Regs. ("CEQA Guidelines") §§ 15301, 15303, 15304, and/or 15332.

POLB1 is exempt pursuant to CEQA Guideline sections 15301, 15303, 15304 and 15332. This determination was based on a detailed analysis of this site, available in the Authority's files, which demonstrates that the communication equipment proposed at this site (1) consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use (Guidelines § 15301); (2) consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and/or the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (Guidelines § 15303); (3) consists of minor alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees (Guidelines § 15304); and/or (4) qualifies as in-fill development (Guidelines § 15332). The analysis also demonstrated that none of the activities proposed at this site triggers any applicable exception to the identified categorical exemption(s). (Guidelines § 15300.2.)

Specifically, for POLB1, the project would not impact any environmental resources of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Further, at none of the sites would the cumulative impact of successive projects of the same type in the same place, over time be significant; at none of the sites is there a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; at none of the sites would the project result in damage to scenic resources within a highway officially designated as a state scenic highway; none of the sites are located on a site included on any list compiled pursuant to Section 65962.5 of the Government Code; and at none of the sites would the project cause a substantial adverse change in the significance of a historical resource.

Port of Los Angeles 2 (POLA2)

As the CEQA lead agency, the Authority previously determined on December 5, 2019, and again on February 6, 2020, the design, construction, implementation, operation, and maintenance of the POLA2 site at which the PSBN2 infrastructure may be installed is exempt from review under CEQA pursuant to 14 Cal. Code Regs. ("CEQA Guidelines") §§ 15301, 15303, 15304, and/or 15332.

The POLA2 site is exempt from review under CEQA pursuant to CEQA Guidelines §§ 15303, 15304 and 15332. This determination was based on a detailed analysis of this site, available in the Authority's files, which demonstrates that the communications equipment and infrastructure proposed at this site (1) consist of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and/or the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (Guidelines § 15303); (2) consist of minor alterations in the

condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees (Guidelines § 15304); and (3) qualify as in-fill development (Guidelines § 15332). The analysis also demonstrates that none of the activities proposed at this site triggers any applicable exception to the identified categorical exemption(s). (Guidelines § 15300.2.).

Specifically, the project would not impact any environmental resources of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Further, at none of the sites would the cumulative impact of successive projects of the same type in the same place, over time be significant; at none of these sites is there a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; at none of the sites would the project result in damage to scenic resources within a highway officially designated as a state scenic highway; none of the sites are located on a site included on any list compiled pursuant to Section 65962.5 of the Government Code; and at none of the sites would the project cause a substantial adverse change in significance of a historical resource.

Irwindale Police Department (IRWDPD)

As the CEQA lead agency, the Authority previously determined on January 24, 2019 and again on August 1, 2019, respectively, the design, construction, implementation, operation, and maintenance of the IRWDPD site at which PSBN Round 2 infrastructure may be installed is exempt from review under CEQA pursuant to 14 Cal. Code Regs. ("CEQA Guidelines") §§ 15332.

This site is exempt pursuant to CEQA Guideline section 15332. This determination was based on a detailed analysis of the site, available in the Authority's files, which demonstrates that the communication equipment proposed at the site qualifies as in-fill development (Guidelines § 15332). The analysis also demonstrated that none of the activities proposed at the site triggers any applicable exception to this categorical exemption. (Guidelines § 15300.2.)

At this site, the project would not impact any environmental resources of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. Further, there are no cumulative impact of successive projects of the same type in the same place, over time to be significant; there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; the project at the site would not result in damage to scenic resources within a highway officially designated as a state scenic highway; the site is not included on any list compiled pursuant to Section 65962.5 of the Government Code; and the project at the site would not cause a substantial adverse change in the significance of a historical resource.

All Six (6) Sites

Upon the Board's approval of the recommended action, the Authority will file a Notices of Exemption with the County Clerk for the adoption, advertisement, and award of LA-RICS Telecommunication Facility Construction and Installation work at the CLRMPD1, CCB2, COUG, POLB1, POLA2, and IRWDPD sites pursuant to Section 21152(b) of the California Public Resources Code and Section 15062 of the State CEQA Guidelines.

FACTS AND PROVISIONS/LEGAL REQUIREMENT

Counsel to the Authority has reviewed the recommended actions and has approved as to form.

CONCLUSION

Upon the Board's approval of the recommended actions, the Executive Director will have delegated authority to proceed in a manner described in the recommended actions.

Respectfully submitted,



SCOTT EDSON
EXECUTIVE DIRECTOR

JA

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cc: Counsel to the Authority