



Regional Wireless Cooperative
 Board of Directors
 Agenda
 November 15, 2012

	ITEM	PRESENTER
1)	Call to Order, Roll Call and Opening Comments	Chair Thorpe – Peoria
2)	Approval of RWC Board Meeting Minutes from September 27, 2012 This item is for information, discussion and action.	Chair Thorpe – Peoria Est. 2 min
3)	RWC Policy for Approval The purpose of this item is to request approval of the following revised policy: a. Encryption Management Policy This item is for information, discussion and action.	Mr. David Felix – RWC Executive Director & Mr. Jesse Cooper/ Ms. Jennifer Hagen Phoenix PD Est. 10 min
4)	RWC Customer Cost Model The purpose of this item is to follow up on the adoption of the Customer Cost Model presented to the Board at the September 27 th meeting. This item is for information, discussion and action.	Mr. David Felix – RWC Executive Director Est. 5 min.
5)	RWC Financial Update for Fiscal Year 2011/2012 The purpose of this item is to request approval of the Executive Committee's recommendation to distribute fund balances. This item is for information, discussion and action.	Ms. Kelli Butz – RWC Accountant III Est. 10 min.
6)	RWC Budget Overview for Fiscal Year 2013/2014 The purpose of this item is to review and request approval of the RWC Budget for Fiscal Year 2013/2014. This item is for information, discussion and action.	Ms. Kelli Butz – RWC Accountant III Est. 10 min.
7)	RWC Annual Audit The purpose of this item is to provide an update on the RWC annual audit process being conducted by Clifton-Larson-Allen (CLA). This item is for information and discussion.	Mr. David Felix – RWC Executive Director & Ms. Kelli Butz – RWC Accountant III Est. 5 min.



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8)	Executive Director's Report a. Strategic Communications Plan <ul style="list-style-type: none"> • Technical Working Group • Governance Working Group (Brad Hartig) b. Federal Communications Commission Petition c. 700 MHz Narrow-Banding, TDMA Conversion & Lifecycle Upgrades d. Gila River Grant Award This item is for information and discussion.	Mr. David Felix – RWC Executive Director Est. 15 min.
9)	Call to the Public This item is for information only.	Chair Thorpe – Peoria
10)	Announcements & Future Agenda Items The purpose of this item is to communicate any Board announcements or future agenda items. The date of the next Board Meeting: January 24, 2013 from 10:00 – 11:30 a.m. This item is for information only.	Chair Thorpe – Peoria
11)	Adjourn	Chair Thorpe – Peoria

Board of Directors
2013 Meeting Schedule

<u>Date</u>	<u>Location</u>
Thursday, January 24 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson
Thursday, March 28 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson
Thursday, May 23 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson
Thursday, July 25 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson
Thursday, September 26 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson
Thursday, November 21 10:00-11:30	Phoenix City Council Chambers 200 W. Jefferson



**Board of Directors
MINUTES
September 27, 2012**

Phoenix City Council Chambers
200 West Jefferson Street
Phoenix, Arizona 85003

Board Members Present

Wade Brannon	Mike Frazier	Danny Johnson
Steve Campbell	Mark Gaillard	Charlie Meyer
Wayne Clement	Jim Haner	Marc Walker
Bob Costello	Bob Hansen	Paul Wilson
Chris DeChant	Brad Hartig	Ed Zuercher
David Fitzhugh	John Imig*	

Board Members Absent

Susan Thorpe
Tim Van Scoter

*Board Alternate

Staff and Public Present

John Bennett	John Gardner	Rick Kolker	Dave Scott
Brenda Buren	Nolberto Gem	Teresa Lopez	Vicky Scott
Kelli Butz	Joe Gibson	Chris Nadeau	Dale Shaw
Jim Case	Loretta Hadlock	Cy Otsuka	Nick Spino
Dave Clarke	Jennifer Hagen	Ron Parks	Shannon Tolle
Dave Collett	Jim Hanes	Bill Phillips	Timothy Ulery
Jesse Cooper	Dave Heck	Harold Pierson	
Greg Dominguez	Stephanie Heckel	Michelle Potts	
David Felix	Lonnie Inskeep	John Rush	

1. Call to Order, Roll Call and Opening Comments

Vice Chair Campbell called the meeting to order at 10:03 a.m. Roll call was taken and a quorum reached.

Vice Chair Campbell thanked Mr. Meyer for his service as the previous Board Chair, and also stated that current Board Chair Ms. Thorpe was out of the country.

2. Approval of RWC Board Meeting Minutes from May 24, 2012

A **MOTION** was made by Mr. Hartig and **SECONDED** by Mr. Meyer to approve the minutes as presented. **MOTION CARRIED UNANIMOUSLY (16-0).**

3. Town of Paradise Valley Membership

Mr. Felix briefed the Board on the history leading up to the Town of Paradise Valley applying for membership. The process began back in 2010, starting with a cost analysis and technical plan however Paradise Valley was not able to follow through with membership due to the bad economy. In early May 2012, Paradise Valley contacted the RWC to again begin the process. During the past few months, Paradise Valley and the RWC have had numerous meetings and site visits, moving Paradise Valley closer to membership. Motorola has also been involved; analyzing current infrastructure and also working to see what will be needed for a new site.

The Town of Paradise Valley held a Town Council meeting on September 13, 2012 and authorized the Town Manager to enter into the IGA with the RWC. According to the Governance, Paradise Valley has met all requirements to join the RWC.

Paradise Valley Police Chief John Bennett addressed the Board, thanking RWC staff for their hard work over the last several months. Paradise Valley looks forward to being a contributing member of the RWC, and is working to get the infrastructure completed this fiscal year and equipment purchased next fiscal year.

Mr. Felix also reminded the Board that there isn't an immediate financial obligation to Paradise Valley, other than their infrastructure. It is still appropriate for them to join the Board and have a vote, even before they are financially obligated to the RWC.

A **MOTION** was made by Mr. Zuercher and **SECONDED** by Mr. Frazier to approve the Town of Paradise Valley as an RWC member. **MOTION CARRIED UNANIMOUSLY (17-0)**.

Vice Chair Campbell asked Paradise Valley Board Member John Bennett to take his seat at the Board table.

4. **RWC Annual Report**

Mr. Felix stated that last year's Annual Report was the first one for the RWC, and was used as a template for this year. The Annual Report isn't called for in the Governance, but is a useful tool that everyone can refer to throughout the year.

The 2012 Annual Report has an emphasis on the relationships that are being built with other organizations. The RWC has been working closely with the TRWC in making sure that the two systems are compatible and users are provided with good service. There are many references in the Annual Report to "joint" committees, showing that there has been an effort to work together on projects and issues.

Mr. Felix also referenced the system performance statistics in the Annual Report, showing that, throughout the year, the system has performed at or near 100%.

There have been no significant issues that a user would have noticed at any point, which is an outstanding accomplishment for such a large, complex system.

A **MOTION** was made by Mr. Frazier and **SECONDED** by Mr. Hansen to approve the RWC Annual Report. **MOTION CARRIED UNANIMOUSLY (18-0)**.

5. **RWC Annual Audit**

Mr. Felix reminded the Board that the Governance calls for an annual audit to be performed, and this year Clifton Larson Allen (CLA) has again been hired to conduct the audit. Fieldwork will begin in October, and in November their findings will be ready for an Audit Committee to review. The Committee will then make recommendations for changes or accept the report and submit it to the Board for approval.

A recommendation has been made by CLA to have an Audit Committee composed of 3-5 members who would serve for 2-3 years for consistency sake. Also it was suggested that a rotation be established where a member would be replaced every year rather than establishing a new committee every year. The members of last year's Audit Committee were Mr. Walker, Mr. Gaillard and Mr. Haner. Mr. Felix suggested that, if willing, the same members would serve this year. All of last year's members were willing to volunteer again.

A **MOTION** was made by Mr. Meyer and **SECONDED** by Mr. Zuercher to approve Mr. Walker, Mr. Gaillard and Mr. Haner to the Audit Committee. **MOTION CARRIED UNANIMOUSLY (18-0)**.

6. **RWC Customer Cost Model**

Bill Phillips conducted a briefing to the Board outlining the proposed Customer Cost Model. The Cost Model would be used to permit operational use of the RWC network by a non-member. This issue has been discussed for many years, especially between the RWC and the TRWC, but a cost model has not been agreed upon to date. Two different suggestions have been made; a RWC Cost Model and a TRWC Airtime Billing Model.

The main issue is what a fair and equitable cost is to charge customers who do not want to become members of the RWC. The RWC model proposes charging customers 2 times the Operation & Maintenance rate (O&M). Half would go towards O&M and half would go towards future capital recovery (for example if more capacity was needed in the future).

The RWC Operational Working Group (OWG) and the Executive Committee (EC) have reviewed and recommended this Cost Model, and recommend approval to the Board.

Mr. Meyer asked how much money was being discussed, and what the recovery charges would be used for. Mr. Phillips answered that the capital recovery cost is what it would cost to add a channel to all of the overlay sites; once current capacity is reached. If additional capacity is never needed, the Board has the discretion on how to use the money.

Mr. Wilson asked how the TRWC has responded to the Cost Model proposal, and also if there is a negative impact to the Mesa Police Department communications (other than budgetary). Mr. Phillips answered that the TRWC and the RWC have not agreed to date on a cost model, but that there shouldn't be any impact to the TRWC because they are building a site at Shaw Butte to cover their needs. Mr. Felix also followed up that it is a financial decision for the TRWC or anyone else that is interested in becoming a customer. To date there hasn't been large usage of the Mesa Investigations talkgroups and it is believed that this would generally be a small number of radios for anyone who is interested. The Cost Model was developed to be an option for non-members to have daily operational use of the RWC system.

Mr. Meyer wanted to know the previous year's airtime usage from the TRWC, but Mr. Phillips stated that would be hard to gauge but it is usually less than a minute per month (probably because the cache radios were assigned to a different group than who was originally going to use them). Airtime charges have been negligible to date, and would continue if the Airtime Model was used. Mr. Meyer wanted to know if the TRWC building a site at Shaw Butte was a direct result of the possibility of paying the new Cost Model at 2 times O&M rate.

Mr. Felix stated that it is his understanding that Mesa and the TRWC were planning to build the Shaw Butte site regardless of the outcome of the Customer Cost mode discussions.

Mr. Meyer also wanted to state that he is concerned about taxpayers paying for two systems and additional infrastructure that do the same thing.

Mr. Hartig stated that current Members brought their capacity to the system, but additional infrastructure will be needed in the future if customers are added, and having the capital recovery money available will help pay that cost.

Mr. Wilson supports a model and 1 time the O&M cost per radio, but doesn't support the 2 times O&M. He thinks it should be revisited in the future, and not charged for now.

Mr. Felix said that it doesn't affect the current IGA, and the Board must decide what it is comfortable with regarding non-members having operational access to the RWC system. TRWC has greater needs beyond what they currently use on the RWC system; those would be covered by the Shaw Butte site. The TRWC announced that the Shaw Butte site should be active in spring 2013.

Mr. Imig asked if the two current talkgroups assigned to the TRWC would be eliminated once the Shaw Butte site was operational. Mr. Felix said that yes, those two talkgroups would be covered by the Shaw Butte site but the TRWC would still have cost-free interoperability with the RWC.

Mr. Zuercher asked if the Shaw Butte site was being built because of the two times O&M and may not be built if it was kept at one time O&M. Mr. Felix thinks the site would be built either way.

Mr. Dale Shaw stated that they (TRWC) have a need well beyond 35 radios, so it is more of a capability issue. He stated that it doesn't make sense for TRWC to pay two times O&M rate for 200+ radios that may never enter the area or use the airtime; probably cheaper to build a new site than to pay for usage they don't need.

Vice Chair Campbell expressed his concerns that this Model may be perceived as a "wedge" between the RWC and TRWC relationship, and may not help the collaborative effort. Mr. Felix addressed the Board that this issue has been ongoing for some time and the OWG & Executive Committee felt that there needed to be a decision made; especially since it was considered a temporary fix. Ultimately, Mr. Felix's desire is still to have an integration of the two systems into one and be managed by one Board. He added that the RWC is still open to further discussions with the TRWC on this point.

Mr. Meyer wanted to recognize the work done by the OWG on this issue and acknowledges that they were working towards a fair solution. The larger picture is that there will be additional funds spent and if this Model is approved no one may make use of it. Mr. Meyer does not support this Cost Model as proposed, and thinks that merging of the two systems is still the ultimate goal.

A **MOTION** was made by Mr. Wilson to create a new customer category and billing model based one time the O&M rate. No **SECOND** made, **MOTION FAILED**.

Mr. Zuercher suggested that there be a Board level working group created to further discuss this issue, and volunteered to be a member of that group. Mr. Zuercher also asked that Mr. Meyer and Mr. Wilson participate on the working group as well. This would give more time to discuss possible options or a solution to the Cost Model. Mr. Felix agreed that creating a working group is a good idea and would help staff work through the issue. There is a strategic planning session coming up next week and that may be a good time for the two groups (RWC & TRWC) to discuss future options.

Mr. Hartig and Mr. DeChant volunteered to staff the working group along with Mr. Zuercher, Mr. Meyer, and Mr. Wilson if needed.

A **MOTION** was made by Mr. Zuercher and **SECONDED** by Mr. DeChant to continue this item until the November 15, 2012 Board Meeting allowing the group to discuss possible options. **MOTION CARRIED UNANIMOUSLY (18-0).**

7. RWC 700 MHz Narrow-Banding, TDMA Conversion and Lifecycle Upgrades

Mr. Phillips presented a PowerPoint to the Board to brief them on the upcoming requirements for the projects. This project is required to meet a FCC mandate by January 2017 and has a current budget of \$42.5M. The RWC has filed a petition and the FCC may delay their mandate, but the status is not known at this time. A notice of Proposed Rule Making (NPRM) is due out from the FCC in the next month or so to seek comment regarding the 2017 deadline.

A decision needs to be made if the project should be done as one, or separated into two projects; a hardware upgrade and then TDMA conversion, for financial reasons. If done in two projects, capacity would be temporarily reduced by 35% which could cause busy signals on the system. Additional capacity would need to be added at a cost of \$6.9M to avoid that potential issue. If the project could be completed as one, then this additional capacity would not be needed.

Mr. Phillips stated that the current plan is to finance the total cost over 6 years, but asked if this plan is still applicable or if other options need to be looked at. Final decisions need to be made by the end of the calendar year or early next year at the latest.

Vice Chair Campbell expressed his concerns regarding any impact to capacity and how that would affect public safety officers on the street. Mr. Phillips acknowledged that there could be an increase in busy signals when a user pushed the button to use their radios. He explained that users are not accustomed to this and it is not acceptable. Mr. Felix stated that testing the reduced capacity isn't an option because of the time it would take to fix the problem if it was not implemented at the beginning (6 months or more); shouldn't take a chance and include the extra capacity in the plan.

Mr. Meyer wanted to clarify that separating the project into two parts was purely a financing issue not a technical issue. Mr. Phillips said that was correct. The subscriber number is so large that it is a huge cost for the Members to provide. If all the money could be made available at once, then the extra capacity would not be needed, saving the \$6.9M.

Mr. Zuercher would like a cost analysis performed to see if the extra capacity can be avoided; is there a way to get the money upfront and cover agencies that may not have all the money available? Mr. Zuercher agreed to talk to the City of Phoenix Finance Department and see what financing options are available to avoid the extra cost. Mr. Zuercher is not promising that the City of Phoenix will cover this cost, but will look into funding mechanisms, and report back at the November meeting.

8. Executive Director's Report

a. Strategic Communications Plan

Meeting to be held on October 4, 2012; second session to continue work on a Strategic Communications Plan between the RWC & TRWC. Further discussion will also be had with the TRWC about the future of the two groups.

b. Awards

The RWC & TRWC won a MAG Desert Peak Award and the LECC's Award for Community Partnerships for Public Safety.

c. Federal Communications Commission Petition

The Federal Communications Commission is going to address the Louisiana petition, but it will only pertain to Louisiana. They will be issuing a Notice of Proposed Rule Making (NPRM) for public comments to address the 2017 deadline of the 700 MHz narrow-banding requirements.

d. Maricopa PD Transition onto the RWC

The Maricopa Police Department will be transitioning onto the RWC (Fire Department already a current Member). Dispatch will be handled by the Town of Buckeye; on track for a September 30th transition.

e. Salt River Pima Maricopa Indian Community

The Community is working with Federal Engineering to look at options for a new stand-alone system or joining a current system (RWC or TRWC). Mr. Felix met with SRPMIC intergovernmental staff recently to express the desire of the RWC to have them as members.

9. Call to the Public

None

10. Announcements

Vice Chair Campbell announced the next Board of Directors Meeting will be held November 15, 2012, and the 2013 schedule has already been published.

11. Adjournment

Vice Chair Campbell adjourned the meeting at 11:34 a.m.

Respectfully submitted,
Kacie Howard, Management Assistant I



BOARD OF DIRECTORS REPORT

TO: Regional Wireless Cooperative (RWC) Board of Directors Agenda Date: November 15, 2012

FROM: Jesse Cooper and Jennifer Hagen Item 3
Phoenix Police Department

SUBJECT: **RWC Encryption Management Policy**

BACKGROUND

To ensure the secure administration of RWC encryption materials, the Policy and Procedure Working Group developed this Encryption Management Policy. RWC communications often contain sensitive and vital information relative to law enforcement and other public safety related activities. Disclosure or modification of this information could adversely impact public safety operations and pose a threat to the safety of public safety officials and citizens. The policy has been vetted by the RWC Operations Working Group and the RWC Executive Committee and it is now being presented to the RWC Board of Directors for consideration.

THE ISSUE

The Phoenix Police Department, under the City of Phoenix as the Network Managing Member, is responsible for the security of RWC encryption keys. While several other existing policies addressed various aspects of security matters, not all policy rules and responsibilities had been formally defined. It was recommended by several members of the Phoenix Police Department, and other representatives of various RWC Members, that a single centralized policy be developed to consolidate these matters. This Encryption Management Policy is the result of those consolidation efforts.

This policy establishes rules, responsibilities, and roles for various operational personnel including the Encryption Services Manager, the Encryption Services Supervisor, Encryption Services Operators, KVL Owners, Key Owners, Agencies, and RWC Network Users. It also defines processes for the creation of new keys, changes or additions to subscribers, the handling of lost, stolen, or compromised subscribers, and KVL auditing.

RECOMMENDATION

The RWC Operations Working Group and RWC Executive Committee recommend the Board approve the RWC Encryption Management Policy.

<p style="text-align: center;">REGIONAL WIRELESS COOPERATIVE POLICIES AND PROCEDURES</p>	 Regional Wireless Cooperative
	No. S-02.10
Subject: Encryption Management Policy	Effective Date Revised: 11/15/12

1.0 Purpose

- 1.1. The Encryption Management guidelines set forth in this policy are intended to ensure the security, management, generation, distribution, use, storage, and destruction of Regional Wireless Cooperative (RWC) encryption key materials.

2.0 Owner

- 2.1. RWC Operations Working Group (OWG)

3.0 Applies To

- 3.1. RWC members, interoperability participants and any entities otherwise using the secure operational capabilities of the RWC.

4.0 Background

- 4.1. RWC communications often contain sensitive and vital information relative to law enforcement and other public safety related activities. Disclosure or modification of this information could adversely impact public safety operations and pose a threat to the safety of public safety officials and citizens. The RWC has recognized the need for protected radio transmissions and has equipped the RWC with encryption capabilities that provide the required level of protection.
- 4.2. The generation of RWC encryption keys and distribution of those keys to subscribers in a synchronized fashion is a complex process that is critical to the encryption of radio transmissions. There are inherent risks and vulnerabilities to public safety personnel if proper key management processes are not followed. The RWC can significantly mitigate these risks and vulnerabilities by establishing standard key management processes.
- 4.3. Each RWC encryption key is associated with a system-wide key reference, referred to as a Common Key Reference (CKR). The same encryption key is referenced by the same CKR in every secure component, and allows key management in a device-independent manner. CKRs are assigned to talk groups and multi-groups.

5.0 Policy Statement

- 5.1. The City of Phoenix, as the Network Managing Member of the RWC, designates The Phoenix Police Department (PPD), under the authorization from the RWC Board of Directors, to be responsible for the generation, distribution, storage, destruction, and maintenance of RWC encryption materials, and to implement established guidelines to support RWC encryption operations.

6.0 Supporting Rules

- 6.1. PPD will centrally administer the RWC encryption management program for all RWC members.
- 6.2. PPD will designate an Encryption Services Manager (ESM) to administer the RWC encryption management program for RWC members.
- 6.3. PPD will designate an Encryption Services Supervisor (ESS) to oversee encryption services on a day-to-day basis.
- 6.4. PPD will also designate an Encryption Services Operator(s) (ESO) to execute the daily activities of the RWC encryption management program.
- 6.5. All RWC members using encryption will designate a departmental Encryption Key Owner for the control and authorization of the encryption keys associated with departmental owned talk groups.
 - 6.5.1. Each CKR will have a single designated Key Owner that is assigned by talk group owner.
 - 6.5.2. All authorizations for use and distribution of the encryption keys will be made in writing by the approved Key Owner using the RWC workbook.
 - 6.5.3. The Key Owner is the authority to modify any assignment of the CKR.
- 6.6. The ESM will maintain an encryption key map showing current assignments and authorizations, and a list of CKR Owners. This information will be distributed periodically to the Encryption Key Owner for validation. Subsequent changes to the current encryption key map and list of owners will be by notification of exception.
- 6.7. Key Generation
 - 6.7.1. RWC encryption keys will be generated by the Encryption Services Office using the automatic key generation capabilities of the Key Management Facility (KMF).
 - 6.7.2. New RWC encryption keys will be generated using 256 bit Advanced Encryption Standard (AES).
 - 6.7.3. The targeted crypto-period for RWC (i.e. the time period during which any given key material will be active) will be 12 months.
 - 6.7.4. Ranges for the CKRs are maintained by the ESM.
- 6.8. Key Distribution
 - 6.8.1. Member agencies are authorized to own an RWC provisioned Key Variable Loader (KVL). KVLs owned by other entities and provisioned by the RWC must be formally authorized by the OWG.
 - 6.8.2. Authorized KVLs will contain the Universal Key Encryption Key (UKEK), also known as the "Shop Key", and other keys approved by the Key Owner(s).
 - 6.8.3. RWC subscribers which require encryption must have the Shop Key loaded using an authorized KVL.

- 6.8.4. The RWC recommends that all encryption keys for subscribers be sent or updated via the KMF only. However, agency specific encryption keys may be manually loaded upon approval of the Key Owner.
- 6.8.4.1. Encryption keys loaded manually with a KVL will not show on the Encryption Summary Report unless the subscriber information is provided and entered into a KMF record. It is recommended that the information of subscribers with manually loaded keys be sent to the Encryption Services Office so a record can be maintained.
- 6.8.4.2. Subscribers containing manually loaded encryption material will lose their encryption access when a key material change is performed on any CKRs that they have access and will need to be manually reloaded.
- 6.8.4.3. Subscribers containing manually loaded encryption material cannot have keys removed or access deleted via OTAR - keys must be manually erased.
- 6.8.5. Manual loading of CKR 1 via a KVL in to any subscriber is not authorized without the approval of the OWG.
- 6.8.6. Console Key Loading
- 6.8.6.1. Agencies requesting OTEK (Over The Ethernet Keying) for their consoles will be responsible for loading of the Shop Key using an authorized KVL.
- 6.8.6.2. Consoles that do not support OTEK must have keys manually loaded via KVL by the responsible agency.
- 6.8.7. A subscriber must be turned on at least once per month for 5 – 10 minutes to avoid missing critical encryption updates.
- 6.8.8. Destruction of active key material contained in a subscriber will be accomplished by zeroizing the key set in the subscriber via the KMF, KVL, or manual operation if available.
- 6.8.9. If a subscriber is experiencing encryption related issues, it may have missed critical updates. The user may perform a subscriber initiated “Rekey” request. If that does not correct the problem, contact the Encryption Services Office.

6.9. Key Material Distribution

- 6.9.1. Requests for distribution of Member owned key material to be used in non-member KVL and KMFs must be made in writing (letter or email) by the Key Owner, and sent to the ESM.
- 6.9.2. It will be the responsibility of the ESM to present a written request for distribution of CKR 1 or the Shop Keys to be used in a non-member KVL or KMF to the OWG for approval.
- 6.9.2.1. The agency making the request must include the following: Purpose for the request, number of subscribers needing access, key material requested (i.e., CKR 1) and the name and contact information for the non-member agency.
- 6.9.2.2. Distribution of encryption keys will be by physical exchange of the key material directly from the KMF to the KVL device(s).
- 6.9.3. CKR 1 or the Shop Keys will not be transferred by direct KVL to KVL connection without the approval of the ESS.
- 6.9.4. Agencies must provide a report of all subscribers containing any OWG owned key material within three (3) business days upon request by the RWC.

- 6.9.5. It will be the responsibility of the non-member agency to obtain new key material in the event of an encryption key set change.
- 6.9.6. If approved, use of RWC key material in a non-member KVL and/or KMF is subject to time limitations and authorizations may be reviewed on an annual basis.
- 6.10. Encryption Materials
 - 6.10.1. The RWC encryption database will be backed up and stored onsite in the Encryption Services Office, as well as offsite as designated by the ESM.
 - 6.10.2. The RWC encryption database will be stored in encrypted format.
 - 6.10.3. If the integrity of the RWC encryption database is compromised, all RWC key material will be immediately changed.

7.0 Responsibilities

- 7.1. The Phoenix Police Department will provide encryption services during normal business hours, Monday through Friday, 8:00 am to 4:00 pm, excluding City of Phoenix defined holidays. All encryption related requests should be sent to RWC.Encryption.PPD@phoenix.gov. Any requests received after hours will be processed according to the timelines outlined in this policy. Any after hour support requests will be evaluated on a case by case basis and will only be considered in exigent circumstances.
 - 7.1.1. A minimum of three (3) business days lead time is required for all encryption requests, unless special circumstances exist. Larger projects may require a longer lead time.
- 7.2. Encryption Services Manager (ESM)
 - 7.2.1. Responsible for receiving and investigating any encryption-related incidents, including oversight of corrective actions related to compromised subscribers containing encryption keys.
 - 7.2.2. Authorizes the establishment and closure of system accounts for the key management facility.
 - 7.2.3. Provides administrative guidance on the implementation of RWC key management activities.
 - 7.2.4. Establishes procedures for handling temporary absence, change, or permanent departure of the Encryption Services Supervisor or Operator.
 - 7.2.5. Responsible for handling of new CKR request from RWC Members.
 - 7.2.6. Responsible for handling requests from outside agencies for KVL access to RWC key material and presenting the requests to the OWG for approval.
 - 7.2.7. Supervises the Encryption Services Supervisor (ESS)
 - 7.2.8. The ESM will assign all CKR numbers as part of the talk group approval process.
 - 7.2.9. The ESM will designate an ESS to oversee the day-to-day encryption activities of the RWC.
- 7.3. Encryption Services Supervisor (ESS)
 - 7.3.1. Oversees encryption services on a day-to-day operational basis.
 - 7.3.2. Supervises the Encryption Services Operator (ESO).
 - 7.3.3. Facilitates encryption training for new RWC encryption operators.

- 7.3.4. Ensures that encryption reports are generated monthly and forwarded to the ESM for distribution.
- 7.3.5. Ensures that currency reports are generated quarterly and are forwarded to the ESM for distribution.
- 7.3.6. Establishes an audit and inspection program for the verification of the inventory of key management accounts in the KMF Client
- 7.3.7. Ensures completion of annual KVL audit.
- 7.4. Encryption Services Operator (ESO)
 - 7.4.1. Performs key management functions on a day-to-day basis.
 - 7.4.2. Protects keying materials and limits access to individuals with a valid need-to-know.
 - 7.4.3. Configures security features of key management system components in accordance with RWC policies.
 - 7.4.4. Maintains required RWC encryption key workbooks and related documentation for a period of 24 months.
 - 7.4.5. Performs periodic backup of KMF databases.
 - 7.4.6. Reports any known or suspected incident involving keying material to the ESS and/or ESM.
 - 7.4.7. Creates and loads keys into KVLs.
 - 7.4.8. Coordinates with RWC members relative to the daily operational aspects of RWC encryption.
 - 7.4.9. Zeroizes subscribers that have become compromised.
- 7.5. Authorized KVL Owner Responsibilities
 - 7.5.1. Ensuring KVL devices will be physically secured at all times when not in use.
 - 7.5.2. Responsible for loading of the initial UKEK ("Shop Key") or authorized encryption keys into all RWC subscribers requiring secure capabilities.
 - 7.5.3. Verifies that the OTAR ID matches the subscriber ID before loading encryption keys.
 - 7.5.4. Immediately reports any known or suspected incident involving compromised key material to the ESM, who in turn notifies the OWG.
- 7.6. RWC Participating Agencies
 - 7.6.1. Maintain inventory control of secure subscribers.
 - 7.6.2. Designate individual(s) in the agency to act as the Key Owner.
 - 7.6.2.1. Each secure key will have a single owner.
 - 7.6.2.2. The Agency may delegate a temporary alternate Key Owner to act in the absence of the primary Key Owner.
 - 7.6.3. Responsible for implementing a training program for agency personnel relative to proper use of subscribers containing encryption keys.
 - 7.6.4. Load and maintain agency owned KVLs.
 - 7.6.5. Loading of dispatch consoles via the KVL. Any agency utilizing encryption capable consoles must have access to their own KVL for loading of consoles or

arrangements need to be made with another authorized KVL Owner to provide this service. The Encryption Services Office does not perform this service.

7.7. End Users (Subscribers)

- 7.7.1. Protects subscribers with encryption keys in all situations.
- 7.7.2. Immediately notifies the appropriate personnel, as determined by their agency, concerning lost, stolen, and/or compromised subscribers.
- 7.7.3. Notifies proper personnel immediately of any known or suspected incident involving keying material and submits incident reports to the appropriate personnel as determined by agency policies and procedures.

7.8. Key Owners

- 7.8.1. Responsible for requesting encryption keys, through the ESM.
- 7.8.2. Notify the ESM immediately regarding matters relative to lost or stolen subscribers, compromised key materials, and other encryption related incidents as appropriate.
- 7.8.3. Responsible for ensuring that users of the Key Owner's key materials are aware of the subscriber responsibilities set forth in this policy.

7.9. RWC Dispatch Supervisors or other designated agency personnel

- 7.9.1. Immediately, upon notification of a lost, stolen, or compromised subscriber, regroup and lock the subscriber if possible, and notify the agency's Key Owner.

8.0 Encryption Management Process

8.1. Requests for Creation of CKRs

- 8.1.1. CKR creation requests must be made in writing (letter or email) and sent to the ESM. This request must include CKR number, CKR name, and Key Owner information.

8.2. Addition or Changes to Subscribers in the KMF

- 8.2.1. All requests for the addition of new subscriber IDs or any encryption changes requested to existing IDs or names must be made using the approved RWC workbook. Requests for encryption permissions will be the responsibility of the requesting agency to secure from each Key Owner affected. Additions or change requests need to be sent to the Encryption Services Office at RWC.Encryption.PPD@phoenix.gov for processing. Note: The RWC request form must be filled out completely or the form will be returned. For permissions or name changes only the worksheet under the tab Encryption Only Changes may be used.

8.3. Lost, Stolen or Compromised Subscribers

- 8.3.1. Upon notification of a lost, stolen, or compromised subscriber, the Encryption Services Office will set the subscriber for key deletion.
- 8.3.2. Once the subscriber keys are successfully deleted, the RWC Operations Center and the owning agency will be notified so an inhibit command may be sent. If the subscriber is not recovered after one year, the subscriber record will be deleted from the KMF and notification will be sent to the agency and RWC Network Operations.

8.4. KVL Auditing

- 8.4.1. On an annual basis the Encryption Services Office will contact all authorized KVL owners to conduct an audit of all KVLs to ensure the security of the network keys.

9.0 Conditions for Exemption or Waiver

- 9.1. As provided in the Waiver or Exception Policy.

10.0 Applicable Policies and/or Procedures

- 10.1. As listed at www.rwcaz.org.



BOARD OF DIRECTORS REPORT

TO: Regional Wireless Cooperative (RWC) Board Members Agenda Date: November 15, 2012

FROM: Kelli Butz, RWC Accountant III Item 5

SUBJECT: **FINANCIAL UPDATE FOR FISCAL YEAR 2011/2012**

BACKGROUND

The purpose of this report is to present Fiscal Year 2011/12 financial updates to the Board.

THE ISSUE

The RWC governing documents state that Year-End Expenditure reporting should be provided to the RWC Board. This report is a summary of total revenues and expenses throughout the year. Total revenues for the Fiscal Year 2010/11 that ended June 30, 2011 were \$8,685,328.80 and total expenses were \$8,101,125.80. Total revenues exceeded total expenses by \$584,203.00.

There were a number of line items in the budget that resulted in cost saving which contributed to revenues exceeding expenses. These include three (3) unfilled Information Technology Services (ITS) positions, Shared Sites, Wireless Services and Microwave.

RECOMMENDATION

The RWC Executive Committee recommends Board approval of the proposal to apply each Member's Fiscal Year 2011/12 settlements towards their respective billings for Fiscal Year 2012/13.



BOARD OF DIRECTORS REPORT

TO: Regional Wireless Cooperative (RWC) Board Members Agenda Date: November 15, 2012

FROM: Kelli Butz, RWC Accountant III Item 6

SUBJECT: RWC BUDGET 2013/2014 BUDGET OVERVIEW

BACKGROUND

The purpose of this report is to present the 2013/2014 RWC Budget and Five Year Plan to the Board. The Executive Committee's input and recommendations have been incorporated into the budget proposal.

THE ISSUE

The RWC Budget is made up of the following categories:

- 1) Motorola Contracts
 - a. Service Agreement and System Upgrade Agreement (SUA II)
- 2) Phoenix Information Technology and Services (ITS)
 - a. Wireless Services, Microwave, Network Services, and Share Sites.
- 3) RWC Staffing
 - a. The cost of six (6) staff positions
- 4) Other budget items
 - a. Including maintenance cost for City of Scottsdale, Site Leases, Electricity and costs related to relocation of the White Tanks site
- 5) The RWC Five Year Budget also includes the projected costs for 700 MHz narrow-banding, TDMA conversion, and lifecycle upgrades.

The summary of the RWC's Five Year Budget is reflected below for planning purposes.

RWC ANNUAL BUDGET	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Subscriber Rate	\$36.54	\$38.67	\$40.93	\$43.34	\$45.88
Average Radio Count	18,737	18,737	18,737	18,737	18,737
O & M, Staffing	\$8,215,925	\$8,695,535	\$9,202,557	\$9,744,000	\$10,315,280
Required Minimum Balance	\$4,485	\$8,175	\$0.00	\$0.00	\$0.00
700 MHz, TDMA & Life Cycle	\$8,455,000	\$8,455,000	\$8,455,000	\$17,737,600	\$0.00
System Upgrade Agreement	\$2,653,000	\$2,670,200	\$2,675,000	\$2,714,400	\$2,759,400
Total Budget	\$19,325,410	\$19,828,910	\$20,332,557	\$30,196,000	\$13,074,680

The budget allocation for each Member is presented below.

Member	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Avondale	273,301	280,327	287,566	427,066	184,917
Buckeye	212,453	217,915	223,542	331,984	143,747
Chandler	939,537	963,692	988,577	1,468,141	635,696
Daisy Mountain	6,188	6,347	6,511	9,669	4,187
El Mirage	88,694	90,974	93,323	138,595	60,011
Glendale	1,556,269	1,596,280	1,637,500	2,431,860	1,052,980
Goodyear	271,238	284,107	285,396	423,843	183,521
Guadalupe	11,345	11,636	11,937	17,727	7,676
Maricopa	155,058	154,445	158,433	235,289	101,879
Paradise Valley	64,973	68,923	68,365	101,529	43,961
Peoria	926,129	949,940	974,470	1,447,191	626,625
Phoenix	11,228,029	11,516,697	11,814,086	17,545,170	7,596,949
Scottsdale	1,406,726	1,442,893	1,480,152	2,198,182	951,799
Sun City Fire	43,316	44,429	45,577	67,686	29,308
Sun City West	39,190	40,198	41,236	61,240	26,516
Sun Lakes	30,940	31,735	32,555	48,347	20,934
Surprise	415,624	426,309	437,318	649,463	281,213
Tempe	1,629,493	1,671,386	1,714,546	2,546,282	1,102,524
Tolleson	29,908	30,677	31,470	46,736	20,236
Total	\$ 19,328,410	\$ 19,828,910	\$ 20,332,557	\$ 30,196,000	\$ 13,074,680

RECOMMENDATION

The RWC Executive Committee recommends Board approval of the proposed 2013/2014 Budget.



BOARD OF DIRECTORS REPORT

TO: Regional Wireless Cooperative (RWC) Board Members Agenda Date: November 15, 2012

FROM: Kelli Butz, RWC Accountant III Item 7

SUBJECT: **RWC ANNUAL AUDIT FOR FISCAL YEAR 2011/2012**

BACKGROUND

The RWC Accountant III will provide an update on the RWC audit process being conducted by CliftonLarsonAllen, LLP.

THE ISSUE

The annual RWC financial audit is being conducted by the firm of CliftonLarsonAllen, LLP. The RWC is waiting for the draft findings and letters for review, response and approval to finalize the audit process. Based upon these draft reports and discussions with CliftonLarsonAllen, LLP staff, the Executive Director will provide the Board an overview of the draft findings.

RECOMMENDATION

Based upon audit process best practices, the RWC Board of Directors appointed a 3-person Audit Committee to meet with CliftonLarsonAllen and RWC staff to review the audit findings. The Audit Committee will recommend changes, develop a response if appropriate, and/or approve the draft findings and letters for final publication.

If the draft documents are approved, CliftonLarsonAllen will formally brief the Board of Directors on the audit process and findings at the regularly scheduled January 2013 Board meeting.



BOARD OF DIRECTORS REPORT

TO: Regional Wireless Cooperative (RWC) Board Members Agenda Date: November 15, 2012

FROM: David Felix, RWC Executive Director Item 8

SUBJECT: **EXECUTIVE DIRECTOR'S REPORT**

The purpose of this report is to provide an update on the following two items:

A. STRATEGIC COMMUNICATIONS PLAN

BACKGROUND

The Regional Wireless Cooperative (RWC) and the Phoenix UASI received an award of technical assistance from the Federal Department of Homeland Security (DHS) Office of Emergency Communications (OEC) to enable stakeholders in the metropolitan region to develop a Strategic Communications Plan (SCMP).

THE ISSUE

Federal DHS Contract Support, with oversight from Arizona's Public Safety Interoperable Communications (PSIC) Office, facilitated the first of two strategic planning and development workshops to develop a SCMP. The development workshops will be the first key step towards developing a regional plan that identifies current and future requirements and documents the region's strategic vision.

On October 4th, workshop participants met for the second time to complete the draft SCMP. Two working groups were established by the SCMP participants: 1) Technical Working Group; 2) Governance Working Group. An update will be provided on the progress of these two working groups.

RECOMMENDATION

This item is for information and discussion.

B. FEDERAL COMMUNICATIONS COMMISSION PETITION

BACKGROUND

The Executive Director will provide an update related to the Federal Communications Commission (FCC) mandate that all 700 MHz frequencies must be narrow-banded by 2017.

THE ISSUE

The RWC Board of Directors approved the Executive Director to pursue signatures and filing petitions with the FCC to delay or waive the 2017 deadline to narrowband 700 MHz. The FCC granted Louisiana a delay to 2024. Furthermore, the FCC is developing a Notice of Proposed Rule Making (NPRM) to address the 2017 narrowbanding issue for the rest of the 700 MHz public safety licensees nationwide.

RECOMMENDATION

This item is for information and discussion.

C. 700 MHz NARROW-BANDING, TDMA CONVERSION & LIFECYCLE UPGRADES

BACKGROUND

This project is necessary to meet the federal mandate to narrow-band all 700 MHz frequencies by January 1, 2017, and perform key lifecycle upgrades to replace components that are no longer supported.

THE ISSUE

The issue of RWC 700 MHz narrow-banding, TDMA Conversion and Lifecycle Upgrades has been discussed at several, previous RWC Board of Directors' meetings. The purpose of this item is to provide an update for future Board action in January 2013.

RECOMMENDATION

This item is for information only.

D. GILA RIVER INDIAN COMMUNITY GRANT AWARD

BACKGROUND

The RWC applied for a Gila River Indian Community (GRIC) public safety grant in the amount of \$176,460 to help replace several RWC base stations in anticipation of the larger 700 MHz narrowbanding project.

THE ISSUE

The RWC was notified by Ms. Cheryl Pablo of the GRIC that the RWC was awarded the grant for \$176,460. The RWC will receive two payments of \$88,230 over two years.

RECOMMENDATION

This item is for information only.

Gregory Mendoza
Governor



Stephen Roe Lewis
Lieutenant Governor

11/06/2012

GILA RIVER INDIAN COMMUNITY

Executive Office

"A New Generation of Leadership Serving the People"

October 24, 2012

The Honorable Greg Stanton
Mayor of the City of Phoenix
200 West Washington Street, 11th Floor
Phoenix, AZ 85003

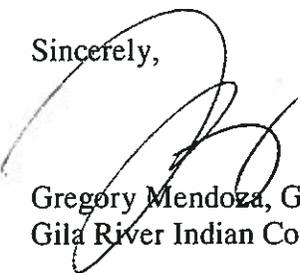
Dear Mayor Stanton,

The Gila River Indian Community is pleased to inform you that your grant application to the State Shared Revenue Program for the Regional Wireless Cooperative, Replacement of Communication Systems Base Stations has been approved in the amount of \$176,460.00 as specified in the enclosed document.

The State Shared Revenue Program allows the Tribe to make 12 percent of its annual contribution to the State of Arizona directly to cities, towns and counties for services that benefit the general public. The project described in your application serves to do just that and we are excited about the opportunity to assist you in your goals.

Enclosed for your records is a signed resolution authorizing the approval of this grant by the Gila River Indian Community Council. A check for your grant amount and specific reporting information will be mailed to you under separate cover. Congratulations and best wishes to your organization.

Sincerely,


Gregory Mendoza, Governor
Gila River Indian Community

NOV 06 2012

cc: David Felix, Executive Director ✓



GILA RIVER INDIAN COMMUNITY

SACATON, AZ 85147

RESOLUTION GR-193-12

A RESOLUTION AUTHORIZING A GRANT AWARD FROM THE GILA RIVER INDIAN COMMUNITY'S STATE-SHARED GAMING REVENUES TO THE CITY OF PHOENIX FOR THE REGIONAL WIRELESS COOPERATIVE, REPLACEMENT OF COMMUNICATION SYSTEM BASE STATIONS

WHEREAS, the Gila River Indian Community (the "Community") is a federally recognized Indian tribe and sovereign nation; and

WHEREAS, the Gila River Indian Community Council (the "Community Council") is the legislative governing body of the Community; and

WHEREAS, the passage of Proposition 202 by the voters of Arizona in November 2002 set the stage for a new gaming compact between the State of Arizona and the Community, including a provision for the sharing of gaming revenues with the State of Arizona; and

WHEREAS, the Community has entered into a fully executed compact with the State of Arizona providing for gaming within the Community; and

WHEREAS, the compact allows that up to twelve percent (12%) of the Community's state-shared revenue can be retained by the Community for distributions to cities, towns, or counties for government services that benefit the general public; and

WHEREAS, the Community Council, as an exercise of the Community's sovereignty, decides the manner in which those funds distributed to cities, towns, and counties should be disbursed, so as to improve the overall quality of life of residents of Arizona; and

WHEREAS, the Community Council has reviewed a proposed application from the City of Phoenix for the Regional Wireless Cooperative, Replacement of Communication System Base Stations.

NOW, THEREFORE, BE IT RESOLVED, that the Community Council approves a grant in the amount of \$176,460.00 (one hundred seventy-six thousand four hundred sixty dollars) to the City of Phoenix for the Regional Wireless Cooperative, Replacement of Communication System Base Stations to be paid over a period of two years at \$88,230.00 per year.

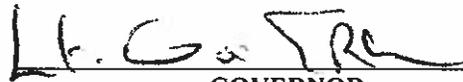
BE IT FURTHER RESOLVED, that the Community's Office of Special Funding is authorized to sign and submit such documents as are necessary to effectuate and administer this grant.

BE IT FINALLY RESOLVED, that the Governor, or in his absence, the Lieutenant Governor, is hereby authorized to sign and execute such documents as are necessary to fulfill the intent of this resolution.

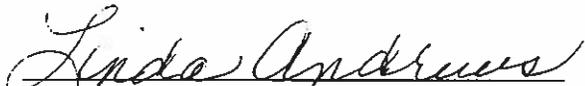
CERTIFICATION

Pursuant to authority contained in Article XV, Section 1, (a) (7), (9), (18) and Section 4 of the amended Constitution and Bylaws of the Gila River Indian Community, ratified by the tribe January 22, 1960, and approved by the Secretary of the Interior on March 17, 1960, the foregoing resolution was adopted on the **17th of October 2012**, at a regular Community Council meeting held in **District 3, Sacaton, Arizona** at which a quorum of **14** Members were present by a vote of: **14** FOR; **0** OPPOSE; **0** ABSTAIN; **3** ABSENT; **0** VACANCIES.

GILA RIVER INDIAN COMMUNITY


GOVERNOR

ATTEST:


COMMUNITY COUNCIL SECRETARY 10.29.12

