



East Bay Regional Communications System Authority



Participating agencies include Alameda and Contra Costa Counties and the following cities and special districts: Alameda, Albany, Antioch, Brentwood, Clayton, Concord, Danville, Dublin, El Cerrito, Emeryville, Fremont, Hayward, Hercules, Lafayette, Livermore, Martinez, Moraga, Newark, Oakley, Pinole, Pittsburg, Pleasant Hill, Pleasanton, Richmond, San Leandro, San Pablo, San Ramon, Union City, Walnut Creek, East Bay Regional Park District, Kensington Police Community Services District, Rodeo-Hercules Fire Protection District, San Ramon Valley Fire Protection District, University of California, Berkeley and California Department of Transportation

AGENDA ITEM 6.1

DRAFT MINUTES

BOARD OF DIRECTORS MEETING

REGULAR MEETING – June 17, 2011

1. **CLOSED SESSION:** *None*
2. **CALL TO ORDER/ROLL CALL** (Regular Session):

A regular meeting of the East Bay Regional Communications System Authority Board of Directors was held on Friday, June 17, 2011 in the Third Floor Conference Room of Walnut Creek City Hall, 1666 North Main Street, Walnut Creek, CA 94596. The meeting was called to order at 10:05 a.m. by Chair Shinn.

PRESENT:

County Representatives: Boardmembers Casten (Alt. for Bm. Livingston), Nakao (Alt. for Bm. Muranishi), Twa, and Uilkema

City Representatives: Boardmembers Calabrigo, Catalano, O’Keeffe, McNeil, Rodriguez, Sbranti, Shinn, and Wilson

Public Safety Representatives: Boardmembers Dunbar and Henderson (Alt. for Bm. Maples)

Special District Representative: Boardmember Anderson

ABSENT: Boardmembers: Ahern, AlCo Fire Chief (TBD), Cheeves, Haggerty, Hosterman, Johnson, McQuiston, and Pattillo

Also Attending:

Huong Cao, Alameda County Auditor-Controller Agency, Sean Fawell, Contra Costa County Sheriff's Office, Shirley Hii, Alameda County Auditor-Controller Agency, Steve Manning, Alameda County Auditor-Controller Agency, Fred Tse, Alameda County Auditor-Controller Agency and Ed Woo, Alternate Boardmember, DoIT Contra Costa County

Staff Present:

Executive Director McCammon and Secretary Lyon

3. REPORT ON CLOSED SESSION: *None*

4. COMMENTS FROM THE PUBLIC:

No comments were made by any member of the public at this time.

5. PRESENTATIONS:

5.1 None

6.1 APPROVAL OF MINUTES:

On motion of Bm. Anderson, seconded by Bm. O'Keeffe, and by unanimous vote, the Board approved the minutes from the May 20, 2011 meeting.

7. WRITTEN COMMUNICATIONS: *None*

8. PUBLIC HEARINGS: *None*

9. ACTION ITEMS:

9.1 Selection of a Chair and Vice Chair of the EBRCSA Authority:

Director McCammon reviewed that the EBRCSA By-Laws requires the selection of a Chair and Vice Chair to occur on an annual basis. Both Chair Shinn and Vice Chair Ahern have indicated that they are willing to serve another year in their respective roles.

On motion of Bm. Calabrigo, seconded by Bm. Uilkema, and by unanimous vote, the Board re-elected Bill Shinn as Chair of the Board of Directors, and

Sheriff Greg Ahern as Vice Chair of the Board of the Directors effective July 1, 2011 for one year.

9.2 Consider Adoption of a Resolution authorizing the Chair to execute, and the Executive Director to implement, a Contract Amendment in the amount of \$213,492.69 with Motorola Inc. for Project Cornerstone:

Director McCammon reviewed that the EBRCSA Board approved a contract with Motorola Inc. on July 16, 2010 in the amount of \$5,588,794.00 to purchase equipment and services to complete Project Cornerstone. The purpose of the project was to build and test the capabilities of the 4g LTE Broadband network, and then transition the network into the BTOP Broadband project. This pilot project originally consisted of 10 sites, and it was later found that the project should be concluded with the installation of only 4 sites and the contract was revised to \$2,086,699.00. The testing that Andrew Seybold was hired to perform has been completed using the four sites.

Today's amendment to the Project Cornerstone contract incorporates three change orders, and provides for maintenance of the existing network, that will operate in a testing mode, until it can be transitioned into the Broadband Technology Opportunities Program (BTOP) project, once it is formed, which should be in July.

In response to a question from Bm. McNeil, Director McCammon explained that once the BTOP JPA is formed, the equipment ownership and management will migrate to the Bay Area Regional Interoperable Communications System (BayRICS). In response to a question from Alt. Bm. Casten, Director McCammon confirmed that this is the final item that closes out the contract that the EBRCSA has with Motorola Inc. for Project Cornerstone. The Bay Area UASI will reimburse the total cost; there is no cost to the EBRCSA.

On motion of Bm. Uilkema, seconded by Bm. McNeil, and by unanimous vote, the Board adopted a resolution authorizing the Chair to execute, and the Executive Director to implement, a Contract Amendment in the amount of \$213,492.69 with Motorola Inc. for Project Cornerstone.

Director McCammon noted that an important piece of the Andrew Seybold tests concluded that the existing 10 MHz of Public Safety spectrum does not provide enough bandwidth for daily incidents, and that the D Block is needed to provide sufficient per-cell-sector data capacity. A comprehensive report will soon be issued.

9.3 Consider Adoption of a Resolution authorizing the Chair to execute, and the Executive Director to implement, a professional services agreement with Jerry Haag, Urban Planner, to complete CEQA documentation for up to five EBRCSA repeater sites:

Director McCammon summarized that two proposals, one from Jerry Haag, and the other from ESA, were received in response to our Request for Qualifications and Proposals issued in May for consultant services to assist in providing environmental review pursuant to CEQA for up to five repeater sites including Peters Ranch, Sydney Drive, Alta Mesa Moraga, and Los Vaqueros. Jerry Haag's proposal included photo simulation and a not to exceed amount of \$45,000 to complete all 5 sites. ESA's proposal ranged from \$45,000 to \$55,000, with photo simulation costing extra and additional costs of \$10,000 to \$20,000 if the sites were done individually. The proposals were reviewed by Bill Drummond, EBRCSA Project Manager, and Ed Woo, Director of Information Technology for Contra Costa County. After review, they recommended hiring Jerry Haag to perform the work. While both had extensive experience, their recommendation is based on the significant difference in price, as well as prior experience. Jerry Haag provided the environmental review for Patterson Pass and the work product was excellent.

On motion of Bm. Calabrigo, seconded by Bm. Catalano, and by unanimous vote, the Board adopted a resolution authorizing the Chair to execute, and the Executive Director to implement, a professional services agreement with Jerry Haag, Urban Planner, to complete CEQA documentation for up to five EBRCSA repeater sites.

9.4 Consider Approval of a Resolution adopting Enterprise Fund Standard for Reporting of Financial Activities:

Bill McCammon began by thanking and complimenting the Alameda County Auditor-Controller Agency staff for all of their assistance with the accounting for the project.

Fred Tse, CPA, Division Chief Internal Audit & Specialized Accounting, Alameda County Auditor-Controller Agency, provided an overview on the necessary switch of the accounting for the EBRCSA from a Governmental Fund to an Enterprise Fund.

The switch is required by Generally Accepted Accounting Principles (GAAP) and was also recommended by CG Uhlenberg, our independent

auditor. It is necessary now because of the following two criteria, in the EBRCSA Project Operating Agreement, that require the use of Enterprise Funds: 1. Policy to recover operating costs, including depreciation or debt service, from fees and 2. Charges and debt is secured by a pledge of the net revenues from fees and charges. There is no impact from an operational perspective. It is a switch from a "cash" basis to an accrual basis of accounting for the financial statements, just like private companies. Using bond issuance as an example, bond proceeds are booked as revenue when received in governmental accounting, and as a balance sheet entry only in Enterprise Accounting.

In response to a question from Bm. Uilkema, Fred Tse confirmed that the switch would not affect our capacity to issue bonds or our tax exempt status.

On motion of Bm. Twa, seconded by Bm. Wilson, and by unanimous vote, the Board approved a Resolution to adopt the Enterprise Fund Standard for Reporting of Financial Activities for the EBRCSA.

9.5 Consider Adoption of a Resolution adopting the FY 2011/2012 Administrative Budget:

Director McCammon provided a detailed review of the proposed FY 2011/2012 Administrative Budget that included the following highlights. The first section of the budget lists the grant revenues. There are some grants awarded in prior years that were not entirely spent and they have been carried forward into FY 11/12; spending extensions were secured as needed.

In the Operating Expense Section, our actual Legal Fees were more than the budgeted amount of \$37,400 for FY 10/11, but will remain at the budgeted amount for FY 11/12. The work required to complete the Operating Agreements in FY 10/11 was very complex and labor intensive which required many additional legal hours. One difference for FY 11/12 is the inclusion of \$20,000 for Administrative Consulting Services which enables Contra Costa County to begin receiving some reimbursement for the hours spent by their employee, Susan Lyon, in her role as EBRCSA Secretary. Director McCammon noted that this amount is a bargain and that the services are worth far more. Another change is that we will begin to see the net interest and income expenses booked.

Page two of the Proposed Budget begins with line items indicating advance payments of \$11,519,200 and bond proceeds of \$6,136,866 for a total cash

inflow of \$17,656,066. The next section lists the Project Development Expenses that includes consulting fees and coverage testing fees. The next section lists the Infrastructure Expenses required to build out the entire system. The 28 million dollar contract with Motorola that the Board approved earlier this year outlines payment milestones with the bulk of the payments being due upfront for equipment. Our ending cash is projected to be 1 to 2 million dollars, depending on the amount of our future grants, and will be kept on reserve to secure the bond proceeds.

On motion of Bm. Sbranti, seconded by Bm. Wilson, and by unanimous vote, the Board Approved a Resolution to adopt the FY 2011/2012 Administrative Budget as presented today.

10.1 Receive Informational Update on Recent Finance Committee Activities from Director McCammon:

Director McCammon reported that the Finance Committee reviewed the proposed FY 11-12 Administrative Budget at their May & June meetings.

10.2 Receive Informational Update on Recent Operations Committee Activities from Director McCammon:

The June Operations Committee meeting was canceled.

11. REPORTS:

11.1 Receive Verbal Update on Financing Plan:

Director McCammon summarized that all of the advance payments have been received with the exception of Contra Costa County Fire, which is in process, and the City of Lafayette.

11.2 Receive Verbal and Written Update on Grants PSIC, SHSGP, UASI:

Director McCammon reported that there have been no changes.

11.3 Receive Verbal and Written Update on Infrastructure Implementation:

Director McCammon provided an update that included the following. A Technical Advisory Committee was formed to address some of the issues related to Fleetmapping and provide input to the Operations Committee; their first meeting was held last week.

The ETA for the entire system to be fully operational is December 2012. The plan is for the system to be brought up in Phases, with the first Phase, that

includes the CoCo West Cell and the AlCo East Cell, operational at the end of 2011. The debt payments will be due in 2013/2014.

AECOM has begun coverage testing for the CoCo West Cell this week and will begin the AlCo East Cell in the next couple of weeks.

CalTrans executed both the JPA and the Operating Agreement and sent a check for \$160,000 to bring on up to 800 users at \$200.00 per radio. These subscriber units were not included in the Financing Plan and Operating Agreement figures, and may reduce the monthly operations and maintenance fees paid by all users.

In response to a question from Bm. Uilkema, Director McCammon stated that the system was designed with a capacity limit of 21,000 users and we currently have approximately 12,000 users.

12. BOARD COMMENTS:

There were no Board comments.

13. NEXT ACTION STEPS:

There were no action steps.

14. ADJOURNMENT:

The meeting was adjourned at 10:50 a.m. The next regular Board of Directors meeting is scheduled for Friday, July 15, 2011 in the Assembly Room of the Alameda County Office of Homeland Security and Emergency Services, 4985 Broder Blvd., Dublin, CA 94568.

APPROVED BY A MOTION OF THE EAST BAY REGIONAL COMMUNICATIONS SYSTEM AUTHORITY THIS XX DAY OF XXXX 2010.

Respectfully submitted,



Susan Lyon
Authority Secretary