



MINUTES

QLife Regular Board Meeting
Thursday, January 25, 2018
Noon
Deschutes Room, Wasco County Courthouse

Call to Order- President Erick Larson called the meeting to order at 12:04 pm.

Roll Call- Erick Larson, Scott Hege, Roger Kline, Lynn Ewing, Keith Mobley, Carrie Pipinich, Kayla Nelson, Tawny Cramer, Tyler Stone, John Amery, along with several private citizens; Kathy Ringo, Medy Gantz, Julie Wetzel, Susan Kay and Rob Miles

Public Comment – Mayor Lynn Ewing (Maupin) addresses the Board stating the visitors in attendance today are all Maupin citizens. The group has come to engage the Board in a conversation regarding the Maupin Project. Mayor Ewing suggests each member of the group introduce themselves and share their comments and questions. Both Mr. Larson and Mr. Stone thank the group for coming and welcome them.

Ms. Kathy Ringo introduces herself and explains her interest in the Maupin Project. She currently uses a provider that is not producing the speed they advertise. She explains to the Board she wishes for Maupin to become a viable place for people to work out of their homes. She personally has friends who would like to move to Maupin but are unable due to the lack of connectivity.

Ms. Medy Gantz introduces herself to the Board stating she owned Maupin Reality (retired) for many years and knows the importance of high-speed internet to businesses. During her time as a realtor, she worked with many clients who longed to move to Maupin but were not able considering the low connection speeds. Ms. Gantz pointed out some of those clients included an attorney and an accountant, businesses that would have been an asset to Maupin. Ms. Gantz adds the lack of high-speed internet does not allow small communities to grow and those clients were lost to cities like Bend.

Ms. Julie Wetzel greets the Board and mentions that she has her own interest in starting a home-based business. She is unable to do this considering the unreliability of internet access. Due to the flux in visitors during the weekend in Maupin, which the population at least doubles, she is sometimes unable to connect at all.

Ms. Susan Kay also addresses the Board emphasizing her interest in the Maupin Project as a long-term Maupin resident. Ms. Kay expresses how invested the community is in building their own resources and economy. She is here to learn more about the project and the progress QLife has made.

Lastly, Mr. Rob Miles, who owns the Imperial River Company in Maupin, introduces himself to the Board. Mr. Miles explains how difficult it is to run a business with low-speed internet. Many aspects of his daily duties are cumbersome due to the unreliable and clunky connection he currently has. Several times a day he receives emails alerting him that the network has failed, which directly affects his guests access. He lists credit card processing, reservation processing, the purchasing of boater passes and recreational guest use as some of the many things that are negatively impacted by this problem. Mr. Miles explains to the Board that although the citizens of Maupin have different reasons for needing high-speed connectivity, it would be a huge asset to them individually and as a whole.

Some discussion follows the information provided to the Board including QLife's current efforts to utilize City of Maupin crews to lay conduit, active grant writing and continual strategic and financial planning.

Mr. Stone addresses the group to inform them of the proposal the Board will see later in the meeting. The proposal outlines an agreement between QLife and MCEDD for significant grant writing services to be provided by Ms. Carrie Pipinich. This will hopefully help QLife to locate all the funds needed to complete the Maupin Project. Mr. Stone wants to make it very clear QLife is doing everything in its power to complete the project.

The citizen attendees want to make it clear to the Board the citizens of Maupin are more than willing to help in any way they can. Ms. Pippinich will be in touch with them to help facilitate them contacting our State representatives.

Mayor Ewing is planning a trip to Salem to meet with our representatives to discuss funding as well. The Maupin residents in attendance of this meeting agree to write letters of support in the project for Mayor Ewing to present during the legislative sessions.

Approval of Agenda- Mr. Larson requests a motion to approve the Agenda. Mr. Stone makes an addition with the proposal outlining the agreement between MCEDD and QLife regarding grant writing services.

{{Mr. Elliott moves to approve the agenda as amended. Mr. Hege seconds the motion. The motion to approve the January 25, 2018 Agenda passes unanimously.}}

Approval of Consent Agenda- Mr. Stone asks Mr. Amery for any updates in his reports. Mr. Amery answers there is nothing of significance to examine.

Mr. Hege inquires to Mr. Kline for any update regarding smart meters. Mr. Kline states, foremost, NWCPUD had begun their search for advanced meter infrastructure vendors with four candidates. Their search has since been narrowed down to one vendor which will be put in front of the NWCPUD Board. Secondly, it is NWCPUD's intention to work with QLife to use our fiber system as part of the haul-back of data and information. In conclusion, NWCPUD will continue to use existing partner infrastructure whenever possible.

Financial Reports- Ms. Kayla Nelson, the new Wasco County Finance Manager, communicates to the Board she is filling in for Mr. Middleton. Ms. Nelson explains she will do her best to answer any questions but her report will be a simple summarization.

Ms. Nelson briefs the Board on the status on the Service Revenues which are currently at 53% and right on track. Accounts Receivable have a \$21k balance due. Ms. Cramer reports Finance and herself are actively working on the two accounts who continue to have past-due invoices. It is believed both accounts are related to the transfer of accounting responsibilities during July 2017. New invoices have been created and sent out to both customers. Mr. Hege questions if the \$21k includes the customer who QLife ceased providing service to due to their past-due balance and denial of payment. Ms. Cramer answers it does not. That information is not currently tracked in Eden, the County's financial software.

Expenses in total are at 41%. One particular line item of concern is City of The Dalles rent. Currently we have spent \$0. Ms. Cramer agrees to follow-up with this.

Mr. Hege questions if the RS Grant funds have any sort of expiration term. Ms. Pippinich and Ms. Cramer are unsure of this and will need to conduct a small amount of research to answer this. Also Mr. Hege notes we show a budget of

\$3,600 for earned interest income. The interest revenue currently shows \$0. Mr. Stone had communicated with Mr. Middleton regarding this and he will be researching the issue in the following week.

Mr. Hege points out the Administrative Costs line items looks like it is considerably under budget. Ms. Cramer explains there are many factors including the base retainer fee for Wasco County has not yet been billed, we are hiring different types of support (MCEDD, Joseph Franell) not reflected in that number and the Wasco County Finance Department has not billed at all. This line item will be much more balanced as the fiscal year nears its end.

Financial Priorities Discussion- Mr. Stone addresses the Board and wishes to discuss their financial priorities for the upcoming budget preparation.

He begins with the Fiber Replacement Project noting that it is currently on the list of CIPs. The estimated cost is \$375k for the 'Segment 1' replacement, \$65k needed to be figured in to that figure based on the difficulties of replacing a line which will need to remain live. This segment of fiber feeds one of our clients that consume the largest amount of data. Mr. Larson tells Mr. Stone this project is a high priority and something will need to be done soon to remedy the issue.

Mr. Hege inquires about the status of the project. Mr. Amery explains in past years he has gone into the splice cases to trim and clean up wherever it was needed, this year he did not. He goes on to say that he is unaware of the amount of degradation there is currently because of that. He concurs with Mr. Larson that the project needs to remain a high-priority considering the customers fed from it.

The next and newest priority is a PON beta program concept which Mr. Amery has been researching. This implementation would allow QLife to free up some fiber and more able to reach customers in difficult locations. Mr. Amery also believes the concept could be a more cost efficient solution for QLife. Mr. Stone adds he finds the idea intriguing and believes it would open opportunities for QLife.

The Generator Replacement Project which has been on the list for some time. Mr. Stone explains that Wasco County replaced their generator and has their previous generator stored in their Public Works building. Mr. Stone would rather see that generator go to QLife than surplus it and receive pennies on the dollar. The generator QLife currently has does not support all of our customers so some customers have back-up batteries which will continue to take up QLife space. Mr. Stone has been communicating with Ms. Krueger at the City of The Dalles and she is receptive to continuing to have the conversation of a generator replacement.

Michael Eliason from the AOC joins the meeting at 1:16.

The Downtown Metro Loop and Downtown Bypass CIPs have been out of focus for too long. The Board has a consensus that the OPCs need to be reworked.

Mr. Elliott adds he believes the Fiber Replacement Project and Maupin are the biggest priorities of QLife. Mr. Hege concurs. Mr. Larson would like to flesh out the PON concept as well.

Mr. Stone explains he intends to budget a lump sum amount to put towards CIPs and is now better informed with the ideas and opinions of the Board.

Appointment of Budget Officer- The resolution 18-001 is presented to the Board to appoint Mr. Mike Middleton as the QLife Budget Officer.

{{Mr. Larson makes a motion to appoint the Budget Officer according to Resolution 18-001. Mr. Kline seconds the motion. The motion to approve 18-001 appointing Mr. Mike Middleton as the QLife Budget Officer passes with consensus.}}

Maupin Update- The Board is informed by Mayor Ewing crews will begin working in a couple weeks to install the conduit with the help of Commstructure and under direction of the Board. Mr. McNeely shared the phase-in costs of the separate parts of the project as the Board had requested.

The Board is interested in installing electronics in the POP to light up the Clinic and the Care Home. Essentially this would light up the backbone that is already installed. QLife has enough in grant funds to complete that part of the project. It is a risk that by doing that portion of the project it would diminish our ability to earn further grants for the project according to Ms. Pipinich, although it would show that we are making some progress on the project.

Mr. Larson and Mr. Kline both agree that lighting up the backbone would put us closer to our goal of community connectivity. ISPs would be more likely to connect and may be willing to invest in the project themselves.

The Board acknowledges that by lighting up the backbone, essentially there is still no service provided because QLife is a middle-mile provider and would not complete the drops to homes or businesses. However, it does open the door for ISPs to start connecting.

Ms. Pipinich informs the Board she had heard back regarding the EDC grant and QLife did not receive those funds. She adds she knew it was a long-stretch when we applied but it was worth the effort. QLife should expect to hear back about the two other applications we have submitted in February and March.

Mr. McNeely states that it would be most prudent to put the whole project out to bid based on the fact that QLife would hear back from the additional grants applied for by that point.

{{A motion is made by Mr. Kline to instruct Commstructure to start the process of putting the project out to bid again. It is acknowledged that by the time QLife hears back about the grants the situation may have changed, but to piece the project out with splicing, underground and aerial. The motion is seconded by Mr. Hege. The motion to begin work on putting the project out to bid again is agreed on with consensus.}}

Auditor's Report Discussion- The Board acknowledges there are no significant findings in the audit and thanks the City of The Dalles for their financial work with QLife.

Executive Session- The Board enters into Executive Session at 1:57 p.m.

The Board exits Executive Session at 2:05 p.m.

The meeting is adjourned at 2:05 p.m.

The proposal from MCEDD outlining the agreement between QLife and MCEDD for grant writing services has been presented.

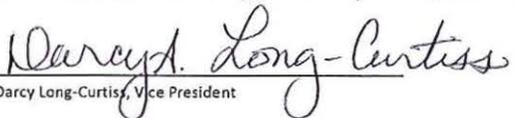
{{Mr. Kline moves to approve the agreement between MCEDD and QLife for grant writing services. Mr. Elliot seconds the motion. The proposal presented to the QLife Board to engage MCEDD in an agreement for grant writing services at the term of 60 hours and not to exceed \$10k passes.}}

The Board now recognizes the presented letter of resignation from Mr. Roger Kline stating his Boards wishes. Mr. Kline comments he has enjoyed his time as a QLife Board member and will continue to attend for PUD reporting.

Meeting is adjourned at 2:17 p.m.

Next meeting will be held on April 26, 2018.

These minutes were approved by the QLife Board on 3-22-18.


Darcy Long-Curtiss, Vice President