

Executive Board

City of Bellevue
City of Kirkland
City of Redmond
City of Mercer Island
City of Issaquah



Eastside Public Safety
Communications Agency

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**EXECUTIVE BOARD
SUMMARY OF MINUTES**

April 10, 2014
10:00 a.m.

Bellevue City Hall
Room 2E-106
Bellevue, Washington

PRESENT: Kurt Triplett, Bob Harrison

ALTERNATES: Mark Hagreen (John Marchione), Mike Eisner (Brad Miyake),
Chris Tubbs (Noel Treat)

ABSENT:

OTHERS PRESENT: David Mendel, Marlin Blizinsky, Sean Douglas, Scott Hatfield, Jessie Morgan

1. Call to Order
The meeting was called to order at 10:18 a.m. by Kurt Triplett, who presided.
2. Roll Call
3. Approve Agenda
Bob Harrison motioned to approve the agenda, it was seconded by Mark Hagreen and carried 5-0.
4. Consent Agenda
 - a) **Approval of Payment Vouchers:** the following vouchers/warrants were approved for payment: Voucher (warrant) numbers 5778 through 5820 for a total of \$226,293.66.
 - b) **Approval of Minutes of January 9, 2014**

Mike Eisner motioned to approve the consent agenda, it was seconded by Bob Harrison and carried 5-0.

5. Action Items

a) Election of Officers for 2014/2015 Term

Scott Hatfield reports that it is time to elect Chair and Vice Chair once again. Elections are held annually. Bob Harrison nominated Kurt Triplett for Chair for the 2014/2015 term, it was seconded by Mike Eisner and carried 5-0. Mark Eisner nominated Jane Christenson, designee for John Marchione, as Vice Chair, it was seconded by Bob Harrison and carried 5-0. Mark Hagreen motioned to approve Jessie Morgan as Secretary/Treasurer of EPSCA, it was seconded by Mike Eisner and carried 5-0.

6. Reports

a) Annual Reports

Scott Hatfield reports on the 2013 budget closeout. EPSCA had a very successful 2013 budget year. Expenses were 7.1% below budgeted amount and the revenues 2.7% over budgeted amount. Preparing the 2015-2016 budget, Scott foresees discussion regarding the subscriber fees, possibly lowering it as well as revisiting our reserves processes. Kurt Triplett congratulated EPSCA on their clean audit. Scott Hatfield reports that Jessie Morgan deserves the majority of the credit for EPSCA's clean audit. Scott Hatfield reports the principals' ownership and weighted vote in EPSCA as directed by the ILA:

Bellevue 48.8%

Kirkland 16%

Redmond 23%

Mercer Island 5.995%

Issaquah 5.25%

This is based on the number of subscriber radios of the principals on EPSCA's system.

b) Rebanding Updates

Scott Hatfield reports subscriber units have all been changed out and the process is now paused due to an issue with the recording radios. Sprint/Nextel has offered used radios to replace the problematic recording radios, these radios are currently being tested to ensure they will not fail in the future. The first four test radios failed and the fifth radio is still in testing phase. All of these radios will undergo rigorous testing and if they fail, EPSCA and the regional partners will go to arbitration to find a better solution. This issue needs to be resolved before the infrastructure portion of rebanding can continue.

c) PSERN ILA Discussion

Kurt Triplett: I would like to throw in some context for this discussion. Not all of you have been here for all of this. I have been designated to be your communication with the PSERN process so I attend on behalf of EPSCA. This was a transition, Rich Conrad of Mercer Island did it the first year, I picked it up towards the end of last year and now have been taking it since then. Couple of things are coming up...all of you have a copy of the PSERN ILA and I have asked Scott to bring in some hard copies to pass out. I want to give kudos to the County for drafting this. I know putting stuff down on paper is always the hardest task and appreciate the County putting this on paper and saying "here is the draft". I also appreciate that the staff has been very open and the purpose of this is to receive comments, feedback and questions, concerns so we can take this to the next level.

I asked Scott to provide an EPSCA perspective on the ILA serving as a devil's advocate from a strictly EPSCA point of view. What are the opportunities and challenges in the ILA? We are not asking for any decisions today on this but if you have any initial feedback as Board members or from your organizations...so at the next meeting of the PSERN group on April 22nd, I would like to be able to say here are the reactions, concerns, opportunities.

Scott Hatfield: I have put together five talking points regarding my interpretation of what I read in the draft ILA and these are not to persuade you one way or another on what is good or bad, but are things we need to discuss and have a clear understanding of. One of the discussions we have had here at previous Board meetings of EPSCA is the discussion on whether or not this Board wants to move into a single consolidated non-profit organization for the future of the PSERN or next generation radio system as we go forward. I know this Board has never voted on that and that at times there have been different opinions. This document moves into that governance and would officially form that non-profit organization and start to lay the groundwork for the governance of that organization. So that is a key point. If that is the path the Board feels we should be on, then it is not an issue. If the Board feels that is not the path we should be on then that is the main genesis of this document so that would be something you want to discuss and look at.

Mike Eisner: I am glad you started off there because when I read the draft I thought, did I miss a meeting? Because that is the way I remember it, that it is something that might happen in the future and this read like it has happened.

Scott Hatfield: Section 4.3.2.2. This section talks about the voting of the Board we would form, Board of Directors of the ILA. One of the statements in here to take note of is "a measure that shall require the affirmative vote of at least 3 representatives or their alternates, including County representative or alternate qualified to vote to be adopted". That statement basically gives the County veto authority in this Board or even simple majority vote. That is something we have discussed in the past that you would like to take note of. There is not a weighted vote per say but certainly not an equal vote when one entity has veto authority over the others.

Kurt Triplett: David and Marlin are here from the County for any questions or background context. The way this is drafted, the Joint Board basically moves us towards an interim step, it is not the ultimate governance structure.

Scott Hatfield: Section 4.5 subsection D. Project Director would be responsible for awarding the contract to a new vendor. Previously, that award would be voted on and made by the PSAP steering committee through recommendations from the Technical committee in that escalation process to make the actual award. Not sure if this was the intent, but seems like a variation from what the previous discussion had been. It puts the responsibility solely on the Project Director. The other thing I felt like it implied the final design sign off was also the responsibility of the Project Director. That will be something for the Board to consider, do we want the final say to go to an individual or to be made by vote? Section 4.6.4. We have had a lot of discussion regarding this in the past. I have been on record as saying the most precious commodity we have on the radio system is our RF spectrum. Section 4.6.4 states that the spectrum would be transferred to and licensed in the name of the non-profit corporation that is PSERN. That is a major decision point that we need to discuss to see if that is the way we want to go. Section 4.7.1 is potentially not a bad thing but may be too broad. PSERN will have the first right of refusal

for all towers and sites and/or related facilities owned in whole or in part by a party or party group by the project or corporation. Basically I interpret that is it really affects your water districts that have water tanks that have a use for our current radio systems as well as they lease out space commercially on those. I completely agree during the initial project design phase we would like all the cities to make available to PSERN/new system on a first right of refusal of space. What I don't like about this is to me it doesn't seem like it puts an end cap on that, that through the life of the system the corporation would have first right of refusal. That is not necessary. Over the next 20 years, your water districts will want to have the ability to lease out their available space. It is a lucrative form of revenue for city governments. These are the talking points we need to discuss and make a decision on what you want the new system and your involvement to look like.

Kurt Triplett: Any questions?

Marlin Blizinsky: Some of the things Scott said we intended as interpreted, some of the things were not. For example, there was never any intention to say that the County would approve a design without agreement of everyone. The language might be bad, but that was not the intent. Another clarification is the way the document was written, it divides things in half. There are a certain set of conditions that apply to the planning and implementation phase, there are certain other conditions that apply after the system is build. The idea is the County is the administrator for the contract to build the system and after that the non-profit is set up and the County transfers ownership to the non-profit. The provision of the County having veto power goes to the first period. That is not the agreement after the implementation period. At that time, everyone on the Board has the same vote.

Scott Hatfield: I have not had the opportunity to sit down with Marlin and David to discuss the draft ILA. There very well could be things that I have interpreted one way and that wasn't the intent.

Marlin Blizinsky: Our attorney has not looked at the language. It is the first draft of a conceptual document to generate discussion.

Mike Eisner: Before us, I thought was a radio replacement that was not finalized yet that took place in 1992 and the governance is as it is now and we got a contract and a levy and monies and all of that happened. Over the last couple of months there have been proposals to change the governance and I thought that was a parallel idea moving along with contract administrating and everything else. How did this end up at the top of the decision making? What caused this to come to us at this point in time?

Kurt Triplett: It doesn't feel like this part of the conversation has to happen now. The County council wants to have this conversation now. While that is a factor, I don't know if it is a decision. I want to know from this Board is how strongly we feel about that because if it is an issue that we don't to have this discussion yet then I need to let them know. My goal is to keep moving on the RFP process. In my mind, the government structure discussions can divert from that but at the same time, the County, according to Fred Jarrett, this is a big issue for the County council. Whether we find that to be compelling or not, it is definitely is a real factor for the County staff getting their budgets and moving this to the ballot.

Mike Eisner: We are ¼ of the agencies in this, if ValleyCom or Seattle said no, how does this proceed?

Mark Haggren: We had several conversations when the draft came out at Redmond. A year and a half ago your predecessor had us look at an 18-20 page document where we looked at the timeline of building out the system and milestones of governance and there were several options. Something like this whether interim or end game was one of those options but there was also an option to keep the sub regional model and a lot of complexity there we haven't built the system out yet, this is years out. Are we going to go ahead and make this decision now or should we build our system and that may provide some factors of how this will mesh up. After a lot of discussion with this Board we said we would like to see several options and we will evaluate that when we are further down the line and knew what the system was going to look like to see if our current model which isn't broke right now, would work for the new system or not.

Chris Tubbs: This is the first I have been made aware of the potential change in governance so I have more questions than opinions.

Bob Harrison: Conceptually, it makes sense. The timing doesn't have to be done by the 21st.

Kurt Triplett: I don't have a conceptual difficulty with the governance change, I am not necessarily for it or against it but I don't necessarily see a problem with it either. I don't think the benefits or the downsides of the current governance structure have been investigated. You can be very efficient if you are one, but you can also be less efficient if you are one. What I really want to see is some matrixes and side by sides about what we are getting ourselves into either way. The missing piece of information continues to be the RFP responses. I don't feel like I can make a real decision about what governance structure I want to get into unless I know what the new challenges are going to be and what solutions consolidation will provide for these challenges. So far, our discussion has been generic. If it is generic, so far things have been working great, I don't feel a reason to change for no particular reason. I feel like I am missing that information. County is reluctant to put this on a ballot without governance structure. No one has shown EPSCA the potential challenges the new system will bring so that we can have a discussion about whether the current governance structure can handle that nor has there been a cost benefit analysis for each.

Marlin Blizinsky: We can do that.

Mark Haggren: Attending the meetings and the conversation 1.5 years ago, it was a larger county-wide governance model and that is what EPSCA was going to consider and have that conversation down the road. Does anyone recall when we build the previous county-wide system, was the governance already pre-determined before we built it?

Marlin Blizinsky: Yes.

Mark Haggren: So we accepted a sub-regional model with 4 sub regions and that was decided before the system was built.

Scott Hatfield: It was part of the ordinance.

David Mendel: We are under a response date right now that includes the probable governance model by July 31st. So we will have transmitted it through the Executive's office 30 days before that. At the end of June, we will need to write down the probable governance model or the options going forward. We want to sign the contract ASAP. We want to remove the liabilities of possible challenges from the losing vendor ASAP. So, the key date is when the contract is signed. We hope to sign the contract by the end of August. Then, the funding measure needs to be transmitted out of the Executive's office, that has to occur no later than the end of September. When that occurs, Council has told us they want to know what the governance is.

Kurt Triplett: My reaction is I have never heard before the issue of the contract being one of the drivers and I am not sure I accept that because I think you can draft it any way you want to in terms of if you have a defined level of effort and its governance is split different ways, it is achievable to draft contracts that can do that. I don't think that is an insurmountable hurdle. It is a valuable one to know about but we have to bring this to some sort of closure.

Scott Hatfield: The only thing that comes to mind that needs to change in the RFP is the post warranty services piece. Are you saying the initial build out piece would also need to change because I don't see that.

David Mendel: There is a very fundamental thing that would have to change and that is, who is signing the contract. The ownership piece would have to be discussed in the contract and the support piece at the end of it.

Scott Hatfield: The concept I had in my mind is that the County would be signing it and administering the contract until FSA and at that point the County would then transfer title to PSERN. Why would any of that have to change if you were transferring 4 titles to the different sub regions for ownership? My interpretation from my Board members is they are not ready to make the call on what happens after FSA or even convinced that is a necessary change. They want to hear why do we need to do this, why is it a good thing and what is the benefit to us for doing it? Or, why can't the current structure/concept move forward into the next generation system after FSA?

Kurt Triplett: That is an adequate assessment. What might be helpful is if Scott and I read out to each of you individually and each entity came up with a list of questions and concerns, then we can consolidate them and bring them to the April 22nd meeting. This question isn't going to go away. We need to adequately reflect what people's concerns are. We need to start having a practical discussion where we can talk about the RFP responses and start talking about maps. It is very hard to have this as a conceptual discussion.

7. Other/Information
8. Executive Session
None

9. Adjourn
Being no further business, meeting adjourned at 10:55 a.m.

**Next Meeting
Scheduled for:**

**May 8, 2014
10:00 a.m.**