



MINUTES

QLife Regular Board Meeting
Thursday, January 23, 2020
511 Washington St, Deschutes Conference Room

Call to Order President Hege opened the meeting at 12:05 PM. He introduced Josiah Weinman who said that he is working but going back to Columbia Gorge Community College for the winter term. He said it is a very solid program and is inspiring him to go further. He stated that he is motivated to go to school and start a career.

Roll Call Scott Hege, Rod Runyon, Dale Lepper, Darcy Long-Curtis, John Amery, Tom McGowan, Tyler Stone, Matthew Klebes, Kathy Clark, Mike Middleton, Dan McNeely (via Skype).

Changes to the Agenda

There are no changes to the agenda.

[[Ms. Long-Curtis moved to approve the agenda. Mr. Lepper seconded the motion, which passed unanimously.]]

Approval of the Consent Agenda

[[Ms. Long-Curtis moved to approve the consent agenda. Mr. Lepper seconded the motion, which passed unanimously.]]

Financial Report

Mr. Middleton reviewed the financial report included in the packet. He noted that operations is on track - \$1,000 ahead of budget. Receivables is down about \$2,000 from this time last year but is in good shape. Maupin has received some extra revenues which will be helpful. An invoice for over \$10,000 came in from Van Dorn; there will be a budget adjustment to cover that. It will require a hearing due to the percentage of the budget being changed.

Mr. Stone asked if LS is paying Maupin's franchise fees. Mr. Middleton replied that he does not know how much those fees are. Mr. Stone said that it needs to get locked in so we can get the bill out. Gorge Net is paying us quarterly.

Mr. Middleton concluded by saying that reconciliations are caught up and he will have Mr. Stone review them.

Action Items

OFFICERS

President Hege asked if the Board wished to make any changes as far as office holders.

[[Mr. Runyon moved to retain the existing slate of Officers. Mr. Lepper seconded the motion which passed unanimously.]]

Reappointment of Budget Officer

[[Ms. Long-Curtis moved to approve Order 20-001 reappointing Mike Middleton as Budget Officer. Mr. Runyon seconded the motion which passed unanimously.]]

Discussion

President Hege asked Mr. Weinman how long he will be in the program. Mr. Weinman replied that he plans on at least one

year. He is carrying a 4.0 grade average and may stay for the associate degree. He is also considering transferring to OIT for electrical engineering.

Aristo Report

Mr. Amery reviewed the report included in the packet. He said that there were no challenges with a recent BPA discussion. Mr. Stone added that they are working to get a non-disclosure agreement in place and will continue those discussions.

President Hege asked for an update on tree trimming. Mr. Amery said that they found some things when they went through. The trees were pulling fiber away from the supporting band. It looks better and appears to be straightening itself out. He stated that they will be running tests to compare to old tests.

Northern Wasco PUD Audit

Mr. Stone said that we still have the invoice from PUD for their audit of all infrastructure. He said he has not taken action as he was not clear on direction from the Board. He reminded the Board that they had previously discussed attending a PUD meeting to discuss our relationship with them. He said that he does not want to sit on the bill for too long and so is asking for direction; it is an unbudgeted and unanticipated expense. We can pay it or we can dispute it. He said that he has not had an opportunity to convene other stakeholders.

President Hege commented that he is still working on his side of the issue. He asked if there are funds to pay it. Mr. Middleton replied that it is \$6,800 and there are funds available to pay it. President Hege asked what the downside of paying would be. Mr. Stone responded that we would never get the money back but he does not want to leave them hanging. He said that we probably need to pay it but we don't know the extent of problems that we may have to pay to fix. He said that his position is that we already pay rental fees that should cover this.

Mr. McGowan said that he appreciates the consideration for payment. As far as problems coming out of it; he has been reconciling the attachment audit findings and does not see any work that needs to happen related to this. In fact, at this point, he believes there will be a reduction in QLife's rental fees.

Ms. Long-Curtis said that she understands that the audit was done to true-up; she asked if it is industry standard or were good records not kept. She asked what triggered the audit. Mr. McGowan replied that it is both industry standard and was necessary as it had not been done for some time. He said that they needed to understand what exactly what is on the poles and who owns it so they could bill accurately.

Ms. Long-Curtis asked about the proportion of the cost attributed to each attacher. Mr. McGowan replied that it cost more than is being billed; to determine the shared cost, they used the number of attachments as a percentage of the total attachments.

Mr. Runyon asked if there may be an adjustment to our rates. Mr. McGowan replied that he expects there to be an adjustment.

Mr. Runyon said that he thinks we should go to the PUD and have that conversation to just have that discussion and let the PUD know what we are about and what we are doing. He said we should be doing that anyway on an annual basis.

President Hege commented that we will not be ready by their February meeting. He suggested that we pay the bill and go to their March meeting. He said that he would like to meet with leadership prior to going to the Board.

Ms. Long-Curtis said that she agrees that we should pay the bill but wants to understand if it is industry standard that the renters pay for the audit and why.

Mr. Stone explained that the statute allows this but as a government entity, QLife could be exempted from the audit costs; that is a good discussion to have. He said that he would hope that our rental fees are going to maintain the system and pay for the audit.

President Hege noted that the last audit was done in 2001. Mr. McGowan responded affirmatively, adding that the industry standard would be to conduct an audit every three to five years. He stated that Mr. Stone makes a good point regarding contracting with public entities. He said that PUD has submitted a new agreement that contains an audit section for every five years; PUD is open to negotiating.

Mr. Amery commented that there are a lot of components – the new contract has some new restrictions. He reported that we are having conversations with them and he believes they are negotiating in good faith so that both entities will win. There is an opportunity to succeed.

Mr. Stone noted that when we engineer the costs per pole, we need to understand the costs. If it is too expensive, we cannot sell it. Our non-recurring costs that are passed on sometimes stops the conversation and removes us from the playing field.

[[Mr. Runyon moved to pay the PUD audit invoice. Ms. Long-Curtis seconded the motion which passed unanimously.]]

SDIS Renewal

Mr. Stone reported that insurance costs are going up 2.4%; we kept it down a little with some credits for best practices and longevity. Overall the increase is \$1,280. He stated that he recommends approval.

[[Ms. Long Curtis moved to pay the SDIS invoice. Mr. Runyon seconded the motion which passed unanimously.]]

Lone Pine Update

Mr. McNeely joined the meeting via Skype. He announced that the RFP has been posted and they will be sending out an email to contractors to alert them to the posting. Responses are due by February 6, 2020.

Mr. Lepper asked if the grant application can be modified once submitted. Mr. Stone replied that it cannot. President Hege stated that we would not want to submit the grant application prior to knowing the costs. Further discussion ensued regarding the timing. Mr. McNeely said that their estimate is good but not a guarantee of what will come in through the bid process. President Hege restated that we should wait to submit the grant if we can.

Mr. Stone said that we have been working with the owners regarding conduit and easement agreements for the added segment between the residential and MCMC. There are unknowns, but it is the most economical path. The costs could be significantly less if we are successful. We have assurances from the owners that they want this and will sign the agreements.

Mr. Klebes reviewed the Return on Investment memo included in the packet saying that assumptions were made based on conversations with the developers. This is a new market area where customers have not already been established. The memo provides a perspective on potential revenues. He noted that a single strand is needed no matter the number of residents. Mr. Amery commented that the numbers might change based on technology but are a good starting point. President Hege said that he is comfortable with the payback time frame. Mr. Stone agreed, saying that it makes sense to move forward. Mr. Amery pointed out that it is an opportunity for us to attract more business customers.

Union Pacific

Mr. Stone reported that he has been contacting Union Pacific over the last two weeks on the permit status to go over the tracks. The application was submitted in November and they are just now reviewing it. He will continue to pursue conversations with them through all available avenues. Mr. Stone asked Mr. McNeely to review the original plans regarding easements and conduit agreements.

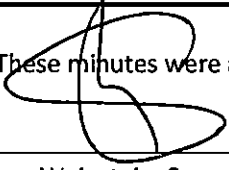
Port Build

Mr. McNeely reported that Professional Underground buried conduit on Tuesday and had to return as they neglected to add the additional four inches. They will be here tomorrow to fill; it should be complete at that time.

President Hege adjourned the meeting at 1:06 PM

The next regularly scheduled board meeting is set for Thursday, February 27, 2020.

These minutes were approved by the QLife Board on 2/27/20.



Lee Weinstein, Secretary