SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-C**

FROM: Steve Mack, General Manager

Meeting Date: December 1, 2011

SUBJECT: DISCUSSION/ACTION RE REPLACEMENT/UPGRADES OF DISTRICT RADIOS

RECOMMENDED ACTION: Receive a presentation from the General Manager on the need to upgrade or replace District radios and resolve nonpayment issues with Crystal Communications.

FISCAL IMPACT: None at this time

DISCUSSION:

District staff in the field communicate with each other and the office using radios using a District frequency. Currently that frequency has a bandwidth of 25 KHz. The District has to switch to radio operations using a band width of 12.5 KHz by January 2013. This switch is called narrow banding and is required of all similar radio use in the United States. The District has 15 radios – 8 in vehicles and 7 hand held. Some of these radios may be capable of switching to the narrower frequency band, but most will not.

The District's radio service is supplied off a repeater located at the Mount Jackson summit on District property leased to Crystal Communications (Crystal). The terms of Crystal's lease, in general, require that Crystal maintain the repeater at the Mount Jackson site at no cost to the District and pay $1200 per month rent. Despite periodic requests for payment from the District, Crystal has not paid any rent for over one year and is currently in arrears of approximately $30,000. They have maintained the radio repeater in good condition and respond when there are repeater operational issues. Until recently the District has not pushed the lack of rental payment issue because of the necessity of radio service for District operations.

We have one year to comply with the Federal Communications Commission (FCC) directive to switch to narrow band operations. Staff investigations into this and the Mount Jackson site have identified several issues:

- There will be considerable costs associated with this – we are thinking in the $20,000-25,000 range. Replacement of existing radios is approximately $600-800 per radio. The repeater equipment on Mount Jackson will also need to be replaced. The District may want to consider switching to digital operations which will add approximately $100-$200 per radio and unknown, if any, costs to the repeater replacement. We have been told that digital radio service will work better in our area with the narrower bandwidth.

- Crystal needs to comply with the lease or end our relationship. The lease calls for a 180 day termination notice. There is no provision for termination due to non-payment. The lease has approximately 2 more years to run. The Mount Jackson site has value and there would be replacement candidates to use the site for radio service. As I write this report I have no clear idea about Crystal's interest in continuing with the relationship.

- Repeater operations have a cost. The local fire districts pay approximately $8,000 per year for their service.

- None of the expenses associated with narrow banding is in the FY 2012 Budget.

Staff is currently in communication with Crystal regarding their interest in continuing the lease and making the required payments. We need to get resolved their short-term and long-term interest in having a relationship with the District. If we can't come to a satisfactory conclusion, we will be reporting back to the Board regarding our options.

Once that is resolved, staff will be moving forward on complying with the narrow band requirement. If we can develop a positive relationship with Crystal, I am hoping they will help us through this process. If not, we will be working with others. The Board will be informed of our progress on this issue.