



## Meeting of the PSERN Board of Directors (Monthly Meeting)

**Location:** To be conducted virtually: Microsoft Teams Meeting

**Date:** Thursday, February 24, 2022

**Time:** 4:00 p.m. – 5:00 p.m.

**Teams Call:** Members of the public are invited to participate in the virtual meeting by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 607 105 419#

**Directors:** Harold Scoggins (Vice Chair), Kurt Triplett, Dwight Dively, Chris Elwell, Dan Yourkoski (Harold Scoggins will chair in the absence of Lora Ueland.)

**Alternates:** Brad Miyake, Kristin Meitzler, Mark Schmidt, Matt Morris, Shawn Hayes (King County does not have an alternate at present.)

### Agenda Details:

1. Call to Order – Harold Scoggins 4:00 p.m.
2. Roll Call – Erin Clarke 4:01 – 4:03 p.m.
3. Approve the Minutes – Harold Scoggins 4:04 – 4:05 p.m.

***(Decision: Motion to approve the minutes from the 01-27-22 Annual Meeting of the PSERN Board of Directors)***

4. Public Comment – Harold Scoggins 4:06 – 4:10 p.m.

Board Chairperson to open floor for public comment. Members of the public are invited to address the Board of Directors for a period of time not to exceed three minutes.

5. Executive Director Report – Mike Webb 4:11 – 4:18 p.m.

***(Discussion)***

6. Startup Spending Update – Mike Webb 4:19 – 4:23 p.m.

***(Discussion)***

7. PSERN Board of Directors Officer Report – Board Officers 4:24 – 4:29 p.m.

***(Discussion)***

8. Review Action Items – Harold Scoggins 4:30 – 4:35 p.m.

Next Meeting: March 24, 2022



## Meeting of the PSERN Board of Directors – Meeting Minutes

**Location:** Microsoft Teams Meeting

**Date:** Thursday, January 27, 2022

**Time:** 4:00 p.m. – 5:00 p.m.

**Teams Call:** Members of the public were invited to participate in the virtual meeting by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 607 105 419#

### Attendees:

- **Directors:** Lora Ueland (Chair), Harold Scoggins, Kurt Triplett, Dwight Dively, Chris Elwell, Dan Yourkoski
- **Alternates:** Kristin Meitzler, Mark Schmidt
- **Directors Absent:** Chris Elwell
- **Other Attendees:** Spencer Bahner, Tom Bloomingdale, Mahak Chopra, Erin Clarke, Sean Douglas, Armand Eichorn, Adrian Englet, Hank Krajewski, Dino Lamana, Kristin Meitzler, David Mendel, Kimberly Nuber, Nic Prior, Mark Schmidt, Joel Thornton, Michael Webb, Ellen Whitely, Thomas Wood

### Meeting Minutes:

1. Call to Order – Lora Ueland 4:00 p.m.
  - The Chair called the meeting to order at 4:00.
2. Roll Call – Erin Clarke 4:00 – 4:01 p.m.
  - Quorum was noted.
3. Approve the Minutes – Board Chairperson 4:01 – 4:02 p.m.

**(Decision: Motion to approve the minutes from the 12-09-21 Regular Meeting of the PSERN Board of Directors)**

  - **MOTION:** A motion was made to approve the minutes of the meeting held on 9<sup>th</sup> December 2021 by Dwight Dively. It was seconded by Chief Harold Scoggins. The Board members unanimously approved the motion.
4. Public Comment – Board Chairperson 4:02 – 4:03 p.m.
  - There were no public comments.
5. PSERN Year in Review and Executive Director Report – Mike Webb 4:03 – 4:08 p.m.
  - Mike Webb presented a summary of the actions and achievements of the board since April 2021 to include 11

board resolutions, hiring of Executive Director and Administrator, acquisition of insurance and legal counsel, and approval of Procurement Policy.

- Discussions have begun with commercial wireless carriers regarding collocation on PSERN's towers.
- Achievements of colleagues within the PSERN Project were acknowledged ahead of WAVE 1 radio deployment.

6. Board Resolutions – Small Works & Federal Rosters – Mike Webb 4:09 – 4:11 p.m.

- Mike Webb presented the report which identified the need for two board resolutions to address Small Works and Federal Agency procurement.

***(Decision: Motion to pass Resolution 22-01)***

- **MOTION:** A motion was made by Chief Harold Scoggins to pass Resolution 22-01 to establish a small works roster procedure for Public Works contracts consistent with and pursuant to the requirements of RCW 39.04.155. It was seconded by Kurt Triplett. The Board members unanimously approved the motion.

***(Decision: Motion to pass Resolution 22-02)***

- **MOTION:** A motion was made by Dwight Dively to pass Resolution 22-02 to authorize Federal Agency Purchases allowing PSERN to purchase Services and Goods from or through a federal agency without following the additional processes in the policy. It was seconded by Chief Harold Scoggins. The Board members unanimously approved the motion.

7. Startup Period Staffing and Spending Plan – Mike Webb 4:11 – 4:27 p.m.

- Mike Webb presented updates to the December report summarizing estimated and expected costs and indicated they are within the previously authorized \$1.85 M startup funding.
- It is noted that costs in plan only include set up and running of the PSERN Operator organization prior to FSA and no operational costs for the network are included.
- Several important assumptions and exclusions were presented to the Board to include the following:
  - 1) Costs only include set up and running of the PSERN Operator organization prior to FSA, covering its financial, administrative, and operational processes, systems, and capabilities.
  - 2) FSA is assumed to occur at the end of 1Q 2023 at which point service fee revenue would begin.
  - 3) Additional technical staff is assumed to on-board at FSA.
  - 4) Number 3 is not likely to be feasible and so additional transitional operational funding will be needed to include the addressing of the gap between the end of Project funding for technical staff and FSA and the future discussion about further work and reporting to the Board.
- Kurt Triplett asked for clarification on the estimated cost of PSERN-specific IT items to ensure the estimate is sufficient.
- Mike Webb stated that the estimate is based on the applications being SaaS / cloud hosted, meaning the costs included are for implementation and licensing/subscription fees in 2022 only, with those subscription costs continuing indefinitely.
- It is recommended that the Board approve this 2022 spending plan (\$1,042 M) subject to the following:
  - 1) A further \$750K will need to be set aside for Q1 2023.
  - 2) Approval would mean this is recognized as a baseline spending plan for the Operator.
  - 3) Further reporting at each Board meeting will be provided.
  - 4) Significant expenditures above \$50k would require Board approval.
- Chair Ueland asked the Board if they were comfortable with the \$50k approval amount to avoid the Executive Director having to request approval for many expenditures likely to often exceed that amount.

- Some members indicated they would be comfortable moving the approval limit up to \$75-100K.
- Kurt Triplett noted that the \$50K limit was reasonable for the 18-month timeframe with a fixed allowance from the Joint Board but would likely need to be reassessed after PSERN assumes its own budget and revenue sources.
- Members agreed to accept the proposed \$50K approval limit noting it could be reassessed as needed.
- It is further recommended that the Board approve the hiring of a Finance Manager and Technical Operations Manager:
- Chief Harold Scoggins asked for clarification on where the future PSERN team would be housed.
  - Mike Webb noted there are costs built in the 2022 Spending Plan to operate out of the KCIT facilities into 2023.
  - There will be a further analysis and decisions to be made to determine what kind of space the Operator will need moving forward.

***(Decision: Motion to approve 2022 Spending Plan)***

- **MOTION:** A motion was made by Kurt Triplett to approve the 2022 Spending Plan as discussed in the report and authorize expenditures against it, subject to 1) The Executive Director providing monthly status reports/updates at each Board meeting that describes Year-to-Date spending against plan, and any revisions to expenditure forecasts, including cost estimates and timing, and 2) Significant expenditures (>\$50,000) will require further, explicit Board Approval. It was seconded by Dwight Dively. The Board members unanimously approved the motion.

***(Decision: Motion to approve Startup Period Staffing Plan)***

- **MOTION:** A motion was made to by Dwight Dively to approve the hiring of the Finance Manager and Technical Operations Manager following a similar hiring process as used for the Executive Director and Administrator III hiring, pursuant to the staffing agreement with King County. It was seconded by Kurt Triplett. The Board members unanimously approved the motion.

8. Financial Advisory Services – Mike Webb

4:27 – 4:31 p.m.

- Mike Webb outlined the need for the PSERN Operator to engage a firm to provide financial services in several areas related to setup of its financial management capabilities, processes, and systems.
- Proposed Phase 1 and Phase 2 scopes of work were provided as part of the inquiry letter sent to prospective firms.
- A master service agreement will be executed in the coming weeks with the selected firm, Clark Nuber PS.
- The Phase 1 scope of work will be finalized shortly, and the consultant authorized to start that phase of work.

9. BoD Work Plan Update – Mike Webb

4:31 – 4:34 p.m.

- Mike Webb provides and update to the PSERN Operator’s workplan to show developments and changes since the last version was distributed at the May 27, 2021 Board meeting.
  - Updates to completed items, dates to reflect progress to date and projected timelines.
  - Further breakout of staffing and hiring plan.
  - Engagement of financial advisory services to setup financial capabilities and engagement of security consulting services.
  - Addition of a coordinated stakeholder communication strategy/plan.
- Board members were asked to provide best way for Erin Clarke to collect information needed to obtain Washington State Business License if they have yet to do so.

10. PSERN Board of Directors Officer Report – Board Officers 4:34 – 4:34 p.m.

- Nothing to report.

11. Review Action Items – Board Chairperson 4:34 – 4:35 p.m.

- Members who have not done so are asked to contact Mike Webb or Erin Clarke to provide personal information for obtaining Washington State Business License.

12. Executive Session 4:35 – 4:35 p.m.

- There was no executive session.

13. Other Business 4:35 – 4:35 p.m.

- The Chair indicated that she will be away for the February meeting and Chief Scoggins has agreed to chair.

Next Meeting: February 24, 2022

Adjourn 4:35 p.m.

# PSERN Board of Directors Staff Report

## Agenda Item #5



**Title:** Executive Director Report – February 2022  
**Meeting Date:** February 24, 2022  
**PSERN Staff Contact:** Michael Webb, Executive Director  
**Action:** Discussion

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### **SUMMARY:**

This report provides a summary of the activities of the PSERN Operator since the last report to the Board at the January 2022 meeting.

### **ANALYSIS:**

#### Stakeholder Engagement

- I continue to participate in the monthly meetings of the Project Operations Board and the bi-weekly meetings of the Project Technical Committee.
  - This includes updates on PSERN Operator startup status and the work of the Operator Board.
- On February 2<sup>nd</sup>, I attended the King County Fire Commissioners Association Executive Board meeting and provided an update on the establishment of the PSERN Operator.
  - The KC FCA has inquired about the timing for the formation of the PSERN “Operating Board” as contemplated by the Operator ILA.

#### Staffing/Hiring

- A staffing requisition for the Finance Manager hiring has been created and is currently being processed by KCIT HR.
- The job posting will be made by the end of February, with interviews likely to start in April.
  - Participation by Board members and alternates on one or more interview panels has been requested.
- A staffing and transition plan for technical and operational staff is being developed and will be shared with the Board at the March meeting.
  - This plan will identify the existing technical positions that will transition to the Operator pursuant to the ILA.
  - A method of funding technical/operational staff to enable on-boarding prior to FSA will be required and will be discussed at the April meeting.

#### Financial Advisory Phase 1 Project

- A service agreement with Clark Nuber PS and the initial Task Order for the Phase 1 engagement have been executed; a kick-off meeting for the project is being held on February 18<sup>th</sup>.
- Board members and other key stakeholders will be invited to participate in the project to gather input in several areas, including financial policy, internal controls, reporting and asset transferal.

### Operating Budget Development

- Initial work to develop the 2023 (post FSA) operating budget is underway:
  - Radio site leases and maintenance/service agreements are currently being inventoried and associated costs captured.
  - Discussions with the Operator's insurer regarding expanding PSERN's insurance coverage have begun.
  - Due to the volume of sites, agreements and vendors, this work will take several months.
  - A technical/operational staffing plan will be incorporated and brought forward for Board review in the coming months.

### Records Management

- Direction has been provided by the King County Prosecuting Attorney's Office that PSERN Operator records should not be submitted into King County's content management system.
- Therefore, interim measures have been implemented for the management for PSERN Operator records:
  - A subsite within the current PSERN Project SharePoint will continue to be used to store records specific to the Operator (board materials, contracts, policies, etc.).
  - Certain project document records will transfer to the Operator at FSA pursuant to the transfer agreement that is being developed; these documents will be tagged appropriately.
- Pacifica Law Group have been requested to provide a proposal for support in developing a records management plan/policy for the Operator.
- KCIT will be assisting PSERN in setting up its own MS365 and Sharepoint environments in the coming months.

### Radio Site Leases

- A review and summarization of radio site leases is being undertaken, with several objectives in mind:
  - Develop a plan for the assignment of those leases to the Operator.
  - Capture the ongoing costs and PSERN Operator obligations.
  - Capture the requirements (property, liability, etc.) to support the expansion of PSERN's insurance coverage starting at FSA.

### BoD Workplan Updates

- The following workplan items have been completed:
  - (7b) Classifications for PSERN Finance Manager and Technical Operations Manager have been established.
  - (15) Washington State Business License has been obtained.
  - MRSC Roster Account has been successfully created for the Operator (re: procurement policy).
  - Financial Advisory Services have been engaged/hired.

### Commercial Carrier Tower Collocation

- Discussions with a commercial wireless carrier are underway regarding collocation at several PSERN sites in the near-term (in 2022).
- To establish collocation arrangements and implement in 2022 will require execution of interim lease/license agreements with King County for the period prior to FSA when the Operator acquires the assets.
  - Special approval by King County Executive will be required.
  - There is a risk that an interim agreement cannot be implemented in time for construction in 2022.
  - It may, therefore, be more expedient to focus on agreements with the Operator that would commence in 2023.
- A more detailed report on this topic will be provided for the March meeting.

### Workspace

- The facility being used by the Project for radio deployment is being evaluated as a potential workspace for the PSERN Operator staff:
  - The building is currently vacant but under lease by King County until the end of 2024.
  - The building includes sufficient office and operator space to house Operator staff for at least the first two years of operations (to end 2024).

### Upcoming Board Meeting Topics

- Topics expected to be brought forward over the next 3 board meetings include the following:
  - March 2022:
    - Tower site collocation briefing.
    - Preliminary Operator staffing and staff transition plan.
  - April 2022:
    - Operational startup funding requirement (Pre-FSA).
  - May 2022:
    - Approval of operational startup and staffing plans.
- The timing of these items is based on an objective of issuing initial job offers to transitioning staff in the July-August 2022 timeframe.
- These topics are in addition to the regular standing items, including Executive Director's report and Spending Update.

### **CONCLUSION:**

This report has provided a summary of the work undertaken by the PSERN Operator since the previous report in January.

### **SUPPORTING DOCUMENTATION:**

None

# PSERN Operator Board of Directors

## Staff Report - Agenda Item #6



**Title:** Administrative Startup Spending Update – February 2022  
**Meeting Date:** February 24, 2022  
**Staff Contact:** Michael Webb, Executive Director  
**Action:** Discussion

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### **SUMMARY:**

This report provides an update on PSERN Operator administrative start-up expenditures to the end of January 2022, and a revised forecast of expenditures to Full System Acceptance in March 2023.

### **BACKGROUND:**

As discussed in the January 2022 report to the Board (Start-up Staffing and Spending Plan), in the absence of a financial management system and supporting policy and processes for PSERN, the Executive Director will provide monthly status reports/updates at each Board meeting that describe:

- Year-To-Date spending against the baseline spending plan (for administrative start-up).
- Revisions to expenditure forecasts, including cost estimates and timing.

Currently, all PSERN Operator expenditures are being recorded against a specific expense code within the broader PSERN Project accounts/funds in the King County financial system (Oracle). Reports can be run on demand to show expenditures/transactions coded against the Operator.

At the point the PSERN Operator has its own financial management system later in 2022, standardized or pro forma financial reports will be provided on a regular basis to be determined by the Board.

### **ANALYSIS:**

Appendix A provides a summary of the Year-to-Date spending of the PSERN Operator as of the end of January 2022. Spending to date is currently on-track and/or below the estimates provided in the baseline spending plan.

The following notes apply:

- The 2023 forecast is for 3 months, as FSA is assumed to occur at the end of March 2023.
- 2021 actual amounts have been revised as the amounts shown in January 2022 board were determined prior to closing of the December accounts.
- Staffing spending is shown as tracking to forecast although it is expected that the Finance Manager on-boarding will occur later than April 1<sup>st</sup>.
- The majority of expenditures to date are staffing and benefits, with small expenditures for legal services and King County IT services

### **CONCLUSION:**

This report provided an updated on administrative start-up expenditures through to the end of January 2022 and a revised forecast of expenditures to Full System Acceptance in March 2023. Spending to date is on-track or below the estimates provided in the baseline spending plan.

**SUPPORTING DOCUMENTATION:**

**Appendix A: PSERN Operator Spending (Year-to-Date and Forecast) – January 2022**

A summary of expenditures to end of January 2022 and forecasted expenditures during PSERN’s startup phase in 2021, 2022 and 2023 (prior to FSA), are provided in the table below.

This only covers the administrative staffing and initiatives discussed in the January 2022 report as reflected in the approved baseline expenditure plan indicated in the table.

Item	2021 (actual)	2021 (baseline)	Jan-22 (actual)	2022 (YTD)	2022 (forecast)	2022 (baseline)	2022 (variance)	2023 (baseline)	Total Startup (forecast)	TOTAL Startup (baseline)
<u>Salary &amp; Benefits</u>	\$ 46,308	\$ 39,724	\$ 23,696	\$ 23,696	\$ 661,000	\$ 667,800	\$ (6,800)	\$ 342,000	\$ 1,049,308	\$ 1,049,500
<u>Insurance</u>	\$ 3,488	\$ 3,488	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ 1,500	\$ 9,988	\$ 10,000
<u>King County Services</u>										
<i>HR, IT Support, Office Lease</i>	\$ 7,506	\$ 7,355	\$ 395	\$ 395	\$ 54,200	\$ 54,200	\$ -	\$ 29,900	\$ 91,606	\$ 91,500
<u>Consulting Services</u>										
<i>Legal Services</i>	\$ 6,766	\$ 6,766	\$ 5,206	\$ 5,206	\$ 86,400	\$ 86,400	\$ -	\$ 28,800	\$ 121,966	\$ 122,000
<i>Financial Advisory</i>					\$ 60,000	\$ 60,000	\$ -	\$ 30,000	\$ 90,000	\$ 90,000
<i>Security/ Other Consulting</i>					\$ 50,000	\$ 50,000	\$ -	\$ 30,000	\$ 80,000	\$ 80,000
<u>Office/Administrative Expenses</u>					\$ 12,900	\$ 12,900	\$ -	\$ 8,100	\$ 21,000	\$ 21,000
<u>Transportation Expenses</u>					\$ 6,500	\$ 6,500	\$ -	\$ 3,300	\$ 9,800	\$ 9,800
<u>PSERN-Specific IT Systems</u>										
<i>Financial/Accounting</i>					\$ 37,700	\$ 37,700	\$ -	\$ 16,500	\$ 54,200	\$ 54,200
<i>Asset Management</i>					\$ 54,300	\$ 54,300	\$ -	\$ 16,000	\$ 70,300	\$ 70,300
<i>Service Management</i>					\$ 6,000	\$ 6,000	\$ -	\$ 9,000	\$ 15,000	\$ 15,000
<u>IT Equipment (all staff)</u>								\$ 79,400	\$ 79,400	\$ 79,400
<u>Vehicle Fit-Out</u>								\$ 142,000	\$ 142,000	\$ 142,000
<u>Technician Tools/Equipment</u>								\$ 12,800	\$ 12,800	\$ 12,800
<b>TOTAL</b>	\$ 64,067	\$ 57,333	\$ 29,297	\$ 29,297	\$ 1,034,000	\$ 1,040,800	\$ (6,800)	\$ 749,300	\$ 1,847,367	\$ 1,847,500
<b>TOTAL Startup by Year</b>		\$ 57,333				\$ 1,040,800		\$ 749,300	\$ 1,847,367	\$ 1,847,500