



## AGENDA

### QLife Regular Board Meeting

Thursday, July 25, 2019 | 12:00 pm

Wasco County Courthouse, 511 Washington Street, The Dalles, Oregon  
Deschutes Room – BO8

- 12:00 Call to Order
- 12:00 Approval of Agenda
- 12:00 [Consent Agenda](#) (*items of a routine nature: minutes, documents, items previously discussed*)
  - [June 27, 2019 Minutes](#)
- 12:00 [Financial Report](#) – Mike Middleton
  - [Financial Report, Analysis and Reconciliation](#)
- 12:15 [Discussion Items](#)
  - [Aristo Technical Management Report](#) – John Amery
  - [Oregon Connections Telecommunication Conference](#) – Stephanie Krell
- 12:20 [Port Build Update](#) – Dan McNeely
- 12:30 [St. Mary's Update](#) – John Amery
- 12:40 [Maupin Update](#) – Dan McNeely
- 12:50 [Executive Session \(2\)\(m\)\(D\) & \(E\) Discuss information regarding security of telecom systems and data transmission; \(2\)\(g\) Competitive trade or commerce negotiations; \(2\)\(h\) Consult with counsel regarding litigation.](#)

Old/New Business

Next Board Meeting Date: Thursday, July 25, 2019 at 12:00 PM

Adjourn

*\*Agenda subject to change*

*\*Executive Session held as needed*

An executive session may, in the discretion of the presiding officer, be called based on one or more of the following: ORS 192.660 (2)(a) Consider employment issues; (2)(e) Real property; (2)(f) Consider exempt records or information; (2)(g) Competitive trade or commerce negotiations; (2)(h) Consult with counsel re litigation; (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission.



## *Consent Agenda*

---

- [June 27, 2019 Minutes](#)



## MINUTES

QLife Regular Board Meeting  
Thursday, June 27, 2019  
511 Washington St, Deschutes Conference Room

**Call to Order** President Hege calls the meeting to order at 12:05 PM

**Roll Call** Tyler Stone, Stephanie Krell, Scott Hege, Lee Weinstein, Dale Lepper, Darcy Long-Curtiss, Rod Runyon, Mayor Lynn Ewing, John Amery, Keith Mobley, Carrie Pipinich, Kayla Nelson, Kate Willis and Dan McNeely (via Skype).

### **Changes to the Agenda**

There are no changes to the agenda.

***[[Ms. Long-Curtiss moves to approve the agenda. Mr. Weinstein seconds the motion, which passes unanimously.]]***

### **Approval of the Consent Agenda**

There are no changes to the consent agenda.

***[[Mr. Weinstein moves to approve the consent agenda. Ms. Long-Curtiss seconds the motion, which passes unanimously.]]***

### **Financial Report**

Mr. Middleton presents the financial report to the Board and notes that 91% of the fiscal year is complete as of May. Right of Way fee expenses are slightly behind due to the bills being delivered late. Our finance department was able to locate them and we are now current on those fees. He continues by informing the Board that he anticipates the Materials and Services account to be slightly over budget at this time but will remain within the bounds of where we want to be by the end of the fiscal year. Overall all funds are in good shape; Mr. Middleton expects the Operations fund to be under budget by about \$10K and the Maupin fund is at 80% execution.

### **Action Items**

President Hege opens the budget hearing at 12:09 PM. Mr. Middleton informs the Board that the QLife Budget for FY20 has been presented to City Council and the Board of County Commissioners and both entities have given their approval. He asks the Board for any questions regarding the budget and for their approval.

President Hege asks if we should consider adjusting the budget for administrative costs but Mr. Stone notes that any changes to that account will likely happen after the new fiscal year. He continues by noting that there are many moving parts around staffing in Wasco County and once we get a better sense of what that looks like, we can discuss if the County will pay for additional QLife administrative costs.

There are no other comments or changes from the budget committee so President Hege opens the hearing for public comment. There are none and President Hege closes the budget hearing at 12:14 PM.

***[[Mr. Weinstein moves to approve budget resolution #19-005 adopting the QLife budget for fiscal year 2019-2020, making appropriations and authorizing expenditures. Mr. Lepper seconds the motion, which passes unanimously.]]***

## **Discussion Items**

### **Aristo Technical Management Report**

Mr. Amery presents his report to the Board. The failing fiber, known as the St. Mary's Project, is coming to a completion. He is currently reviewing the history of challenges with OSPInsight and looking into alternative software. No decision has been made at this point.

He continues with an update on QLife electronics. He has moved one customer off of the electronics and all issues have ceased. Mr. Lepper wonders if it was a volume issue but Mr. Amery states that he is still uncertain as to what exactly the problem was. President Hege asks if the issue is considered resolved and Mr. Amery notes that the issue has not occurred again so he believes it has been resolved.

### **September Board Meeting**

Ms. Krell brings to the Board's attention that our regularly scheduled board meeting will not be able to take place in September due to a scheduling conflict with Mr. Stone and President Hege and proposes alternative dates. It is decided that October 3<sup>rd</sup> works best for the Board.

### **Port Build/Chenoweth Expansion Updates**

Mr. McNeely calls in via Skype at 12:20 PM. Mr. Stone begins with an update by mentioning that the prevailing wage reports in the board packet are for the Board's reference. He continues by stating the quotes have come back from Professional Underground and archaeological research for the project and will cost about \$9K to complete.

Mr. Stone asks Mr. McNeely if he has a timeline as to when that work will commence and Mr. McNeely notes that he is currently working on securing a permit which is a minimum 45 day waiting period. He adds that it will likely be the end of summer before the project is considered complete.

President Hege wonders if we have run into any issues with the local tribes and Mr. McNeely states that there have been no issues thus far and the archaeological group will coordinate with them.

Mr. Stone notes that he has submitted an invoice to the Port of The Dalles for \$124K which will be paid after the first of the fiscal year. The Board approves the change order from Professional Underground and the archaeological quote as presented.

### **Lone Pine Expansion Updates**

Mr. Stone informs the Board that there have not been any changes with the Lone Pine Expansion since the last board meeting discussion. He continues to pursue funding opportunities and hopes that 65% of the build will be covered by USAC. He also notes that there is a public easement in the area that will need to be moved and that we are working on a grant application and looking to our customer to help with the additional costs. We have submitted a funding request to USAC with our full pricing list for servicing MCMC and he believes we could utilize those reimbursements.

President Hege wonders what our ideal timeline looks like but Mr. Stone does not have a solid timeline and states that it is not as quickly as he would like. Mr. Stone wonders if it would help for our delegations to make calls about the USAC distribution in order to speed things along and Mr. Lepper replies that he will consider it to see if that is an option.

President Hege asks if we have a design for the expansion and Mr. Stone notes that the Board did not previously give authority for an engineering design until we secured funding but adds that the OPC came back around \$400K. Mr. Lepper wonders if we are successful in being awarded USAC funding, would we move forward with the build and Mr. Stone replies that that would be decision to be made by the Board. Mr. Lepper adds that there may be money in the MCMC budget to assist in the build but not until January 2020.

### **St. Mary's Backbone Updates**

There are no updates for the St. Mary's Backbone project.

### **Maupin Updates**

Mr. McNeely updates the Board on the Maupin project and notes that clean up in the alley is almost complete. Mayor Ewing adds that he expects work to be finished by the end of the month. President Hege asks for clarification on what work remains and Mr. McNeely informs him that Wasco Electric Cooperative is moving all of the meters out of the way which will allow Van Dorn to come back and complete the path.

Mayor Ewing reminds the Board that there are five potential customers that LSN and GorgeNet say cannot be served but the engineers disagree. President Hege believes it makes more sense to pay LSN or GorgeNet to build out to those customers than to extend the QLife backbone. Mayor Ewing states that he will continue to work with LSN and GorgeNet to come up with a solution.

Mr. Stone updates the Board on Maupin financials by stating that we are in the process of closing out grants and gather some outstanding expenses. Van Dorn has not been able to complete their work so we expect a final invoice to come in. Ms. Nelson distributes a document including project financials which accounts for all revenue and expenses from the Maupin project.

She reviews the grant funding and clarifies that roughly \$190K remains from these funds in addition to \$44K that had previously been requested from the city of Maupin. Mr. Stone adds that Maupin expressed their desire to use the remaining funds for security cameras but the Capital fund also needs to be repaid its investment of \$167K; both cannot be done so he asks the board to discuss how we want to spend the remaining funds.

President Hege wonders if the security system would be an additional cost which Mr. Stone confirms was not part of the original project. Mayor Ewing adds that he was assured by the State that the remaining funds can be used for security activity.

Ms. Long-Curtiss asks for clarification of the intention for the Capital fund transfer to Maupin and Mr. Stone notes that at the time, we had not secured the additional \$500K from the State but had already invested thousands of dollars into the project so the Board agreed to transfer to money in order to keep the project moving.

The Board enters into Executive Session under ORS 192.660(2)(g) to discuss how they should proceed with the remaining grant funds.

### **Executive Session**

The Board enters into Executive Session at 1:15 PM

The Board exits Executive Session at 1:52 PM

President Hege invites Mayor Ewing back into the regular session and announces that the Board has proposed to split the remaining grant funds with the city of Maupin. \$100K would go to QLife in order to repay the Capital fund and \$90K would go to the city of Maupin in order for them to complete their desired security system. All Board members and Mayor Ewing agree to the proposal.

The meeting is adjourned at 1:56 PM

The next regularly scheduled board meeting is set for Thursday, July 25, 2019.

These minutes were approved by the QLife Board on \_\_\_\_\_.

\_\_\_\_\_  
Lee Weinstein, Secretary



## *Financial Reports*

---

- [June Financial Report](#)
- [June Financial Analysis](#)
- [June Reconciliations](#)

# Qlife Monthly Report

## Operations Fund - June 2019 - 1st review

Filters	
Fd	600
Cat	(Multiple Items)

### Data

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
<b>Revenue</b>						
Qlife Operations						
Qlife-R						
Qlife-R						
INVESTMENT EARNINGS-R						
INTEREST EARNED	2,000	973	1,613	48.6%	44.8%	(639.85)
INVESTMENT EARNINGS-R Total	2,000	973	1,613	48.6%	44.8%	(639.85)
MISCELLANEOUS-R						
MISC RECEIPTS	200	1,586	4,003	793.0%	2001.5%	(2,417.01)
MISCELLANEOUS-R Total	200	1,586	4,003	793.0%	2001.5%	(2,417.01)
CHARGES FOR SERVICES-R						
UTILITY SERVICE CHARGES	669,147	659,632	661,043	98.6%	100.4%	(1,411.38)
CONNECT CHARGES	1,000	100	1,700	10.0%	170.0%	(1,600.00)
CHARGES FOR SERVICES-R Total	670,147	659,732	662,743	98.4%	100.5%	(3,011.38)
PASS-THROUGH PAYMENTS-R	-	-	-	#DIV/0!	0.0%	-
Qlife-R Total	672,347	662,290	668,359	98.5%	93.7%	(6,068.24)
Qlife-R Total	672,347	662,290	668,359	98.5%	93.7%	(6,068.24)
Qlife Operations Total	672,347	662,290	668,359	98.5%	93.7%	(6,068.24)
<b>Revenue Total</b>	<b>672,347</b>	<b>662,290</b>	<b>668,359</b>	<b>98.5%</b>	<b>93.7%</b>	<b>(6,068.24)</b>
<b>Expense</b>						
Qlife Operations						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						
ADMINISTRATIVE COST	55,350	41,513	54,500	75.0%	100.9%	(12,987.16)



**Qlife Monthly Report**  
**Operations Fund - June 2019 - 1st review**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year	Prior Year	Current FY - Prior FY YTD
				Budget Executed	Budget Executed	
ADVERTISING & PROMOTIONS	1,500	1,240	2,837	82.7%	189.2%	(1,597.50)
BLDG REPAIR & MAINT	1,600	-	-	0.0%	0.0%	-
CONTR SRVCS - AUDIT CONTRACT	6,000	6,000	3,650	100.0%	51.8%	2,350.00
CONTR SRVCS - OTHER	15,100	2,110	7,998	14.0%	266.6%	(5,888.20)
CONTRACTED SERVICES	-	-	-	#DIV/0!	#DIV/0!	-
DUES & SUBSCRIPTIONS	3,000	1,626	3,525	54.2%	271.1%	(1,898.49)
EQUIPMENT - NON CAPITAL	5,000	-	1,504	0.0%	#DIV/0!	(1,504.00)
GENERAL GRANTS	2,000	4,000	3,000	200.0%	150.0%	1,000.00
INSURANCE & BONDS	21,000	16,087	15,242	76.6%	72.6%	845.00
LEGAL NOTICES & PUBLISHING	400	469	36	117.1%	9.0%	432.50
MEALS LODGING & REGISTRATION	2,000	2,434	1,546	121.7%	77.3%	887.65
MISC EXPENDITURES	1,000	1,907	832	190.7%	128.0%	1,075.03
NETWORK COMPONENTS	5,000	-	730	0.0%	14.6%	(729.53)
POSTAGE	200	198	359	99.1%	179.4%	(160.69)
SUPPLIES - OFFICE	200	129	361	64.7%	267.2%	(231.32)
TAXES/PERMITS/ASSESSMENTS	400	785	415	196.3%	103.8%	370.07
TELEPHONE	420	706	450	168.0%	107.0%	255.97
TRAINING & EDUCATION	700	-	514	0.0%	73.4%	(513.95)
UTILITIES - WALNUT ST	800	625	737	78.1%	105.3%	(112.67)
RENT - OFFICE	7,752	7,079	7,752	91.3%	100.0%	(672.75)
CONTR SRVCS - LEGAL COUNSEL CONTR	9,000	7,812	9,162	86.8%	101.8%	(1,350.00)
OUTSIDE PLANT MAINTENANCE	20,000	6,701	23,255	33.5%	54.1%	(16,554.73)
CONTRACTED SVCS - ENGINEERING	20,000	44,781	37,174	223.9%	74.3%	7,607.00
CONTRACTED SVCS - NETWORK SYSTEM MANAGEMENT	51,000	77,428	55,870	151.8%	82.2%	21,558.69
POLE CONNECTION FEES	10,500	12,392	15,088	118.0%	143.7%	(2,696.54)
RIGHT OF WAY FEES	20,075	20,461	23,730	101.9%	120.2%	(3,268.55)
SCHOLARSHIP	2,000	-	2,000	0.0%	100.0%	(2,000.00)
EASEMENTS - NON-CAPITAL	1,000	-	-	0.0%	#DIV/0!	-
<b>MATERIALS &amp; SERVICES-E Total</b>	<b>262,997</b>	<b>256,482</b>	<b>272,266</b>	<b>97.5%</b>	<b>87.2%</b>	<b>(15,784.17)</b>
<b>CAPITAL OUTLAY-E</b>						
EASEMENTS	-	-	18,000	#DIV/0!	#DIV/0!	(18,000.00)
EQUIPMENT - CAPITAL	20,000	3,225	-	16.1%	0.0%	3,224.60
<b>CAPITAL OUTLAY-E Total</b>	<b>20,000</b>	<b>3,225</b>	<b>18,000</b>	<b>16.1%</b>	<b>90.0%</b>	<b>(14,775.40)</b>
<b>TRANSFERS OUT-E</b>	<b>372,800</b>	<b>372,800</b>	<b>392,898</b>	<b>100.0%</b>	<b>100.0%</b>	<b>(20,097.96)</b>
<b>Qlife-E Total</b>	<b>655,797</b>	<b>632,506</b>	<b>683,164</b>	<b>96.4%</b>	<b>94.2%</b>	<b>(50,657.53)</b>

**Qlife Monthly Report**  
**Operations Fund - June 2019 - 1st review**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
Qlife-E Total	655,797	632,506	683,164	96.4%	94.2%	(50,657.53)
Qlife Operations Total	655,797	632,506	683,164	96.4%	94.2%	(50,657.53)
<b>Expense Total</b>	<b>655,797</b>	<b>632,506</b>	<b>683,164</b>	<b>96.4%</b>	<b>94.2%</b>	<b>(50,657.53)</b>

## Qlife Monthly Report

### Capital Fund - June 2019 - 1st review

Filters	
Fd	601
Cat	(Multiple Items)

Data							
Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD	
<b>Revenue</b>							
Qlife Capital							
Qlife-R							
Qlife-R							
INVESTMENT EARNINGS-R							
INTEREST EARNED	1,072	29,731	17,542	2773.4%	1636.4%	12,189.12	
INVESTMENT EARNINGS-R Total	1,072	29,731	17,542	2773.4%	1636.4%	12,189.12	
TRANSFERS IN-R							
TRANSFER FROM QLIFE OPERATING FUND	372,800	372,800	392,898	100.0%	100.0%	(20,097.96)	
TRANSFER FROM QLIFE MAUPIN FUND	10,000	-	-	0.0%	0.0%	-	
TRANSFERS IN-R Total	382,800	372,800	392,898	97.4%	97.5%	(20,097.96)	
CHARGES FOR SERVICES-R							
CONNECT CHARGES	19,000	124,000	-	652.6%	0.0%	124,000.00	
CHARGES FOR SERVICES-R Total	19,000	124,000	-	652.6%	0.0%	124,000.00	
Qlife-R Total	402,872	526,531	410,440	130.7%	97.0%	116,091.16	
Qlife-R Total	402,872	526,531	410,440	130.7%	97.0%	116,091.16	
Qlife Capital Total	402,872	526,531	410,440	130.7%	97.0%	116,091.16	
<b>Revenue Total</b>	<b>402,872</b>	<b>526,531</b>	<b>410,440</b>	<b>130.7%</b>	<b>97.0%</b>	<b>116,091.16</b>	
<b>Expense</b>							
Qlife Capital							
Qlife-E							
Qlife-E							
MATERIALS & SERVICES-E	23,000	9,218	4,068	40.1%	13.1%	5,149.78	
CAPITAL OUTLAY-E							
BUILDINGS	-	-	-	#DIV/0!	0.0%	-	

**Qlife Monthly Report**  
**Capital Fund - June 2019 - 1st review**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
EQUIPMENT - CAPITAL	80,000	-	-	0.0%	#DIV/0!	-
PRIMARY SYSTEMS	600,000	242,419	22,055	40.4%	11.3%	220,364.15
SECONDARY LINE EXTENSION	200,000	5,403	3,756	2.7%	5.0%	1,646.70
<b>CAPITAL OUTLAY-E Total</b>	<b>880,000</b>	<b>247,822</b>	<b>25,811</b>	<b>28.2%</b>	<b>5.1%</b>	<b>222,010.85</b>
TRANSFERS OUT-E	200,000	-	-	0.0%	0.0%	-
RESERVE FOR FUTURE EXPENDITURES-E	224,666	-	-	0.0%	0.0%	-
<b>Qlife-E Total</b>	<b>1,327,666</b>	<b>257,040</b>	<b>29,879</b>	<b>19.4%</b>	<b>2.5%</b>	<b>227,160.63</b>
<b>Qlife-E Total</b>	<b>1,327,666</b>	<b>257,040</b>	<b>29,879</b>	<b>19.4%</b>	<b>2.5%</b>	<b>227,160.63</b>
<b>Qlife Capital Total</b>	<b>1,327,666</b>	<b>257,040</b>	<b>29,879</b>	<b>19.4%</b>	<b>2.5%</b>	<b>227,160.63</b>
<b>Expense Total</b>	<b>1,327,666</b>	<b>257,040</b>	<b>29,879</b>	<b>19.4%</b>	<b>2.5%</b>	<b>227,160.63</b>

## Qlife Monthly Report

### Maupin Fund - June 2019 - 1st review

Filters

Fd	602
Cat	(Multiple Items)

#### Data

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
<b>Revenue</b>						
Qlife - Maupin						
Qlife-R						
Qlife-R						
INTERGOV'T REV - NON SINGLE AUDIT-R						
STATE GRANT	190,000	494,069	186,227	260.0%	48.2%	307,842.26
INTERGOV'T REV - NON SINGLE AUDIT-R Total	190,000	494,069	186,227	260.0%	48.2%	307,842.26
INVESTMENT EARNINGS-R						
INTEREST EARNED	-	1,536	2,188	#DIV/0!	#DIV/0!	(651.39)
INVESTMENT EARNINGS-R Total	-	1,536	2,188	#DIV/0!	#DIV/0!	(651.39)
MISCELLANEOUS-R	-	-	-	#DIV/0!	0.0%	-
TRANSFERS IN-R	200,000	-	-	0.0%	0.0%	-
CHARGES FOR SERVICES-R						
CITY OF MAUPIN	546,000	-	-	0.0%	#DIV/0!	-
UTILITY SERVICE CHARGES	-	-	-	#DIV/0!	0.0%	-
CITY OF MAUPIN FRANCHISE FEES	1,600	-	-	0.0%	#DIV/0!	-
CHARGES FOR SERVICES-R Total	547,600	-	-	0.0%	0.0%	-
Qlife-R Total	937,600	495,606	188,415	52.9%	30.6%	307,190.87
Qlife-R Total	937,600	495,606	188,415	52.9%	30.6%	307,190.87
Qlife - Maupin Total	937,600	495,606	188,415	52.9%	30.6%	307,190.87
<b>Revenue Total</b>	<b>937,600</b>	<b>495,606</b>	<b>188,415</b>	<b>52.9%</b>	<b>30.6%</b>	<b>307,190.87</b>

#### Expense

Qlife - Maupin						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						

**Qlife Monthly Report**  
**Maupin Fund - June 2019 - 1st review**

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current Year Budget Executed	Prior Year Budget Executed	Current FY - Prior FY YTD
ADMINISTRATIVE COST	14,160	494	-	3.5%	0.0%	494.07
INSURANCE & BONDS	1,000	-	-	0.0%	0.0%	-
CONTR SRVCS - LEGAL COUNSEL CONTR	2,000	2,250	648	112.5%	32.4%	1,602.00
CONTRACTED SVCS - ENGINEERING	-	1,848	19,125	#DIV/0!	#DIV/0!	(17,277.25)
POLE CONNECTION FEES	1,050	-	-	0.0%	0.0%	-
CONTRACTED SVCS - WIFI	1,000	384	11,909	38.4%	58.4%	(11,524.76)
BROADBAND SUPPORT	-	-	-	#DIV/0!	0.0%	-
MATERIALS & SERVICES-E Total	19,210	4,976	31,682	25.9%	59.8%	(26,705.94)
CAPITAL OUTLAY-E						
EQUIPMENT - CAPITAL	-	-	3,148	#DIV/0!	#DIV/0!	(3,147.50)
PRIMARY SYSTEMS	600,000	547,583	175,281	91.3%	#DIV/0!	372,302.10
SECONDARY LINE EXTENSION	-	-	433	#DIV/0!	0.1%	(433.00)
CAPITAL OUTLAY-E Total	600,000	547,583	178,861	91.3%	31.2%	368,721.60
TRANSFERS OUT-E	10,000	-	-	0.0%	0.0%	-
RESERVE FOR FUTURE EXPENDITURES-E	59,160	-	-	0.0%	0.0%	-
Qlife-E Total	688,370	552,559	210,543	80.3%	31.7%	342,015.66
Qlife-E Total	688,370	552,559	210,543	80.3%	31.7%	342,015.66
Qlife - Maupin Total	688,370	552,559	210,543	80.3%	31.7%	342,015.66
<b>Expense Total</b>	<b>688,370</b>	<b>552,559</b>	<b>210,543</b>	<b>80.3%</b>	<b>31.7%</b>	<b>342,015.66</b>

**Qlife Monthly Report**  
**Accounts Receivable - June 2019 - 1st review**  
**Accounts Receivable Summary**

<b>Fund</b>	<b>Total Receivable</b>	<b>Current</b>	<b>30-59 Days</b>	<b>60-89 Days</b>	<b>90-119 Days</b>	<b>Over 120 Days</b>
600	29,555.78	10,350.00	-	-	-	19,205.78
601	124,000.00	124,000.00	-	-	-	-
602	-	-	-	-	-	-
May	49,540.78	30,335.00	-	-	-	19,205.78
Apr	45,445.78	26,240.00	-	-	-	19,205.78
Mar	30,495.78	11,290.00	-	-	-	19,205.78
Feb	49,520.78	30,315.00	-	-	-	19,205.78
Jan	33,980.78	7,575.00	-	-	-	26,405.78
Dec	38,445.78	12,040.00	-	-	-	26,405.78
Nov	61,291.78	34,740.00	-	146.00	-	26,405.78

## **Qlife – Financial Analysis for June 2019 Financial Statements – 1<sup>st</sup> Review**

The financial statements for June 2019 are presented. This encompasses the entire fiscal year but remains unaudited at this point. The intended use of these statements is for Management use. Budgets are expected to be fully expended/received. However, there are year-end entries and a review process of the year. There may/will be changes which is why this is the 1<sup>st</sup> review. A 2<sup>nd</sup> Review will be presented when complete.

### **Operations Fund**

Total revenues for the operations fund are \$662,290 or an execution rate of 98.5%. This is \$10K less than budgeted. The majority of this is due to Utility Service Charges only executing to 98.6%. Overall, Utility Service Charges are \$1,411 less than last fiscal year at this time.

Accounts receivable are \$29,556. This is down from last month and all is current with the exception of the account in collection – as identified in prior reports.

Interest continues to grow although below the budgeted amount in the Operations fund as stated in prior months. This is more than made up by the amount in the Capital fund. The full budget amount of interest entity wide has already exceeded the budgeted amount.

Overall expense costs have executed to 96.4%. This is after consideration of the \$24K refund just received for overpaid expense in FY19. Without this, the fund would have exceeded the budget appropriation. This would have been resolved by moving appropriated costs to the Capital Fund. However, at this time that is not necessary. There may be further accruals as the year-end is reviewed.

There has not been any expense on the Scholarship expense line. It is budgeted at \$2,000.

Transfers out are fully executed.

Overall, the fund is doing well. For the next fiscal year, the attention needs to focus on the contracted services and which fund it appropriated. The line items were significantly missed at this point. The scholarship expense line does warrant further review as to whether the lack of expense is intentional, missed or misclassified.

### **Capital Fund**

Base revenues for the Capital Fund are strong and consistent. Budget execution is at 130.7%. This is due to the \$124,000 billed for Connection Charges. This is a single bill that was issued for the build out of the main line. As of 7/23/19, it has not been collected upon. Transfers are right on schedule and fully expended.

As mentioned above, there is an accounts receivable for \$124,000 that is current and outstanding.



As briefly mention in the Operations section, interest is doing well past budget expectations. Currently the amount is \$29,731. The budgeted amount is \$1,072. So, Capital Interest revenue is only 2,773.4% of the budget for the entire fiscal year. This is the amount projected as likely last month.

Expenses have continued increasing – currently budget execution is up to 19.4%. There may be some end of year adjustments, but the fund will not experience any significant increases.

The fund is in good shape overall and growing. This has been the pattern for the entire fiscal year and looks to continue into next year.

### **Maupin Fund**

There were no additional revenues for the Maupin Fund in June. Total revenue budget execution is 52.9%. The main driver of the lower amount is the \$200K potential transfer from the Capital fund not being needed or executed. Overall, the revenue was \$441,994 below the budgeted amount. There may be further accruals based the funding from Maupin on the grants flowing through.

Expenditures for June area whopping \$279. This is due to the project being complete, but there may be some additional invoices outstanding. As part of the year –end process this is reviewed. Total expenditures for M&S and Capital are \$67K below the budgeted amount.

Overall the Maupin Fund has finished the fiscal year as planned. The project is complete with perhaps some tail-out of expenses remaining.

### **Summary**

The organization has finished the fiscal year in good shape. The completion of the Maupin project relieves the stress load on the organization and will allow the pursuit of other projects now as this bandwidth is freed up.

There was some concern on the Operations fund budget, but the refund has relieved that pressure.

The bank reconciliation for June is complete and included in the packet.

### June 2019 Bank Reconciliation

	Bank	Main Checking			Eden Total		LGIP Account	Eden 600	Eden 601	Eden 602	Eden	
		Eden 600	Eden 601	Eden 602			Bank					
Begininng Balance	499,368.90	45,688.42	406,778.69	46,832.77	499,299.88		1,270,957.23	36,324.64	1,234,632.59	0.00	1,270,957.23	
Credits	-	-	-	-	-		Deposits					
Deposits	71,205.00	72,879.83	32,741.50	-	105,621.33	Debit	Dividends/Interest	83.30	2,788.97	-	2,872.27	
Withdrawals	-	-					Withdrawals				-	
Checks	138,454.06	58,019.44	139,557.95	5,440.00	203,017.39	Credit	Other Decreases				-	
<b>Ending Balance</b>	<b>432,119.84</b>	<b>60,548.81</b>	<b>299,962.24</b>	<b>41,392.77</b>	<b>401,903.82</b>		<b>Ending Balance</b>	<b>1,273,829.50</b>	<b>36,407.94</b>	<b>1,237,421.56</b>	<b>0.00</b>	<b>1,273,829.50</b>
Deposits in Transit	-						Ending GL	1,273,829.50				
Outstanding Checks	\$30,216.02				-		LGIP Variance	-	2.9%	97.1%	0.0%	
Adjusted Balance	401,903.82	60,548.81	299,962.24	41,392.77	401,903.82		Interest Allocation Rate					
Variance	-						Mike M 7/3/19 LGIP					
							Mike M 7/9/19 Checking					
John Amery	5249		\$20,786.30									
CDW Government	5254		\$659.60									
Ciyt of The Dalles	5255		\$1,871.40									
CMI	5256		\$2,565.00									
Commstructure	5257		\$4,040.00									
Gorge Networks	5258		\$83.22									
OR Sec of State	5259		\$50.00									
The Dalles Chronicle	5260		\$135.00									
Tyler Stone	5261		25.50									
			<b>\$30,216.02</b>									



## *Discussion Items*

---

- [Aristo Technical Management Report](#)
- [Oregon Connections Telecommunications Conference](#)

Aristo Networks LLC  
Technical Management Report  
By  
John Amery  
07/24/2019

Items of Discussion:

- QLIFE / BPA discussions are to initiate around interconnections, easements, and leases.
- Damaged QLIFE fiber in the region around E. 15<sup>th</sup> and Jefferson.
  - Working on vegetation control plan
- Failing fiber project (SW section previously referred to as St. Marys)
  - Splicing scheduled to be completed next week (last week of July).
- Efforts are currently being made to improve OSPInsight quality of documentation.
  - Ongoing
- Electronics
  - No known issues.



## *Port Build/Chenoweth Expansion Updates*

---



## *St. Mary's Backbone Updates*

---



## *Maupin Updates*

---

- [GorgeNet Wifi Service Order Agreement](#)

**Service Order Agreement**

Prepared exclusively for:

**QLife**

**Attn: Tyler Stone**

**Proposal Date:** July 3, 2019

**Prepared By:** Andrew Hoffman

**Service Description 1)** Provide a 100M/100M Ethernet over Fiber Service between the Maupin Library and The Dalles Library. This proposal also includes move of service from current Maupin Library location to new Community Center. This proposal includes Gorge Net handing off service to the actual library location at 722 Court St.

**Service Location A:** 410 Deschutes Ave Maupin, OR 97037

**Service Location Z:** 722 Court St. The Dalles, OR 97058

**Service Description 2)** Provide Managed Wi-Fi Service at the Maupin Library (both current location and new Community Center location). Gorge Networks is revising the proposed Wi-Fi gear that would be used from Ruckus to the eero equipment currently used for Managed Wi-Fi. This proposal includes installation of eero equipment at both current library location and the new library/community center building when completed. NRC costs estimated and will not exceed the amount listed (but may be less depending on actual labor time).

**Service Description 3)** Provide ongoing support for all services, including the Maupin Riverfront Park Wi-Fi and Maupin Library Wi-Fi.

**Monthly Services:**

QTY	Item	Unit Rate	Total Due
1	100M/100M Ethernet over Fiber Service between Maupin Library and The Dalles Library	\$1,100.00	\$1,100.00
1	Managed Wi-fi Service for Maupin Library (main eero unit)	\$7.95	\$7.95
3	Additional eero AP's for Maupin Library and Community Center (when new building is complete)	\$5.95	\$17.85
3	Maintenance Agreement for existing Maupin Riverfront Park Wi-Fi (three outdoor Ruckus AP units)	\$12.00	\$36.00
<b>Monthly Total</b>			<b>\$1,161.80</b>

**Non Recurring One-Time Charges:**

QTY	Item	Unit Rate	Total Charge(s)
1	Installation of Ethernet over Fiber Service	\$500.00	\$500.00
4	eero AP's for Managed Wi-Fi Service	\$150.00	\$600.00
6	Technician labor for Managed Wi-Fi Installation	\$195.00	\$1,170.00
<b>NRC Total</b>			<b>\$2,270.00</b>



\*Does not include state and federal taxes that may apply or regulatory recovery fee.

**Contract Term: Three Years**

Installation timelines vary based on the services and equipment being ordered.  
Services and equipment will be ordered upon receipt of this signed agreement.

**Customer Requested Install Date (completed by customer): \_\_\_\_\_**

The requested install date will be confirmed by our Business Customer Service Department.

**Will this be a phased install? (2-part, 3-part) (completed by Gorge Networks): No**

Phased installs are completed over 2 or 3 separate dates as deemed necessary for quality service delivery.  
The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Any alteration or deviation from above specifications involving extra costs will be executed with a written and signed change order, and will become an extra charge over and above the proposal amount. Activation date to be determined within 5 business days of proposal acceptance.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name/Title

\_\_\_\_\_  
Date of Acceptance

**Customer Questionnaire**

**Customer Billing Contact:**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Address2: \_\_\_\_\_

City State Zip: \_\_\_\_\_

Email: \_\_\_\_\_

**Installation and Technical contact. Who should we work with during the installation?**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Email: \_\_\_\_\_

### Service Descriptions:

(as applicable)

Voice phone service line	A dial tone phone line for use as a voice line
FAX line	A dial tone phone line designed for use with fax, modem, etc.
Hosted FAX	Fax service that routes incoming faxes as an email attachment
Voice Mail Service	Voice mail box to phone line service
Hunt Group	Roll to next phone line in the event of busy line
Local Long Distance	Included in ALL phone line(s) – unlimited mid-Columbia calling OR & WA
Long Distance Service	Long Distance package as identified – includes Contiguous US
Unlimited Long Distance	Please see Reasonable Use Policy Below
8xx Service	Base service and up to 200 minutes, .05 minute thereafter
Broadband Internet	High Speed internet at speed annotated in Monthly Services table

### Clarifications

1. \*Equipment for service delivery provided by Gorge Networks and not purchased for ownership by customer (modems, IAD's, punch down blocks, etc.) remains the property of Gorge Networks and will need to be returned in good working order by customer in the event these services are discontinued.
2. Local long distance includes all areas of the mid-Columbia Gorge in both OR and WA. For a complete listing contact Gorge Networks.
3. Additional regulatory fee of 2% on any per minute long distance charges.
4. Configuration of phone system is outside the scope of this proposal.
5. Domestic long distance is the contiguous US.
6. \*Equipment for service delivery provided by Gorge Networks and not purchased for ownership by customer (modems, IAD's, punch down blocks, etc.) remains the property of Gorge Networks and will need to be returned in good working order by customer in the event these services are discontinued.

## SERVICE AGREEMENT TERMS

This Agreement ("Agreement") contains the general terms and conditions applicable to purchases of services ("Services") from Gorge Networks.

- 1) Service Delivery.** Requests for Services will be on Gorge Networks, Inc. orders ("Orders") stating the pricing and term ("Service Term") for which Services are requested. Once order is approved, customer has up to 48 business hours to cancel order, otherwise order is considered irrevocable. If there is a cancellation of order by customer prior to commencement of service, there will be an administrative charge equal to costs incurred by provider to date for provisioning, labor and equipment as applicable. The Service will continue on a month to month basis at the expiration of the Service Term at Gorge Networks, Inc.'s then current rates. Gorge Networks, Inc. will try, but is not obligated, to provide Services by requested or otherwise committed delivery dates. Should Gorge Networks, Inc. determine to accept Orders, the Service Term will commence when the Service is installed ("Service Commencement Date"). Unless Customer notifies Gorge Networks, Inc. within 3 days of the Service Commencement Date that Service is not working properly, the Service will be deemed accepted and billing will commence on the Service Commencement Date. Customer will at its expense provide suitable access to non-Gorge Networks, Inc. facilities or power required for Service delivery or removal of equipment. Title to all equipment and software provided by Gorge Networks, Inc. remains with Gorge Networks, Inc..
- 2) Charges.** Invoices are delivered monthly. Gorge Networks, Inc.'s standard charges apply to moves, adds or changes agreed to by Gorge Networks, Inc.. Payment is due upon Customer's receipt of invoices and is past due 30 days after the invoice date ("Payment Deadline"). Past due amounts bear interest at the lesser of 1.5% per month or the highest rate allowed by law. Customer agrees to pay all Service charges, even if incurred as the result of unauthorized use. If

Customer disputes an invoice, Customer will pay the undisputed amount by the Payment Deadline and submit written notice of the disputed amount detailing the nature of the dispute and the invoices disputed. Disputes must be submitted within 90 days of the date of the invoice or the right to dispute is waived. If a dispute is resolved against Customer, Customer will pay the disputed amounts plus interest from the Payment Deadline within 30 days. Gorge Networks, Inc. may require a security deposit of up to 2 months estimated charges at any time; unused deposits will be refunded after the expiration or termination of this Agreement. If any change in applicable law or regulation affects the delivery of Service, Gorge Networks, Inc. may pass any increased costs through to Customer without termination liability by delivering written notice to Customer within 30 days.

- 3) Taxes and Tax Like Fees.** Except for Gorge Networks, Inc.'s net income tax, Customer is responsible for all taxes, fees, surcharges, license fees and other tax like charges imposed on or incident to the provision, sale or use of Service (whether imposed on Gorge Networks, Inc. or its affiliates). Such charges may be billed as cost recovery fees. Valid exemption certificates will be given prospective effect upon receipt by Gorge Networks, Inc. Some fees may change through the life of the contract as they may be mandated by federal and state agencies and are required by law.
- 4) Maintenance.** Maintenance of the Service may, but ordinarily will not, result in limited Service interruptions. Customer will not attempt maintenance of the Service. Customer is responsible for the costs of maintenance required by acts or omissions of Customer.

- a. **Preventative Maintenance:** Preventative Maintenance refers to upgrades (including upgrades to increase capacity), and or routine maintenance or the necessary replacement, alteration or repair of equipment or network upgrades. Preventative Maintenance may temporarily degrade the quality of the service or cause temporary outages. Preventative Maintenance shall be undertaken typically between the hours of 24:00:00 and 06:00:00 Local Time. Gorge Networks agrees to provide at least two (2) days notice to Customer prior to any Preventative Maintenance.
- b. **Emergency Maintenance (Unscheduled Maintenance or Repair):** Emergency Maintenance shall mean repair work not reasonably anticipated but which requires immediate action to restore network connectivity, use or efforts to correct network conditions that are likely to cause a material service outage, or address any issue reasonably observed as a threat to Gorge Networks resources (person, equipment or facility). Work to address an Emergency Maintenance situation may degrade the quality of or cause outages in the Service. Gorge Networks may undertake Emergency Maintenance at any time deemed necessary but shall make commercially reasonable efforts to perform such maintenance within the hours identified for Preventative Maintenance if possible. Gorge Networks shall provide notice of Emergency Maintenance to Customer as soon as is commercially practicable under the circumstances and, when reasonably possible, provide notice twenty-four (24) hours in advance. Whenever prior notice is given, Customer agrees it will take the steps necessary to notify key personnel internally in order for Gorge Networks to correct or repair the affected area.
- c. **Demand Maintenance:** Demand Maintenance is work necessary to restore service to one or more End-Users of Gorge Networks and/or maintenance work required when a deficiency is found while performing Preventative Maintenance work. Gorge Networks may undertake Demand Maintenance immediately. Gorge Networks shall provide notice of Demand Maintenance to Customer as soon as is commercially practicable under the circumstances.
- d. **Notification:** Gorge Networks shall provide Customer with notice of Preventative Maintenance, or as soon as possible in the case of Emergency or Demand Maintenance, to the contacts as specified on the Customer Questioner in Exhibit B.

- 5) Trouble reporting. Normal business hours trouble reporting:** To report suspected problems with your service during normal business hours please call 541 386 8300. It is assumed that standard trouble shooting processes have been followed to rule out problems with customer owned equipment and facilities.

We will request the following information related to the problem you are reporting:

- Company name
- Your name
- Your phone number
- Customer Contact name and number
- Customer account number
- Customer trouble ticket number
- Service origination and termination locations
- Time of trouble onset Nature of observed trouble
- Is Service(s) released to Customer for testing?

Once our service representative has received all of this information, a Customer Trouble Ticket will be assigned and investigation of your report will begin. Once the status of your report has been determined the service agent will contact your designated contact individual at the appropriate number to discuss the findings. In any circumstance the initial response to Customer will be within two (2) hours of the completion of the trouble reporting procedure.

If it is determined that the problem is not with Gorge Networks Services or equipment, then a service call fee may be assessed.

- 6) Termination.** If (i) Customer fails pay Gorge Networks, Inc. any undisputed charges when due and such failure continues for 5 business days after written notice from Gorge Networks, Inc. or (ii) either party fails to observe any other material term of this Agreement and such failure continues for 30 days after written notice from the other party, then the non-defaulting party may terminate this Agreement or any Order, in whole or in part, and subject to the limitations of this Agreement, pursue any remedies it may have at law or in equity. If Customer terminates Service for convenience or Gorge Networks, Inc. terminates Service for cause, Customer will pay Gorge Networks, Inc. a termination charge equal to the sum of: (a) all unpaid amounts for Service actually provided; (b) any waived or discounted charges for the Services(s); (c) 100% of the remaining monthly recurring charges up to the last year of the contract Service Term; (d) 50% of the remaining monthly recurring charges for the last 12 months of the Service Term; and (e) any termination liability payable to third parties by Gorge Networks, Inc. resulting from the termination. Any amounts owed may be sent to collections and customer will be responsible for the amount due plus reasonable cost recovery fees.
- 7) Renewal Terms.** Upon completion of the contract term, If neither party notifies the other, at least 30 days prior to contract termination, this contract will remain in force at the same terms and conditions on a month to month basis. If either party choses to terminate any or all services, then 30 days advance notice must be given.
- 8) LIABILITY LIMITATIONS. NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES FOR LOST PROFITS, LOST REVENUES, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, LOSS OF DATA, THE COST OF PURCHASING REPLACEMENT SERVICES, OR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES IN ANY WAY RELATED TO THIS AGREEMENT OR ANY ORDER. GORGE NETWORKS, INC. WILL HAVE NO LIABILITY FOR ANY CLAIMS RELATING TO 911 OR OTHER EMERGENCY REFERRAL CALLS. GORGE NETWORKS, INC. MAKES NO WARRANTIES OR REPRESENTATIONS RESPECTING THE SERVICE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- 9) Service Levels.** The Service level commitments (“Service Levels”) for Services are stated in the applicable Service Schedules for each Service. Service Levels generally do not apply to services provided by third parties, during periods of force majeure or during Service maintenance (“Excused Outages”). If Gorge Networks, Inc. does not meet a Service Level (based on Gorge Networks, Inc.’s records) applicable service credits will be issued upon Customer’s request to Gorge Networks, Inc. Customer Service. Credits must be requested within 60 days after the event giving

rise to the credit. Customer's sole remedies for any outages, failures to deliver or defects in Service are contained in the Service Levels (if any). Service credits are outlined in Exhibit A.

- 10) Assignment.** Customer may not resell the Services or assign its rights or obligations under this Agreement or any Order without the prior written consent of Gorge Networks, Inc., not to be unreasonably withheld. Customer will indemnify and defend Gorge Networks, Inc., its affiliates and their agents against any claims related to any use or resale of Service. Nothing in this Agreement, express or implied, confers upon any third party any right, benefit or remedy under this Agreement.
- 11) Miscellaneous.** The terms of this Agreement and all information of a confidential nature acquired in performing this Agreement are confidential and will not be disclosed to third parties. Gorge Networks, Inc. may provide notices under this Agreement to any address identified in an Order. Notices to Gorge Networks, Inc. will be made in writing to the address below. Services may be provided by Gorge Networks, Inc. or its affiliates. This Agreement is the entire agreement between the parties respecting the subject matter hereof and can only be modified in a writing signed by both parties. Neither party will be liable, nor will any remedy provided by this Agreement be available, for any failure to perform due to causes beyond such party's reasonable control. If either party fails to enforce any right or remedy under this Agreement, such failure will not waive the right or remedy. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon.
- 12) Rights and Obligations of Customer.** Customer shall, at its expense, undertake all necessary preparations required to comply with Gorge Networks Inc. installation and maintenance instructions. Such preparations include obtaining all necessary consents for the installation and use of Gorge Networks, Inc. facilities and/or equipment in the building, including consents for necessary alterations to buildings; ensuring that any floor loading limits will not be exceeded; providing suitable accommodations, foundations and an environment to meet the environmental specifications, including providing suitable electric power and any other utilities needed by Gorge Networks, Inc. to install, test and or maintain Gorge Networks, Inc.'s facilities and equipment; providing a suitable and safe working environment for Gorge Networks, Inc.'s personnel, including an environment safe from environmental hazards; and taking up or removing, in time to allow Gorge Networks, Inc. to carry out installation as scheduled, any fitted or fixed floor coverings, ceiling tiles, suspended ceilings and partition covers. Customer will provide Gorge Networks, Inc. with access to all existing conduits, raceways and etc. to be used in cable pathway. By accepting this Agreement Customer implicitly provides Gorge Networks, Inc. with permission to use any available conduits in said pathway.
- 13) Facilities and Equipment.** Any facilities and/or equipment installed on Customer's premises shall be and remain the property of Gorge Networks, Inc. and may be repaired or replaced at any time and removed at the termination of service, and may be used to supply other customers of Gorge Networks, Inc. whether or not on the same premises. No rent or other charge shall be made by Customer on Gorge Networks, Inc. for placing or maintaining its facilities or equipment upon Customer's premises. Gorge Networks, Inc. shall be entitled, at any time, to affix to Gorge Networks, Inc. facilities or equipment a label indicating the interest of Gorge Networks, Inc. After at least 48 hours' notice, Customer will grant Gorge Networks, Inc. reasonable access to Customer's premises for the installation, operation, removal, repair and/or maintenance of the facilities and equipment for the services hereunder. In the event that Customer does not provide Gorge Networks, Inc. with the necessary access to remove said equipment and/or facilities after the termination of service upon receiving notification as indicated above, Gorge Networks, Inc. may assess a fee to Customer equal to the retail cost of said equipment and/or facilities plus 25%.

**Exhibit A - Service Performance and Credits**

A “Service Interruption” is the continuous period of time during which any Service is not provided substantially as warranted to one or more Customer sites and which (a) exceeds two (2) consecutive hours, (b) is not caused by Customer, Customer’s End-Users, or their agents or employees, or an event of Force Majeure, (c) is not caused by scheduled maintenance of which Customer has been given prior notice as provided, (d) is not caused by Customer-provided equipment or facilities beyond the demarcation point, and (e) is reported to Gorge Networks within four (4) hours of the commencement of the interruption if the Service Interruption is not discovered earlier by Axxis. Service Credits shall not apply to any period of time for which Gorge Networks is not granted access, if necessary, to the applicable Customer Site.

Customer shall be entitled to Service Credits per Service Location per affected Service in accordance with Table 1. below:

Service credits are calculated as follows:

<b>Length of Service Interruption:</b>	<b>Amount of Credit</b>
Between one and three consecutive hours	5% of MRCs
Between four and eight consecutive hours	15% of MRCs
Between eight and twelve consecutive hours	25% of MRCs
Twelve consecutive hours or more	50% of MRCs

Service Credits will be based on the Customer’s Monthly Recurring Charges for the Services affected by the Service Interruption. Non-recurring, equipment and usage-based charges are excluded from the calculation. In no event shall the total of any Service Credits per individual Service Location exceed 100% the MRC for the affected Services. Customer must contact Gorge Networks to request a Service Credit with respect to a specific Service Interruption. Gorge Networks will exercise commercially reasonable efforts to respond to such Service Credit requests within thirty (30) business days of receipt thereof. The approved Service Credit will be applied on the billing cycle following the date Gorge Networks notifies Customer of its credit determination. Service Credits shall be Customer’s sole and exclusive remedy for Gorge Network’s failure to provide Services as warranted.



## *Executive Session*

---