

QLife Network

QualityLife Intergovernmental Agency

AGENDA

QLife Regular Board Meeting

Thursday, November 19, 2015, Noon
The Dalles City Hall, 313 Court Street
2nd Floor Conference Room

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of October 15, 2015 QLife Regular Board Meeting Minutes
5. Financial Reports
 - a. October Financial Reports
 - b. List of Disbursements since Last Meeting
 - c. Extension of Auditor Contract
6. Presentations – limited to 15 minutes each:
 - a. Presentation from LSN on; How we can help them better utilize our system.
 - b. Presentation from Gorge Net on; How we can help them better utilize our system
7. Executive Session (as necessary) In accordance with:

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.
8. Reports
 - a. Maupin Broadband Regional Strategies Project – Nolan Young
 - b. Administrator Report – Nolan Young
 - c. Aristo Operational Management Report – John Amery
9. Next Meeting Dates:
 - a. Regular Board Meeting November 19.
 - b. Strategic Planning meeting _____
 - c. The December meeting falls on Christmas Eve, change to December 9 or 18
10. Adjourn

QLife Network

QualityLife Intergovernmental Agency

MINUTES

QLife Regular Board Meeting

Thursday, October 15, 2015, Noon
The Dalles City Hall, 313 Court Street
2nd Floor Conference Room

Call to Order

The meeting was called to order by President Larson at 12:00 p.m.

Roll Call

In attendance: Erick Larson, Taner Elliott, Dan Spatz

Staff: Administrator Nolan Young, Recording Secretary Izetta Grossman, Technical Manager John Amery, Attorney Keith Mobley, Finance Director Kate Mast

Guests: Dan Bubb of Gorge.net

Approval of Agenda

President Larson asked to add Executive Session to the agenda after Action Items. It was moved by Spatz and seconded by Elliott to approve the agenda as amended. The motion carried unanimously, 2 absent.

Approval of September 30, 2015 QLife Regular Board Meeting Minutes

It was moved by Elliot and seconded by Spatz to approve the September 30, 2015 meeting minutes. The motion carried unanimously, 2 absent.

Hege arrived at 12:05 p.m.

Financial Reports

Young reviewed the memo from Finance Director Mast explaining the reimbursable charges and secondary line items.

Hege asked about revenues. Mast explained that revenues are actually ahead of projection, page one of the summary showed the percentage year to date.

Spatz asked about anticipated charges. Mast said that Aristo invoices for the first quarter of fiscal year 2015-16 were just received and not reflected on the reports. She said she had requested monthly invoices from Aristo in order to show more accurate monthly charges and to facilitate timely pass through charges to customers for work done by Aristo.

Action Items

Updated IGA with City for signature

Executive Session:

President Larson opened the executive in accordance with ORS 192.660(2)(a) Consider employment issues. Larson reminded the media that the discussion was not for publication and asking if they agreed to that. The media indicated understanding and agreement.

The meeting was adjourned into Executive Session at 12:15 p.m.

Returned to Open Session at 12:35 p.m. It was the consensus of the Board to add Executive Session to every agenda after Financial Reports for the purpose of discussion proprietary information.

Reports

Agreement with Nolan Young

Larson asked if there were any questions. There were none.

Broadband agreement with LSN using State Grant funds

Young reviewed the project summary (attached). Mobley reported that he had been appointed to the Regional Solutions Advisory Committee. Hege asked if the project was still in the feasibility stage. Young said that a cost estimate and construction model was being created. Once completed it would be presented to the Board to determine participation. Young said the pricing model for services would probably be different from the current QLife model.

Mobley reported that Regional Solutions would be discussing asking for reallocation of the funds.

Larson asked for Young to add timelines to each task listed on the projects sheet.

Administrator Report

Young reviewed the report and asked for discussion regarding the strategic planning process. After some discussion, it was the consensus of the Board for:

1. Young to work with Board to develop survey – email start point, then add/subtract as desired. The Board requested admin cost/plan as part of survey.
2. Survey to be emailed to full council and commission for them to fill out and return. The purpose was to receive individual input, not consensus.
3. Young to then coordinate facilitated meeting of the Board where the results were to be used, along with other information, to develop the future business plan for QLife.

In response to a question Young said he would research the vaults at the Port Business Center to determine if it would be cost effective to recover the ones that were unused due to the Google purchase of space. Amery said perhaps Google would purchase them from QLife. You would have a report at the next meeting.

Aristo Technical Management Report

Amery reported no system issues. He said the Call Before You Dig audit with the City was complete. He said the door hangers for the tree trimming project were waiting for his review. Amery said he would make an effort to submit monthly invoices.

Next Meeting Dates: The Oregon Connections Conference is October 22-23

Strategic Planning meeting will have a target date at the November meeting.

Regular Board Meeting November 19.

The December meeting falls on Christmas Eve, change to December 9 or 18, will decide at November meeting.

Adjourn

The meeting was adjourned at 1:30 p.m.

Respectfully submitted:

Izetta Grossman, Recording Secretary

Signed: _____
Brian Ahier, Secretary/Tres

TO: Qlife Board
 Nolan Young, QLife Administrator

FR: Kate Mast, Finance Director

RE: Financial Report for QLIFE – **October 2015**

BANKING:

QLife monies are deposited into a separate bank checking account. QLife also has a Local Government Investment Pool (LGIP) account where funds excess funds are maintained in order to earn some interest..

The information below is a comparison of budget to actual revenues and expenditures for the month just ended by fund. This information is not audited, but is reviewed by the Finance Department for clarity and budget compliance.

33% of the year has passed.

Each fund exceptions narrative has four possible paragraphs; 1 - is the beginning balance, 2 - is new revenues, 3 - is expenditures and 4 - if present, is budget changes.

Operations (600):

BUDGET COMPARISONS

	<u>July 1, 2015 to October 31, 2015</u>			
	Budget	Actual	Percentage	
Beginning Balance	\$ 218,563	\$ 231,823	106.0%	* see below
Revenues	\$ 701,219	\$ 227,428	32.43%	
Expenditures	\$ 415,642	\$ 76,137	18.32%	
Transfers to Capital/Debt Fund	\$ 504,140	\$ 183,324	36.36%	
Revenues Less Expenses	\$ 0	\$ 199,790		

Cash at Month End \$ 165,530.49

Exceptions:

- 1) Beginning Balance: * *The Beginning Balance figures used here have been audited. The Beginning Balance is \$13,260 more than budgeted.*
- 2) Revenues:
 - a) At 33% of the year, we have received 32.9% of the budgeted charges for services revenue.

b) Miscellaneous revenue in the amount of \$956.67 was received in October from Transgroup Worldwide as payment for a QLife invoice for services when a transformer was moved through town.

3) Expenditures:

c) The Membership/Dues/Subscriptions line item has been over-spent by \$220.51 due to incorrect posting of the Annual Oregon Ethics Commission billing. The payment should have been posted to 600-6000-660.69-50 'Miscellaneous Expenses' as in past years. This will be corrected in November.

4) Budget Changes: No budget changes have been made to this fund this fiscal year.

CAPITAL (601):

BUDGET COMPARISONS

	July 1, 2015 to October 31, 2015		
	Budget	Actual	Percentage
Beginning Balance	\$ 400,590	\$ 377,826	94.3% * see below
Transfers In	\$ 504,140	\$ 183,324	36.36%
Revenues	\$ 30,000	\$ 4,782	15.9%
M&S / Capital Outlay / Other	\$ 934,730	\$ 10,594	1.1%
Debt Expenditures	\$ 00	\$ 0	0.0%
Revenues Less Expenses	\$ 0	\$ 555,338	

Cash at Month End \$ 554,410.44

Exceptions:

1) Beginning Balance: ** The Beginning Balance figures used here have been audited.* Beginning Balance is \$22,764 less than budgeted. With an additional \$13,260 in the General Operating Fund, the combined negative amount is just \$9,504. This is not a concern as we have budgeted for a \$331,717 increase in reserves this year.

2) Revenues:

3) Expenditures:

4) Budget Changes: No budget changes have been made to this fund this fiscal year.

RECEIVABLES AGING REPORT

CUST ID	NAME	TYPE	CHARGE	DESCRIPTION	AGE	AMOUNT	UNPAID
178	CITY OF THE DALLES	QL	QLFEE	Q-LIFE ACCESS FEE	C	420.00	420.00
				TOTAL FOR AGE CATEGORY			420.00
				TOTAL FOR CUSTOMER			420.00
314	WASCO COUNTY	QL	QLFEE	Q-LIFE ACCESS FEE	C	1380.00	1380.00
				TOTAL FOR AGE CATEGORY			1380.00
				TOTAL FOR CUSTOMER			1380.00
440	NORCOR	QL	QLFEE	Q-LIFE ACCESS FEE	C	420.00	140.00
				TOTAL FOR AGE CATEGORY			140.00
				TOTAL FOR CUSTOMER			140.00
732	MCMC	QL	QLFEE	Q-LIFE ACCESS FEE	C	3885.00	845.00
				TOTAL FOR AGE CATEGORY			845.00
				TOTAL FOR CUSTOMER			845.00
738	COLUMBIA GORGE ESD	QL	QLFEE	Q-LIFE ACCESS FEE	C	880.00	880.00
				TOTAL FOR AGE CATEGORY			880.00
				TOTAL FOR CUSTOMER			880.00
742	QUANTUM COMMUNICATIONS	QL	QLFEE	Q-LIFE ACCESS FEE	C	550.00	300.00
				TOTAL FOR AGE CATEGORY			300.00
				TOTAL FOR CUSTOMER			300.00
745	SAWTOOTH TECHNOLOGIES	QL	QLFEE	Q-LIFE ACCESS FEE	C	770.00	770.00
				TOTAL FOR AGE CATEGORY			770.00
				TOTAL FOR CUSTOMER			770.00
798	DISTRICT 21	QL	QLFEE	Q-LIFE ACCESS FEE	C	3040.00	3040.00
				TOTAL FOR AGE CATEGORY			3040.00
				TOTAL FOR CUSTOMER			3040.00
848	GORGE NETWORKS	QL	CONQL	CONNECT CHARGES-QLIFE	C	949.51	949.51
			QLFEE	Q-LIFE ACCESS FEE	C	3800.00	3800.00
			QLNRC	QLIFE NRC- TURN ON FEE	C	700.00	700.00
				TOTAL FOR AGE CATEGORY			5449.51
				TOTAL FOR CUSTOMER			5449.51
974	DESIGN LLC-QLIFE	QL	QLFEE	Q-LIFE ACCESS FEE	C	7200.00	7200.00
				TOTAL FOR AGE CATEGORY			7200.00
				TOTAL FOR CUSTOMER			7200.00

CUST ID	NAME	TYPE	CHARGE	DESCRIPTION	AGE	AMOUNT	UNPAID
1058	ZAYO GROUP LLC	QL	QLFEE	Q-LIFE ACCESS FEE	C	2640.00	2286.00
				TOTAL FOR AGE CATEGORY			2286.00
				TOTAL FOR CUSTOMER			2286.00
				TOTAL FOR AGE CATEGORY			899.52
				TOTAL FOR AGE CATEGORY			1350.00
				TOTAL FOR AGE CATEGORY			1350.00
				TOTAL FOR AGE CATEGORY			1350.00
1078	SKYLINK FIBER.NET	QL	QLFEE	Q-LIFE ACCESS FEE	120	7650.00	7649.52
				TOTAL FOR AGE CATEGORY			2700.00
				TOTAL FOR CUSTOMER			7649.52
1099	STATE OF OREGON	QL	QLFEE	Q-LIFE ACCESS FEE	C	1250.00	1250.00
				TOTAL FOR AGE CATEGORY			1250.00
				TOTAL FOR CUSTOMER			1250.00
1246	NOANET WASHINGTON	QL	QLFEE	Q-LIFE ACCESS FEE	C	5200.00	5200.00
				TOTAL FOR AGE CATEGORY			5200.00
				TOTAL FOR CUSTOMER			5200.00
				GRAND TOTAL			36810.03

TOTAL BY AGING DAYS

CODE	AMOUNT
00000	31860.51
00030	1350.00
00060	1350.00
00090	1350.00
00120	899.52
<hr/>	
GRAND TOTAL -	36810.03

TOTAL BY CHARGE CODE

CODE	AMOUNT
CONQL	949.51
QLFEE	35160.52
QLNRC	700.00
<hr/>	
GRAND TOTAL -	36810.03

TOTAL BY CUSTOMER TYPE

CODE	AMOUNT
QL	36810.03
<hr/>	
GRAND TOTAL -	36810.03

QLFEE

600 QUALITYLIFE AGENCY FUND

		DEBITS	CREDITS
ASSETS			
101.00-00	CURRENT ASSETS / CASH AND INVESTMENTS	165,530.49	
115.00-00	CURRENT ASSETS / ACCOUNTS RECEIVABLE	35,860.52	
115.20-00	ACCOUNTS RECEIVABLE / ACCRUED ACCOUNTS RECBL	.00	
115.90-00	ACCOUNTS RECEIVABLE / ALLOWANCE-DOUBTFUL ACCTS	.00	
126.00-00	ASSETS / INTERGOVT RECEIVABLE	.00	
126.90-00	INTERGOVT RECEIVABLE / DEFERRED CREDIT / LSN	.00	
141.00-00	ASSETS / INVENTORIES-MAT'L/SUPPLY	.00	
161.00-00	FIXED ASSETS / LAND	.00	
162.00-00	FIXED ASSETS / BUILDINGS	.00	
163.00-00	FIXED ASSETS / IMPRVMTS OTHER THAN BLDGS	2,063,876.40	
163.50-00	IMPRVMTS OTHER THAN BLDGS / SOFTWARE LICENSES	7,011.35	
164.10-00	MACHINERY AND EQUIPMENT / FURNITURE & FIXTURES	.00	
164.20-00	MACHINERY AND EQUIPMENT / OFFICE EQUIPMENT	.00	
164.40-00	MACHINERY AND EQUIPMENT / VEHICLES	.00	
164.90-00	MACHINERY AND EQUIPMENT / OTHER EQUIPMENT	.00	
165.00-00	FIXED ASSETS / PLANT IN SERVICE	.00	
166.00-00	FIXED ASSETS / WORK IN PROGRESS	15,178.75	
169.00-00	FIXED ASSETS / ACCUMULATED DEPRECIATION		608,375.16
175.00-00	OTHER ASSETS / NOTES RECEIVABLE	.00	
	TOTAL ASSETS		1,679,082.35
LIABILITIES			
201.00-00	LIABILITY / VOUCHERS PAYABLE		.00
201.10-00	VOUCHERS PAYABLE / ACCOUNTS PAYABLE (MAJE)		.00
203.00-00	LIABILITY / AR SYSTEM/OVERPYMT/CREDIT		1,619.76
205.00-00	LIABILITY / NOTES PAYABLE		.00
206.00-00	LIABILITY / RETAINAGE PAYABLE		.00
207.00-00	LIABILITY / INTERGOVT PAYABLE		.00
208.00-00	LIABILITY / DUE TO OTHER FUNDS		.00
209.00-00	LIABILITY / ACCRUED INTEREST PAYABLE		.00
210.00-00	LONG TERM DEBT / LONG TERM DEBT		.00
220.00-00	LIABILITIES / OFFSET BEGINNING BALANCE	231,823.49	
226.00-00	LIABILITIES / CAPITAL LEASES		.00
229.00-00	LIABILITIES / CUSTOMER DEPOSITS		.00
243.00-00	RESERVE ACCOUNTS / RESERVE ACCOUNTS		.00
	TOTAL LIABILITIES		230,203.73
FUND EQUITY			
243.01-00	RESERVE ACCOUNTS / RESERVE FOR ENCUMBRANCES		.00
261.00-00	EQUITY / CONTRIB CAPITAL-GOVT		.00
264.00-00	EQUITY / CONTRIB CAPITAL-INTERGOVT		.00
265.00-00	EQUITY / GAAP TRANSACTIONS		.00
279.99-00	RETAINED EARNINGS / EQUITY TRANSFER	54,688.11	
	RETAINED EARNINGS		1,963,974.19
	TOTAL FUND EQUITY		1,909,286.08

PREPARED 11/02/2015, 13:17:18
PROGRAM GM263L
City of The Dalles

2016 BALANCE SHEET

PAGE 2
ACCOUNTING PERIOD 04/2016
Suppression = N

600 QUALITYLIFE AGENCY FUND

DEBITS

CREDITS

TOTAL LIABILITIES AND FUND EQUITY

1,679,082.35

601 QLIFE CAPITAL FUND

		DEBITS	CREDITS
ASSETS			
101.00-00	CURRENT ASSETS / CASH AND INVESTMENTS	554,410.44	
115.00-00	CURRENT ASSETS / ACCOUNTS RECEIVABLE	949.51	
115.20-00	ACCOUNTS RECEIVABLE / ACCRUED ACCOUNTS RECBL	.00	
130.00-00	ASSETS / DUE FROM OTHER FUNDS	.00	
	TOTAL ASSETS		555,359.95
LIABILITIES			
201.00-00	LIABILITY / VOUCHERS PAYABLE		.00
201.10-00	VOUCHERS PAYABLE / ACCOUNTS PAYABLE (MAJE)		.00
203.00-00	LIABILITY / AR SYSTEM/OVERPYMT/CREDIT		.00
205.00-00	LIABILITY / NOTES PAYABLE		.00
206.00-00	LIABILITY / RETAINAGE PAYABLE		.00
220.00-00	LIABILITIES / OFFSET BEGINNING BALANCE	377,826.07	
243.00-00	RESERVE ACCOUNTS / RESERVE ACCOUNTS		.00
	TOTAL LIABILITIES	377,826.07	
FUND EQUITY			
243.01-00	RESERVE ACCOUNTS / RESERVE FOR ENCUMBRANCES		.00
	FUND BALANCE		933,186.02
	TOTAL FUND EQUITY		933,186.02
	TOTAL LIABILITIES AND FUND EQUITY		555,359.95

City of The Dalles

FUND 600 QUALITYLIFE AGENCY FUND

ACCOUNT	ACCOUNT DESCRIPTION	***** ESTIMATED	CURRENT ACTUAL	***** %REV	***** ESTIMATED	YEAR-TO-DATE ACTUAL	***** %REV	ANNUAL ESTIMATE	UNREALIZED BALANCE
300	BEGINNING BALANCE								
300									
00 00		18,213	231,823.49	1273	72,852	231,823.49	318	218,563	13,260.49-
300	**	18,213	231,823.49	1273	72,852	231,823.49	318	218,563	13,260.49-
300	***	18,213	231,823.49		72,852	231,823.49		218,563	13,260.49-
340	CHARGES FOR SERVICES								
344	UTILITY SERVICES								
10 00	UTILITY SERVICE CHARGES	54,005	53,240.00	99	216,020	213,335.00	99	648,069	434,734.00
15 00	LSN CREDITS	0	.00		0	.00		0	.00
20 00	CONNECT CHARGES	187	700.00	374	748	700.00	94	2,250	1,550.00
344	**	54,192	53,940.00	100	216,768	214,035.00	99	650,319	436,284.00
340	***	54,192	53,940.00		216,768	214,035.00		650,319	436,284.00
360	OTHER REVENUES								
361	INTEREST REVENUES								
00 00	INTEREST REVENUES	58	286.91	495	232	1,060.02	457	700	360.02-
361	**	58	286.91	495	232	1,060.02	457	700	360.02-
369	OTHER MISC REVENUES								
00 00	OTHER MISC REVENUES	16	956.67	5979	64	956.67	1495	200	756.67-
20 00	E-RATE REIMBURSEMENT	4,166	5,612.16	135	16,664	11,376.00	68	50,000	38,624.00
369	**	4,182	6,568.83	157	16,728	12,332.67	74	50,200	37,867.33
360	***	4,240	6,855.74		16,960	13,392.69		50,900	37,507.31
390	OTHER FINANCING SOURCES								
392	SALE OF FIXED ASSETS								
00 00	SALE OF FIXED ASSETS	0	.00		0	.00		0	.00
392	**	0	.00		0	.00		0	.00
390	***	0	.00		0	.00		0	.00
FUND TOTAL	QUALITYLIFE AGENCY FUND	76,645	292,619.23		306,580	459,251.18		919,782	460,530.82

FUND 600 QUALITYLIFE AGENCY FUND		DEPT/DIV 6000 QLIFE/			*****CURRENT*****			*****YEAR-TO-DATE*****			ANNUAL BUDGET	UNENCUMB. BALANCE	% BDGT
EA ELE OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.					
SUB	DESCRIPTION												
66	EXPENSE-ACCOUNT												
660	FINANCIAL OPERATIONS												
02	MATERIALS & SERVICES												
31 10	ADMINISTRATIVE	1666	5078.73	305	6664	5078.73	76	.00	20000	14921.27	25		
15	COUNTY	416	.00	0	1664	.00	0	.00	5000	5000.00	0		
20	OUTSIDE PLANT MAINTENACE	3583	.00	0	14332	.00	0	.00	43000	43000.00	0		
90	OTHER SERVICES	1916	10593.37	553	7664	12278.37	160	.00	23000	10721.63	53		
32 10	AUDIT	558	3750.00	672	2232	3750.00	168	.00	6700	2950.00	56		
20	LEGAL SERVICES	700	435.00	62	2800	930.00	33	.00	8400	7470.00	11		
34 10	ENGINEERING SERVICES	1866	532.50	29	7464	5688.75	76	.00	22400	16711.25	25		
30	NETWORK SYSTEM MANAGEMENT	5666	14017.03	247	22664	22017.03	97	.00	68000	45982.97	32		
50	SPECIAL STUDIES & REPORTS	0	.00	0	0	.00	0	.00	0	.00	0		
41 40	ELECTRICITY	50	49.29	99	200	87.77	44	.00	600	512.23	15		
43 10	BUILDINGS AND GROUNDS	41	.00	0	164	.00	0	.00	500	500.00	0		
25	NETWORK EQUIPMENT	416	.00	0	1664	.00	0	.00	5000	5000.00	0		
87	UTILITIES LOCATES	83	.00	0	332	.00	0	.00	1000	1000.00	0		
44 10	OFFICE SPACE RENTAL	646	1938.00	300	2584	1938.00	75	.00	7752	5814.00	25		
52 10	LIABILITY	501	.00	0	2004	1600.00	80	.00	6017	4417.00	27		
30	PROPERTY	0	.00	0	0	.00	0	.00	0	.00	0		
53 20	POSTAGE	16	.00	0	64	.00	0	.00	200	200.00	0		
30	TELEPHONE	35	34.05	97	140	171.45	123	.00	420	248.55	41		
40	LEGAL NOTICES	33	.00	0	132	.00	0	.00	400	400.00	0		
54 00	ADVERTISING	125	.00	0	500	500.00	100	.00	1500	1000.00	33		
57 10	PERMIT	33	.00	0	132	.00	0	.00	400	400.00	0		
58 10	TRAVEL, FOOD & LODGING	166	235.75	142	664	500.80	75	.00	2000	1499.20	25		
50	TRAINING AND CONFERENCES	58	.00	0	232	195.00	84	.00	700	505.00	28		
70	MEMBERSHIPS/DUES/SUBSCRIP	72	495.51	688	288	1095.51	380	.00	875	220.51	125		
60 10	OFFICE SUPPLIES	8	27.00	338	32	36.56	114	.00	100	63.44	37		
63 80	QLIFE SCHOLARSHIPS	166	.00	0	664	2000.00	301	.00	2000	.00	100		
90	ROBOTICS GRANTS	166	.00	0	664	2000.00	301	.00	2000	.00	100		
69 50	MISCELLANEOUS EXPENSES	54	10.00	19	216	90.15	42	.00	650	559.85	14		
60	POLE CONNECTION FEES	875	.00	0	3500	.00	0	.00	10500	10500.00	0		
70	RIGHT OF WAY FEES	1620	1624.95	100	6480	4802.85	74	.00	19442	14639.15	25		
80	ASSETS <\$5000	0	.00	0	0	.00	0	.00	0	.00	0		
02 **	MATERIALS & SERVICES	21535	38821.18	180	86140	64760.97	75	.00	258556	193795.03	25		
03	CAPITAL OUTLAY												
74 20	TELECOMMUNICATIONS EQUIP	1666	.00	0	6664	.00	0	.00	20000	20000.00	0		
03 **	CAPITAL OUTLAY	1666	.00	0	6664	.00	0	.00	20000	20000.00	0		
660 ** **	FINANCIAL OPERATIONS	23201	38821.18	167	92804	64760.97	70	.00	278556	213795.03	23		
66 ** **	EXPENSE-ACCOUNT	23201	38821.18	167	92804	64760.97	70	.00	278556	213795.03	23		
DIV 6000	TOTAL *****	23201	38821.18	167	92804	64760.97	70	.00	278556	213795.03	23		
DEPT 60	TOTAL *****	23201	38821.18	167	92804	64760.97	70	.00	278556	213795.03	23		
	QLIFE	23201	38821.18	167	92804	64760.97	70	.00	278556	213795.03	23		

FUND 600 QUALITYLIFE AGENCY FUND		DEPT/DIV 9500 OTHER USES/		*****CURRENT*****			*****YEAR-TO-DATE*****			ANNUAL BUDGET	UNENCUMB. BALANCE	% BDDT
EA ELE OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.				
SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	% BDDT	
60	QLIFE FUND											
600	OTHER USES											
	05 OTHER											
81	91 QLIFE CAPITAL FUND	42011	45830.91	109	168044	183323.64	109	.00	504140	320816.36	36	
83	10 ESD E-RATE	4166	5612.16	135	16664	11376.00	68	.00	50000	38624.00	23	
05	** OTHER	46177	51443.07	111	184708	194699.64	105	.00	554140	359440.36	35	
	06 CONTINGENCY / UAFB											
88	00 CONTINGENCY	2306	.00	0	9224	.00	0	.00	27680	27680.00	0	
89	00 UNAPPROPRIATED ENDING BAL	4950	.00	0	19800	.00	0	.00	59406	59406.00	0	
06	** CONTINGENCY / UAFB	7256	.00	0	29024	.00	0	.00	87086	87086.00	0	
600	** ** OTHER USES	53433	51443.07	96	213732	194699.64	91	.00	641226	446526.36	30	
60	** ** QLIFE FUND	53433	51443.07	96	213732	194699.64	91	.00	641226	446526.36	30	
DIV	9500 TOTAL *****	53433	51443.07	96	213732	194699.64	91	.00	641226	446526.36	30	
DEPT	95 TOTAL *****	53433	51443.07	96	213732	194699.64	91	.00	641226	446526.36	30	
	OTHER USES	53433	51443.07	96	213732	194699.64	91	.00	641226	446526.36	30	
FUND 600	TOTAL *****	76634	90264.25	118	306536	259460.61	85	.00	919782	660321.39	28	
	QUALITYLIFE AGENCY FUND	76634	90264.25	118	306536	259460.61	85	.00	919782	660321.39	28	

City of The Dalles

FUND 601 QLIFE CAPITAL FUND										
ACCOUNT	DESCRIPTION	***** ESTIMATED	CURRENT ACTUAL	***** %REV	***** ESTIMATED	YEAR-TO-DATE ACTUAL	***** %REV	ANNUAL ESTIMATE	UNREALIZED BALANCE	
300	BEGINNING BALANCE									
300										
00 00		33,382	377,826.07	1132	133,528	377,826.07	283	400,590	22,763.93	
300	**	33,382	377,826.07	1132	133,528	377,826.07	283	400,590	22,763.93	
300	*** BEGINNING BALANCE	33,382	377,826.07		133,528	377,826.07		400,590	22,763.93	
330	INTERGOVERNMENTAL REVENUE									
331	FEDERAL REVENUES									
90 00	FEDERAL GRANTS-MISC	0	.00		0	.00		0	.00	
331	** FEDERAL REVENUES	0	.00		0	.00		0	.00	
330	*** INTERGOVERNMENTAL REVENUE	0	.00		0	.00		0	.00	
340	CHARGES FOR SERVICES									
344	UTILITY SERVICES									
20 00	CONNECT CHARGES	2,500	949.51	38	10,000	4,781.76	48	30,000	25,218.24	
344	** UTILITY SERVICES	2,500	949.51	38	10,000	4,781.76	48	30,000	25,218.24	
340	*** CHARGES FOR SERVICES	2,500	949.51		10,000	4,781.76		30,000	25,218.24	
360	OTHER REVENUES									
369	OTHER MISC REVENUES									
00 00	OTHER MISC REVENUES	0	.00		0	.00		0	.00	
10 00	ENTERPRISE ZONE PAYMENT	0	.00		0	.00		0	.00	
369	** OTHER MISC REVENUES	0	.00		0	.00		0	.00	
360	*** OTHER REVENUES	0	.00		0	.00		0	.00	
390	OTHER FINANCING SOURCES									
391	OPERATING TRANSFERS IN									
40 00	IF PMT FROM OTHER FUNDS	0	.00		0	.00		0	.00	
90 01	QLIFE OPERATING FUND	42,011	45,830.91	109	168,044	183,323.64	109	504,140	320,816.36	
391	** OPERATING TRANSFERS IN	42,011	45,830.91	109	168,044	183,323.64	109	504,140	320,816.36	
393	PROCEEDS- LT LIABILITIES									
10 00	LOAN/BOND PROCEEDS	0	.00		0	.00		0	.00	
393	** PROCEEDS- LT LIABILITIES	0	.00		0	.00		0	.00	
390	*** OTHER FINANCING SOURCES	42,011	45,830.91		168,044	183,323.64		504,140	320,816.36	
FUND TOTAL QLIFE CAPITAL FUND		77,893	424,606.49		311,572	565,931.47		934,730	368,798.53	

FUND 601 QLIFE CAPITAL FUND		DEPT/DIV 6000 QLIFE/										
BA ELE OBJ ACCOUNT		*****CURRENT*****			*****YEAR-TO-DATE*****			ENCUMBR.	ANNUAL	UNENCUMB.	% BDGT	
SUB	SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	
66		EXPENSE-ACCOUNT										
660		FINANCIAL OPERATIONS										
	02	MATERIALS & SERVICES										
	34 10	ENGINEERING SERVICES	916	.00	0	3664	1085.00	30	.00	11000	9915.00	10
	70	CUSTOMER CONNECT COSTS	333	.00	0	1332	.00	0	.00	4000	4000.00	0
	43 86	LINES MNTNCE & SUPPLIES	666	.00	0	2664	.00	0	.00	8000	8000.00	0
	57 10	PERMIT	0	.00	0	0	.00	0	.00	0	.00	0
	02 **	MATERIALS & SERVICES	1915	.00	0	7660	1085.00	14	.00	23000	21915.00	5
	03	CAPITAL OUTLAY										
	72 20	BUILDINGS	0	.00	0	0	.00	0	.00	0	.00	0
	74 20	TELECOMMUNICATIONS EQUIP	9166	.00	0	36664	.00	0	.00	110000	110000.00	0
	76 10	PRIMARY	15000	.00	0	60000	.00	0	.00	180000	180000.00	0
	20	SECONDARY	4166	1899.02	46	16664	9508.52	57	.00	50000	40491.48	19
	30	POLE MAKE READY COSTS	416	.00	0	1664	.00	0	.00	5000	5000.00	0
	03 **	CAPITAL OUTLAY	28748	1899.02	7	114992	9508.52	8	.00	345000	335491.48	3
	04	DEBT SERVICE										
	79 50	LOAN PRINCIPAL PAYMENTS	0	.00	0	0	.00	0	.00	0	.00	0
	51	CRB PRINCIPAL PAYMENTS	0	.00	0	0	.00	0	.00	0	.00	0
	60	LOAN INTEREST PAYMENTS	0	.00	0	0	.00	0	.00	0	.00	0
	90	LOAN RESERVE-PUT DEBT PAY	0	.00	0	0	.00	0	.00	0	.00	0
	04 **	DEBT SERVICE	0	.00	0	0	.00	0	.00	0	.00	0
660	** **	FINANCIAL OPERATIONS	30663	1899.02	6	122652	10593.52	9	.00	368000	357406.48	3
66	** **	EXPENSE-ACCOUNT	30663	1899.02	6	122652	10593.52	9	.00	368000	357406.48	3
DIV	6000	TOTAL *****	30663	1899.02	6	122652	10593.52	9	.00	368000	357406.48	3
DEPT	60	TOTAL *****	30663	1899.02	6	122652	10593.52	9	.00	368000	357406.48	3
		QLIFE	30663	1899.02	6	122652	10593.52	9	.00	368000	357406.48	3

FUND 601 Q LIFE CAPITAL FUND		DEPT/DIV 9500 OTHER USES/		*****CURRENT*****			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%
BA ELE OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	BDGT	
SUB	SUB	DESCRIPTION										
60		Q LIFE FUND										
600		OTHER USES										
	05	OTHER										
	84 15	RSRV FOR SYS IMPROVEMENTS	39309	.00	0	157236	.00	0	.00	471717	471717.00	0
	05 **	OTHER	39309	.00	0	157236	.00	0	.00	471717	471717.00	0
600	** **	OTHER USES	39309	.00	0	157236	.00	0	.00	471717	471717.00	0
60	** **	Q LIFE FUND	39309	.00	0	157236	.00	0	.00	471717	471717.00	0
66		EXPENSE-ACCOUNT										
660		FINANCIAL OPERATIONS										
	06	CONTINGENCY / UAFB										
	88 00	CONTINGENCY	7917	.00	0	31668	.00	0	.00	95013	95013.00	0
	89 00	UNAPPROPRIATED ENDING BAL	0	.00	0	0	.00	0	.00	0	.00	0
	06 **	CONTINGENCY / UAFB	7917	.00	0	31668	.00	0	.00	95013	95013.00	0
660	** **	FINANCIAL OPERATIONS	7917	.00	0	31668	.00	0	.00	95013	95013.00	0
66	** **	EXPENSE-ACCOUNT	7917	.00	0	31668	.00	0	.00	95013	95013.00	0
DIV	9500	TOTAL *****	47226	.00	0	188904	.00	0	.00	566730	566730.00	0
DEPT	95	TOTAL *****	47226	.00	0	188904	.00	0	.00	566730	566730.00	0
		OTHER USES										
FUND	601	TOTAL *****	77889	1899.02	2	311556	10593.52	3	.00	934730	924136.48	1
		Q LIFE CAPITAL FUND										
GRAND		TOTAL *****	154523	92163.27	60	618092	270054.13	44	.00	1854512	1584457.87	15

QLIFE - LISTING OF FINANCIAL TRANSACTIONS

FUND: OPERATING 600
 FISCAL YEAR: 2015-16

PERIOD DETAIL FROM: 10/9/2015 TO: 11/11/2015

Revenue: Billed as of

QLife Monthly Billings BILLING DONE ON THE 20TH 54,889.51

TOTAL: 54,889.51

CODE	Expenditures:		
600.6000.660.34.30	Aristo	monthly retainer	2,000.00
600.6000.660.60.10	Bohns	biz cards	25.00
600.9500.600.83.10	ESD	erate reimbursement	5,612.16
600.6000.660.58.10	Petite Provence	lunch	164.45
600.6000.660.41.40	NWC PUD	electric	49.29
600.6000.660.53.30	Gorge.net	phone	34.05
600.6000.660.58.70	State of Oregon	Ethics Commission	237.66
600.6000.660.58.10	Izetta Grossman	Mileage	71.30
600.6000.660.34.10	Commstructures	OSP oversight	110.00
600.6000.660.34.10	Commstructures	Misc.	422.50
600.6000.660.69.70	City of The Dalles	ROW	1,597.20
600.6000.660.32.20	Mobley	legal	825.00
600.6000.660.31.10	Young	Admin Services	6,930.00
600.6000.660.58.10	Young	Expenses	184.11
TOTAL:			18,262.72

FUND: CAPITAL 601

FISCAL YEAR: 2015-16

PERIOD DETAIL FROM: 10/9/2015 TO: 11/11/2015

TOTAL:

CODE

Expenditures:

TOTAL:

0.00

QLife Network

QualityLife Intergovernmental Agency

AGENDA STAFF REPORT

QualityLife Intergovernmental Agency

TO: QLife Board of Directors

FROM: Kate Mast, Finance Director

DATE: October 27, 2015

ISSUE: Authorization to Engage Merina & Company, LLP, to Continue to Provide Audit Services for the QualityLife Intergovernmental Agency for Fiscal Years FY15/16 and FY16/17.

BACKGROUND: The City, Urban Renewal District and QLife have engaged Merina & Company, LLP, to perform our audits for the past five years, and have completed their contracts with QLife this year.

It is not uncommon to continue to use the same auditors for several years, usually for five to seven years. There is something to be said for changing auditors periodically so that new eyes are examining the QLife books and accounting processes. However, the first year or so with new auditors is much more time consuming as they have to familiarize themselves with all aspects of the entity's functions before they can determine the focus of their audit. This not only increases the cost of the audit, but also uses significantly more of staff's time.

Currently we are negotiating with vendors for new financial software to be implemented during the current fiscal year. Implementation of new financial software is a major undertaking and the set up will require a clear understanding of not only our procedures and policies, but of accounting principles and reporting needs. In addition, the audit for FY15/16 will require a close review of the transition from our old software to the new to make sure that nothing was lost or misstated in the process.

In my opinion, it will be very important to have Merina's Tonya Moffitt, our Audit Manager and Merina partner, and Rochelle Friend, our audit lead, as resources for issues that may arise during the transition and also to facilitate the audit that will encompass information from two sets of software. It would be very difficult and time consuming for staff to have to work with a new audit firm to get them up to speed on our processes and to also have them audit the transition between old and new software.

In addition, I plan to retire sometime in 2017, and it would be helpful for a new Finance Director to have auditors in 2017 that were already very familiar with our accounting system and processes. It would be very difficult for a new Finance Director to work with new auditors, when neither of are very familiar with QLife's financial processes.

The City Council/Urban Renewal Board of Directors at their meeting on October 26, 2015, elected to continue working with Merina & Company, LLP, for the next two years. Staff recommends that the QLife Board of Directors also elect to continue to use Merina and Company, LLP, for the next two years for the sake of consistency.

BUDGET IMPLICATIONS: Merina & Company, LLP, estimates approximately 3% per year increases for QLife's audits over the next two years. The cost for the FY15/16 audit would be approximately \$6,901 to be budgeted in the Audit line item 600-6000-660.32-10. There may be some additional cost for asking questions or advice from the auditors during the software implementation, but they have not charged for those types of items in the past.

BOARD ALTERNATIVES:

- A. **Staff Recommendation:** Move to authorize the engagement of Merina & Company, LLP, as auditors for the QualityLife Intergovernmental Agency for the fiscal years ending June 30, 2016 and June 30, 2017.
- B. Do not authorize engagement of Merina & Company, LLP, and instruct staff to prepare a Request for Proposals (RFP) for audit services for the next three to five years.

QLife Network

QualityLife Intergovernmental Agency

AGENDA STAFF REPORT

QUALITYLIFE INTERGOVERNMENTAL AGENCY

TO: QLife Board of Directors

FROM: Nolan K. Young, Administrative Staff

DATE: November 9, 2015

ISSUE: Presentations from LSN and Gorge Networks as part of the Strategic Planning Process

BACKGROUND: Part of the Strategic Planning process for QLife has been to hear from current and potential partners about how they see the future of QLife and how they might be involved. Both LightSpeed Networks (LSN) and Gorge Networks made presentations. These two Internet Service Providers (ISP) are the Primary ISPs on our system in The Dalles. When we have someone request last mile service over the QLife fiber these are the ISPs we refer them to.

LSN and Gorge Networks have asked for one more opportunity to talk with the QLife Board before we set our Mission Statement, Values and Goals. They would like to share with us some challenges they currently have using our system and some ideas on how we could expand our business relationship to more customers.

We have scheduled 15 minutes for each at the meeting on November 19th.

BUDGET IMPLICATIONS: None

BOARD ALTERNATIVES: Presentation and Discussion only

QLife Administrator's Report: November 12, 2015

Attached to this report is a list of the projects I am currently involved in. It includes a listing of tasks for each project and identifies completed activities to date and future time lines. In this report I will provide a brief summary of activities since the last meeting. At the meeting I can update the board on any action since this report and answer questions. I will also be seeking direction from the board as needed.

Maupin Regional Strategies (RS) Project: I am spending about 2/3rds of my time on this project. Because of the many activities related to the Maupin project I have prepared a separate report.

QLife Strategic Plan: Chris Espy, the Human Resources Director for MCMC has agreed to facilitate our workshop with the Board, City Council and County Commission. MCMC has agreed to provide her time to us at no charge. The purpose of the workshop is to set a Mission Statement, Values and Goals for QLife. The Board directed that we prepare a survey for the Board, Council and Commission to respond to.. Prior to the workshop we will be reviewing the survey with our facilitator. We will try to send it to the Board members a day or two before the meeting so we can discuss it. We can also discuss a time for the workshop at our board meeting.

We are holding off on work on New Collocation Space or a Plan for Future Operation of QLife until after our workshop.

Salvage of Vaults in Columbia Gorge Business Center: We estimate that the value of the vaults is about \$500 each. There are about 10 of them in the recently vacate portions of River Trail Way. We recommend not pursuing the salvage because costs to remove them. If the Board wishes to further consider this we will request permission from Google to salvage them and get an estimate to do so.

Service Orders: We have started billing two new service orders totaling \$800 per month since the last report. We also moved one customer to a new location. We are currently working on quotes for four additional locations that we can identify in executive session.

QLife Administrative Projects

(November 12, 2015)

Project #1: Maupin Regional Strategies (RS) Project:

Task #1: Review proposed conceptual system design and budget and proposed agreements with LSN and Oregon Business. **DONE**

Task #2: Meet with potential project partners or potential anchor customers to discuss their role and needs

- MCEDD **DONE (Oct 9)**
- Gorge Network **DONE (Oct. 15)** will meet week of Nov 5th on potential agreement
- City of Maupin **DONE (Oct. 15)**
- South Wasco Alliance **DONE (Oct. 15)**
- Mosier Wi-Fi **DONE (Oct 20)**
- LSN **DONE (Oct 22)** Draft Agreement Prepared. Keith Mobley reviewing
- CenturyLink **DONE (Oct 23)**
- South Wasco School ESD **DONE (Nov. 3)**
- Engaged Maupin Community at MCEDD WebWorks meeting

Task #3: Develop conceptual plan including location of POP and obtain Board approve to pursue plan.

- Work order sign with Erik Orton to develop route feasibility study and opinion of probable construction and design costs **DONE (Nov 3)**
- Potential locations of POP to World wide web:
 - LSN @ BPA:
Integra @ BPA (Erik Orton)
 - Level Three Fiber in Maupin (reviewed Maupin agreement, Keith made inquiry, will review fiber as built on site visit identified two vaults that could be used for connection, Erik Orton following up on.)
- Potential locations of Collocation Hut (City of Maupin Site Identified)
- Pole Contact Agreement with Waco Electric Cooperative (meeting Oct. 27th)
- Conceptual Design and Cost Estimate (Visit Maupin with Erik Orton to scope route, Nov 11th)
- Board reviews progress at November 19th meeting and gives further Direction

Task #4: Develop financial plan for the Project:

- Determine range of Project costs (Erik Orton by Nov. 19th)
- Identify Potential Grants (by Nov. 19th)
 - Submitted one page summary for a \$25,000 Special Public Works (SPW) Tech. Assistance (TA) grant for project design. **DONE (Nov.6)** follow up meeting Nov 17th
 - Identified that Federal grants would not be available before next year **Done (Oct 30)**

- Requested Google of \$87,880 for project, Wi-Fi at park and Library should know by Nov 19th will require agreement in early December **DONE**
- E-Rate Grant; Have met with Cody at ESD we are working in the possibility of getting between \$120,000 and \$280,000 over a four year period to reimburse QLife for Construction costs (Nov 19)
 - Identify if QLife funds are needed and when funds would be available (Nov. 19th)
 - Identify a source of funding for QLife Construction loan. Need to submit a one page summary of request for 1% Loan to SPWF (Nov 19)
 - Prepare a draft business plan and progress report for November 19th Board meeting to obtain further direction from the Board (Rough Draft Nov 9th)

Task #5: Negotiate an Agreement with Oregon Business for \$410,000 Regional Strategies Grant

Task #6: Negotiate Letters of Intent and Pre-construct customer agreements with potential customers and operational/construction agreements with potential partners. Will be taking a letter of intent form to November 12th MCEDD WebWorks forum in Maupin on Nov. 12th to collect signatures.

Task #7: Final design and construction documents (by April 2016).

Task #8: Build system (May – Sept. 2016).

Project #2: QLife Strategic Plan:

Task #1: Determined Board support for facilitated meeting to develop mission statement, value statements, short term goals and long term goals **DONE. (Nov 15)**

Task #2: Send Board emails requesting questions and providing example provided by staff and other Board members **DONE (Oct 29)**

Task #3: Send Board, City Council and County Commission Survey (Nov.12) with responses by Nov. 21.

Task #4: MCMC will provide us the services of Chris Espy their Human Resources Director, to Facilitate workshop.

Task #5: Board sets possible dates for workshop with Council and Commission . Nov 19th

Task #6: Hold workshop TBD

Task #7: Pursue Plan for Future operation of QLife as selected in workshop:

Project #3: New Collocation Space:

Task #1: Identify options

Task #2: Determine feasibility of each option and develop concepts and budgets as appropriate

Task #3: Present Recommendation and alternatives to Board for consideration

Task #4: Develop time line and budget for pursuit of preferred option

Project #4 Columbia Gorge Business Center Subdivision:

Task #1: Salvage boxes from vacated portion of River Trail Way (if feasible)

Task #2: Work with Erik Orton on opportunities for partnering to install fiber in Subdivision.

Project #5: Identify Cost to place Insurance Outdoor Plant.

Project #6: Review current Pricing Models and determine if amendments are needed.

Project #7: Review current Policies and bring in line with new Mission Statement, Values and pricing models.

REPORT ON QLIFE MAUPIN PROJECT

(as of November 12, 2015)

Since the last board meeting a lot of work has taken place on the Maupin Fiber Project. About 2/3rds of my time has been spent on this project. Work on the feasibility and cost estimate is underway. Engineer Erik Orton and I spent part of a day in Maupin developing a general plan. We hope to have a range of project costs for the November 19th Board meeting.

Attached is the Start of the Business Plan We have enclosed the Table of contents, draft narrative, budget and time line. Note there are still a lot of blanks. Below are twelve items associated with the Business plan that we are still working on.

1. Project Budget
2. Preliminary Project Design
3. Pole Contact Agreement with Wasco Electric Cooperative
4. Easement for Route not in Public Right of way (Keith)
5. Agreement with LSN
6. Agreement with Gorge Networks
7. Agreement with Business Oregon for \$410,000 Regional Solutions Grant
8. Approval of \$25,000 SPWF-TA grant, and SPWF Loan
9. Agreement with Google for Grant
10. Agreement with the City of Maupin for use of Right of Ways and site for POP
11. Letters of Intent
12. Agreement for Network Technical Service for operation of the system.

We discussed our partnership with LSN at the Oregon connections conference. They are currently reviewing a draft agreement based on the following:

- QLife will accept \$410,000.00 in State funds for the project
- QLife will use those funds with other financing to establish a POP within the City of Maupin that will be connected to fiber optic line leased from the Bonneville Power Administration as a project that could lead to the availability of high capacity broadband within that community and the region.
- QLife will pay for and own the middle mile fiber from BPA Bake Oven Road Substation to the POP, as well as the POP, located in the City of Maupin.
- Engineering for the project's fiber build between the BPA Bake Oven Road Substation and Maupin POP will be done by Commstructure Consulting LLC, engineer for QLife, in cooperation with LSN in-kind engineering assistance.
- Construction of the Middle Mile will be done through a contract awarded by QLife in accordance it its' purchasing rules.

- LSN will obtain permits and Install the Network equipment to break the existing wavelength backbone and drop at least a single 10Gbps wavelength into the Fiber System QLife will build to the Maupin POP.
- LSN will also construct, on a 40' by 40' site to be provided by QLife, a 12' x 20' Telecom Hut with electric generator and fuel tank.
- LSN will sell to QLife the improvements created at BPA and the POP for the cost of permits, equipment, materials and outside services expended to create both improvements. The purchase costs will not include LSN in-kind services provided in the development of both items.
- LSN shall for the privilege of using the system created pay QLife an amount equal to one third (1/3rd) of the revenue they received for services they provide over this QLife system until QLife recovers its investment in this system. After that time LSN will provide QLife 25% of the revenue they receive.
- LSN will Provide Transport and Internet Service at LSN's Rural Rates as identified in Exhibit B. Exhibit B may be up dated by LSN five (5) years after the signing of this agreement.
- QLife will provide to LSN Space for up to two (2) racks in the collocation space at the Maupin POP and lease of up to 50% of the fiber on the system.
- LSN at their cost may build, in cooperation with QLife, additional fiber optic lines that connect to the QLife System. QLife agrees to accept these lines as part of the QLife system provided that LSN agrees to maintain those lines. LSN will have the exclusive use of these lines.

SPWF-TA FUNDING REQUEST: For Maupin Broadband Project

QLife is interested in submitting a request for a \$25,000 Oregon Special Public Works Fund (SPWF) Technical Assistance (TA) grant for final engineering for our Maupin Broadband Project. QLife is a Section 180 agency sponsored by the City of The Dalles and Wasco County. Its' purpose is to bring Broadband services to The Dalles and Wasco County as a middle mile provider. We are currently working with the North Central Regional Solutions Team to bring a middle mile Fiber Optic system to the Maupin area.

Our project engineer is currently under contract to provide a "Route Feasibility and Opinion of Probable Construction and Design Costs". We do not know yet what the range of cost are. We anticipate that it may be more than double the \$410,000 we hope to receive from the North Central Solutions Team. The QLife Board might be able to fund a portion of those costs. Additional grant funding is needed to help make the project financially feasible for us.

The Community of Maupin currently receives broadband services from either wireless, satellite or CenturyLink. The wireless service is unreliable and below the speeds need in today's internet environment. CenturyLink can only provide DSL service and its capacity is limited. The limited Broadband in the area is affecting the quality of life of the residents, the areas ability to attract and retain business and does not meet the needs of the local school district.

The identified solution is to bring Fiber Optic Cable to the community. Currently BPA has fiber passing through its' Bakeoven Road Substation located about 4 ½ miles from Maupin. LSN, a QLife partner in The Dalles has leased BPA fiber through this location. The initial plan is to purchase and install equipment at the substation that will download at least 10 Gigs of Broadband from LSN's fiber. This would be connected to a QLife fiber line that would go from the BPA substation to a Tel-comm. Hut (Point of Presence or POP). The fiber would also reach South Wasco County School District and the City of Maupin Facilities.

The project would not be possible without public funding. There is just not enough market in the area for private providers to make the needed investment and recoup their costs over a reasonable time. Even with assistance of the \$410,000 from the State of Oregon we have concerns that the additional costs may be more than QLife can invest at this time. With the assistance of a \$25,000 SPWF-TA Grant along with additional investment from QLife we could complete the engineering for the project. This would allow us to better know project costs. This will help us as we develop a final business plan for this project including securing commitments from potential partners and customers. The anticipate cost for final design and permitting are \$50,000 to \$80,000. QLife, who has already committed \$5,000 to the project feasibility study and staff in-kind services, could assist with the additional costs as needed.

The projects current and potential public and private partners include the North Central Regional Solutions Team, City of Maupin, Wasco County, QLife, MCEDD, South Wasco Alliance (a local citizen economic development committee), LightSpeed Networks (LSN), Gorge Networks, Mosier Wi-Fi and CenturyLink. The QLife Board has currently authorized its Administrator to take the lead on the project.

BUSINESS PLAN QUALITY LIFE
INTERGOVERNMENTAL AGENCY
(Q LIFE)

FOR
MAUPIN PROJECT

(DRAFT)

As of November 13, 2015

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DRAFT

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MAUPIN BROADBAND PROJECT

DRAFT BUSINESS PLAN

(As of November 13, 2015)

NEED: The Community of Maupin currently receives broadband services from wireless, satellite or CenturyLink. The wireless service is unreliable and below the speeds need in today's internet environment. CenturyLink can only provide DSL service and its capacity is limited. (see Attachment B South Wasco Community Broadband Access Project: Demand Survey Summary). The limited Broadband in the area is affecting the quality of life the residents, the areas ability to attract and retain businesses and does not meet the needs of the local school district.

The barrier to better broadband service is cost recovery. There is not enough market in the area for private providers to make the needed investment and recoup their costs over a reasonable period of time. The US Government's Connect American Project has indicated it would provide funding to CenturyLink to provide better broadband service to the underserved areas of Wasco County. This is a six year program that is still under development. The need for Maupin is immediate.

OPPORTUNITY: The North Central Regional Solution Team and Mid Columbia Economic Development District (MCEDD) obtained \$410,000 in Business Oregon Funding to provide better broadband access to the Maupin area. They are in need of a partner to obtain the remaining funding and construct and operate the system.

The Wasco County and QLife Network Strategic Plan (see Attachment A) includes as goal #4: Increase availability of high quality broadband service in All Wasco County Communities by driving demand through education. MCEDD through its webwork program has been working to educate the underserved communities as to the value of the internet. This is helping to drive the demand in Maupin as shown by the Letter of Intents and survey identified interest as summarized in Attachment G.

QLIFE: The Quality-Life Intergovernmental Agency (QLife) is a middle mile broadband provider in the Dalles Area . We have been in operation for 11 years. We primarily a middle mile fiber-optic provider with 18 customers, with fiber services to 70 sites. We are currently debt free and operating in the black with an annual operating budget of \$258,556 and current budgeted reserves of \$635,816.

QLife's Maupin Business Plan: Currently BPA has fiber passing through its Maupin Substation on Bakeoven Road, located 4 1/2 miles from Maupin. LSN, a QLife partner in The Dalles has leased BPA fiber through this location. The initial plan is to purchase and install

equipment at the substation that will download at least 10 Gigs of Broadband from LSN's fiber. This would be connected to a QLife fiber line that would go from the BPA substation to a Tel-comm. Hut (Point of Pressure or POP). The fiber would also reach South Wasco County School District and the City of Maupin Facilities.

With the use of a grant from Google, the project will allow for free public Wi-Fi at the City of Maupin's Riverfront Park and free public Wi-Fi at the County Library Branch in Maupin for those visiting or who have mobile Wi-Fi devices but not internet services and a fiber connection to The Dalles Branch giving those with no internet devices access to the internet over library computers.

CONSTRUCTION BUDGET: The Construction Budget (see attachment D) is \$xxx,xxx. It will provide the connection from the BPA Substation, a fiber-optic system of _____ miles, a point of Pressure (POP) tele-com hut and the public Wi-Fi system. The anticipated QLife contribution would be \$xxx,xxx. Additional funding is expected from a \$410,000 Regional Solutions Grants, \$25,000 SPWF-A, \$87,880 Google grant, and a \$xxx,xxx E Rate Contribution.

OPERATION PLAN: QLife would operate the Maupin Fiber System as a separate utility. We will establish a fund where we will track the construction cost, create an obligation for the Maupin System to the Reserve Fund and the cost to operate the new system.

The obligation of the Maupin System will include an 18 month SPNF loan for the \$410,000 Regional Strategies Grant that will not be available until the spring of 2017 and the funds QLife provides for the build. QLife would provide at no cost project Administrative Services for construction and operation including completing service orders for all customer connections and financial accounting. To operate the system QLife would obtain Network System Technical service through a request for proposal for those services (see Attachment L for a possible example) to the three ISPs operating in the Maupin area.

PROJECT PARTNERS: The projects current and potential public and private partners include the North Central Regional Solutions Team, City of Maupin, Wasco County, QLife, MCEDD, South Wasco Alliance (a local citizen economic development committee), LightSpeed Networks (LSN), Gorge Networks, Mosier Wi-Fi and CenturyLink. The QLife Board had currently authorized its Administrator to take the lead on the project.

To be Completed before Construction of Maupin Fiber Optic System

UNANSWERED QUESTION:

1. Project Budget
2. Construction Plans
3. Pole Contact Agreement with Wasco Electric Cooperative

4. Easement for Route not in Public Right of way
5. Agreement with LSN
6. Agreement with Gorge Networks
7. Agreement with Business Oregon for \$410,000 Regional Solutions Grant
8. Approval of \$25,000 SPWF-TA grant, and SPWF Loan
9. Agreement with Google for Grant
10. Agreement with the City of Maupin for use of Right of Ways and site for POP
11. Letters of Intent
12. Agreement for Network Technical Service for operation of the system.

Draft Time Line
MAUPIN BROADBAND PROJECT
(AS of November 15, 2015)

Date	Activity
Completed	Work Order signed for feasibility study
Completed	Request for \$25,000 SPWF TA Grant
Completed	Request for \$86,880 Google Wi-Fi/Fiber Grant
Nov. 18, 2015	Draft Feasibility Report
Nov. 18, 2015	Letters of Intent from Consumers
Nov. 18, 2015	Draft with LSN
Nov. 18, 2015	Draft with ISP's who will operate on the system
Nov. 19, 2015	Draft Business Plan submitted to Board for Review
Nov. 31, 2015	Draft agreement with Business Oregon for \$410,000
Nov. 31, 2015	Request & Loan from SPWF
Dec. 17, 2015	Board Approves Project Agreements
Dec. 30, 2015	Project Agreement Signed
April 30, 2016	Project Design Completed
May 1, 2016	Bids Process Implemented
May 26, 2016	Bid Awarded
June 2016	Construction Starts
Sept., 2016	Construction Completed

DRAFT BUDGET

**MAUPIN BROADBAND PROJECT
(As of November 15, 2015)**

REVENUES	AMOUNT
SPWF-TA Grant (pending)	\$ 25,000
Google Grant (pending)	\$ 67,880
Regional Solutions Grant (SPWF loan)	\$ 410,000
E Rate Funds	\$ TBD
QLife	<u>\$ TBD</u>
TOTAL REVENUE	\$ TBD
EXPENDITURES	
QLife Project Administrative Costs	\$ 20,000
Feasibility Study	\$ 5,000
Subtotal	
Design and Permitting	\$ 80,000+/-
BPA Cost	\$ 25,000+/-
Equipment and Improvement at BPA Sub-Station	\$125,000+/-
POP Facility	\$100,000+/-
Fiber Middle Mile Build	\$ TBD
Public Wi-Fi Equipment & Installation	\$ 20,400
3 Year Wi-Fi Maintenance/Operation and Internet Costs	<u>\$ 42,480</u>
TOTAL EXPENDITURES	\$ TBD

Notes: 1. a 1% SPWF Loan will be obtained for about 18 months or until Regional Solution funds come available in Spring 2017.

2. E Rate Fund will be available at \$ _____ a year over four years. QLife will initially include an SPWF Loan (18 months) and then carry as a payable until full funding received at end of four years.

3. QLife contribution will include (\$ _____ in cash for fiscal year 2015-16 with a SPWF of \$ _____ to be paid off in fiscal year 2016-17 (Spring 2017).

4. Includes ____% contingency.

QLife Board Survey

1. What should QLife's Role be in Economic Development in Wasco County and City of The Dalles?
2. Should QLife maintain its' current role as a Middle-mile provider or should it explore expansion into last mile service within the City of The Dalles?
3. Should QLife have a goal of providing direct service to all residents of Wasco County?
4. Should QLife expend effort (time and money) in getting broadband service to the underserved areas of Wasco County through either QLife or other providers?
5. Does the Board need an analysis of our available fiber capacity to handle additional growth?
6. Should QLife review its' rate structure and pricing model options with the intent to increase usage though lower rates?
7. Which of the following options for operating QLife would you like further investigated
 - a. Part Time Administrator (5 to 20 hours per week) with Current Contracts for other services
 - b. A RFP for a Single contact for operation of the system by a third party
 - c. New contact with one of the partners or a third party for Admin. Services
 - d. A RFP for a mix of service providers
8. QLife is projected, under the current structure to have \$200,000 to \$300,000 in surplus funds each year. Below please prioritize how you think those funds should be used:
 - Provide better Broadband to underserved areas of Wasco County
 - Maintain reserves for future replacement of system
 - Increase the amount QLife pays for extension of Fiber to new customer
 - Lower rates to increase usage of the system
 - Fiber Plant improvements to increase capacity
 - Expansion of system into residential areas with a new residential rate
 - A Robust 5 Year Capital Improvement Plan
 - Additional Collocation space
 - Move Collocation space out of the Basement at City Hall
 - Provide annual return on investment to Agency Sponsors
 - Pay for the annual operating cost for The Dalles Free Public Wi-Fi (\$xx,xxx)
 - Other: _____
 - Other: _____
9. Attached is the Mission Statement and Goals from the 2013 Wasco County and QLife Network Broadband Strategic Plan. If you feel QLife should use resources to pursue any of the four goals please add it to #8 above by writing "Broadband Goal # ___" in other and identify its' priority. A copy of the full strategic plan is available on the QLife web page ([www:qlife.net/home](http://www qlife.net/home))

WASCO COUNTY & QLIFE NETWORK

BROADBAND STRATEGIC PLAN

Broadband Vision Statement:

We will leverage current technology planning efforts in our region, the region's broadband infrastructure and our investment in middle-mile fiber plant to enhance our region's economic vitality and quality of life.

Broadband Goals:

1. Increase the number of new businesses entering the county and existing business retention and expansion by creating a technically fluent workforce.
2. Through digital literacy campaigns, increase adoption and utilization rates of broadband.
3. Improve health and education outcomes by leveraging tele-health and on-line learning modalities throughout the county.
4. Increase availability of high quality broadband service in ALL Wasco County communities by driving demand through education.

STRATEGIC OBJECTIVE

Leverage current technology planning efforts in our region, the region’s broadband infrastructure and our investment in middle-mile fiber plant to enhance our region’s economic vitality and quality of life.

STRATEGIC PRIORITIES

Economic Development	Community Development	Education and Health	Utilization of Resources
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GOALS

<p><i>1. Increase the number of new businesses entering the county and existing business retention and expansion by creating a technically fluent workforce.</i></p>	<p><i>2. Through digital literacy campaigns, increase adoption and utilization rates of broadband.</i></p>	<p><i>3. Improve health and education outcomes by leveraging tele-health and on-line learning modalities throughout the county.</i></p>	<p><i>4. Increase availability of high quality broadband service in ALL Wasco County communities by driving demand through education.</i></p>
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Strategies & Tactics (strategies in bold are highest priority)

<ul style="list-style-type: none"> a. Provider collaboration on increasing adoption rates by establishing access ‘hubs’. b. Recruit and support local entrepreneurs in technology fields to start or expand businesses in the county. c. Expand bi-state collaboration within Mid-Columbia Region on broadband training, adoption and rural access initiatives. d. Assist fruit growers and other local businesses to adopt broadband-enabled strategies to compete in global markets. e. Market the business and quality-of-life benefits of The Dalles and Wasco County as a “connected community” to large employers with a telecommuting workforce. 	<ul style="list-style-type: none"> a. Develop and promote policy for access equity in the County. b. Deploy an effective public awareness and outreach campaign that articulates broadband benefits and value. c. Establish partnerships to provide digital literacy training. Develop a community-based Technology Users Group with the mission of helping others, “neighbor-to-neighbor”, with broadband/ technology utilization skills. d. Establish means of increasing service and device affordability, e.g. neighborhood hot spots, equipment recycle program and grants or subsidies. 	<ul style="list-style-type: none"> a. Establish a policy to get broadband access to every address to support healthcare and education service delivery. b. Establish a public/private consortium for collaboration and sharing best practices across the education and healthcare sectors. c. Initiate a pilot program to test assumptions and develop best practices for using broadband to improve healthcare and/or educational outcomes. 	<ul style="list-style-type: none"> a. Drive demand for service through education and marketing the impacts and benefits of broadband. b. Explore partnerships to focus on demand activation and last mile accessibility. c. Explore all possibilities for leveraging existing public and private infrastructure to bridge rural last mile gaps. d. Advocate for state or federal level policies or programs which extend rural broadband service. Participate in policy reform efforts focused on incentivizing rural accessibility. e. Partnership or pilot project with OPB, OBAC and OBDD to demonstrate a rural broadband project.
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Aristo Networks LLC
Technical Management Report
By
John Amery
11/10/2015

Items of Discussion:

- There were no system issues this month
- Primary project – 2015 documentation / Audit
- New customer connections