



AGENDA

QLife Regular Board Meeting

Thursday, January 28, 2021 | 12:00 pm

Via Google Hangouts - <https://meet.google.com/ybv-sgae-eki>

- 12:00 Call to Order
- 12:00 Approval of Agenda
- 12:00 **Consent Agenda** *(items of a routine nature: minutes, documents, items previously discussed)*
 - **December 3, 2020 Minutes**
- 12:05 **Finance**
 - **Financial Report, Reconciliation and Analysis** - Mike Middleton
 - **Audit Review FY 2019-2020** - Mike Middleton
- 12:15 **Action Items**
 - **Resolution 21-001 Reappointment of Budget Officer**
 - **PUD Pole Attachment Agreement** – Matthew Klebes
 - **Commstructure Work Order #27 Downtown Bypass Project**– Dan McNeely
- 12:25 **Discussion Items**
 - **Aristo Technical Management Report** – John Amery
 - **Admin/Project Updates** – Matthew Klebes, Tyler Stone, John Amery & Dan McNeely

Old/New Business

Next Board Meeting Date: February 25, 2021 | 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

- [December 3, 2020 Minutes](#)



MINUTES

QLife Regular Board Meeting
Thursday, December 3, 2020
Via Google Hangouts

Call to Order President Hege calls the meeting to order at 12:03 PM.

Roll Call Scott Hege, Rod Runyon, Dale Lepper, Darcy Long-Curtiss, Lee Weinstein, John Amery, Tom McGowan, Keith Mobley, Dan McNeely, Erik Orton, Kristen Campbell, Tyler Stone, Stephanie Krell, and Mike Middleton.

Changes to the Agenda

There are no changes to the agenda.

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

Approval of the Consent Agenda

President Hege asks Mr. Middleton if LS Networks sent a check as remarked in the last meeting. Mr. Middleton confirms receipt of the check.

[[Mr. Weinstein moves to approve the consent agenda. 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 notes that revenues are coming in strongly. He continues by explaining that administration charges have not been paid yet but will be caught up in November financials.

The Capital fund reflects \$5,000 less interest than last fiscal year and that is due to low interest rates.

The Maupin fund has received the LS Networks check as noted earlier. Revenues are interest gained at this point and expenses are for the wifi support. Mr. Middleton plans to start transferring from the Maupin fund back to the Capital fund by the end of the year.

President Hege asks about the \$44,000 catch up payment and Mr. Middleton explains that the customer asked us to send them a bill but have not received the funds yet.

President Hege wonders what our average monthly revenue is and if we ever have issues with receiving payments. Mr. Middleton remarks that it is around \$50,000 - \$60,000 each month and that those payments are coming in regularly. He continues by noting that we do have one business that went under and are working with collections.

Mr. Stone asks when we plan to write off the \$19,000 balance and Mr. Middleton responds that we will write it off this year.

President Hege brings attention to the fees paid for wifi in Maupin and asks if that is supplemented by the Google grant. Mr. Middleton responds that it is and Mr. Stone adds that it may be time to revisit with Google to secure additional funding.

Discussion Items

Aristo Management Report

Mr. Amery informs the Board that there are a couple of new issues to report on. Recently, a tree fell on a service drop which was temporarily repaired but will require more maintenance to permanently repair it. Another site was damaged by a dump truck and we are in the process of figuring out how to pay for repairs.

President Hege asks for more information about the dump truck incident and Mr. Stone explains that we determined it was a City of The Dalles dump truck that took down both QLife and Charter fiber. He asks the Board if they would like us to pursue the city to pay for the repair or just repair it ourselves. Mr. Amery adds that the repair will cost between \$5,000 and \$10,000.

Mr. Mobley suggests we file an insurance claim and Mr. Stone responds that we could but it would likely increase the city's insurance policy. Mr. Runyon asks if we have spoken to the city manager and Mr. Amery notes that he has spoken to the public works director.

Ms. Long-Curtiss remarks that she will discuss the situation with the city manager and report back to the Board.

Mr. Amery notes that there is no update on the Curtis Homes project and President Hege asks if they are still within their time frame to complete the project. Mr. Amery responds that the project has been delayed due summer fires. President Hege asks Mr. Amery to put more pressure on the contractor to get the project complete.

Mr. Amery discusses a slight issue with the new fiber at Lone Pine. As they were splicing in fiber to the home, the splicer would not accept the fiber. They determined there was an air bubble in the cable but eventually able to splice it.

President Hege wonders if there may be concern many years down the road but Mr. Amery says his concern is minimal. Mr. Lepper wonders if there is an issue, does a warranty exist and Mr. Amery responds that there is no warranty but that there is additional capacity available in this zone.

Mr. McNeely concurs with John and notes that it appears to be an anomaly and suggests that North Sky could test the remaining cable for additional issues.

Mr. Amery informs the Board that the batteries have been replaced and there have been no further UPS issues.

Administrative Updates

Mr. Stone refers to the BRIC grant memorandum included in the Board packet and reminds the Board that this relates to the Cascadia project that we have discussed for years. His hopes are not high that we will be considered for the funding but wanted the Board to be aware that we are pursuing it as a source.

Mr. Mobley has been assisting us with a joint use agreement with the contractor on the Liberty Street Extension project and we are waiting on a response from them.

Ms. Krell refers to the SDIS insurance preliminary renewal paperwork in the Board packet and notes that the cost has increased about \$800 overall from last year. There are no questions from the Board.

President Hege asks if there are any comments from the others that are in attendance today and Mr. McGowan expresses his appreciation for Mr. Klebes and their discussions regarding the joint use agreement. He adds that it will likely come before the PUD Board in January.

Mr. Mobley adds that he is working with Mr. Klebes on an IRU between QLife and Blue Mountain Networks.

The meeting is adjourned at 12:52 PM

The next regularly scheduled board meeting is set for January 28, 2021.

These minutes were approved by the QLife Board on _____.

Lee Weinstein, Secretary



Financial Reports

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

Qlife Monthly Report

Operations Fund - December 2020

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
Revenue						
Qlife Operations						
Qlife-R						
Qlife-R						
INVESTMENT EARNINGS-R						
INTEREST EARNED	1,200	856	1,156	71.4%	121.9%	(299.18)
INVESTMENT EARNINGS-R Total	1,200	856	1,156	71.4%	121.9%	(299.18)
MISCELLANEOUS-R						
MISC RECEIPTS	200	1,200	1,200	600.0%	600.0%	-
MISCELLANEOUS-R Total	200	1,200	1,200	600.0%	600.0%	-
CHARGES FOR SERVICES-R						
UTILITY SERVICE CHARGES	667,200	654,785	349,771	98.1%	52.6%	305,013.72
CONNECT CHARGES	1,000	-	-	0.0%	0.0%	-
CHARGES FOR SERVICES-R Total	668,200	654,785	349,771	98.0%	52.5%	305,013.72
PASS-THROUGH PAYMENTS-R						
	-	-	-	#DIV/0!	#DIV/0!	-
Qlife-R Total	669,600	656,841	352,127	98.1%	52.7%	304,714.54
Qlife-R Total	669,600	656,841	352,127	98.1%	52.7%	304,714.54
Qlife Operations Total	669,600	656,841	352,127	98.1%	52.7%	304,714.54
Revenue Total	669,600	656,841	352,127	98.1%	52.7%	304,714.54
Expense						
Qlife Operations						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						
ADMINISTRATIVE COST	60,431	30,216	29,336	50.0%	50.0%	880.00

Qlife Monthly Report
Operations Fund - December 2020

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current	Prior Year	Current FY - Prior FY YTD
				Year Budget Executed	Year Budget Executed	
ADVERTISING & PROMOTIONS	1,500	-	-	0.0%	0.0%	-
BLDG REPAIR & MAINT	1,600	1,904	-	119.0%	0.0%	1,904.00
CONTR SRVCS - AUDIT CONTRACT	6,500	7,000	6,300	107.7%	150.0%	700.00
CONTR SRVCS - OTHER	15,100	-	6,868	0.0%	45.5%	(6,867.61)
CONTRACTED SERVICES	-	-	-	#DIV/0!	#DIV/0!	-
DUES & SUBSCRIPTIONS	2,000	1,269	174	63.4%	5.8%	1,094.48
EQUIPMENT - NON CAPITAL	5,000	-	-	0.0%	0.0%	-
GENERAL GRANTS	2,000	-	-	0.0%	0.0%	-
INSURANCE & BONDS	20,000	1,616	2,270	8.1%	10.8%	(654.02)
LEGAL NOTICES & PUBLISHING	400	-	-	0.0%	0.0%	-
MEALS LODGING & REGISTRATION	5,000	-	615	0.0%	12.3%	(615.45)
MISC EXPENDITURES	1,000	-	0	0.0%	0.0%	(0.05)
NETWORK COMPONENTS	5,000	-	-	0.0%	0.0%	-
POSTAGE	200	66	91	32.9%	45.6%	(25.40)
SUPPLIES - OFFICE	200	67	-	33.5%	0.0%	67.00
TAXES/PERMITS/ASSESSMENTS	800	-	479	0.0%	59.9%	(479.32)
TELEPHONE	500	138	209	27.6%	41.7%	(70.76)
TRAINING & EDUCATION	700	-	-	0.0%	0.0%	-
UTILITIES - WALNUT ST	800	248	304	31.0%	38.0%	(55.70)
RENT - OFFICE	7,752	1,938	1,938	25.0%	25.0%	-
CONTR SRVCS - LEGAL COUNSEL CONTR	6,000	7,345	3,520	122.4%	58.7%	3,825.00
OUTSIDE PLANT MAINTENANCE	20,000	1,273	104	6.4%	0.5%	1,168.75
CONTRACTED SVCS - ENGINEERING	50,000	32,831	17,834	65.7%	35.7%	14,996.37
CONTRACTED SVCS - NETWORK SYSTEM MANAGEMENT	71,000	37,355	23,856	52.6%	33.6%	13,499.27
POLE CONNECTION FEES	12,392	9,786	145	79.0%	1.2%	9,641.43
RIGHT OF WAY FEES	20,016	5,460	10,493	27.3%	52.3%	(5,032.99)
SCHOLARSHIP	2,000	-	-	0.0%	0.0%	-
EASEMENTS - NON-CAPITAL	-	-	-	#DIV/0!	#DIV/0!	-
MATERIALS & SERVICES-E Total	317,891	138,511	104,536	43.6%	33.1%	33,975.00
CAPITAL OUTLAY-E						
EASEMENTS	-	-	-	#DIV/0!	#DIV/0!	-
EQUIPMENT - CAPITAL	20,000	-	-	0.0%	0.0%	-
CAPITAL OUTLAY-E Total	20,000	-	-	0.0%	0.0%	-
TRANSFERS OUT-E	376,220	188,110	163,510	50.0%	50.0%	24,600.00
Qlife-E Total	714,111	326,621	268,046	45.7%	40.4%	58,575.00

Qlife Monthly Report Operations Fund - December 2020

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current	Prior Year	Current FY - Prior FY YTD
				Year Budget Executed	Budget Executed	
Qlife-E Total	714,111	326,621	268,046	45.7%	40.4%	58,575.00
Qlife Operations Total	714,111	326,621	268,046	45.7%	40.4%	58,575.00
Expense Total	714,111	326,621	268,046	45.7%	40.4%	58,575.00

Qlife Monthly Report Capital Fund - December 2020

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
Revenue						
Qlife Capital						
Qlife-R						
Qlife-R						
INVESTMENT EARNINGS-R						
INTEREST EARNED	25,200	6,180	14,811	24.5%	58.8%	(8,630.70)
INVESTMENT EARNINGS-R Total	25,200	6,180	14,811	24.5%	58.8%	(8,630.70)
TRANSFERS IN-R						
TRANSFER FROM QLIFE OPERATING FUND	376,220	188,110	163,510	50.0%	50.0%	24,600.00
TRANSFER FROM QLIFE MAUPIN FUND	50,000	-	-	0.0%	#DIV/0!	-
TRANSFERS IN-R Total	426,220	188,110	163,510	44.1%	50.0%	24,600.00
CHARGES FOR SERVICES-R						
CONNECT CHARGES	19,000	49,140	-	258.6%	0.0%	49,140.00
CHARGES FOR SERVICES-R Total	19,000	49,140	-	258.6%	0.0%	49,140.00
Qlife-R Total	470,420	243,430	178,321	51.7%	48.0%	65,109.30
Qlife-R Total	470,420	243,430	178,321	51.7%	48.0%	65,109.30
Qlife Capital Total	470,420	243,430	178,321	51.7%	48.0%	65,109.30
Revenue Total	470,420	243,430	178,321	51.7%	48.0%	65,109.30
Expense						
Qlife Capital						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E	-	31,776	-	#DIV/0!	#DIV/0!	31,775.64
CAPITAL OUTLAY-E						
BUILDINGS	-	-	-	#DIV/0!	#DIV/0!	-

Qlife Monthly Report
Capital Fund - December 2020

Account	Current Budget	Current Actual YTD	Prior Year Actual YTD	Current	Prior Year	Current FY - Prior FY YTD
				Year Budget Executed	Budget Executed	
EQUIPMENT - CAPITAL	80,000	-	-	0.0%	0.0%	-
PRIMARY SYSTEMS	878,003	252,567	203,480	28.8%	30.8%	49,087.06
SECONDARY LINE EXTENSION	300,000	1,798	13,206	0.6%	6.6%	(11,408.30)
CAPITAL OUTLAY-E Total	1,258,003	254,364	216,685	20.2%	23.0%	37,678.76
TRANSFERS OUT-E	-	-	-	#DIV/0!	0.0%	-
RESERVE FOR FUTURE EXPENDITURES-E	675,125	-	-	0.0%	0.0%	-
Qlife-E Total	1,933,128	286,140	216,685	14.8%	13.2%	69,454.40
Qlife-E Total	1,933,128	286,140	216,685	14.8%	13.2%	69,454.40
Qlife Capital Total	1,933,128	286,140	216,685	14.8%	13.2%	69,454.40
Expense Total	1,933,128	286,140	216,685	14.8%	13.2%	69,454.40

Qlife Monthly Report Maupin Fund - December 2020

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
Revenue						
Qlife - Maupin						
Qlife-R						
Qlife-R						
INTERGOV'T REV - NON SINGLE AUDIT-R	-	-	-	#DIV/0!	#DIV/0!	-
INVESTMENT EARNINGS-R						
INTEREST EARNED	700	613	1,047	87.6%	1745.8%	(434.27)
INVESTMENT EARNINGS-R Total	700	613	1,047	87.6%	1745.8%	(434.27)
MISCELLANEOUS-R	-	-	-	#DIV/0!	#DIV/0!	-
TRANSFERS IN-R	-	-	-	#DIV/0!	0.0%	-
CHARGES FOR SERVICES-R						
CITY OF MAUPIN	-	-	144,765	#DIV/0!	100.0%	(144,765.00)
UTILITY SERVICE CHARGES						
CITY OF MAUPIN FRANCHISE FEES	-	-	-	#DIV/0!	#DIV/0!	-
CITY OF MAUPIN - GORGE.NET RECEIPTS	3,360	-	1,335	0.0%	39.7%	(1,334.74)
CITY OF MAUPIN - LSN RECEIPTS	4,000	-	-	0.0%	0.0%	-
CHARGES FOR SERVICES-R Total	7,360	-	146,100	0.0%	96.0%	(146,099.74)
Qlife-R Total	8,060	613	147,147	7.6%	80.8%	(146,534.01)
Qlife-R Total	8,060	613	147,147	7.6%	80.8%	(146,534.01)
Qlife - Maupin Total	8,060	613	147,147	7.6%	80.8%	(146,534.01)
Revenue Total	8,060	613	147,147	7.6%	80.8%	(146,534.01)
Expense						
Qlife - Maupin						
Qlife-E						
Qlife-E						
MATERIALS & SERVICES-E						

Qlife Monthly Report
Maupin Fund - December 2020

Account	Current Budget	Current	Prior Year	Current Year	Prior Year	Current FY - Prior FY YTD
		Actual YTD	Actual YTD	Budget Executed	Budget Executed	
ADMINISTRATIVE COST	-	-	-	#DIV/0!	#DIV/0!	-
INSURANCE & BONDS	-	-	-	#DIV/0!	#DIV/0!	-
CONTR SRVCS - LEGAL COUNSEL CONTR	2,500	-	72	0.0%	2.9%	(72.00)
CONTRACTED SVCS - ENGINEERING	-	-	-	#DIV/0!	#DIV/0!	-
POLE CONNECTION FEES	1,050	-	-	0.0%	0.0%	-
CONTRACTED SVCS - WIFI	14,160	7,949	3,948	56.1%	27.9%	4,000.59
BROADBAND SUPPORT	-	-	-	#DIV/0!	#DIV/0!	-
MATERIALS & SERVICES-E Total	17,710	7,949	4,020	44.9%	22.7%	3,928.59
CAPITAL OUTLAY-E						
EQUIPMENT - CAPITAL	-	-	-	#DIV/0!	#DIV/0!	-
PRIMARY SYSTEMS	51,000	-	10,605	0.0%	66.3%	(10,605.40)
SECONDARY LINE EXTENSION	-	-	-	#DIV/0!	#DIV/0!	-
CAPITAL OUTLAY-E Total	51,000	-	10,605	0.0%	66.3%	(10,605.40)
TRANSFERS OUT-E	50,000	-	-	0.0%	#DIV/0!	-
Qlife-E Total	118,710	7,949	14,625	6.7%	43.4%	(6,676.81)
Qlife-E Total	118,710	7,949	14,625	6.7%	43.4%	(6,676.81)
Qlife - Maupin Total	118,710	7,949	14,625	6.7%	43.4%	(6,676.81)
Expense Total	118,710	7,949	14,625	6.7%	43.4%	(6,676.81)

Qlife Monthly Report
Accounts Reveivable - October 2020
Accounts Receivable Summary

Fund	Total Receivable	Current	30-59 Days	60-89 Days	90-119 Days	Over 120 Days
600	326,575.78	257,485.00	-	5,785.00	-	63,305.78
601	-	-	-	-	-	-
602	-	-	-	-	-	-
Nov-20	300,805.78	228,675.00	8,825.00	-	44,100.00	19,205.78
Oct-20	93,555.78	30,250.00	-	44,100.00	-	19,205.78
Sep-20	92,770.78	29,465.00	44,100.00	-	-	19,205.78
Aug-20	86,435.78	66,780.00	-	-	450.00	19,205.78
Jul-20	73,415.78	53,760.00	-	450.00	-	19,205.78
Jun-20	27,790.78	8,165.00	-	420.00	-	19,205.78
May-20	31,125.78	8,460.00	420.00	3,040.00	-	19,205.78
Apr-20	37,920.78	8,825.00	6,465.00	3,425.00	-	19,205.78
Mar-20	40,130.78	17,500.00	3,425.00	-	-	19,205.78
Feb-20	36,285.78	17,080.00	-	-	-	19,205.78
Jan-20	29,820.78	10,615.00	-	-	-	19,205.78
Dec-19	29,180.78	9,975.00	-	-	-	19,205.78
Nov-19	26,615.78	7,410.00	-	-	-	19,205.78
Oct-19	30,530.78	11,325.00	-	-	-	19,205.78
Sep-19	23,255.78	4,050.00	-	-	-	19,205.78
Aug-19	47,430.78	28,225.00	-	-	-	19,205.78
Jul-19	44,087.06	24,881.28	-	-	-	19,205.78
Jun-19	153,555.78	134,350.00	-	-	-	19,205.78
May-19	49,540.78	30,335.00	-	-	-	19,205.78
Apr-19	45,445.78	26,240.00	-	-	-	19,205.78
Mar-19	30,495.78	11,290.00	-	-	-	19,205.78
Feb-19	49,520.78	30,315.00	-	-	-	19,205.78
Jan-19	33,980.78	7,575.00	-	-	-	26,405.78
Dec-18	38,445.78	12,040.00	-	-	-	26,405.78
Nov-18	61,291.78	34,740.00	-	146.00	-	26,405.78

December 2020 Bank Reconciliation

	Main Checking Bank	Eden 600	Eden 601	Eden 602	Eden Total		LGIP Account Bank	*.11403 Eden 600	Eden 601	Eden 602	Eden
Beginning Balance	500,839.34	187,440.56	138,024.57	164,577.01	490,042.14		1,510,787.92	39,531.05	1,468,531.35	2,725.52	1,510,787.92
Credits											
Deposits	107,175.00	107,175.00	31,351.67	-	138,526.67	Debit	959.72	108.45	771.61	79.66	959.72
Withdrawals		75,698.96	3,095.54	3,401.72	82,196.22						
Checks	45,857.73				-	Credit					
Ending Balance	562,156.61	218,916.60	166,280.70	161,175.29	546,372.59		1,511,747.64	39,639.50	1,469,302.96	2,805.18	1,511,747.64
Deposits in Transit	-										
Outstanding Checks	\$15,784.02				-						
Adjusted Balance	546,372.59	218,916.60	166,280.70	161,175.29	546,372.59						
Variance Mike M 1/19/2021	-						-	11.3%	80.4%	8.3%	
								Interest Allocation Rate			
Aristo Network	5444		\$9,037.60								
Campbell Phillips	5445		\$1,450.00								
Gorge Networks	5449		\$1,146.24								
Hire Electric	5450		\$648.94								
Commstructure	5451		\$3,443.75								
Graybar	5452		\$57.49								
			\$15,784.02								

Qlife – Financial Analysis for December 2020 Financial Statements

The financial statements for through the 6th month of the 2021 Fiscal Year (FY21) are presented. The statements are intended for the use of Management and are not audited. The expected straight-line assumption for accounts is 50.0% (6/12). This is a typically a good starting point for analysis.

Due to time constraints, the reporting was not created for November. Due to the reports being year-to-date, the reporting for December is inclusive of the November reporting.

Operations Fund

Total revenues for the fund are \$656,841. This is a budget execution of 98.1% - which is significantly more than the expected execution rate of 50.0%.

- The first factor causing this is a catchup billing to a customer of \$44,100 for last fiscal year as discussed in the September report. This was a one-time bump in revenue and increases the budget execution by 7%. The catchup billing invoice has not been paid as of 1/21/2021.
- Two (2) invoices for \$87,700 each to two different customers splitting the cost of expanding service to Water's Edge. These were billed in November and neither has been paid as of 1/21/2021.
- In December another customer was billed for a multi-year agreement for \$74,700. This has not been paid as of 1/21/2021.
- Utility Service Charges is executing at 98.1% with these outliers included. When these four (4) unpaid invoices are factored in, the execution rate for Utility Service Charges is 54.1%; the adjusted total revenue execution rate is 54.2%.

Utility service charges are executing at 98.1% - when the one-time billings are factored out, the execution is on at 54.1% just ahead of the expectations.

Accounts receivable has climbed to \$326,675. The current portion is \$257,485 with the one-time outlier billings of \$250,100 still outstanding. Without the outliers the current portion would be \$7,385

Interest is down - \$299 – versus last year. This is due to decreasing interest rates at the LGIP. Current rates are 0.75% for LGIP as of December.

Expenditures are executing at 45.7% - under the 50.0% expectation. The cost of contracted services for engineering and network system management are considerably higher than last fiscal year - \$15K & \$13K respectfully – with execution rates of 65.7% and 52.6%.

Capital Fund

Tranfers In from the Operation Fund are proceeding as budgeted.

Interest is executing at 24.5% which is \$8,631 less than last fiscal year. As stated in the Operating Fund discussion, the allocation formula has been adjusted. Additionally, interest rates are decreasing which will be a factor in future statements.

Expenses are executing at 14.8%. This is a total of \$286,140 compared to \$216,685 last fiscal year at this time. The total expense was mostly for the Primary System as discussed in prior reports.

Maupin Fund

Revenue for the fund is at 7.6% budget execution. This is due to only receiving interest as revenue. This is \$613.

There will be some receipts later in the year, but not as of yet. The funds outstanding from last fiscal year through Maupin did arrive and are accounted for.

At this point, the only expenses charged to the Maupin fund are for the Contracted Services – WIFI support – which is executing as expected.

While there is a transfer budgeted, it will be done near the end of the year when the trends of the fund can be examined more closely to ensure the fund is not cut short. This will be paid out of the fund balance.

Summary

The year is off to a steady start. The spending in the Operations fund for contracted services should be watched as this is the only area with a trend developing to watch. The biggest concern at this point is the outstanding outlier invoices.

Reconciliations

Bank reconciliations are completed through December and are attached.



Audit FY 2019-2020

- [Merina + Co. Memorandum](#)
- [Letter to the Board](#)
- [Executive Summary](#)
- [Annual Financial Report FY 2019-2020](#)
- [Summary of Expenditures and Revenues](#)

Memorandum

To: Mike Middleton, Finance Director

From: Tonya Moffitt, Partner

Date: November 9, 2020

Subject: As a result of our audit for the fiscal year ended June 30, 2020, Merina+Co has some comments and suggestions that we would like to communicate to management.

The purpose of this memo is to bring to your attention items that were identified during the audit that we would like to communicate to you. These items are discussed below:

- + Merina+Co recommends that bank reconciliations be reviewed and approved timely and initialed by the reviewer to evidence the review.

We appreciated the cooperation of you and your staff and look forward to working with you in the future.

November 9, 2020

To the Board of Directors
QualityLife Intergovernmental Agency
The Dalles, OR

We have audited the financial statements of the QualityLife Intergovernmental Agency as of and for the year ended June 30, 2020, and have issued our report thereon dated November 9, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 3, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of QualityLife Intergovernmental Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by QualityLife Intergovernmental Agency is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Management’s estimate of accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated acquisition value at the date of donation.

We evaluated the key factors and assumptions used to develop this estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting QualityLife Intergovernmental Agency’s financial statements relate to:

The disclosure of Capital Assets in Note II.D to the financial statements summarizes the changes in capital assets for the year ended June 30, 2020.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to QualityLife Intergovernmental Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, in a separate letter dated November 9, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with QualityLife Intergovernmental Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as QualityLife Intergovernmental Agency's auditors.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit management's discussion and analysis, and do not express an opinion or provide any assurance on this information.

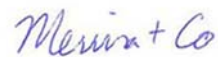
We were engaged to report on the supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the officials of the agency, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Board of Directors, and management of QualityLife Intergovernmental Agency and is not intended to be and should not be used by anyone other than these specified parties.

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

Respectfully,



Merina+Co
Tualatin, Oregon

Focused on Your Wants and Understanding Your Needs

EXECUTIVE SUMMARY OF THOSE CHARGED WITH GOVERNANCE LETTERS

The purpose of this executive summary is to assist you in fulfilling your responsibilities for oversight of the QualityLife Intergovernmental Agency's financial reporting. This letter summarizes the results and conclusions of certain matters required to be communicated to those charged with governance. The full communication to those charged with governance as required by U.S. Clarified Auditing Standards Section 260 was delivered to you in the Council packet.

- ✦ We have completed our audit of the financial statements and related disclosures of the Agency. We issued our report, which contain an “unmodified” or “clean opinions” on November 9, 2020.
- ✦ QualityLife Intergovernmental Agency:
 - Our opinion on the Agency's financial statements is limited to the basic financial statements and supplementary information.
 - We applied limited procedures to the MD&A and do not express an opinion or provide any assurance on this information.
 - The Officials of the Agency section of the report has not been audited by us and, accordingly, we expressed no opinion on that information.

Required Communications to Those Charged with Governance

- ✦ There were no restrictions on our audit scope & no significant difficulties incurred during the course of the audit.
- ✦ There were no disagreements with management.
- ✦ There were no new significant policies adopted or changes from policies previously adopted.
- ✦ Management judgments and accounting estimates were found to be appropriate in the circumstances. Depreciation was the only accounting estimate.
- ✦ We did not find any transactions entered into by the Agency during the year that lack authoritative guidance.
- ✦ There were no material misstatements noted for proper presentation of the financial statements.
- ✦ In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. There were no such consultations with other accountants.

Report Required by Oregon State Regulation

- ✦ The Independent Auditors Report Required by Oregon State Regulation is located on page 13.
- ✦ We tested the following in connection with Oregon Minimum Standards:
 - Collateral
 - Indebtedness
 - Insurance and Fidelity Bonds
 - Programs Funded from Outside Sources
 - Investments
 - Public Contracts and Purchasing

We appreciate the opportunity to have been of service and look forward to working with you in the future. If you have any questions now or in the future please do not hesitate to contact us.

**QUALITYLIFE
INTERGOVERNMENTAL AGENCY**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

QUALITYLIFE INTERGOVERNMENTAL AGENCY

Annual Financial Report For the Fiscal Year Ended June 30, 2020

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OFFICIALS OF THE AGENCY

QUALITYLIFE INTERGOVERNMENTAL AGENCY

OFFICIALS OF THE AGENCY

AS OF JUNE 30, 2020

BOARD OF DIRECTORS

Scott Hege
511 Washington Street
The Dalles, OR 97058

Darcy Long-Curtiss
2506 Jordan Street
The Dalles, OR 97058

Dale Lepper
1700 East 19th Street
The Dalles, OR 97058

Rod Runyon
313 Court Street
The Dalles, OR 97058

Lee Weinstein
4200 Obrist Road
The Dalles, OR 97058

AGENCY ADDRESS

Administrative Offices
511 Washington Street, Suite 101
The Dalles, OR 97058

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
QualityLife Intergovernmental Agency
The Dalles, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of QualityLife Intergovernmental Agency, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise QualityLife Intergovernmental Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

QualityLife Intergovernmental Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of QualityLife Intergovernmental Agency, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise QualityLife Intergovernmental Agency's basic financial statements. The officials of the agency and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The officials of the agency has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 9, 2020, on our consideration of QualityLife Intergovernmental Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co
Tualatin, Oregon
November 9, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion is intended to be an easily readable analysis of the QualityLife Intergovernmental Agency's (the Agency) financial activities based on currently known facts, decisions and conditions. It focuses on current year activities and should be read in conjunction with the financial statements that follow.

REPORT CONTENTS

The report consists of enterprise fund financial statements, notes to the financial statements and individual fund schedules. The enterprise fund financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

STATEMENT OF NET POSITION

The Statement of Net Position focuses on the unrestricted net position of the Agency's proprietary activities. The Statement reflects all assets and liabilities for the Agency.

STATEMENT OF ACTIVITIES

The Statement of Revenues, Expenses and Changes in Net Position focuses on the revenues and program cost of providing high-speed Internet access.

STATEMENT OF CASH FLOW

The Statement of Cash Flows presents information on the transactions resulting in cash being provided or used. The statement presents this information for Operating Activities and Capital and Related Financing Activities.

ENTERPRISE FUND FINANCIAL STATEMENTS

Summary Statements of Net Position at June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	\$ 2,125,442	\$ 1,829,487
Capital assets, net of depreciation	<u>2,633,207</u>	<u>2,398,140</u>
Total assets	<u>4,758,649</u>	<u>4,227,627</u>
Liabilities		
Other liabilities	<u>63,293</u>	<u>53,333</u>
Total liabilities	<u>63,293</u>	<u>53,333</u>
Net position		
Net investment in Capital Assets	2,633,207	2,398,140
Unrestricted (deficit)	<u>2,062,149</u>	<u>1,776,154</u>
Total net position	<u>\$ 4,695,356</u>	<u>\$ 4,174,294</u>

The net position of the Agency is primarily invested in capital assets, net of related debt. New construction is primarily related to the Maupin Project and laterals for new customers. The Maupin Project was completed in the fiscal year as was the St. Maries Backbone.

A summarized version of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Revenues		
Operating revenues	\$ 861,707	\$ 783,732
Capital grants and contributions	-	475,223
Other	<u>31,469</u>	<u>33,826</u>
Total revenues	<u>893,176</u>	<u>1,292,781</u>
Expenses		
Operating expenses	372,114	397,324
Other		
Interest on long-term debt	<u>-</u>	<u>-</u>
Total expenses	<u>372,114</u>	<u>397,324</u>
Increase in net position	521,062	895,457
Net position - beginning	<u>4,174,294</u>	<u>3,278,837</u>
Net position - ending	<u>\$ 4,695,356</u>	<u>\$ 4,174,294</u>

Net position increased during the year by \$521,062 due to newly constructed capital assets financed by system revenues.

BUDGETARY HIGHLIGHTS

The original legal appropriations for the QLife General Fund totaled \$712,260 including a contingency of \$50,000. During the year no changes were made to the Final Budget. Expenditures were \$96,072 under budget while revenues were over by \$48,058. The over-budget amount on the revenues is due to a catch-up billing charges for services under-billed.

The original legal appropriations for the QLife Capital Fund totaled \$1,331,267 including a contingency and other uses of \$390,983. During the year no changes were made to the Final Budget. Expenditures were \$985,404 under budget. \$390,983 of this was due to not using contingency funds as this was determined to not be needed. Capital outlay was an additional \$594,421 under budget (63.2%) due to prioritization of capital outlays and time available in FY20 for the Capital Fund.

The original legal appropriations for the QLife Maupin Fund totaled \$26,210 with a contingency of \$7,500. The budget was changed to \$15,000 in capital outlay offset by an increase on \$145,765 in revenue with the balance going to future fiscal periods. This was found as due during the closing reconciliation of the Maupin Fund as funds promised by the City of Maupin. Expenditures were \$149,475 under budget. This was primarily due to the Maupin project not needing to utilize the contingency funds in the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the Agency had investment in capital assets, net of accumulated depreciation, \$2,633,207 consisting primarily of the fiber optic loop, Maupin project, St. Maries Backbone and construction in process.

Construction in process projects are Chenowith Expansion, Lone Pine and 7th Street Expansion with CIP costs of \$135,590, \$91,906 & \$58,250 respectfully. The total CIP is \$286,746 as of June 30, 2020.

Debt Outstanding

As of June 30, 2020, the Agency has had no long-term debt outstanding.

ECONOMIC FACTORS

The QualityLife Intergovernmental Agency will continue to be an important partner in economic development within Wasco County and the City of The Dalles, providing necessary internet services to support continued growth and quality of services to those within the Agency's boundaries. Google, the search engine, started operations in new facilities in the City in 2006, and continuously expanded their facilities from 2015 through 2020. The expansion is continuing into 2021. Regarding the Maupin project, the project reached completion in FY20. The asset is operational and in service for the entire fiscal year 2020.

The COVID pandemic and the related response has not had a direct business effect on the finances of the Agency. This is primarily due to the nature of the business model. The

connections with institutions, no face to face interactions with customers and providing a backbone of support for an service that becomes even more critical as many individuals are working remotely and internet based virtual meetings become the norm.

FINANCIAL CONTACT

The Agency's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the Agency's Finance Director at 511 Washington Street, Suite 207, The Dalles, Oregon 97058.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
 - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

QUALITYLIFE INTERGOVERNMENTAL AGENCY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,094,135
Accounts receivables, net	<u>31,307</u>
Total current assets	2,125,442
Capital assets:	
Construction in progress	286,746
Depreciable assets, net of depreciation	<u>2,346,461</u>
Total capital assets, net	<u>2,633,207</u>
Total assets	<u><u>\$ 4,758,649</u></u>

LIABILITIES AND NET POSITION

LIABILITIES:

Current liabilities:	
Accounts payable	<u>\$ 63,293</u>
Total current liabilities	<u>63,293</u>
Total liabilities	<u>63,293</u>

NET POSITION:

Net investment in capital assets	2,633,207
Unrestricted (deficit)	<u>2,062,149</u>
Total net position	<u>4,695,356</u>
Total liabilities and net position	<u><u>\$ 4,758,649</u></u>

The accompanying notes are an integral part of the basic financial statements.

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 For the Fiscal Year Ended June 30, 2020**

	<u>QualityLife Operations</u>
OPERATING REVENUES:	
Charges for services	\$ 861,707
Total operating revenues	<u>861,707</u>
OPERATING EXPENSES:	
Materials and services	269,251
Depreciation	<u>102,863</u>
Total operating expenses	<u>372,114</u>
Operating income (loss)	489,593
NON-OPERATING INCOME (EXPENSE):	
Interest on investment	30,269
Miscellaneous	<u>1,200</u>
Total non-operating income (expenses)	<u>31,469</u>
Net income (loss) before operating transfers	<u>521,062</u>
Change in net position	521,062
NET POSITION, BEGINNING	<u>4,174,294</u>
NET POSITION, ENDING	<u><u>\$ 4,695,356</u></u>

The accompanying notes are an integral part of the basic financial statements.

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 983,956
Cash paid to suppliers and others	(259,291)
	<hr/>
Net cash provided (used) by operating activities	724,665
	<hr/>

**CASH FLOWS FROM CAPITAL AND
 RELATED FINANCING ACTIVITIES**

Purchase of capital assets	(337,930)
Miscellaneous receipts	1,200
	<hr/>
Net cash provided (used) by capital and related financing activities	(336,730)
	<hr/>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	30,269
	<hr/>
Net cash provided (used) by investing activities	30,269
	<hr/>
Net increase (decrease) in cash and cash equivalents	418,204

CASH AND CASH EQUIVALENTS, BEGINNING

1,675,931

CASH AND CASH EQUIVALENTS, ENDING

\$ 2,094,135

**RECONCILIATION OF OPERATING INCOME TO
 NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 489,593
Adjustments	
Depreciation	102,863
Decrease (increase) in:	
Accounts receivable	122,249
Increase (decrease) in:	
Accounts payable and accrued expenses	9,960
	<hr/>
Net cash provided (used) by operating activities	\$ 724,665
	<hr/> <hr/>

The accompanying notes are an integral part of the basic financial statements.

QUALITYLIFE INTERGOVERNMENTAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Fund Structure

The QualityLife Intergovernmental Agency (the Agency), is a joint venture of Wasco County, Oregon and the City of The Dalles, Oregon. The Agency was formed in 2001 to construct and operate a fiber optic network to provide high-speed internet service to the residents of The Dalles.

The accompanying financial statements present all funds for which the Agency is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the Agency is a primary government with no includable component units.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Agency is accounted for as a business-type activity for financial reporting purposes and its basic financial statements are prepared on the accrual basis of accounting. Under this method, revenues were recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency distinguishes operating revenues and expenses from non-operation items. Operating revenues include internet access charges and connection fees, and generally result from providing services in connection with ongoing operations and administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expense.

When both restricted and unrestricted resources are available, it is the Agency's policy to use restricted resources first, then, unrestricted resources, as they are needed.

For financial reporting purposes, management considers the activities relating to the operation of the Agency as those of a unitary nature and those activities are reported as such. For operating and budgetary purposes, the accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity.

The funds of the Agency are as follows:

Fund Type - Enterprise	Principal Revenue Source	Primary Expenditure Purpose
General	Membership and Service Fees	General operating expenses
Capital Projects	Grants, City General Fund Contributions, and Charges for Services	Construction of fiber optic network
Maupin Expansion	Grants and Charges for Services	Construction and operation of Maupin Expansion

C. Cash and Cash Equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Customer Accounts Receivables

Customer accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end. Management has determined that no allowance for doubtful accounts is needed as of June 30, 2020.

E. Capital Assets

Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and repairs are expensed as incurred. Replacements that improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income.

The estimated useful lives of capital assets are as follows:

Equipment	10 years
Fiber optic loop	30-50 years

It is the Agency's policy to record no depreciation on capital assets in the year of acquisition and a full year of depreciation in the year of disposition.

F. Intangible Assets

Purchases of software licenses are recorded at cost at date of acquisition. These intangible assets are being amortized over an estimated useful life of 10 years. Purchases of easements are recorded at cost and date of acquisition. The useful life of easements is based on the length of the easement; current easements have a useful life of 5 years.

G. Net Position

Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the

following three components: net investment in capital assets; restricted net position; and unrestricted net position.

Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net position consists of net earnings for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, or enabling legislation, including self-imposed mandates. Unrestricted net position consists of all other net earnings not included in the above categories.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DETAILED NOTES

A. Deposits

Custodial credit risk. This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2020, the book value of the Agency's deposits was \$589,497 and the bank balance was \$632,788. \$382,788 of the Agency's bank balances was exposed to custodial credit risk. The Agency does not have a formal deposit policy for custodial credit risk.

B. Investments

The Agency's investments consist of amounts in the Oregon Short-Term Fund maintained by the State Treasurer of the State of Oregon, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2020, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in Oregon Short-Term Fund is not subject to risk evaluation. The LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest rate risk. In accordance with its investment policy, the Agency manages its exposure to declines in fair value of its investments by limiting the weighted average

maturity of its investments as required by state law and through the use of the Local Government Investment Pool (LGIP).

Custodial credit risk. For an investment, this is the risk that in the event of a failure of the counterparty, the Agency will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best served local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

The fair value of the Agency's investment in the LGIP at June 30, 2020 is \$1,504,638.

C. Receivables

Receivables represent amounts due to the Agency at June 30, 2020 from user charges.

D. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
General				
Capital Assets, non-depreciable:				
Construction in progress	961,143	337,930	(1,012,327)	286,746
Total capital assets, non-depreciable	961,143	337,930	(1,012,327)	286,746
Capital assets, depreciable				
Fiber optic loop	2,005,415	1,012,327	-	3,017,742
Equipment	284,255	-	-	284,255
Software licenses	7,011	-	-	7,011
Easements	18,000	-	-	18,000
Total capital assets, depreciable	2,314,681	1,012,327	-	3,327,008
Less accumulated depreciation for:				
Fiber optic loop	(778,289)	(98,943)	-	(877,232)
Equipment	(85,184)	(320)	-	(85,504)
Software licenses	(7,011)	-	-	(7,011)
Easements	(7,200)	(3,600)	-	(10,800)
Total accumulated depreciation	(877,684)	(102,863)	-	(980,547)
Net depreciable capital assets	1,436,997	909,464	-	2,346,461
Net capital assets	2,398,140	1,247,394	(1,012,327)	2,633,207

E. Long-Term Obligations

The Agency had no outstanding debt or transactions during the year ended June 30, 2020.

F. Related Party Transactions

The City of The Dalles, Oregon appoints two members and Wasco County, Oregon appoints two members of the QualityLife Intergovernmental Agency Board of Directors. The fifth member is appointed by the other four. Wasco County provides administrative services, along with space and technical services for GIS and fiber management, while the City provides financial services, rental of office space and pass through of grant revenues to the Agency. During the year, the Agency had the following related party transactions.

Charges for services revenue from:

City of The Dalles	\$ 5,040
Wasco County	\$ 16,560

Expenses for administrative and other services from:

City of The Dalles	
Rent Expense to City of The Dalles	\$ 7,752
Right of Way Fees to City of The Dalles	\$ 21,363

Wasco County	
Administration	\$ 53,671
Computer & GIS Services	\$ 5,000

In addition, at June 30, 2020, the City and the County have no amounts due to the Agency for services received. The Agency also owes the City \$1,938 for rent in the 2nd quarter and \$1,680 for current year right of way fees.

G. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has obtained insurance for these risks through the Special Districts Association of Oregon, which operates a public entity risk pool for common risk management and insurance program for special districts. The Agency pays an annual premium to the pool for its general insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of specified minimums for various insured events.

H. Construction in Progress

The Maupin Project was completed after an additional \$10,605 was spent for a total capitalized cost of \$718,289 moved out of CIP to Improvements Other Than Buildings. Additionally, the Maupin Downtown WiFi project was completed and moved out of CIP to Improvements Other Than Buildings for \$15,613 during the fiscal year. The St Maries Backbone was completed after an additional \$173,807 was spent with \$278,425 moved from CIP to Improvements Other Than Building; The Chenowith Expansion increased the CIP by \$12,780 to a total of \$136,590; and Lone Pine increased spending by \$82,488 to \$91,906. The 7th Street expansion starting in fiscal year 2020 and has incurred \$58,250 in expenses for CIP in the fiscal year. This brings the Construction in Process (CIP) for the fiscal year to \$286,746 as of June 30, 2020.

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following

- General Fund
- Capital Projects Fund
- Maupin Fund

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 666,460	\$ 666,460	\$ 712,091	\$ 45,631
Interest on investments	948	948	2,375	1,427
Miscellaneous	200	200	1,200	1,000
Total revenues	<u>667,608</u>	<u>667,608</u>	<u>715,666</u>	<u>48,058</u>
EXPENDITURES:				
Materials and services	315,890	315,890	239,818	76,072
Capital outlay	20,000	20,000	-	20,000
Contingency	50,000	50,000	-	50,000
Total expenditures	<u>385,890</u>	<u>385,890</u>	<u>239,818</u>	<u>146,072</u>
Revenues over (under) expenditure:	281,718	281,718	475,848	194,130
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(327,020)</u>	<u>(327,020)</u>	<u>(327,020)</u>	<u>-</u>
Total other financing sources (uses)	<u>(327,020)</u>	<u>(327,020)</u>	<u>(327,020)</u>	<u>-</u>
Net changes in fund balances	(45,302)	(45,302)	148,828	194,130
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>96,652</u>	<u>96,652</u>	<u>76,265</u>	<u>(20,387)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 51,350</u>	<u>\$ 51,350</u>	<u>225,093</u>	<u>\$ 173,743</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Capital projects fund balance			1,665,741	
Maupin fund balance			171,315	
Capital assets			<u>2,633,207</u>	
NET POSITION AT END OF YEAR			<u>\$ 4,695,356</u>	

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 19,000	\$ 19,000	\$ -	\$ (19,000)
Interest on investments	25,200	25,200	25,702	502
Total revenues	44,200	44,200	25,702	(18,498)
EXPENDITURES:				
Capital outlay	940,284	940,284	345,863	594,421
Contingency	390,983	390,983	-	390,983
Total expenditures	1,331,267	1,331,267	345,863	985,404
Revenues over (under) expenditure:	(1,287,067)	(1,287,067)	(320,161)	966,906
OTHER FINANCING SOURCES (USES):				
Transfers in	327,020	327,020	327,020	-
Transfers out	(30,000)	(30,000)	-	30,000
Total other financing sources (uses)	297,020	297,020	327,020	30,000
Net changes in fund balances	(990,047)	(990,047)	6,859	996,906
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,665,172	1,665,172	1,658,882	(6,290)
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 675,125	\$ 675,125	\$ 1,665,741	\$ 990,616

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
MAUPIN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 7,360	\$ 152,125	\$ 149,616	\$ (2,509)
Interest on investments	60	60	2,192	2,132
Total revenues	<u>7,420</u>	<u>152,185</u>	<u>151,808</u>	<u>(377)</u>
EXPENDITURES:				
Materials and services	17,710	17,710	10,895	6,815
Capital outlay	1,000	16,000	10,605	5,395
Contingency	7,500	137,265	-	137,265
Total expenditures	<u>26,210</u>	<u>170,975</u>	<u>21,500</u>	<u>149,475</u>
Revenues over (under) expenditures	(18,790)	(18,790)	130,308	149,098
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net changes in fund balances	11,210	11,210	130,308	119,098
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>17,110</u>	<u>17,110</u>	<u>41,007</u>	<u>23,897</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 28,320</u>	<u>\$ 28,320</u>	<u>\$ 171,315</u>	<u>\$ 142,995</u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATION**

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH OREGON STATE REGULATION**

Board of Directors
QualityLife Intergovernmental Agency
The Dalles, Oregon

We have audited the basic financial statements of QualityLife Intergovernmental Agency, as of and for the year ended June 30, 2020 and have issued our report thereon dated November 9, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

Compliance

As part of obtaining reasonable assurance about whether QualityLife Intergovernmental Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294). QualityLife Intergovernmental Agency is exempt per ORS 294.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets. QualityLife Intergovernmental Agency does not receive highway funds.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. QualityLife Intergovernmental Agency does not have any elected officials collecting or receiving money.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. In connection with our testing, nothing came to our attention that caused us to believe QualityLife Intergovernmental Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered QualityLife Intergovernmental Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of QualityLife Intergovernmental Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of QualityLife Intergovernmental Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
November 9, 2020

November 9, 2020

QualityLife Intergovernmental Agency
Mike Middleton
511 Washington Street, Suite 101
The Dalles, OR 97058

Dear Mr. Middleton:

In the coming days you will be receiving an email from the Secretary of State with a copy of the Summary of Revenues and Expenditures for QualityLife Intergovernmental Agency for fiscal year 2019-2020 for your review. The Secretary of State requires Merina+Co to file the Summary of Revenue and Expenditures with the State.

A copy of the financial statements must be sent to the Secretary of State. The Secretary of State encourages municipalities to file their reports electronically in PDF format. To file the financial statements electronically e-mail them to municipalfilings.sos@state.or.us. The subject line should include the name of your municipality. If you prefer to mail hard copies of the financial statements please send them with the items listed below.

The statutory filing fee of \$150 for the QualityLife Intergovernmental Agency must be sent to the Secretary of State. Included a copy of the Summary of Revenues and Expenses. Please mail to:

Audits Division
255 Capitol Street NE, Suite 500
Salem, OR 97310-0720

Please call if you have any questions.

Regards,



Tonya Moffitt, CPA
Merina+Co

Focused on Your Wants and Understanding Your Needs



Action Items

- [Resolution 21-001 Reappointment of Budget Officer](#)
- [PUD Pole Attachment Agreement](#)
 - [Pole Attachment Agreement Memorandum](#)
 - [QLife/NWPUD Wireline License Agreement](#)
 - [Exhibit A - Pole Attachment Application](#)
 - [Exhibit B – Construction Standards](#)
 - [Exhibit C – Fee Schedule](#)
 - [Exhibit D – Bonding Formula](#)
 - [Exhibit E – Security Amount](#)
- [Commstructure WO #27 Downtown Bypass Project](#)



QUALITYLIFE INTERGOVERNMENTAL AGENCY

DBA "QLIFE NETWORK"

IN THE MATTER OF THE REAPPOINTMENT OF MIKE MIDDLETON TO THE QUALITYLIFE INTERGOVERNMENTAL AGENCY BUDGET OFFICER

ORDER #21-001

NOW ON THIS DAY, the above-entitled matter having come on a regularly scheduled Board meeting for consideration, said day being one duly set in term for the transaction of public business and a majority of the Board of Directors being present; and

IT APPEARING TO THE BOARD: That QualityLife Intergovernmental Agency Bylaws state the Board appoint a Budget Officer to oversee the budget process and document preparation; and

IT FURTHER APPEARING TO THE BOARD: That Mike Middleton, Wasco County Finance Director, is willing and is qualified to accept the reappointment of Budget Officer; and

NOW, THEREFORE, IT IS HEREBY ORDERED: That Mike Middleton be and is hereby reappointed as the QualityLife Intergovernmental Agency Budget Officer, with an expiration date of January 31, 2022.

DATED this 28th day of January, 2021.

APPROVED AS TO FORM:

QLIFE BOARD OF DIRECTORS:

Kristen Campbell, QLife Legal Counsel

Scott Hege, President

Darcy Long-Curtiss, Vice President

Dale Lepper, Board Member

Lee Weinstein, Board Member

Rod Runyon, Board Member



QualityLife Intergovernmental Agency

SUBJECT: Northern Wasco County PUD Wireline Pole Attachment Agreement

TO: QLIFE BOARD MEMBERS

FROM: MATTHEW KLEBES, QLIFE ADMINISTRATOR

Date: 1/22/2021

Northern Wasco County People's Utility District (PUD) and Qlife had a previous Wireline Pole Attachment Agreement signed in 2003. This agreement was terminated per a Notice of Termination sent by the PUD in December 2019. Along with this Notice of Termination, a new proposed Wireline Pole Attachment Agreement was included.

As a government entity, unlike many other entities with pole attachments, Qlife is not required to have an Attachment agreement. However, such an agreement can help both entities conduct business with one another and maintain a positive partnership. Therefore, over the past year, staff has worked with representatives from the PUD to review the proposed attachment agreement line by line to see if a mutually beneficial agreement can be crafted.

The following bullets points are some of the key provisions within the proposed agreement that staff would like to highlight.

- Key aspects of the recitals that Qlife, as a government entity, is entering such an agreement voluntarily for the mutual benefit of both parties
- Pole Load Analysis requirement on all poles with language facilitating the exchange of existing data to reduce work required to complete such an analysis. This will be closely monitored to identify excessive costs and delays if full engineering plans are required for most or all poles.
- Service Drops are defined as a connection from a distribution facility, such as a splice case, to the building or structure being served, along with a required Permit Application within 7 days of attachment. The submission and finalization of permit applications will also be closely monitored.
- All existing conditions of equipment etc., in compliance with NESC an District's construction standards at the time are considered accepted.
- Audit language that allows Qlife and District to work together to compare record of pole attachments and, if the records match within 1.5%, allows Qlife to be excluded from audit costs. It also allows District to audit only once every 3 years
- Financial security language was in the previous agreement and primarily address concerns of cost of removing abandoned equipment etc., by District
- Term of the agreement is 1 year and shall continue from year to year unless terminated.
- Termination language allowing Occupant the option to terminate at any time in it's sole discretion

Given the benefits and clarity of operations provided by this agreement, in a good faith effort to maintain and strengthen the working relationship between Qlife and the PUD, and given the length of term, staff recommends approval of this agreement.

WIRELINE POLE ATTACHMENT AGREEMENT

Northern Wasco County PUD

and

QualityLife Intergovernmental Agency

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WIRELINE POLE ATTACHMENT AGREEMENT

This Wireline Pole Attachment Agreement (“Agreement”) is entered into by and between Northern Wasco County People’s Utility District (“District”), having a principal business address at 2345 River Road, The Dalles, Oregon 97058, and QualityLife Intergovernmental Agency (“Occupant”). The District and Occupant may be referred to collectively as “Parties” and individually as a “Party.” The effective date of this Agreement shall be the date upon which the Agreement has been lawfully executed by both Parties (“Effective Date”).

RECITALS

WHEREAS, Occupant desires to attach Occupant equipment to Poles; and

WHEREAS, Oregon law requires Non-Government Entities execute a contract and to obtain from the District a Permit in order to attach equipment to any Poles; and

WHEREAS, District desires to execute a contract with Occupant; and

WHEREAS, Occupant, as a government entity per OAR 860-028-0060(2), is willing to voluntarily commit to the provisions forthwith for the mutual benefit of both parties; and

WHEREAS, the District is required to permit Occupant to attach Occupant’s equipment to Poles where space is reasonably available on the Pole and otherwise subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the Parties do mutually covenant and agree as follows:

1.0 DEFINITIONS

Definitions in General

Except as the context otherwise requires, the terms defined in this Agreement shall, as used herein, have the meanings set forth in this Section.

Anchor

An assembly that stabilizes a Pole and holds it in place. An Anchor assembly may consist of a rod and fixed object or plate, typically embedded in the ground, which is attached to a guy strand or Guy Wire, which in turn is attached to the Pole. The definition of “Anchor” does not include the Guy Wire that connects the Anchor to the Pole.

Annual License Fee

Shall have the definition given in OAR 860-028-0110

Audit

A field investigation undertaken by the District for the purpose of verifying the total number of Pole Attachments on its Poles, the Poles to which Pole Attachments have been made, and the

location of Pole Attachments on the Poles. Unauthorized Pole Attachments may be identified as part of an Audit. Notwithstanding the foregoing, Audits do not include Periodic Inspections or Post-Construction Inspections.

Billable Pole Attachment

A Pole Attachment for which the District may charge Occupant the Annual License Fee, as described in greater detail in Schedule C hereto.

Cost

All reasonable, documented, and actual costs incurred by the District pursuant to this Agreement, to the extent such costs are not recovered in the Annual License Fee, to be reimbursed by Occupant. Such Costs may include, without limitation: (a) external contractor or subcontractor labor costs and professional fees; (b) other out-of-pocket expenses (e.g., equipment, materials, supplies or contract services); (c) internal labor costs directly related to the completion of Permit Application processing or Make Ready work;. Cost will not include any profit or markup. Any calculation of Cost involving a charge to replace a Pole or Anchor will exclude the salvage value, if any, realized by the District for the removed Pole or Anchor. All charges will be allocated between the Occupant and District as a percent of the depreciated assets remaining useful life. In the case of engineering studies if the district utilizes the data then the cost of obtaining the data will be split between the District and Occupant.

Facilities

Any property or equipment used by the District in connection with the provision of electric service.

Guy Wire

A metal cable of high tensile strength that is attached to a Pole and Anchor rod (or another Pole) for the purpose of reducing Pole stress.

Make-Ready (District)

Consistent with OAR 860-028-0020(11), the engineering and construction activities to be undertaken by the District at the Occupant’s expense as reasonably necessary to prepare a Pole for a Pole Attachment Project or a Pole replacement. Make Ready work costs are non-recurring and are not contained in Annual License Fee. Make-Ready does not include the costs to correct pre-existing violations of Division 024 caused by District or any other party other than Occupant

Modification

The rearrangement, reconfiguration, alteration or Transfer of any existing Pole Attachments. “Modifications” shall not include maintenance to existing Pole Attachments that does not change its design, size, use, or location on the Pole.

NESC

The term “NESC” refers to the National Electrical Safety Code.

NJUNS

Refers to the National Joint Utilities Notification System, an electronic notification system used to submit and process Permit Applications in addition to other communications between the Parties concerning Pole Attachment related activities.

Occupant

Shall have the meaning given in OAR 860-028-0020(15)

Overlashing

Any communications equipment otherwise eligible to be a Pole Attachment hereunder that is placed or installed upon an existing Billable Pole Attachment without making any additional contact with the Pole.

Periodic Inspection

Shall have the definition given in OAR 860-028-0020(19).

Permit

Shall have the definition given in OAR 860-028-0020(20) whereby District authorization and approval is granted for Occupant to undertake a Pole Attachment Project.

Permit Application

The application that must be submitted for District for a Permit authorizing a Pole Attachment Project.

Pole

Shall have the meaning given in OAR 860-028-0020(21). For purposes of this Agreement, the term “Pole” shall include any utility poles or other structures owned by the District with both a transmission electrical circuit with line to line voltage of 69 kV or greater and also one or more distribution electrical circuits with line to line voltage of 12.47 kV or less.

Pole Attachment

Any wire or cable for the transmission of intelligence by telegraph, telephone, or television (including cable television), light waves or other phenomena, or for the transmission of electric power, and any related device, apparatus, or auxiliary equipment, installed individually by any person upon any portion of a Pole.

Pole Attachment Project

The Modification of an existing Pole Attachment or the installation of a new Pole Attachment pursuant to the terms of a Permit issued by the District.

Preconstruction Survey

Preconstruction activity as referenced in OAR 860-028-0020(24) for activities related to engineering, survey, and estimating work required to prepare costs estimates for a Pole Attachment Permit application. Preliminary Survey charges are not included in the Annual License Fee and are based on reasonable, actual, and verifiable Costs.

Post Construction Inspection

Shall have the definition given in OAR 860-028-0020(23).

Senior Attachment

The Pole Attachment on a Pole with the earliest Permit date.

Service Drop

Shall have the definition given in OAR 860-028-0020(27)

Supply Space

The space on a Pole that is exclusively occupied by electric conductors and/or hardware.

Threshold number of Poles

Shall have the definition given in OAR 860-028-0020(32).

Transfer or Transferring

Moving an existing Pole Attachment from one Pole to another Pole.

Unauthorized Pole Attachment

Any Pole Attachment without a valid Permit. In accordance with OAR 860-028-0140(5), the District may not sanction the Occupant since it is a government entity.

2.0 GENERAL AGREEMENT

2.1 Occupant Pole Attachments

Subject to the terms and conditions set forth in this Agreement, Occupant shall apply to the District for, and the District shall issue to Occupant, Permits authorizing Occupant to make and maintain Pole Attachments to specified Poles. The District may deny a Permit Application if the District determines in its reasonable discretion that there is insufficient capacity on the Pole, or for reasons of safety, reliability and generally applicable engineering standards. Nothing contained in this Agreement, or any Permit issued pursuant to this Agreement, shall be construed to compel the District to maintain any of its Poles for a period longer than is necessary for District's electric service requirements.

2.2 Existing Conditions

All existing conditions of equipment, easements, attachments, anchors, and other facilities owned by Occupant and in compliance with the NESC and the District's construction standards in place at the time of construction or installation are considered accepted.

2.3 Permits Required Prior to Undertaking any Pole Attachment Projects

In accordance with OAR 860-028-0100 and 860-028- 120 Occupant, as a government entity, may not initiate construction on any Pole Attachment Project unless and until a Permit has been granted to it by the District with respect to such Pole Attachment Project unless the attachment be authorized by and/or permission granted by the District.

2.4 Relationship of the Parties

No use by Occupant, however extended, of any of the Poles under this Agreement shall create or vest in Occupant any ownership or property rights with respect to such Poles. Occupant's rights with respect to the use of any Poles shall be and remain a permit, which, as to any particular Pole may be terminated by the District pursuant to the terms of this Agreement. Occupant understands and agrees that the right to use any Poles as granted herein is non-exclusive. The District may grant similar rights to other persons for the use of the same Poles; provided, however, that any rights subsequently granted by the District to another person shall not interfere with any rights previously granted to Occupant hereunder. In such cases, the Senior Attachment shall have priority over subsequent Pole Attachments.

2.5 Primary Use of Poles

Occupant understands and agrees that the Poles are and will be used primarily by the District for the purpose of providing and managing electric service. Occupant's use of such Poles will be secondary and subordinate to the District's electric service obligations.

2.6 Prohibited Equipment

No Permit will be granted by the District hereunder for the attachment to Poles of any equipment that either transmits or receives radio frequencies. No Permit will be granted by the District hereunder for the attachment to Poles of any backup power supply equipment. Such prohibition shall include both attachments to Poles and the placement of such equipment between Pole spans.

2.7 Use of Occupant Equipment Attached to Poles

Occupant's Pole Attachments shall be used solely for the purposes of providing communications services. Occupant is solely responsible for ensuring that its communications services comply with all applicable federal, state, and local laws. In this regard, Occupant shall not use any Pole Attachment for any purpose that is not authorized by law.

2.8 Term

This Agreement shall continue in force and effect for a period of one (1) year from the Effective Date, and thereafter from year to year unless terminated by either Party by giving written notice not less than thirty (30) days prior to the end of such term. The provisions of this agreement shall only apply to Pole Attachments sought under the Term of the Agreement.

3.0 POLE ATTACHMENT PROCEDURES AND COSTS

3.1 Permits Required for Pole Attachment Projects

Occupant when possible shall first obtain from the District a Permit prior to initiating construction on any Pole Attachment Project. Except as otherwise expressly provided herein, any Pole Attachment Project made without a Permit shall be considered an Unauthorized Pole Attachment and subject to sanctions pursuant to Section 10.4. Except as it applies to Occupant under OAR 860-028-0140(5)

3.1.1 Service Drops

Notwithstanding the forgoing, Occupant may attach Service Drops to Poles prior to obtaining a Permit. Within seven (7) calendar days following installation, Occupant shall file with the District a complete Permit Application for such Service Drops. If Occupant fails to submit a Permit Application for an installed Service Drop within the time allowed, such Service Drop shall be considered an Unauthorized Pole Attachment. The District reserves the right to deny any Permit Application or condition any Permit for an installed Service Drop based upon the criteria otherwise set forth herein with respect to Permit Applications generally. A Service Drop for which the Permit Application has been rejected shall be removed by Occupant within thirty (30) days or some mutually satisfactory longer period.

3.1.2 Overlashing

Occupant may Overlash equipment only to its own lawfully installed Pole Attachments. Occupant may not Overlash equipment to a Pole Attachment of any other person. Occupant shall submit to the District a Permit Application prior to initiating construction of any Overlashed equipment. The District reserves the right to reject the Permit Application for any reason allowed by this Agreement or by law. Any Overlashing by Occupant shall be consistent with all other applicable requirements of this Agreement, the District's technical specifications as detailed in Exhibit B, the NESC, and applicable law. If Occupant does not comply with any of the requirements of this Section with respect to any Overlashing, the District may treat such Overlashing as an Unauthorized Pole Attachment.

3.2 Permit Application Process

To apply for a Permit under this Agreement, Occupant shall submit to the District a Pole Attachment ticket through NJUNS ("PA Ticket") with the District's Permit Application Exhibit (A) and a pole load analysis report ("PLA Report") attached thereto. The Permit Application form may be revised from time to time in the reasonable discretion of the District. Occupant may cancel a Permit issued under this Agreement pursuant to Section 10.

3.2.1 Permit Application Exhibit (A) Required Information

Each Permit Application under this Agreement shall specify the affected Pole number (normally attached to the Pole), and the physical location description with accompanying map of such Pole. Each Permit Application shall include: (i) a description of Occupant's equipment to be attached or Modified; and (ii) an installation diagram showing the placement of Occupant's equipment in relation to District Facilities and any other existing Pole Attachments. Costs for Permit Application processing shall be billed quarterly to the Occupant, which invoice shall be paid within forty-five (45) days of the invoice date. If such Permit Application processing Costs are not timely paid, then the District may reject the Permit Application or revoke any Permits issued pursuant to such Permit Application. The District also may charge Occupant the non-compliant Annual License Fee.

3.2.2 Pole Loading Analysis Engineering Report

For each Pole subject to a Permit Application, Occupant will provide a PLA Report. For purposes of the PLA Report, Occupant's equipment shall be constructed to NESC Medium Loading District; Grade C Construction, ½ half inch ice thickness; 4.0 (psf) wind pressure; and a pole strength factor of 85%. If more than one condition applies to the construction of an overhead line, the condition requiring the higher grade of construction is to be used. It is recognized that deformation, deflections, or displacement of parts of the structure may change the effects of the loads assumed. In the calculation of stresses, allowances may be made, with agreement from the District, when the effects can be evaluated.

To facilitate generating the PLA Report, upon request the District will provide Occupant specific Pole and Facility information as well as calibrated pictures for each Pole. For instance, Engineers can create templates for like Pole configurations in the OCalc software to facilitate PLAs for every pole.

At the District's discretion, District will accept PLA Reports, Pole images, and installation diagrams generated from pole loading software programs such as, but not limited to, PLS Pole CADD, O-Calc Pro, PoleForeman, SPIDACalc.

3.2.3 Attachments per Permit Application

Each individual Permit Application for the installation of new Pole Attachments may be for a maximum of ten (10) new Pole Attachments.

3.2.4 Large Pole Attachment Projects

Before processing Permit Applications for a single Pole Attachment Project, or a group of small Pole Attachment Projects within any thirty (30) day period, that involves greater than the Threshold Number of Poles, the Occupant may request a Pole Attachment Project planning meeting between Occupant and District within thirty (30) calendar days of receipt of a complete Permit Application to determine scope of work, party responsibility, time schedule, and Cost allocation.

3.2.5 Occupant Permit Costs

Costs payable by Occupant under this Agreement may include, without limitation: Permit Application processing; preconstruction activity; Post-Construction Inspections; and Make-Ready.

3.2.6 NJUNS

NJUNS is the District's preferred electronic notification system for Permit Applications, notifications and transaction processing. The District reserves the right, upon advance written notice, to require Occupant to use a notification system other than NJUNS.

3.3 District Response to Permit Applications

For Permit Applications involving less than the Threshold Number of Poles, the District shall provide an initial response to Occupant within fifteen (15) calendar days of receiving the Permit Application. The District's initial response shall confirm receipt its receipt of the Permit

Application and identify any deficiencies, including missing information. If the Permit Application is incomplete or defective, the District may suspend processing the Permit Application until the missing information is provided or the defects have been cured. If the missing information is not provided or the defects cured in a timely manner, the District reserves the right to reject the Permit Application.

3.4 Preconstruction Survey

Upon receipt of a complete Permit Application, the District may, at the District's discretion or at the request of the Occupant, conduct a Preconstruction Survey. Upon Occupant's request, the District will conduct a Preconstruction Survey together with representatives of the Occupant. In either case, the Costs incurred by the District to complete the Preconstruction Survey shall be paid the by the Occupant. The Preconstruction Survey may be needed to determine:

- a. Whether such Pole or Poles are suitable for the proposed Pole Attachment Project;
- b. Whether any rearrangement of District Facilities or other Pole Attachments on a Pole, or other changes, are necessary to accommodate Occupant's proposed Pole Attachment Project;
- c. Whether any Pole in question requires strengthening, including the addition of Guy Wires, Anchors, and/or stubbing; and
- d. Whether any Pole requires replacement with a taller or higher strength class Pole.

3.5 Acceptance or Rejection of Permit Application

Following completion of the Preconstruction Survey the District shall notify Occupant whether the Permit Application is approved, approved with modifications or conditions, or denied. If the District denies the Permit Application, it will do so within the applicable timeframes and describe in reasonable detail the reasons for the denial.

3.5.1 District's Failure to Timely Respond to Permit

In accordance with OAR 860-028-0100, if the District does not provide Occupant with notice within forty-five (45) days from its receipt that the Permit Application is approved, denied, or conditioned, then Occupant may begin its proposed Pole Attachment Project. In such instances, Occupant shall provide notice prior to beginning work. Commencement of the Pole Attachment Project by Occupant pursuant to this Section 3.5.1 will not be construed as completion of the Permit Application process or waiver of the requirement to obtain a Permit. The District reserves all rights to deny the Permit Application consistent with the terms of this Agreement and applicable law. Pole Attachment Projects initiated under this Section are not subject to sanction as set forth in OAR 860-028-0140.

3.6 Make-Ready Work

If the District's approval of an Application Permit is conditioned upon the completion of Make-Ready work, then, upon Occupant's written approval, the District shall complete such Make-Ready work at Occupant's expense as set forth below.

3.6.1 Cost Estimate

The District shall provide Occupant a written estimate the Costs of any required Make-Ready work. The engineering and construction work required to modify or replace an existing Pole rendering it suitable for the proposed Pole Attachment Project shall include those items described in Sections 3.4(b), 3.4(c), and 3.4(d). The estimated Costs of Make-Ready work may include, without limitation, all labor and equipment expenses reasonably incurred and verifiable by the District to transport, set, strengthen, or remove a Pole.

3.6.2 Occupant's Engineering Review

Upon Occupant's request, the District shall permit Occupant to review any proposed Make-Ready work plans, together with available supporting Cost details. The District will consider any reasonable objections or comments made by the Occupant; provided, however, that the final decision regarding the necessity and Cost for any Make-Ready work shall be made by the District in its sole but reasonable discretion.

3.6.3 Make-Ready Confirmation by Occupant

Within forty five (45) days after the District's written notification to the Occupant of the estimated Make-Ready work Cost, Occupant shall confirm through NJUNS whether or not it elects to have the District proceed with the Make-Ready work. If Occupant declines to proceed with the Make-Ready work or does not respond within forty five (45) days, then the District will deem Occupant's Permit Application as being withdrawn.

3.6.4 Advance Payment of Estimated Costs

If Occupant authorizes the District to proceed with the required Make-Ready work, Occupant shall pay to the District in advance the full amount of the Make-Ready work Costs as estimated by the District. If Occupant fails to make advance payment within forty five (45) days of its authorization of the Make-Ready work, the District will deem Occupant's Permit Application as being withdrawn. Upon receipt of the advance payment of the estimated Make-Ready work Costs, the District shall complete the required Make-Ready work within a commercially reasonable time. If the actual Costs of the Make-Ready work are less than the prepayment amount, the District will promptly refund the difference to Occupant. If the actual Costs of the Make Ready work exceed the prepayment amount, the District shall invoice Occupant for payment of the balance. Notwithstanding the forgoing, if the District determines during the course of completing the Make-Ready work that the actual Cost of the Make-Ready work is likely to exceed the prepaid estimated costs by more than twenty five percent (25%), then the District will halt work and provide Occupant with an updated Cost estimate to complete the Make-Ready work. In such case, Occupant shall have thirty (30) days in which to notify the District whether Occupant authorizes the District to complete the Make-Ready work. If Occupant declines completion of the Work-Ready work, then the District may retain that portion of the prepayment amount to cover its actual Costs to date and will promptly refund the difference to Occupant.

3.7 Issuance of Permit

When Occupant's Permit Application is approved, and any required Make-Ready work has been completed, the District will issue to Occupant through NJUNS a Permit authorizing Occupant to proceed with the Pole Attachment Project. A Permit does not relieve the Occupant of any obligations or liabilities due under this Agreement. Except as otherwise expressly provided herein, any Pole Attachment Project made without a Permit shall be considered an Unauthorized Pole Attachment and subject to sanctions pursuant to Section 10.4.

3.8 Completion of Permitted Pole Attachment Project

Occupant must complete its Pole Attachment Project within one hundred eighty (180) days of its receipt of a District approved Permit, or within some other specified period of time as mutually agreed by the Parties. Occupant shall provide the District a notice of completion within forty five (45) days after completion of the Pole Attachment Project. If Occupant fails to complete its Pole Attachment Project within the time allowed, then the Parties shall negotiate a mutually satisfactory longer period to complete the work.

3.8.1 Post-Construction Inspection

Upon receipt of a notice of completion, the District shall have the right to inspect Occupant's Pole Attachment Project. If the completed Pole Attachment Project is not in material compliance with the Permit, this Agreement, the NESC, and applicable law, the District will require Occupant to correct the deficiency and the District may thereafter re-inspect the Pole Attachment Project. The District reserves the right to charge Occupant its actual Costs for the initial and any necessary follow-up Post-Construction Inspections.

4.0 RENTALS, CHARGES, AND RATES

4.1 Annual License Fee

Each Billable Pole Attachment made pursuant to this Agreement shall be subject to an Annual License Fee in the amount set forth in the attached Exhibit C.

4.2 Annual License Fee Invoice and Payment

On or about July 1st of each year, the District shall issue Occupant an invoice for the previous calendar year's Annual License Fee. Invoices shall be considered delinquent if payment is not received in full forty five (45) days of the date of such invoice. All disputed amounts shall be subject to the dispute resolution clause contained in this Agreement.

4.3 Annual License Fee Method of Computation

The amount of Annual License Fee due by Occupant for a calendar year shall be determined by the District based upon the total number of Billable Pole Attachments held by Occupant during such calendar year, regardless of whether or not such Billable Pole Attachments were in place for only part of the calendar year, multiplied by the then-current Annual License Fee set forth in Exhibit C.

4.4 Late Payments

A late payment charge in an amount set forth in the attached Exhibit C shall be added to any past due payment obligation under this Agreement.

5.0 OPERATIONS AND MAINTENANCE

5.1 Permission for Occupant's Pole Attachments

Occupant shall be responsible for obtaining any generally applicable building licenses, permits, easements, authorizations or certificates necessary to install, construct, operate, maintain and remove Occupant's Pole Attachments. The District shall have the right to request evidence prior to Occupant construction activities affecting a Pole that all such authorizations and permits have been obtained.

5.1.1 Existing District Easements

Occupant understands that the District's existing easements to place a Pole on private property may not apply to Occupant's Pole Attachments. Occupant shall be solely responsible for obtaining any necessary easements for Occupant's Pole Attachments, if necessary pursuant to Section 5.1 above. At request of Occupant, and at the discretion of the District, any district easements that can be extended to the Occupant will be so extended as part of the Occupant's Pole Attachment. The District shall be reimbursed by Occupant for any costs incurred by District to extend any existing easements to include Occupant's Pole Attachments. The District shall invoice Occupant and Occupant shall pay such invoice within forty-five (45) days.

5.1.2 Future District Easements

If the District obtains future easements to place a Pole on private property the District, may attempt in good faith, but shall have no obligation, to obtain an easement that allows for Occupant's Pole Attachments.

5.2 Occupant Construction, Contractors and Subcontractors

Occupant shall be responsible for installing, constructing, and maintaining all Occupant Pole Attachments at Occupant's sole cost and expense. Occupant shall be solely responsible for directing, supervising, and paying all of its contractors and subcontractors. Occupant shall remain responsible and liable for the performance and activities of its contractors and subcontractors. Occupant shall ensure that any contractors and subcontractors comply with all applicable specifications and standard of this Agreement. Occupant shall not permit any mechanic's lien, material man's lien, or any other lien, claim, or security interest to attach or encumber any of the Poles, Facilities, or other District property at any time.

5.3 Construction Standards and Specifications

Occupant shall construct, attach, place, and maintain all Pole Attachments in compliance with the NESC, applicable law, and the District's construction specifications attached hereto as Exhibit B, in each case that are either: (a) in effect at the time the Pole Attachment is installed; or (b) adopted after the Pole Attachment is installed but only if expressly applicable to existing Pole Attachments.

5.4 Pole Changes

The District reserves the right to maintain its Poles and to operate all Facilities thereon in such manner as will best enable the District to fulfill and manage its electric service requirements. Occupant acknowledges that, from time to time, it may be necessary or desirable for the District to replace, relocate, reconstruct, or rearrange its Poles. The District reserves the right at any time to add Facilities to its Poles, to raise the voltage on its circuits or change their character or location on the Pole. In such case, the District may require Occupant to rearrange its Pole Attachments, including moving its Pole Attachments to a new Pole. Except as otherwise required in this Agreement or by Applicable Law, Occupant will perform any such rearrangement required by the District within thirty days (30) days of receiving written notice from the District. Upon completion of the rearrangement, Occupant will notify District via NJUNS of the same. If Occupant fails to complete such rearrangement within thirty (30) days, the District may complete such rearrangement at District's sole cost and expense. Occupant shall not be required to rearrange its Pole Attachments at Occupant's sole cost and expense to the extent that such rearrangement is required to accommodate a person other than the District.

5.4.1

If any person that is not a party to this Agreement has a Pole Attachment located above Occupant's Pole Attachment on Owner's replaced Pole, Occupant's forty-five (45) day period to Transfer its Pole Attachments shall not commence until Occupant receives NJUNS notice that the Pole Attachment above Occupant's Pole Attachment has been relocated. If Occupant is the final entity to complete all necessary facility Transfers on the Pole, Occupant shall pull and dispose of the old Pole. If Occupant fails to complete such rearrangement and, if applicable, pull the Pole within forty-five (45) days, then the District may, at its sole discretion, choose to complete such Transfer at District's sole expense or transfer to Occupant ownership of the old Pole.

5.5 Inspections and Audits

5.5.1 Audit

The District may, in its sole discretion, conduct an Audit of its Poles. The District will give Occupant at least six (6) months advance notice of its intent to conduct an Audit. The District's notice of its intent to conduct an Audit shall include the District's written record of the total number of Occupant's Billable Pole Attachments. The Parties shall compare their respective written records of Billable Pole Attachments and shall work together in good faith to reconcile any differences. If the Parties' respective written records differ by more than one and a half percent (1.5%) of District's Billable Pole Attachments, and the Parties are unable to reconcile such difference within ninety (90) days of the District's written notice of its intent to conduct an Audit, then Occupant shall become liable for reimbursing the District for a *pro-rata* share of the reasonable Costs incurred by the District to complete a field Audit of its Billable Pole Attachments. Occupant's *pro rata* share shall be determined by dividing the number of Occupant's

Pole Attachments by the total number of Pole Attachments in the communications space (and below) of the Poles by all other attachers. The District shall invoice Occupant upon completion of the Audit, and Occupant shall pay such invoice within sixty (60) days. The District shall have the right to charge Occupant a *pro-rata* share of Audit Costs no more than once every three (3) years.

5.5.2 Periodic Inspections

In addition to Audits, the District reserves all rights allowed by applicable law to conduct Periodic Inspections at the sole cost and expense of the District.

5.5.3 No District Liability for Inspections

Neither the inspection by the District of Occupant's Pole Attachment, nor any failure to inspect Occupant's Pole Attachment, shall impose on the District any liability of any kind whatsoever or relieve Occupant of any responsibility, obligations, or liability under this Agreement.

5.6 Use of District's Anchors

Occupant may, with District's written approval, use District Anchors to secure Occupant's Pole Attachment if open and available. Absent written consent of the District to use District Anchors, Occupant is to anchor Occupant's Pole Attachment to an Anchor owned, installed, and maintained by the Occupant.

5.6.1 Anchor Replacement

If Occupant is using a District Anchor to secure any Occupant's Pole Attachment and the District determines that the Anchor is inadequate to hold Occupant's Pole Attachment strains, the District may at any time require Occupant to, at Occupant sole cost and expense, install a new Anchor and Transfer Occupant's Pole Attachment to the new Anchor.

5.7 Identification Tagging

Occupant shall provide a system for the identification from the ground of any Occupant's Pole Attachment on or near Poles. The District's preferred method of identification is the installation of colored tags on Occupant's Pole Attachment at the point of attachment to the Pole.

5.8 Vegetation Management Around Occupant's Pole Attachments

Any vegetation clearing and tree trimming necessary to accommodate Occupant's Pole Attachments and to keep them in a safe and serviceable condition shall be done by Occupant with the appropriate landowner's consent at the expense and risk of Occupant. Occupant agrees to adhere to the tree-trimming specifications of the NESC and OAR 860-028-0120(7). The District shall provide NJUNS notification to Occupant upon discovery that vegetation trimming or tree trimming is required with respect to any of Occupant's Pole Attachments. Occupant shall thereafter have a reasonable time to complete such clearing or trimming.

6.0 VIOLATIONS

6.1 Notice of Violation

District shall provide Occupant a written notice of any violation of this Agreement, the terms of a Permit, applicable law, or applicable safety standards that the District identifies with respect to any Occupant's Pole Attachments on or affecting a Pole. The written notice shall set forth in reasonable detail the location of the Pole, the identification of Occupant's Pole Attachment, and the nature of the safety violation.

6.2 Correction of Violations

In accordance with OAR 860-0028-0120 (5), upon receipt of a notice of violation, Occupant shall either correct the violation within one hundred eighty (180) days or submit to the District a plan of correction within sixty (60) days.

6.2.1 Emergency Conditions

Notwithstanding the forgoing, the District may elect to immediately correct at Occupant's sole cost and expense any violations associated with Occupant's Pole Attachment that pose an imminent threat of property damage or personal injury.

7.0 INDEMNITY; LIMITATION OF LIABILITIES

7.1 Indemnification

Occupant shall indemnify and hold harmless the District, its directors, employees, and agents, from and against any and all third-party claims, demands, causes of action, damages, and costs, including reasonable attorney's fees, arising out of Occupant's acts or omissions (including those of its contractors or subcontractors) pursuant to this Agreement, (including, without limitation, the installation, construction, operation, or maintenance of Occupant's Pole Attachments). Notwithstanding the forgoing, Occupant shall have no obligation to indemnify the District under this Agreement to the extent of the District's negligence or willful misconduct.

7.2 Damage to District Facility or other Pole Attachments

Occupant (including its contractors and subcontractors) shall exercise reasonable care to avoid damaging any Poles, Facilities, or Pole Attachments of other persons. Occupant shall immediately report to the District any such damage caused by Occupant. In such case, Occupant shall reimburse the District for all Costs incurred by the District to repair such damaged Poles or Facilities. District (including its contractors and subcontractors) shall exercise reasonable care to avoid damaging any Poles, Facilities, or Pole Attachments of other persons. District shall immediately report to the Occupant any such damage caused by District. In such case, District

shall reimburse the Occupant for all actual Costs incurred by the Occupant to repair such damaged Poles or Facilities.

7.3 Limitation of Liability for Service Interruption

Except for third-party claims arising under Section 7.1 above, neither Party shall be liable to the other Party or to the other Party's customers for any special, indirect, or consequential damages associated with any interruption of the other Party's service.

7.4 No Warranties of Pole Conditions

The District does not warrant the condition or safety of any Poles or the premises surrounding the same. Occupant shall be responsible for inspecting such Poles prior to accessing or attaching any Occupant's Pole Attachments on or around them. Occupant assumes all risks of any damage, injury or loss of any nature whatsoever caused by or in connection with its use of or access to the Poles.

8.0 INSURANCE

8.1 Insurance

Occupant shall obtain and maintain insurance policies having at least the coverage limits set forth below. Such policies (excepting Workers Compensation) shall include the District as an additional insured. Within thirty (30) days following the Effective Date, and thereafter upon request by the District, Occupant will make available proof of insurance evidencing the required coverage. In the event that the Occupant fails to maintain the required insurance coverage, and in addition to any other remedies that may be available to it, District may obtain replacement insurance at the Occupant's sole expense.

8.2 Insurance Limits

Occupant shall maintain the following types and amounts of insurance:

8.2.1 Commercial General Liability Insurance

Including coverage for Contractual Liability and Products/Completed Operations Liability, with a limit of not less than \$2,000,000 combined single limit per occurrence for bodily injury, property damage and personal injury liability; and

8.2.2 Automobile Liability Insurance

Covering the ownership, maintenance or use of any owned, non-owned or hired automobile with a limit of not less than \$2,000,000 combined single limit per accident for bodily injury and property damage liability; and

8.2.3 Workers Compensation Insurance

As required under Oregon law; and

8.2.4 Umbrella/Excess Liability

With limits of not less than \$2,000,000 combined single limit in excess of the above referenced Commercial General Liability, Automobile Liability and Workers Compensation Insurance (Employers Liability).

8.3 Increase in Limits

The District may reasonably require an increase in the limits of liability insurance at the time of renewal for the upcoming policy year during the term of this Agreement in its reasonable discretion consistent with industry standards. Within sixty (60) days of the time of renewal Occupant shall make available evidence to the District that its insurance coverage complies with the increased amounts.

8.4 Term of Insurance Required

Occupant and District shall maintain the required insurance coverage for the full term of this Agreement and following the expiration or termination of this Agreement until such time as all of Occupant's Pole Attachments have been removed from all Poles and District Anchors.

8.5 Notification of Claims

The Occupant and District shall promptly advise one another of all claims against such insurance coverage relating to damage to property or injury to or death of persons, arising or alleged to have arisen in any manner by, or directly or indirectly associated with, the erection, maintenance, presence, use or removal of Occupant's Pole Attachments.

9.0 SECURITY

9.1 Security Requirement

Occupant furnish financial security to the District to secure Occupant's payment of obligations due and owing under this Agreement. Occupant shall maintain the required financial security for the full term of this Agreement and following the expiration or termination of this Agreement until such time as all of Occupant's Pole Attachments have been removed from all Poles and District Anchors. The furnishing of security shall not relieve Occupant of any of its obligations under this Agreement.

9.2 Amount of Security

The amount of the security required shall be set forth in Exhibit D. The District may change the amount of the security during the term of this Agreement provided that the District give Occupant at least six (6) months written notice of any increase in the amount of security requirements. The amount of the security shall not operate as a limitation upon the obligations or liability of Occupant hereunder.

9.3 Form of Security

The security provided by Occupant under this Agreement may be, at the election of Occupant, either a performance bond, cash deposit, a letter of credit, or a parent guaranty. A performance bond or letter of credit shall be issued by a surety licensed to do business in the State of Oregon. The form, sufficiency, and issuer of any security instrument proposed by Occupant shall be subject to the District's reasonable approval.

9.3.2 Any cash deposits held during the term of this Agreement as security shall be placed in an interest-bearing account and Occupant shall be entitled to a credit for the interest income on said cash deposit. In the event District shall apply some or all of the cash deposit towards payment of an amount due to District, Occupant must restore to its deposit the amount so applied within thirty (30) days after notice of such application irrespective of whether or not Occupant contests its liability or commences any legal proceedings to determine its liability. Failure to restore its cash deposit to the required security amount shall constitute a default under this Agreement.

9.4 District Access to Financial Security

If Occupant fails to timely pay any sum due under this Agreement, the District shall have the right, with prior notice to Occupant and in addition to any other remedies available to the District, to seek to apply any or all financial security provided by Occupant hereunder towards payment of the sums due District.

10.0 DEFAULT, TERMINATION AND REMEDIES

10.1 Events of Default

The following shall be Events of Default:

- (a) Failure of Occupant to timely pay any amount due hereunder unless such amount is subject to a bona fide dispute consistent with the terms and conditions of this Agreement.
- (b) Failure of Occupant to maintain the insurance required hereunder.
- (c) Failure of Occupant to maintain the financial security required hereunder.
- (d) The failure of either Party to substantially satisfy any other material performance obligation under this Agreement if, following written notice of such failure, the defaulting Party fails or refuses to cure or take reasonable steps towards the curing of the default within thirty (30) days or such other time limit allowed under this Agreement or by applicable law.

10.2 Termination for Event of Default

Either Party may terminate this Agreement as a remedy for an Event of Default that is not timely cured by the other Party. Such termination shall be effective upon written notice by the non-defaulting Party and shall not limit or restrict any other rights or remedies either Party may have under applicable Law and this Agreement.

10.3 Termination by Occupant

Occupant may terminate this Agreement at any time in its sole discretion.

10.4 Effect of Agreement Termination

Upon Termination of this Agreement pursuant to Section 10.2 by either Party or pursuant to Section 10.3 by Occupant, termination of this Agreement shall not affect either Party's liabilities and obligations incurred hereunder prior to the Effective Date of such termination, which remain subject to the applicable statute of limitations.

10.5 Permit Cancellation or Revocation

Occupant shall have the right to cancel one or more Permits issued hereunder with or without cause by removing Occupant’s Pole Attachment from the corresponding Pole and by giving the District notice using NJUNS within ten (10) days of removal.

10.6 Sanctions

As defined in OAR 860-028-0140(5) there are no sanctions a pole owner may impose upon a pole occupant that is a government entity.

11.0 MISCELLANEOUS

11.1 Assignment

Occupant shall not assign or transfer this Agreement, or any Permit issued under this Agreement without the prior written consent of the District. The District shall not unreasonably withhold, condition, or delay consent. Notwithstanding the forgoing, no consent shall be required for an assignment by Occupant for collateral purposes or for an assignment to an affiliate of Occupant due to a corporate reorganization, provided that such affiliate agrees to be bound by this Agreement as if it were the original Occupant hereunder. Upon any valid assignment of this Agreement by Occupant, the provisions of this Agreement shall apply to and bind the assigns of the Occupant.

11.2 Notices

Except by use of NJUNS as otherwise stated in the Agreement, any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, or delivered by a reputable overnight courier, with tracking capabilities, addressed to the Parties as follows:

<p>If to District: Northern Wasco County People’s Utility District 2345 River Road The Dalles, OR 97058 Attn: Tom McGowan - Program Manager or General Manager Phone: 541-296-2226</p>	<p>If to Occupant: QualityLife Attn: Matthew Klebes or Qlife Administrator Title: QLife Administrator 511 Washington St Suite 101 The Dalles, OR 97058 Phone: 541-506-2552</p>

Any notice or other communication related to this Agreement shall be deemed to have been received if delivered in person, deposited in the mail, postage prepaid and properly addressed, or sent by acknowledged delivery.

11.3 Attorney Fees

If any suit or action is filed by any Party to enforce this Agreement or otherwise with respect to the subject matter of this Agreement, the prevailing Party shall be entitled to recover reasonable attorney fees and legal costs.

11.4 Amendment

Except as reserved herein, this Agreement may be amended only by an instrument in writing executed by both Parties.

11.5 Headings

The headings used in this Agreement are solely for convenience of reference, are not part of this Agreement, and are not to be considered in construing or interpreting this Agreement.

11.6 Entire Agreement

This Agreement (including the Exhibits) sets forth the entire understanding of the Parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, whether written or oral, between the Parties with respect to such subject matter.

11.7 Counterparts

This Agreement may be executed by the Parties in separate counterparts, each of which when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.

11.8 Severability

If any provision of this Agreement shall be invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this Agreement shall not be in any way impaired.

11.9 Waiver

No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Failure to strictly enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.

11.10 Time of Essence

Time is of the essence for each provision of this Agreement for a specific deadline is given.

11.11 Governing Law

Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

11.12 Dispute Resolution

If a dispute arises concerning either Party's obligations under this Agreement, the disputing Party shall provide written notice to the other Party describing in reasonable detail the nature of the dispute. If the dispute concerns the payment of money due under any provision of this Agreement, then the disputing Party shall timely pay the undisputed amount pending resolution of the dispute. There shall not be an Event of Default with respect to a Party so long as its failure to perform is and remains subject to a bona fide dispute under this provision. The Parties will attempt to resolve the dispute within sixty (60) days of written notice of the dispute by holding executive level discussions. The executives must have authority to make binding decisions on behalf of the respective Party. If the Parties are unable to resolve the dispute with sixty (60) days, either Party may resort to any other right or remedy to which it is entitled under this Agreement, at law or in equity.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the day and year first above written.

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT

By: _____

Title: _____

Date: _____

QualityLife Intergovernmental Agency

By: _____

Title: _____

Date: _____

Attached Exhibits:

- A. Pole Attachment Application Form
- B. Construction Standards and Specifications Joint Use Attachments
- C. Fee Schedule
- D. Bonding Fee Schedule
- E. Security Amount

EXHIBIT A - PERMIT APPLICATION

NJUNS/Foreign App. # _____
 Company / Licensee / Occupant _____
 Contact Person _____

Date _____
 Phone _____



NWCPUD Permit # _____

City _____
 State Oregon

Pole Number and Location Information				Proposed Attachment				New Cable Information			Total Bundle		Existing Attachments List distance from attachment to ground of street surface (Ft. & In.)										Make-Ready		
#	NWCPUD Pole Number	Trans. Pole Y/N	Pole Address (Location)	Height (Ft. & In.)	Attachment Action	Attachment Point Method	Attachment Type	New Cable Name	Diam.	lbs/ Ft.	Diam.	lbs/ Ft.	Lowest Power Secondary	Street Light Mast	Street Light Conductor	Cable TV	Tele- phone	Fiber	Other _____	Lowest Comm. Midspan	Midspan Pole Reference #	Span to Next Pole (Ft.)	Slack Span Y/N?	Describe all Make Ready Required to complete your attachment in compliance with NES, NWCPUD and Local standards	
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Exhibit B

Construction Standards and Specifications for Pole Attachments

This document establishes the attachment, grounding and vertical clearance requirements for non-District-owned communications cables, wires and equipment attached to District owned poles.

Definitions

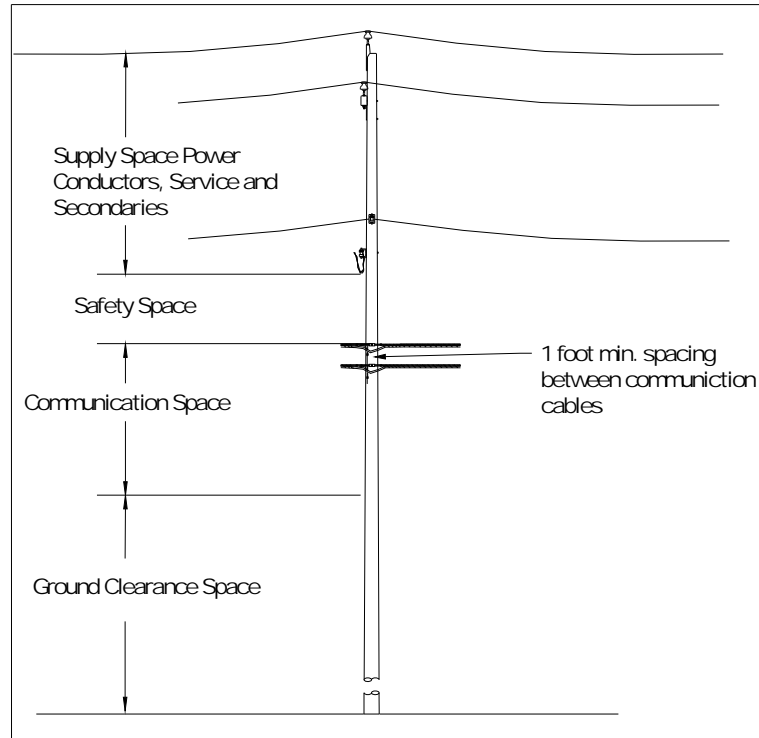
These are definitions of terms used in this standard. **Figure 1** illustrates these terms.

Term	Definition
Clearance	The vertical distance between the nearest surfaces of two objects.
Communication Space	The vertical space on a pole below the CWSZ occupied by communication cables and above the ground clearance space. <i>Note: Wires, cables, or equipment attached in the communications space shall start at the lowest level of the pole above the required ground clearance space.</i>
Communications Workers Safety Zone (CWSZ)	The vertical space on a pole below the supply space and above the communications space. This space is intended to provide a working clearance space for workers in the communications space.
Covered street light wire	Insulated street light conductor covered with a second protective insulated coating or molding. Figures 14 and 15
District	Northern Wasco County People's Utility District
Field face quadrant	The quarter section of a pole on the field side of the pole marking disk. Figure 3
Ground Clearance Space	Vertical space on the pole below the communication space to the ground line.
Occupant	For the purposes of this Exhibit "B", any entity (telephone utility; cable TV company; communications company; federal, state, or public agency, or other private company or individual) other than District that attaches equipment to a District owned pole.
Pole face	The side or half of the pole that contains the pole marking disk.
Pole marking disk	The metal disk or name tag on the pole that contains the pole manufacturing information located visibly above ground.
Road face quadrant	The quarter section of the pole on the road side of the pole marking disk.

Exhibit B

Safety Space	See Communications Worker Safety Zone <i>Note: :The term "safety space" is used in the standard for purpose of clarity.</i>
Service Drop	A specialized attachment connection from distribution facilities to a single family, duplex, or triplex residence or similar small commercial facility.
Supply space	The vertical space on a pole that is occupied by District supply conductors and/or hardware. The bottom of the supply space is the bottom of the lowest District-owned conductor, communications conductor, hardware, or equipment on the pole, excluding street light hardware (or drip loop)

Figure 1 Space Allocation on a Pole:



Pole Attachment Requirements

Applications

The Pole Attachment Application form is detailed in Exhibit A.

Approval Required Before Construction

An approved Permit Attachment Application for a Pole Attachment from District will be required **before** installing any Pole Attachment on a District pole; except for service drops (SD).

Service Drop Approval

A Permit Application for service drops (SD) shall be applied for within seven (7) days of physical installation. A Pole Attachment Permit will be issued upon verification of the Permit Application information and inspection of the installation.

Attachment Technical Data Requirements

The Occupant shall provide Pole Loading engineering data for each Pole Attachment in accordance with Section 3.0 by providing a Pole Loading Analysis (PLA) report. Occupant's facilities shall be constructed to NESC Medium Loading District; Grade B Construction, ½ half inch ice thickness; 4.0 (psf) wind pressure; and a pole strength factor of 85%.

To facilitate generating the PLA report, the District will provide Occupant specific Pole and Facility information as well as calibrated images for each Pole.

Codes

All equipment and hardware shall be mounted on the pole in a way that provides adequate climbing and working space. In all cases, clearances and separations as required in the NESC and Oregon Administrative Rules shall be met. All construction on newly installed poles shall be installed on the approved side of the pole and meet the requirements of the current adopted NESC and this standard.

Clearances not specified in this standard shall be determined by reference to the NESC.

Exhibit B

Cables and Wires Pole Location

For...	Do This ...	
Cables & Wires	IF . . .	THEN . . .
	The power neutral conductor is attached directly to the pole	Communication cables shall be installed on the same side of the pole
	If. . .	Then . . .
	The power neutral conductor is on a primary crossarm	Communication cables shall be installed on the road side of the pole
	Install cables so that all NESC clearances are maintained on structure and mid-span.	
	All service drops and tap lines toward the opposite side of the pole shall be made on a minimum thirty six (36) inches away from the surface of the pole on the support messenger if available.	
	The line angle of taps and service drops attached to supporting cables between poles shall not be less than 60°.	
	Tension or guy Occupant cables & wire to not alter the existing angle of the structure or change the sag of the power supply conductors.	
Guys & Anchors	Install Occupant anchors with a minimum of five (5) horizontal feet from District anchors.	
	Install and pre-tension guys before installation of messenger, wire or self supporting cable.	

Pole Drilling

Existing holes shall be used for equipment mounting whenever possible.

No field drilling shall be done without District approval **prior** to drilling. Drilling location will be determined by District.

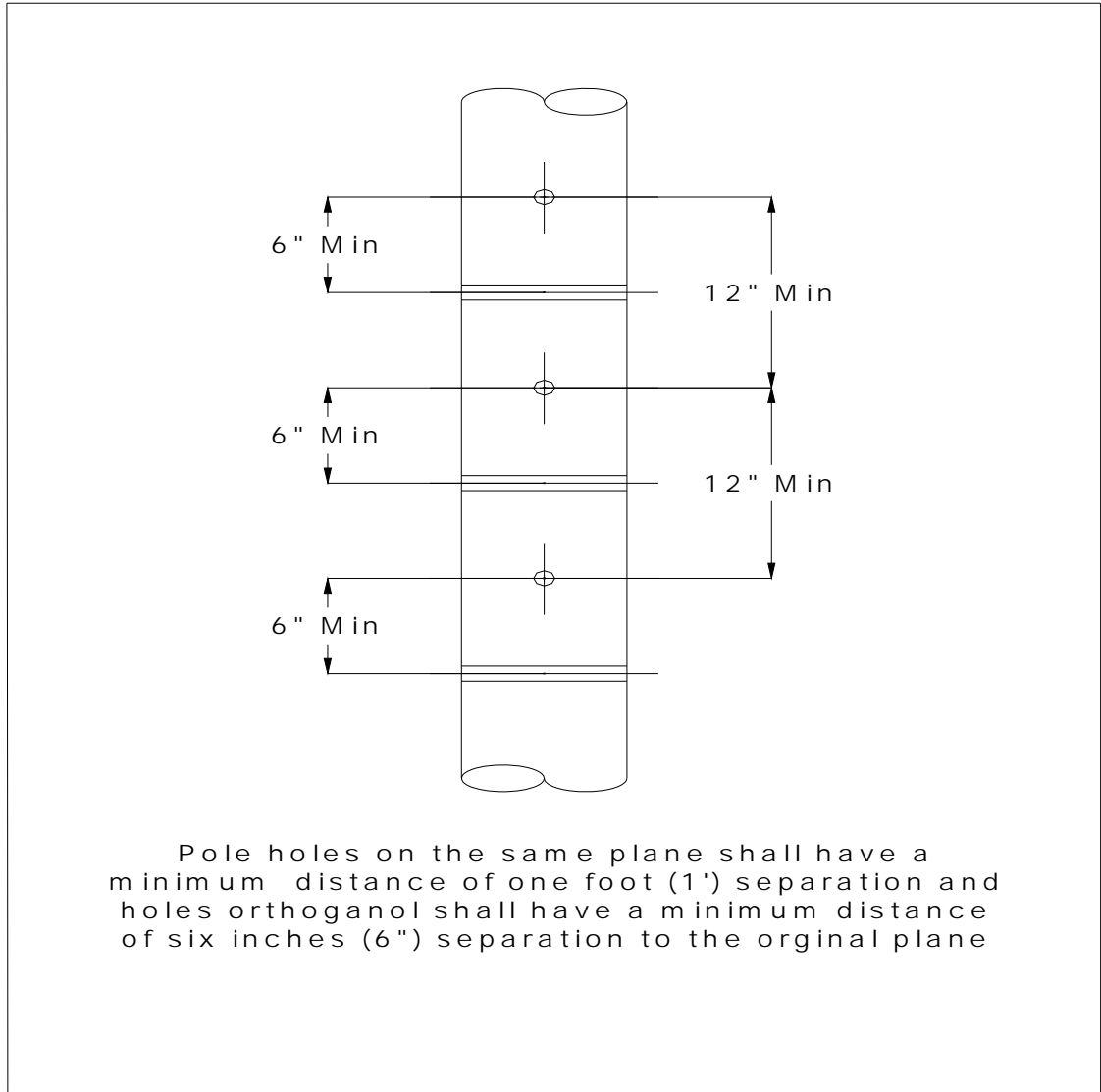
All holes drilled in District-owned wood poles shall be treated with a liberal amount of preservative consisting of a solution of (19%) Copper-Naphthenate -(81%) Fuel Oil No.2 Compound, prior to installation of bolts or other hardware.

Occupant shall not drill holes in District owned metal or fiber glass poles. All holes in other than wood poles will be drilled by District at the expense of the Occupant.

Upon removal of equipment from any District-owned wood pole(s), all holes shall be plugged with treated wooden doweling 1/16" larger than the hole, and any damage to the pole shall be repaired to specifications set forth by the District. Abandoned holes in non-wood poles shall be plugged by the Occupant with plugs supplied by District.

Figure 2 Pole Drilling in Communication Space

Exhibit B



Equipment Mounting

Communications enclosures shall be mounted directly above the pole marking disk. If this is not possible, they shall be mounted on the road face quadrant of the pole. The Occupant shall provide and install all materials necessary to support a communications enclosure a minimum of (5) inches from the face of the pole.

Equipment shall be mounted in such a manner as not to interfere with climbing and working on the pole. Equipment such as terminal or junction boxes shall be attached to the pole on stand-off brackets below the communication space and a minimum of fifteen (15) feet above the ground line. Small splice boxes, splitters, terminal boxes, etc shall not be mounted directly to the pole. Poles are not be used as pedestals.

The power riser for an enclosure requiring electric power shall be installed high enough on the pole to ensure the forty (40) inch safety space requirement is maintained between the bottom of

Exhibit B

the drip loop and the top of the communications space and enough supply wire is coiled at the power riser weather-head to reach the secondary connections.

The Occupant shall apply for electric service through the local District business office when the enclosure requires electrical power service.

No power supply shall be installed on any of District's poles.

The Occupant may, with the prior written approval of District, install cross-arms, alley-arms, or cable extension arms for the support of any of its facilities. However, Occupant shall not use any crossarm or alley arm brace which is mounted above the arm.

All bolts used by Occupant to attach its facilities shall **not** extend or project more than one inch beyond its nut.

Communication Risers

Communications risers shall be mounted on District provided standoff brackets unless the conduit is one (1) inch or less in which case the conduit may be attached directly to the pole. A maximum of one, one (1) inch riser may be attached directly to the pole with staples spaced at a minimum of four (4) feet apart. When an additional riser is required on a pole already supporting a one (1) inch riser, the additional riser(s), regardless of size, shall be mounted on the same quadrant as the existing riser and on District provided standoff brackets.

District provided standoff brackets are fifteen (15) inches in length. Conduit is to be mounted on the bracket in such a manner as to maintain a minimum of eight (8) inches of clearance between the conduit and the pole. If new or longer brackets are needed, the Occupant shall contact PUD.

In no case shall unprotected cable be installed directly on the surface of the pole or lashed to vertical risers.

Figure 3 Attachment Requirements for Equipment Enclosures, Power, and Communication Risers

Exhibit B

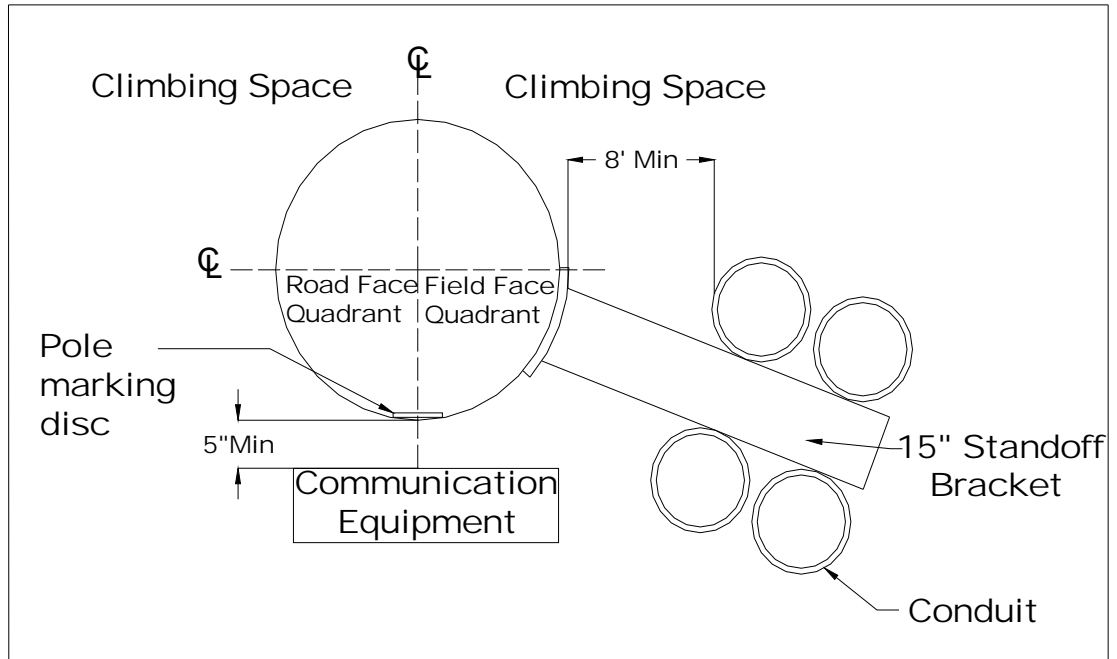
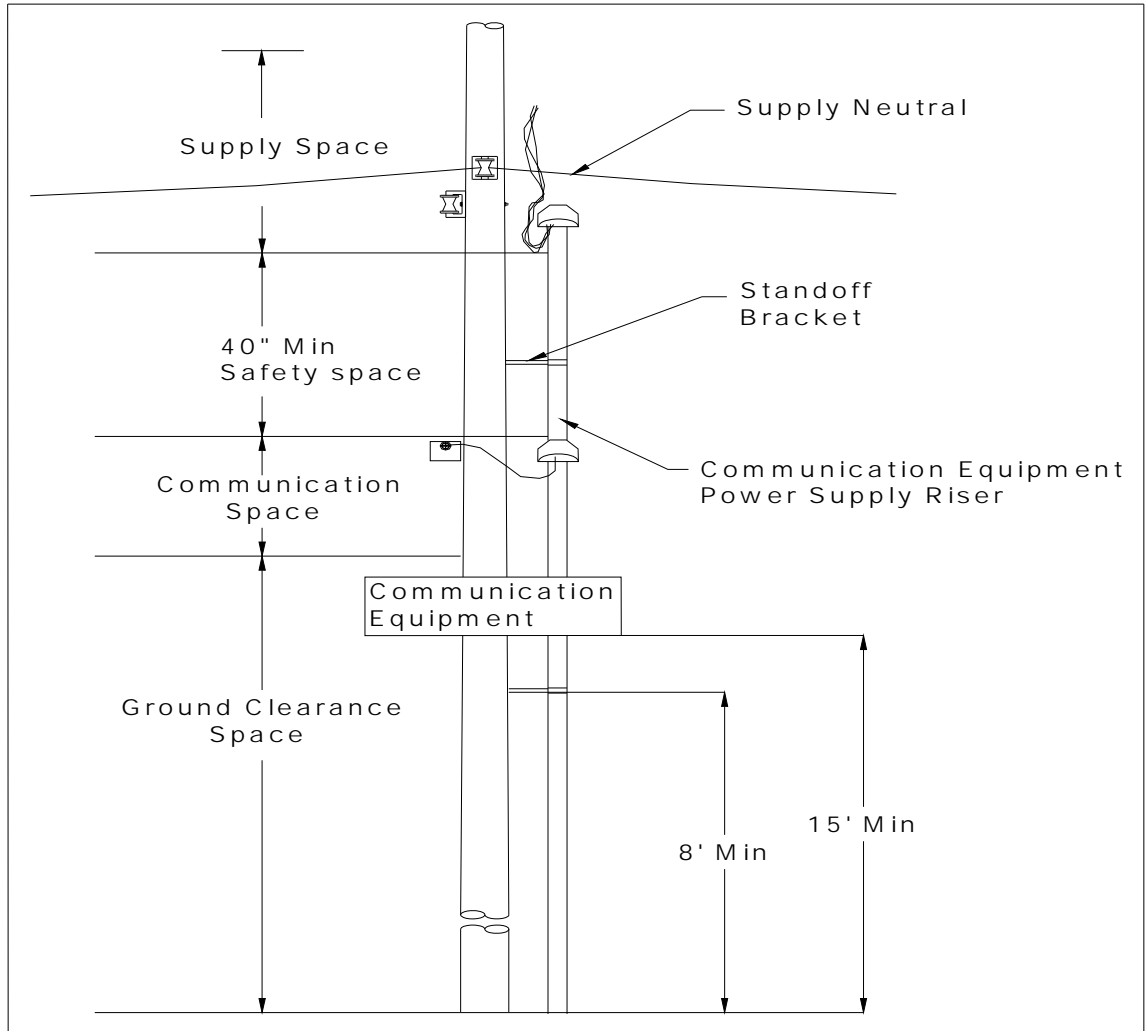


Figure 4 Attachment Requirements for Equipment Enclosures, Power, and Communication Risers

Exhibit B



Grounding Requirements

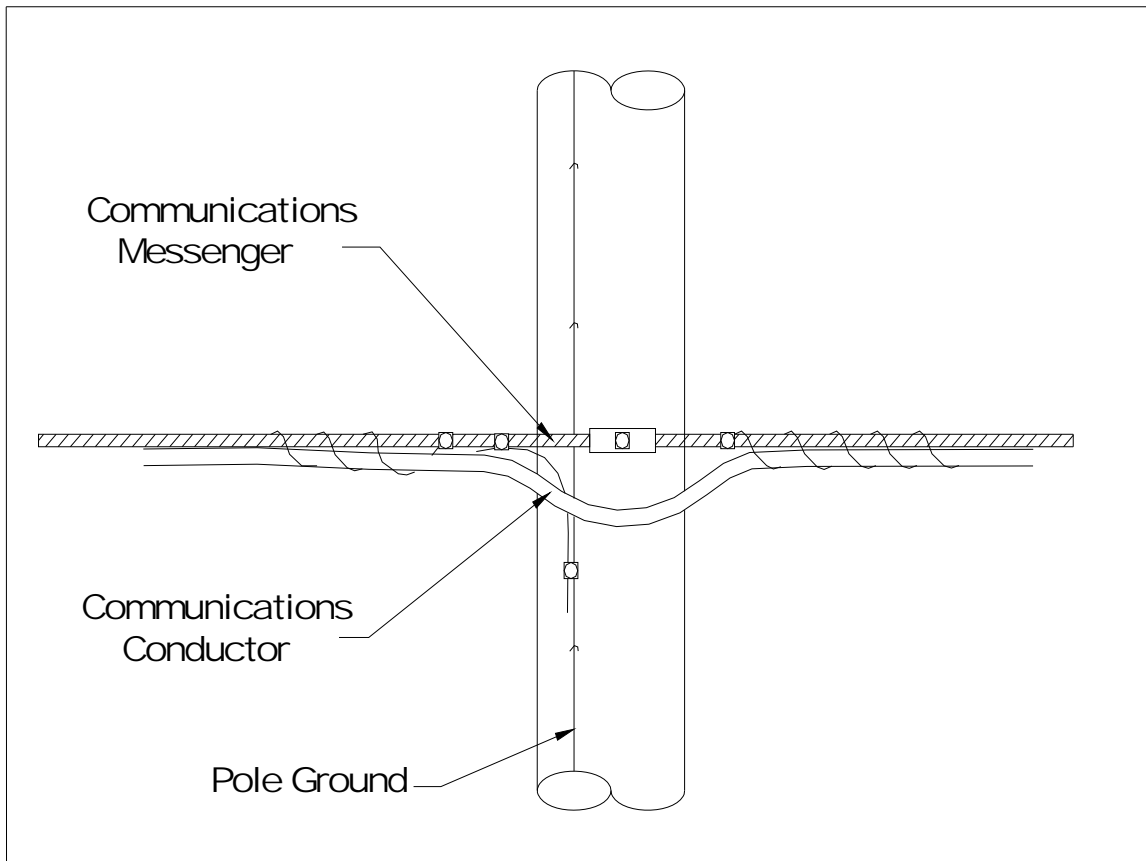
Metallic Messenger Bonding

Communications metallic or conductive messengers shall be bonded to the pole ground conductor on each pole containing a pole ground conductor.

Occupant (including its employees and contractors) shall not enter the supply space for any purpose including making connections to the District's neutral. If Occupant requires grounding on an existing pole where a pole ground conductor does not exist, Occupant shall request District to install a pole ground.

Note: Nonmetallic/nonconductive self-supporting messengers (i.e., Kevlar-type) do not require bonding.

Figure 5 Grounding Communications Messengers at Supports



Safety

Do not cut or damage the pole ground when attaching communications ground conductors.

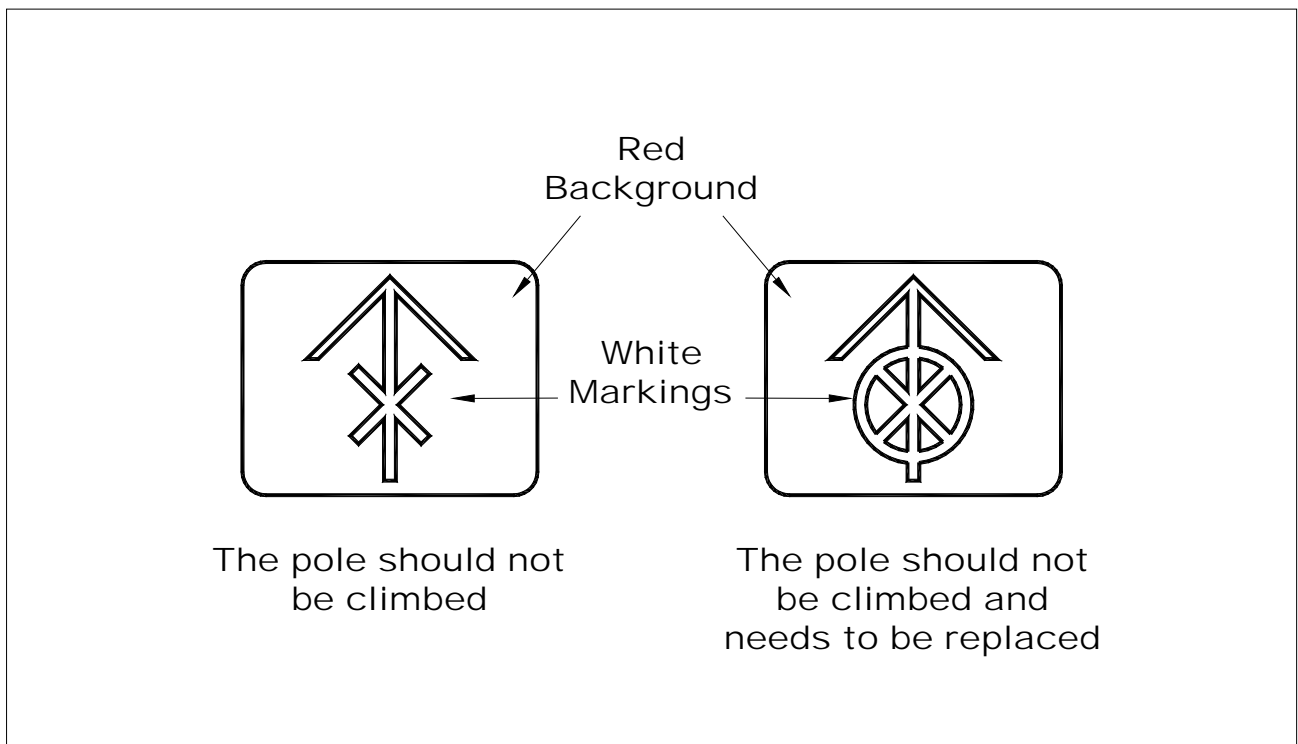
Exhibit B

Pole Testing

District conducts detailed pole inspections of all District poles every ten years. This is accomplished by inspecting approximately 10% of the poles on an annual basis. Each pole tested is designated by a circular brass tag one inch in diameter stamped with the month and the year of the test. Universal pole tags, see Figure 6, are attached to poles that are rated 'Do Not Climb' or "Do Not Climb and Pole needs to be Replaced".

Occupant shall inspect poles prior to performing any work to determine if the condition of the pole is suitable for the work to be performed. However, the Occupant shall not disturb the earth at the butt of the pole or drill the pole without prior approval of the District. Occupant shall inform District of any pole they consider unsafe.

Figure 6 Universal Pole Tags



Identification Tagging

Occupant shall provide a system for the identification of its facilities on District poles from the ground. The preferred method is the installation of a colored tag on Occupant's cable at the point of attachment.

If Occupant uses a means other than District's pole number to identify the location of its facilities, Occupant shall provide District a listing showing the District's pole number and Occupant's corresponding identification number.

In order to assist District personnel in identifying Occupant's cable and equipment, Occupant shall provide District a one (1) foot sample of each type of cable and a picture of each type of power supply, terminal box or other non tension devise attached to District poles. Each sample and picture shall be labeled with Occupant's code name.

Exhibit B

Transmission Pole

District Engineering shall determine if Occupant's attachments will be allowed on a Transmission Pole (69kv and 115kv). If allowed, District will provide attachment heights and locations on the structures.

Secondary Poles

Secondary poles are poles that do not have supply primary and neutral attached. They still require a forty (40) inch separation on the pole and a 30" separation at the mid span between District's facilities and communication lines. Supply secondary has more sag in general than primary. Therefore, it is still necessary to provide all sag data for secondary poles.

Service Drop – Climbing Space Clearance

All service drops for communication and telephone companies shall be installed and maintained so as to provide at least a thirty six (36) inch square climbing space directly over and corresponding to other Occupant's attachments.

Vegetation Clearance

Any clearing, re-clearing of existing right of way, and/or any tree trimming necessary for Occupant to attach to District's poles, shall be performed by Occupant. The Occupant's equipment shall be constructed and maintained to allow for no incidental contact that will apply addition loading to the supporting joint poles.

District as part of its on going right of way maintenance program will to the extent possible trim trees to provide clearance for Occupant's equipment

Balance Pole Moment Loading

Occupant shall provide, install and maintain anchors and guys to insure a balanced pole loading moment. Maximum allowed non-wind load moment at the base of the pole per attachment will be one-thousand (1,000) foot pounds.

Transferring Facilities

All attachments transferred to new District owned poles shall meet the standards set forth in this Exhibit "B".

Typical Drawings

Following are drawings showing typical installations:

Exhibit B

Figure 7 Neutral Spacing on Typical Poles

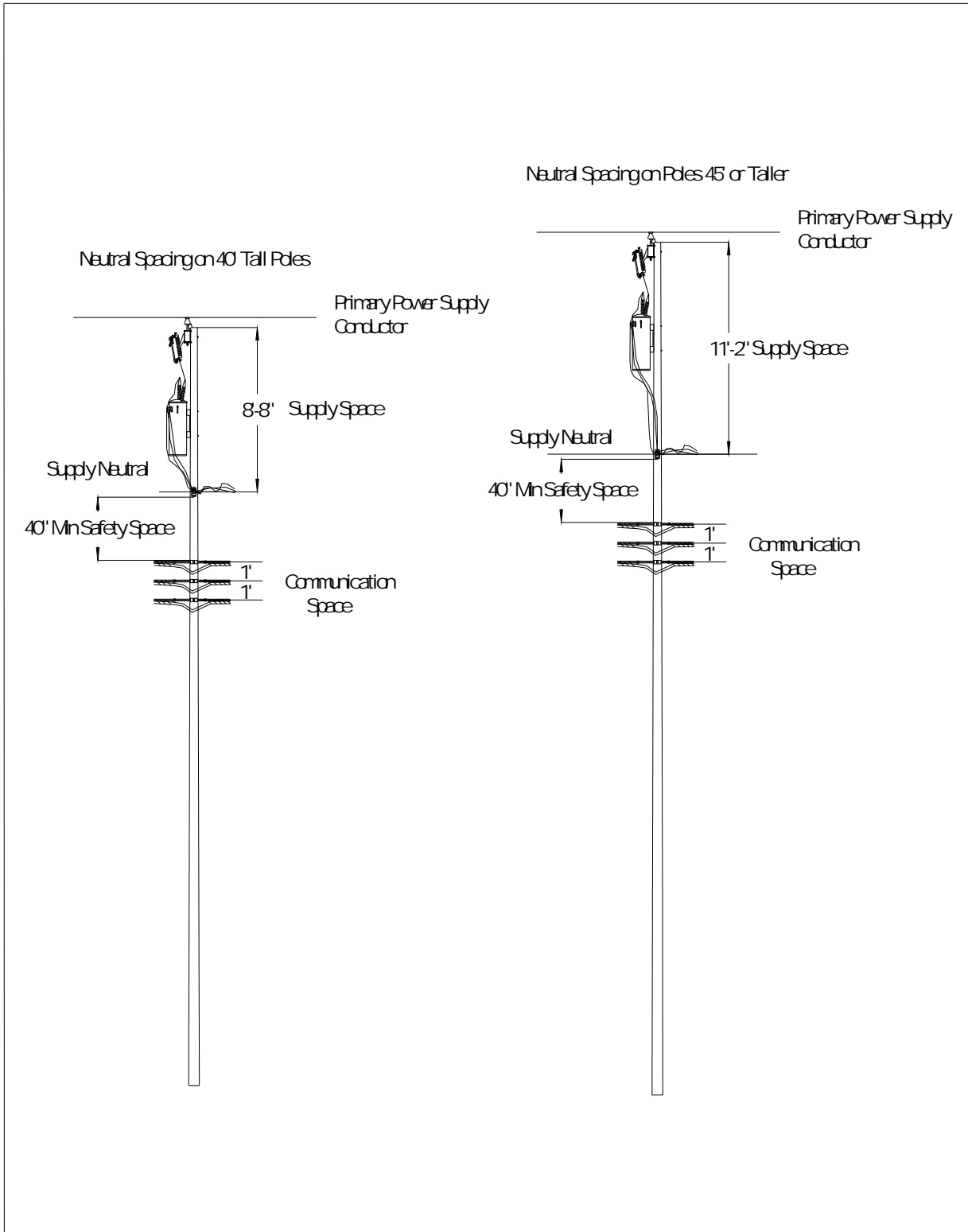


Exhibit B

Figure 8 Clearance between Power Conductors and Communications Space

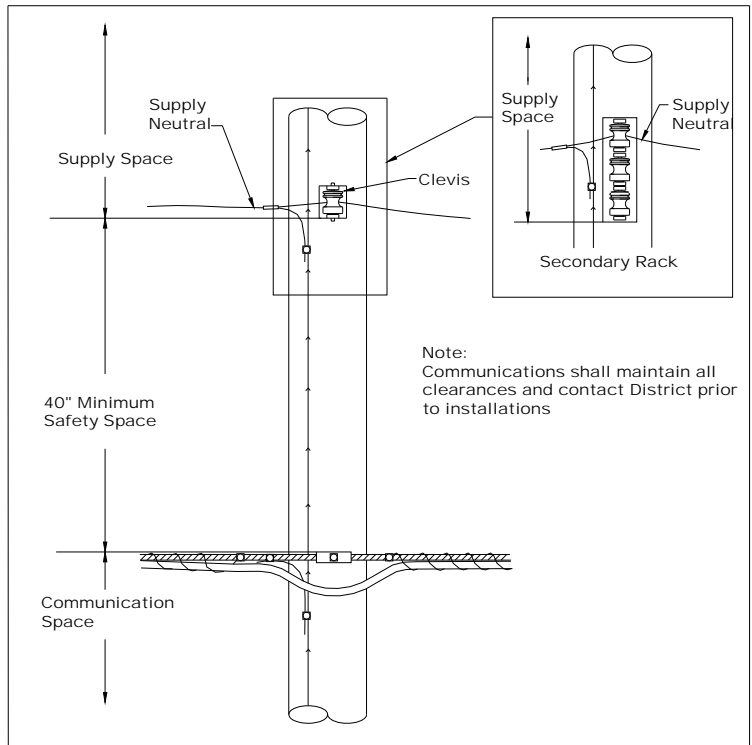


Exhibit B

Figure 9 Clearance between Ungrounded Supply Equipment and Communications Space

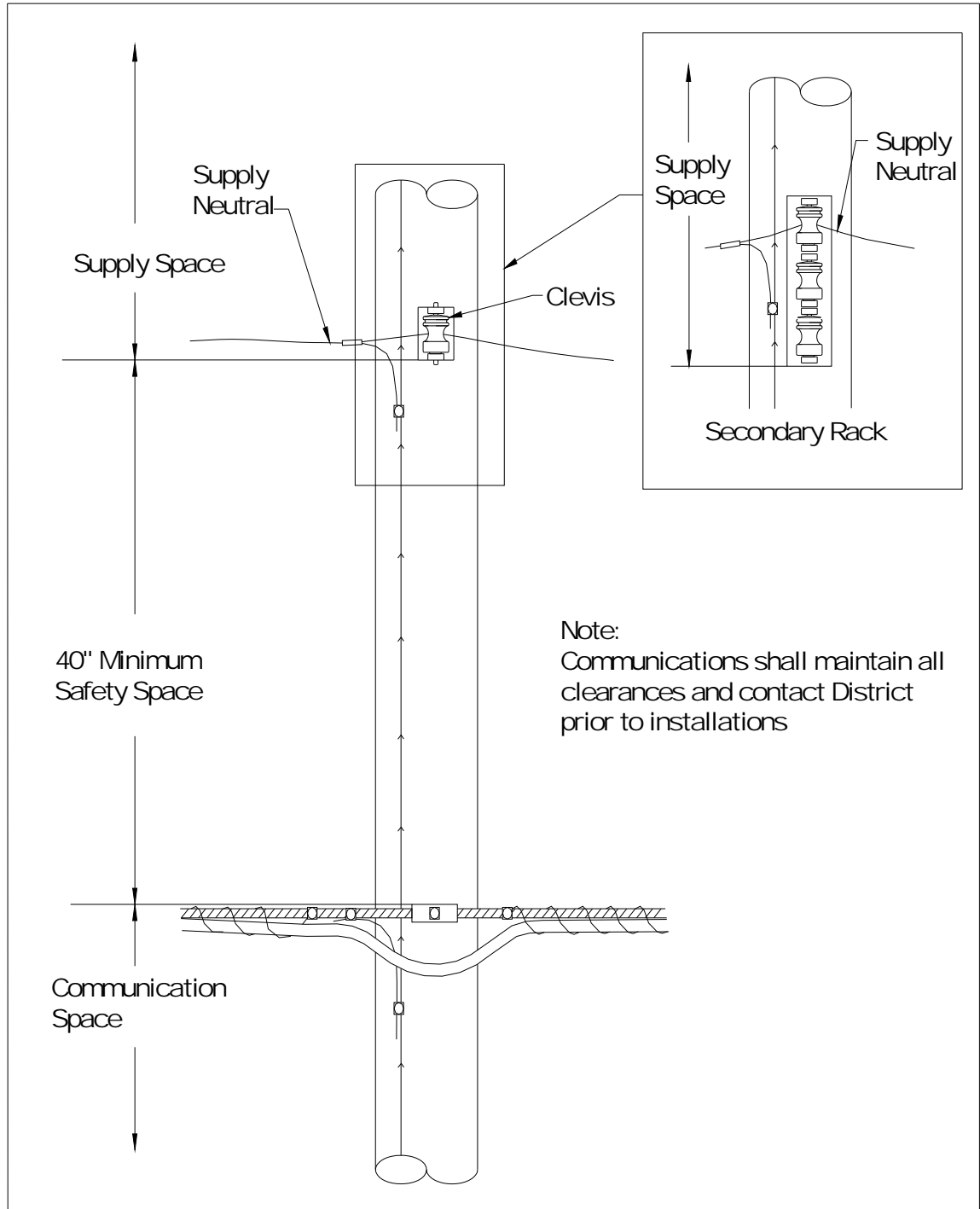


Exhibit B

Figure 10 Clearance between Supply Conductor Drip Loop and Communications Space

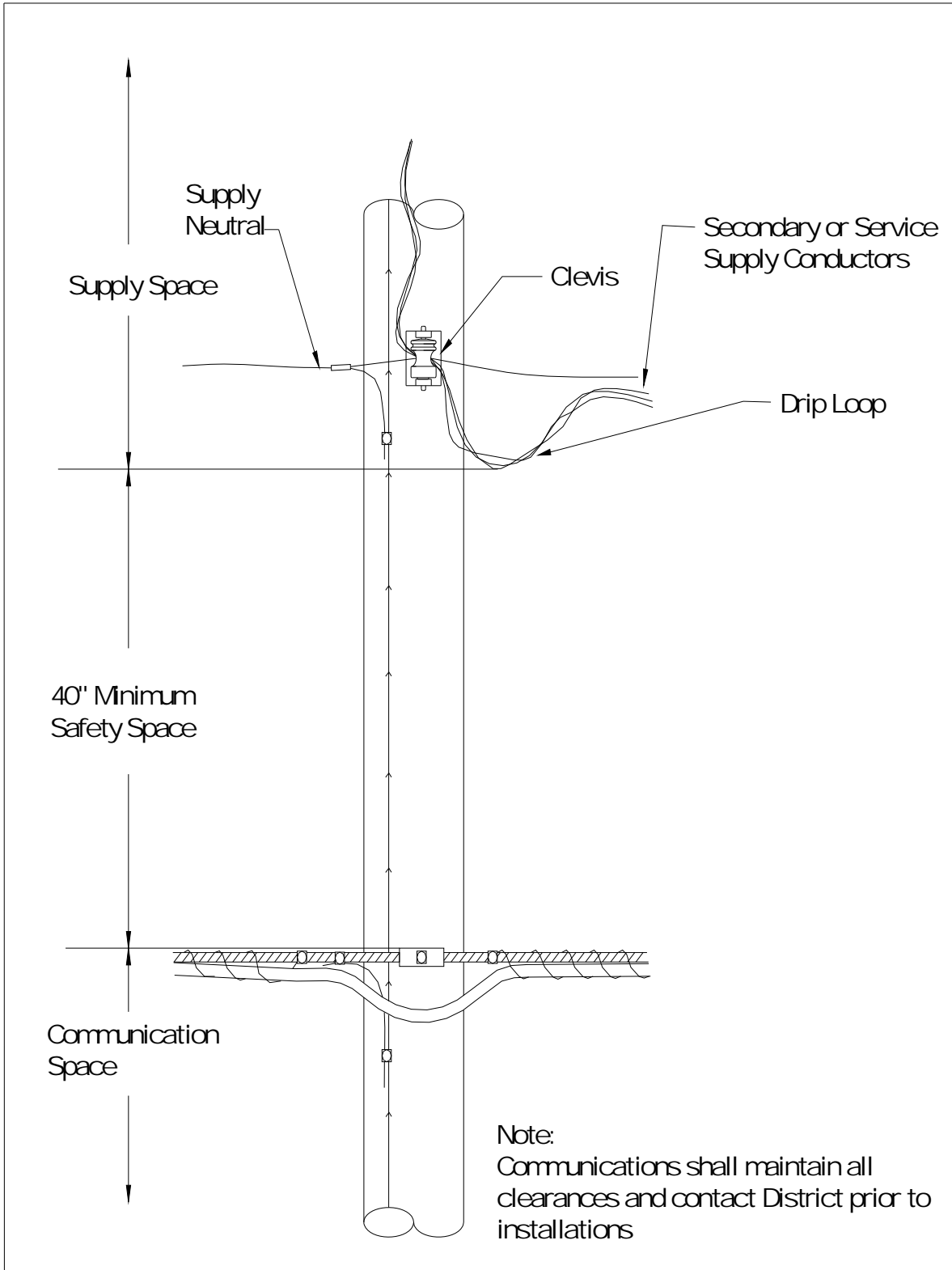


Figure 11 Clearance between Top of Power Riser and Communications Space

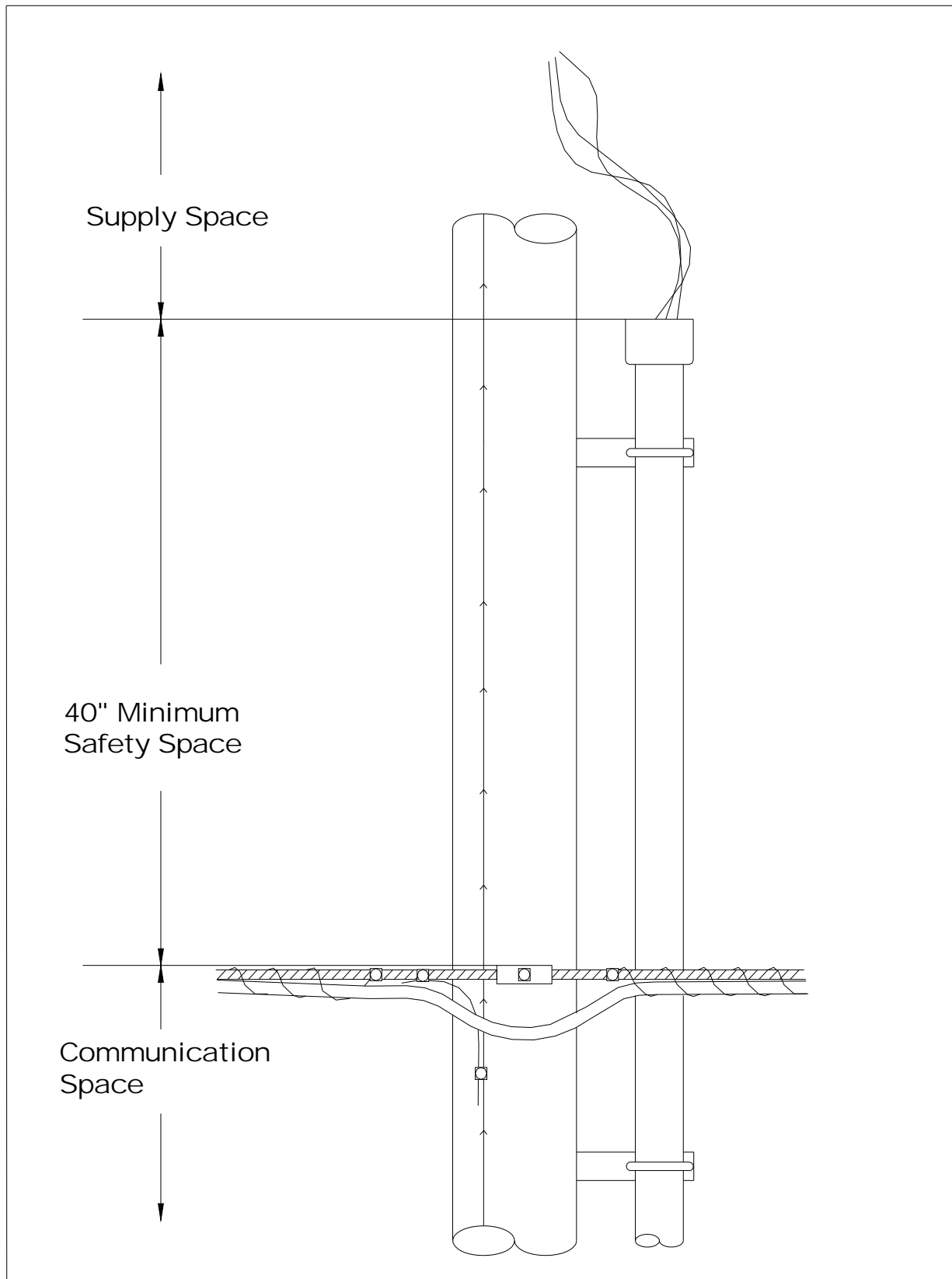


Exhibit B

Figure 12 Clearance between Grounded Supply Equipment and Communications Space

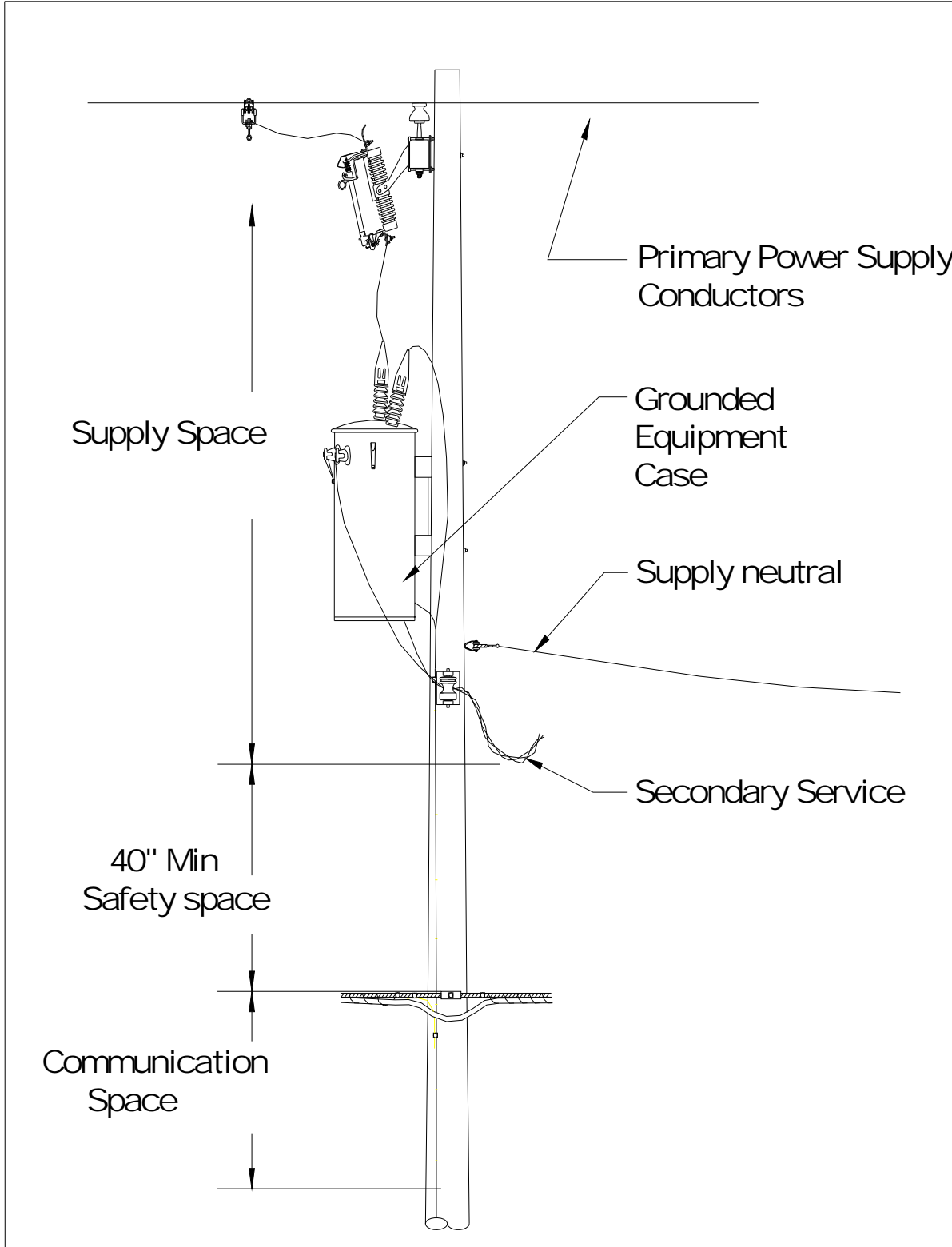


Exhibit B

Figure 13 Midspan Clearance between Primary Supply Conductors and Communications Cables

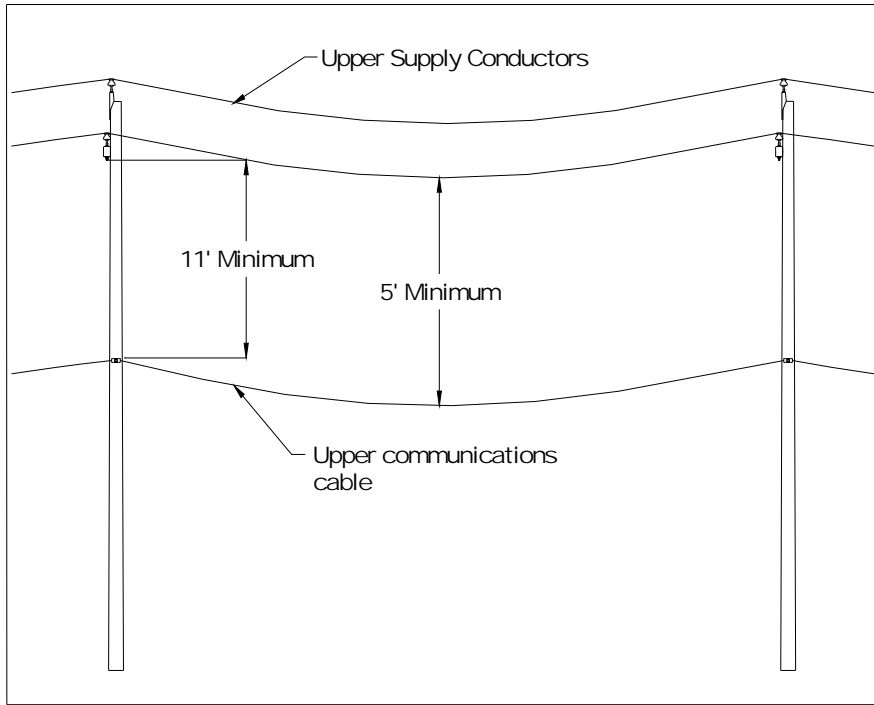


Figure 14 Midspan Clearance between Secondary or Neutral Conductors and Communications cables.

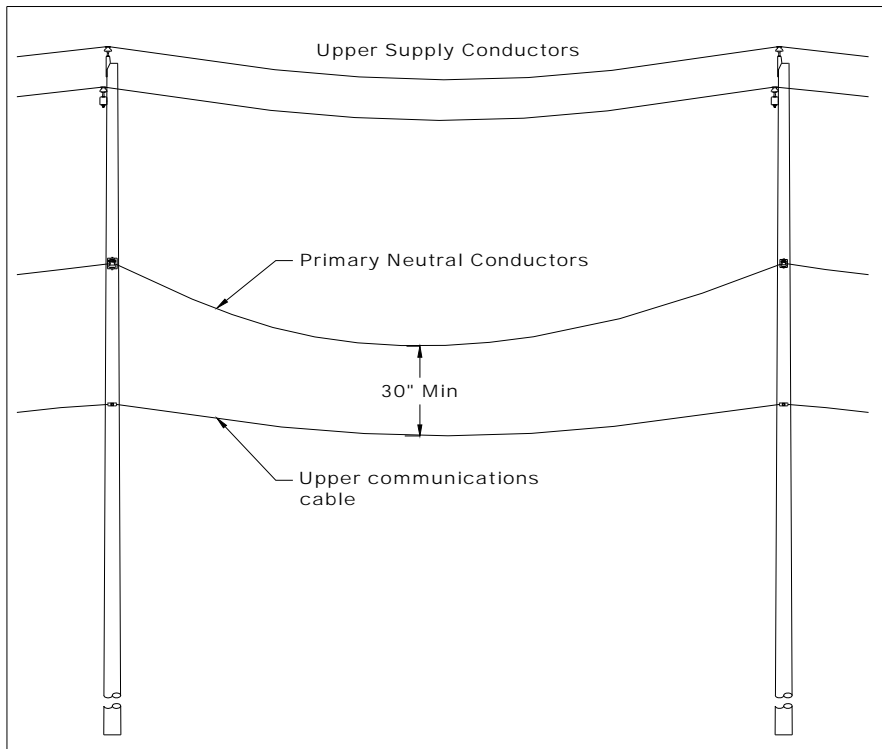


Exhibit B

Figure 15 Clearances for Communications Cable installed below Street Lights

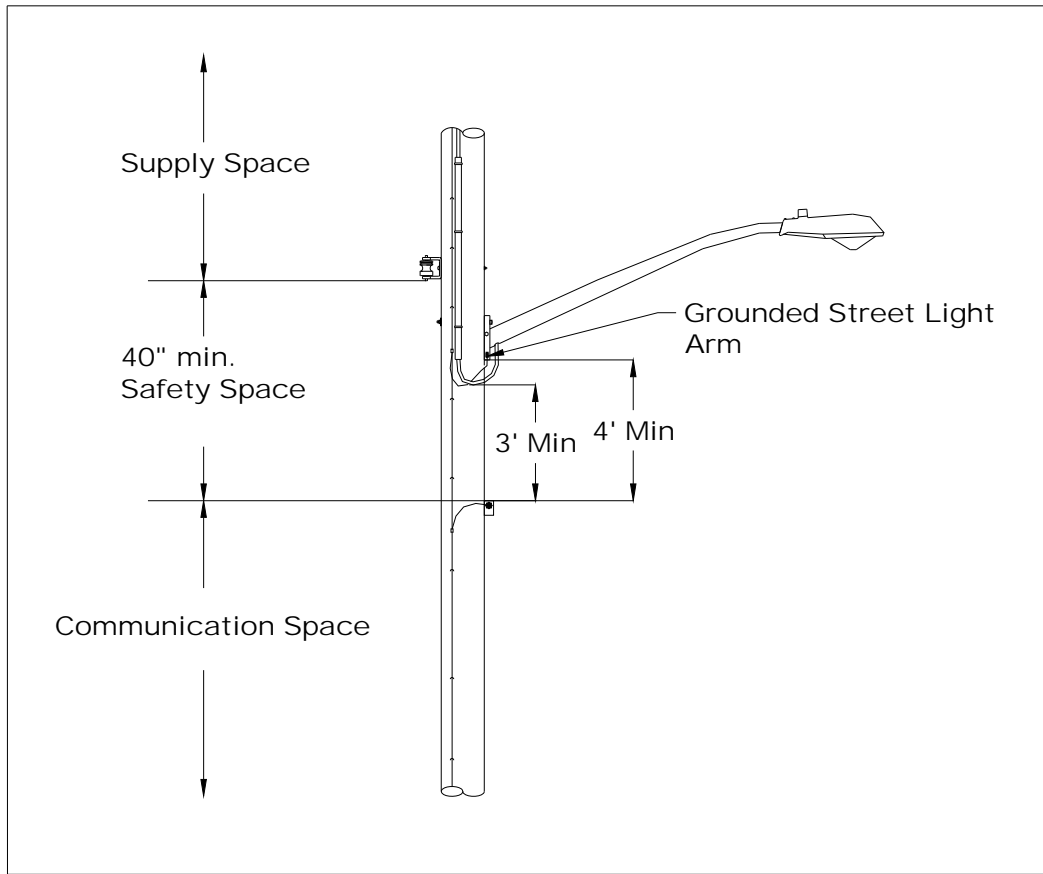
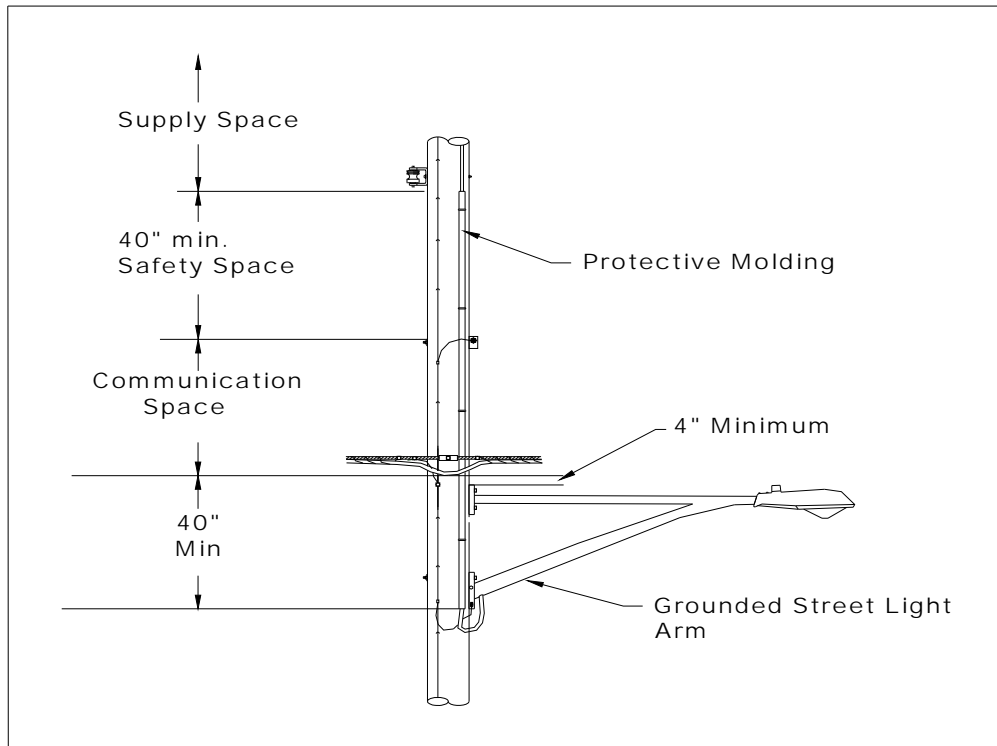


Exhibit B

Figure 16 Clearances for Communications Cables installed above Street Lights



Fee Schedule

Occupant will be charged the lower, reduced (Compliant) Annual License Fee unless it becomes ineligible for such rate based on the conditions outlined in OAR 860-028-0230(3) (a-f). If such conditions occur or exist during the twelve (12) month period immediately preceding the applicable annual rate assessment, then the District is entitled to charge the full (Non-Compliant) Annual License Fee. Under OAR 860-028-0230(3), these conditions include the occurrence of one or more of the following events or circumstances:

- a) Occupant caused serious injury to the District, another person, or the public resulting from non-compliance with Commission safety Rules, Commission pole attachment rules, or its Agreement or Permits with the District;
- b) Occupant does not have a written contract with the District that specifies general conditions for Pole Attachments on District owned Poles;
- c) Occupant engaged in a pattern of failing to obtain Permits issued by the District for each Pole on which the Occupant has Pole Attachments;
- d) Occupant engaged in a pattern of non-compliance with its Agreement or Permits with the District, Commission safety rules, or Commission pole attachment rules;
- e) Occupant engaged in a pattern of failing to respond promptly to the District, Commission Staff, or civil authorities in regard to emergencies, safety violations, or Pole transfer or rearrangement requests; or
- f) Occupant engaged in a pattern of delays, each delay greater the forty-five (45) days from the date of billing, in payment of fees and charges that were not disputed in good faith, that were filed in a timely manner, and are due the District.

In regards to (e) above; the Occupant will be considered to have engaged in a pattern of failing to respond if:

- 1) Occupant fails to respond or responds beyond the thirty (30) day response period following NJUNS notification of Priority Code "0" Imminent, hazardous conditions two (2) or more times in the twelve (12) month period immediately preceding the applicable Annual License Fee assessment date; **or**
- 2) Occupant fails to respond or responds beyond the sixty (60) day response period for submission of a plan of correction or beyond the one hundred eighty (180) day period for correcting violations related to District violation notifications in the twelve (12) month period immediately preceding the applicable Annual License Fee assessment date.

In regards to (f) above: the Occupant will be considered to have engaged in a pattern of payment delay if:

Exhibit C

More than two (2) invoices sent to the Occupant with a payment due date occurring within the twelve (12) month period immediately preceding the applicable annual rent assessment date is not received within forty (45) days of the applicable invoice date; provided that if the Occupant disputes an invoiced amount in accordance with the Agreement, then the invoice will be excluded from the review. If an invoice is disputed and resolved, the forty-five (45) day clock will start from the date the dispute is resolved and will be included in the evaluation period based on the new date.

If a Occupant fails in one or more of the areas outlined above, they will be denied the rental rate reduction associated with the District's Annual License Fee. The District evaluates each cycle independently meaning that if a Occupant is denied the Compliant rate one year, the review of eligibility for the next year is independent of previous evaluations and decisions.

Annual License Fee. The annual fee that the Occupant pays in consideration for each Billable Pole Attachment. The Annual License Fee shall be calculated by the District each year of the term of this Agreement consistent with OAR 860-028-0110.

Pole Attachment. Any wire, cable, or other equipment used for or in connection with the transmission of intelligence by telegraph, telephone, or television (including cable television), light waves or other phenomena, or for the transmission of electric power, and any related device, apparatus, or auxiliary equipment, upon any portion of a Pole. Any Occupant equipment used to provide wireless communications services, including antennas and radios that release radio frequency emissions or signals and associate power supply equipment, are not eligible to be Pole Attachments under this Agreement and require a separate wireless agreement for attachment. See Exhibit B for restrictions on mounting equipment on District poles

Billable Pole Attachment. Each Pole Attachment by Occupant occupying a maximum of one (1) vertical foot of Pole space. Pole Attachments occupying more than one (1) vertical foot of Pole space may constitute multiple Billable Pole Attachments. Aerial cables with a combined diameter over four (4) inches at one attachment point will be considered two Billable Pole Attachments. Each additional two (2) inches of diameter over the four (4) inches at one attachment point will be considered an additional Billable Pole Attachment. Overlashes properly made by Occupant to its own Billable Pole Attachments will not be an additional Billable Pole Attachment.

Annual License Fee - 2020

Billable Pole Attachment - Compliant	\$	14.37
Billable Pole Attachment – Non-Compliant	\$	16.80

Other Fees and Charges

Late Payment Penalty	1.5% per Month
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Exhibit C

Construction Fees

Actual Cost

Transfer Flat Rate Unit Fees

Actual Cost

If Occupant fails to complete Transfers within the time allowed by the District, the District may complete such Transfer at Occupant's sole cost and expense.

Exhibit D Bonding Fee Schedule

Number of Attachments	Bond Amount
1 - 50	\$2,500
51 - 100	\$5,000
101 - 250	\$12,500
251 - 500	\$25,000
501 - 1,000	\$50,000
1,001 - 1,500	\$75,000
1,501 - 2,000	\$100,000
2,001 - 2,500	\$125,000
2,501 - 3,000	\$150,000
Over - 3,000	\$175,000

Exhibit E

Security Amount

The Amount of Security required for [Company name] as determined by the Bonding Fee Schedule in Exhibit D is \$_____. The form of Security provided by [Company name] may be one or a combination of the following: cash deposit of money with the District, a letter of credit, personal guaranty, a corporate guaranty, or such other reasonable security as [Company name] may propose.



WORK ORDER NO. 27
TO AGREEMENT FOR PROFESSIONAL SERVICES

BETWEEN

Q-Life
511 Washington Street, Ste. 101
The Dalles, Oregon 97058

and

Commstructure Consulting, LLC
811 Railroad Avenue
Oregon City, Oregon 97045

The terms and provisions of the Agreement for Professional Services between Q-Life and Commstructure apply herein unless otherwise specifically revised.

Date: January 26, 2021

Project: Downtown Overbuild

Contract Price: \$ 9,900.00 **Time of Completion:** 9/30/2021

Description of Work Order:

See Scope of Work in Exhibit A

See attached Exhibits:

Exhibit A - Scope of Work

Exhibit B - Schedule for Work Completion

Exhibit C - Schedule of Compensation

Approved By:

Q-LIFE

COMMSTRUCTURE CONSULTING, LLC

By: _____

By: *Caril Oster*

Title: _____

Title: President & CEO

Date: _____

Date: January 26, 2021

EXHIBIT A - SCOPE OF WORK

This Work Order will provide Technical Consulting Services to Q-Life and Q-Life's designated representatives for the purposes of conducting the fielding, design, permitting, construction contract administration and construction oversight for the placement of new Q-Life infrastructure in The Dalles, Oregon.

Q-Life has identified the need to augment its fiber optic cable capacity and connections to its existing infrastructure in The Dalles. In order to increase capacity, additional fiber optic cable will be extended from the existing equipment location on Union St NW of the W 2nd ST Alley South and East along existing Q-Life Aerial pathways to an existing equipment location on E 3rd St near the intersection with Taylor St.

The total project route distance is approximately 4,500 linear feet of new fiber cable over-lashed to existing aerial Q-Life infrastructure.

The scope of work and deliverables for this project will include but is not limited to:

Fielding, Design & Permitting

- ❖ Coordinate and attend meetings as required with each permit agency governing the Rights of Way applicable to the proposed alignments. The meetings will be to introduce the project to the agencies; discuss the project approach; identify any potential future projects that may conflict with the proposed alignments; and determine permitting, design and construction requirements
- ❖ Perform records research and route field data collection of the proposed new underground alignments utilizing sub-foot accuracy GPS Data Collection equipment. Data collection to include topographic features for underground routes; existing utilities and sub-surface structures; canals; bridges; and specialty installation areas
- ❖ Research and update geo-referenced electronic Right of Way (ROW) and Assessor records and map data from City, County and State Agencies to develop AutoCAD Base Maps for use in development of design and construction drawings
- ❖ Research and update existing underground utility maps; sub-surface structure maps; structure designs and site plans for translation and insertion into construction drawings for design reference
- ❖ Compile and process electronic GPS Field Data and export to geo-referenced AutoCAD format for insertion into base maps for construction drawing development
- ❖ Design and overlay underground infrastructure design elements along alignment including conduit and cable pathway, vaults, splice locations, special construction methods or areas and general route identification
- ❖ Develop technical specification documentation supporting construction requirements, material rake off schedules and methods of procedure for the installation of underground infrastructure

- ❖ Develop Outside Plant Design project drawings in 11x17 AutoCAD and PDF electronic format for use in permit submittal, competitive bid and installation
- ❖ Prepare and submit Permit Application forms and applicable design drawings to governing agencies for public and private right of way. Such entities may include, but are not limited to City of The Dalles.
- ❖ Preparation of preliminary construction drawing submittal at 80% and Final design completion for review and comment by Q-Life and Permit Agencies (if applicable)

Pole Loading Analysis (PLA) Reports

- ❖ Collect all data required to prepare and process PLA reports as required by North Wasco County PUD (NWCPUD)
- ❖ Coordinate with Q-Life's existing, approved vendor, Jackie Mow for the creation of PLA reports. Approved vendor costs to be paid directly by Q-Life.
- ❖ Deliver completed PLA reports to NWCPUD

As-Built & Permitting Close-Out

- ❖ Provide post-construction inspection and punch-list correction coordination with contractor
- ❖ Receive as-built red line data from contractor upon project completion; update construction CAD drawings with as-built data
- ❖ Prepare, submit and close out all permitting applications
- ❖ Prepare a final workbook for submittal in 11x17 Hard Copy, AutoCAD and PDF electronic format
- ❖ OSP Insight / GIS Data Exporting, Data Entry and Updates as required

Proposed Project Route Map



Industry Standard Assumptions, Limitations and Exclusions

- ❖ Q-Life will be responsible for all costs related to obtaining Pole Load Analysis as-required. Costs related to Pole Load Analysis shall be reimbursed according to negotiated Hourly Unit Rates and Commstructure Expenses Reimbursement Policy
- ❖ Q-Life will be responsible for all Permit Fees
- ❖ Q-Life will be responsible for all Franchises, Joint Use Pole Agreements, Business Licenses and State Certifications as required to construct and maintain communications infrastructure in the public and private ROW
- ❖ Q-Life will be responsible for the negotiation and acquisition and all private easements if applicable unless otherwise requested by Q-Life and negotiated with Commstructure
- ❖ Alternate Route Designs or Contingency Route Designs shall be reimbursed according to the Unit Design Rates or negotiated Hourly Unit Rates
- ❖ Weekly or Bi-Weekly Conference Calls to provide project schedule updates and discuss project progress, milestones and action items
- ❖ Travel Expenses incurred by Design Staff shall be reimbursed according to the Commstructure Travel Reimbursement Policy
- ❖ Project Schedules are developed and based on the assumption that Environmental Conditions (i.e. Cultural, Biological, Historical, Archaeological and Hazardous Materials) along the proposed alignment(s) are considered disturbed corridors and will not prohibit the successful fielding and design of projects. Unforeseen or unanticipated conditions that result in an alignment re-route shall be considered a change in Scope and Schedule. Additional fielding, design and permitting shall be negotiated according to the hourly or unit rates and the schedule shall be revised based on a mutually acceptable and reasonable amount of time to complete the additional design and permitting
- ❖ Commstructure shall not be responsible for delays in schedule, milestone deliverable dates or monetary penalties resulting from Environmental Conditions discovered or presented during the course of the design of the project that result in work stoppage or design of re-routes
- ❖ Commstructure shall not be responsible for the selected Q-Life's Contractors failure to comply and construct the project according to the Q-Life's Construction Specifications; Governing Agency Standard Specifications; and Environmental Mitigation or Avoidance Requirements
- ❖ Construction Cost Estimates are an opinion of probable construction costs that may be provided as part of a project. In providing opinions of probable construction cost, it is recognized that neither the Q-Life nor Commstructure has control over the cost of labor, equipment or materials, or over the Contractor's methods of determining prices or bidding. The opinion of probable construction cost is based on Commstructure's professional judgment and experience and does not constitute a warranty, express or implied, that the Contractor's bids or the negotiated price of the Work described in the estimate will not vary from the Q-Life's budget or from any opinion of probable cost prepared by Commstructure

EXHIBIT B - SCHEDULE OF WORK COMPLETION

The schedule of this Project Management Work Order is to commence upon approval and execution of this Work Order and Notice to Proceed by Q-Life.

The Term of the Work Order is from the date of execution of this document until September 30, 2021. The term of the Work Order may be extended upon approval from Q-Life based on remaining available and unbilled budget.

EXHIBIT C - SCHEDULE OF COMPENSATION

Technical Consulting Services shall be performed and provided as described in Exhibit A-Scope of Work, and in accordance with the terms, provisions and rate schedule of the Agreement for Professional Services on a Time and Expense (T&E) basis as follows:

Total Hourly Fees (T&E) Estimated: **\$ 9,900.00**

Payment terms are as follows:

- Commstructure will issue monthly invoices for the compensation due as a result of services provided under this Agreement to that time, less services previously billed
- All other terms and conditions apply in accordance with Section 3 of the Agreement for Professional Services
- Additional services related to this project or modification of this work order shall be negotiated and approved by written amendment to the original work order

Date: 1/26/2021
 Client: Q-Life Networks
 Project: Downtown Overbuild



						Segment 1	
Description	Type	Unit	Labor	Materials	Total Unit	Qty.	Total Cost
Underground:							
Underground Sub-Total:							\$ -
Aerial:							
Aerial - New Construction	New Construction	LIN FT	\$ 6.00	\$ 1.50	\$ 7.50		\$ -
Aerial - Overlash - De/Re	Overlash - De/Re	LIN FT	\$ 6.00	\$ 1.00	\$ 7.00	4,500	\$ 31,500.00
Aerial - Wreckout	Wreckout	LIN FT	\$ 4.00	\$ 0.50	\$ 4.50		\$ -
Place Strand	6.6M	LIN FT	\$ 4.00	\$ 2.00	\$ 6.00		\$ -
Place Riser	2"	EACH	\$ 400.00	\$ 350.00	\$ 750.00		\$ -
Place Riser	4" w/ 4 - 1.25" ID	EACH	\$ 750.00	\$ 450.00	\$ 1,200.00		\$ -
Place Pole	30 ft class 5	EACH	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00		\$ -
Pole Replacement	45 ft Class 1	EACH	\$ 7,500.00	\$ 2,500.00	\$ 10,000.00		\$ -
Make Ready	Raise-Move-Lower	EACH	\$ 300.00	\$ 75.00	\$ 375.00	5	\$ 1,875.00
Aerial Sub-Total:							\$ 33,375.00
Facility Connection:							
Facility Connection Sub-Total:							\$ -
Cable, Splicing and Termination:							
Splicing	Reel End Fusion	EACH	\$ 30.00	\$ 5.00	\$ 35.00	288	\$ 10,080.00
Splicing	Splice Case	EACH	\$ 300.00	\$ 300.00	\$ 600.00	2	\$ 1,200.00
Splicing	Terminations	EACH	\$ 30.00	\$ 10.00	\$ 40.00		\$ -
Splicing	Bucket Truck Adder	T&M	\$ 25.00		\$ 25.00		\$ -
Splicing Technician	\$ 100 + \$ 50 Truck	T&M	\$ 150.00		\$ 150.00		\$ -
Splicing Technician OT	\$ 125 + \$ 50 Truck	T&M	\$ 175.00		\$ 175.00		\$ -
Patch Panels	6F	EACH		\$ 200.00	\$ 200.00		\$ -
Patch Panels	12F	EACH		\$ 250.00	\$ 250.00		\$ -
Patch Panels	24F	EACH		\$ 300.00	\$ 300.00		\$ -
Patch Panels	48F	EACH		\$ 500.00	\$ 500.00		\$ -
Patch Panels	72F	EACH		\$ 600.00	\$ 600.00		\$ -
Patch Panels	96F	EACH		\$ 700.00	\$ 700.00		\$ -
Fiber Cable	6F	EACH		\$ 0.65	\$ 0.65		\$ -
Fiber Cable	12F	EACH		\$ 0.75	\$ 0.75		\$ -
Fiber Cable	24F	LIN FT		\$ 0.85	\$ 0.85		\$ -
Fiber Cable	48F	LIN FT		\$ 0.95	\$ 0.95		\$ -
Fiber Cable	72F	LIN FT		\$ 1.35	\$ 1.35		\$ -
Fiber Cable	96F	LIN FT		\$ 1.65	\$ 1.65		\$ -
Fiber Cable	288F	LIN FT		\$ 2.50	\$ 2.50	7,440	\$ 18,600.00
Cable, Splicing and Termination Sub-Total:							\$ 29,880.00
Project Totals by Segment:							
Underground Section:							\$ -
Aerial Section:							\$ 33,375.00
Facility Connection Section:							\$ -
Cable, Splicing and Termination Section:							\$ 29,880.00
All Sections Combined Construction Totals:							\$ 63,255.00
Engineering Cost:						20%	\$ 12,651.00
Contingency:						20%	\$ 12,651.00
Prevailing Wage Premium:						20%	\$ 12,651.00
Total w/ Engineering & Contingency:							\$ 101,208.00
Total Construction - All Segments:							\$ 63,255.00
Total Engineering - All Segments:							\$ 12,651.00
Total Contingency - All Segments:							\$ 12,651.00
Grand Total - All Segments:							\$ 101,208.00

The Construction Cost Estimate is an opinion of probable construction costs that may be provided as part of a project. In providing opinions of probable construction cost, it is recognized that neither the Owner nor Commstructure has control over the cost of labor, equipment or materials, or over the Contractor's methods of determining prices or bidding. The opinion of probable construction cost is based on Commstructure's professional judgment and experience and does not constitute a warranty, express or implied, that the Contractor's bids or the negotiated price of the Work described in the Study will not vary from the Owner's budget or from any opinion of

Downtown Overbuild

Legend

- 288F
- City Hall
- SP Coil



EXTG Post Office Splice

EXTG HH - Splice

Google Earth

© 2020 Google

1000 ft



Discussion Items

- [Aristo Technical Management Report](#)
- [Admin/Project Updates](#)

Aristo Networks LLC
Technical Management Report
By
John Amery
1/26/2021

Items of Interest:

- QLIFE incurred damage to two service drops.
 - Site A was in service. A tree fell on the line, however did not completely sever the line.
 - We had Northsky in town this month on another project. We had them look at this location. While the fiber's outer sheathing had been damaged it did not appear any of the internal buffer tubes had been severed. Decision was made to secure the cable with protective layer to keep elements out.
 - Site B was not in service. It is believed this site was damaged by a dump truck.
 - As Northsky was in town on another project we had them develop new strand at the location of damage. We can now bring up splicers to repair the damaged fiber.
- New path feeding Curtis Homes by Sorosis Park Phase1 has been awarded to "The Fiber Guys"
 - Still waiting for contractor to finish work. Work has been initiated, but not completed yet.
- Northsky was in town working on expansion of fiber to the Annex as well as the Liberty Street connection point.