



MINUTES

QLife Regular Board Meeting
Thursday, February 27, 2020
511 Washington St, Deschutes Conference Room

Call to Order President Hege calls the meeting to order at 12:08 PM.

Roll Call Scott Hege, Rod Runyon, Dale Lepper, Darcy Long-Curtiss, John Amery, Keith Mobley, Dan Bubb, Joe Franell, Nate Pipinich, Kathleen Willis, Tyler Stone, Stephanie Krell, Mike Middleton, Kristen Campbell, Dan McNeely (via Skype) and Bruce Patterson (via Skype).

Changes to the Agenda

There are no changes to the agenda.

[[Mr. Lepper moves to approve the agenda. Mr. Runyon seconds the motion, which passes unanimously.]]

Approval of the Consent Agenda

[[Mr. Lepper moves to approve the consent agenda. Mr. Runyon seconds the motion, which passes unanimously.]]

Discussion Items

City of Ammon Video and Fiber Optic Local Improvement Project

The Board watches a YouTube video from the City of Ammon, Idaho outlining their fiber optic local improvement district project. Mr. Patterson, Technology Director for Ammon calls in on Skype to discuss project's successes and failures.

Mr. Patterson describes the city demographics and notes that the project began between 2008 and 2010. Today, they offer 15 mpbs for \$16.50/month and 1 gig for \$26.60/month with no caps or contracts. In addition to the monthly charge, the customer is left to choose their own provider from the marketplace accessible from their online customer portal.

Ammon City Council decided to install the infrastructure using city resources in order to reach as many citizens as possible. He notes that in the summer of 2019, 280 homes were connected and estimates that 350 homes will be connected this summer. There was a \$4 million local investment, currently has a department of nine employees, no municipal debt, created an open marketplace and offers up to 1 gig of service. They conducted a survey and discovered that 80% of people encouraged others to participate following enrolling themselves.

Ammon created a Local Improvement District (LID) to fund a build in existing neighborhoods and citizens would sign up by going to the website www.ammonfiber.com. The customer portal is fully automated and customers can pick and choose the service provider of their choice.

President Hege notes that one provider is offering 15 mbps for free and wonders how they are able to offer that. Mr. Patterson explains that this is their "gateway" offering and only three or four customers utilize that option. There is also no support for troubleshooting because of the zero cost. He continues by mentioning that the marketplace tends to self-adjust very quickly as new providers enter the market; one provider started at \$99/month and dropped to \$24/month.

Mr. Franell asks what the service providers offer to the customer and Mr. Patterson explains that they give them a path to the internet and customer service while the city provides a place for the providers to plug in and a pathway to the home.

Mr. Bubb wonders how customer service has changed with this project and Mr. Patterson notes that they no longer deploy

trucks to homes for troubleshooting without charging an additional fee. He adds that the online tools in the portal are sufficient for the customer to troubleshoot themselves.

Mr. Patterson says that the largest challenges of the project were political will-power, public support and finance. Once a neighborhood would reach a 50% take rate, the city implemented an LID. The install and buildout is paid off over a 20 year period and is bound to the property. If a property sells, mortgage lenders attempt to convince new buyers to pay off the balance before buying the home. He adds that 10-15% pay up front rather than have a lien on the property and pay off numbers increase as property exchanges hands.

Mr. Amery asks if Ammon has seen a growth in businesses moving to the area. Mr. Patterson cannot confirm one way or the other but can confirm that more people are working from home because of the increased internet speeds.

Mr. Stone remarks to the Board that Mr. Patterson has presented one fiber to the home model but adds that other models exist. Mr. Amery mentions that communication districts are another option. President Hege wonders if we are missing any downsides to offering something similar in The Dalles and Mr. Franell notes that added costs to property can sometimes be passed on to renters and worries that the model encourages the lowest level of customer service.

Mr. Bubb states that he has concerns with this model as well, for instance, in Maupin, the take rate was \$100 and there was some resistance from citizens. This model has a take rate of \$3,300 and believes this to be a hurdle even if it is buried in property taxes. Mr. Franell adds that if the city owns the infrastructure, there will be no property taxes on it.

Columbia Gorge Community College 2020-21 Scholarship Donation

Mr. Stone reminds the Board of past contributions from QLife to CGCC Foundation in support of the scholarship fund. The Foundation is asking to continue this support of two \$1,000 scholarships for the 2020-21 academic year. Mr. Stone asks the Board if they wish to donate again and Mr. Runyon remarks that he would like to continue support.

[[The Board is in consensus to donate two \$1,000 scholarships to CGCC Foundation for the 2020-21 academic year.]]

Aristo Report

Mr. Amery presents his report included in the packet to the Board. He notes that the Holiday Inn connection is complete and that he posted an RFP for a fiber project in the Curtis Homes development. There are no questions from the Board.

Action Items

Resolution 20-002 – Revising Service Rates and Fees

Mr. Stone explains to the Board that we have repackaged our rate schedule to become more manageable. There have been a couple additions; an option under Looping price for 200 mbps for \$200/month and language to note that specific contracts may be negotiated on a case by case basis.

[[Mr. Lepper moves to approve Resolution 20-002 revising QLife service rates and fees. Ms. Long-Curtiss seconds the motion, which passes unanimously.]]

Finance

Financial Report, Analysis and Reconciliation

Mr. Middleton presents his report to the Board included in the packet. He points out that receivables are current and interest is up in the general and capital funds. He adds that an additional invoice has been received from the Maupin fund which is why we must hold a budget hearing.

Budget Hearing

President Hege opens the budget hearing at 1:30 PM. Mr. Middleton explains that an unexpected expense to complete the Maupin project has arisen due to the system not being finalized in FY19 as intended. A final payment to Van Dorn for

\$10,525.40 was received in December 2019 and the line item only had \$1,000 budgeted. Additional funds were possessed in the closing out of the project that were not included in the original budget so he proposes the revenue for the Maupin fund be increased by \$144,765, the expense for the Maupin fund be increased by \$15,000 and the contingency for the Maupin fund be increased by \$129,765.

[[Ms. Long-Curtiss moves to approve Resolution 20-003 adjusting QLife agency budget for FY 19-20 in the Maupin fund. Mr. Lepper seconds the motion, which passes unanimously.]]

President Hege closes the budget hearing at 1:32 PM.

Lone Pine Update

Mr. McNeely calls in via Skype at 1:32 PM and informs the Board that he has spoken with C-2 Construction on how we plan to award Segment 1 of the project followed by Segment 2 at a later date and they are on board with that process. He adds that there are changes in the scope for Segment 2 arise, we can negotiate with C-2 then.

Mr. Stone asks if he has heard from Union Pacific regarding permits but Mr. McNeely states that he has not, however, the ODOT permit process is going well. President Hege asks how confident he is going forward with the current status of Union Pacific and Mr. Stone answers that he is not confident but will continue to push hard to get the permit approved in a timely manner.

Mr. Lepper notes that the MCMC consultant is ready to submit an RFP once the bid window opens for USAC.

The Board enters into Executive Session at 1:41 PM under ORS 192.660 (2)(g) Competitive trade or commerce negotiations and (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission.

Executive Session

The Board exits Executive Session at 2:23 PM.

President Hege mentions that he has a meeting with PUD and agreed to set a joint future meeting to work on having a better working relationship with PUD and QLife.

The meeting is adjourned at 2:23 PM

The next regularly scheduled board meeting is set for March 26, 2020.

These minutes were approved by the QLife Board on April 23, 2020.

Lee Weinstein, Secretary