



## AGENDA

### QLife Regular Board Meeting

Thursday, May 26, 2016  
Noon  
Wasco County Courthouse  
Deschutes Room – B08

1. Approval of Agenda
2. [Approval of April 28, 2016 Board Minutes](#)
3. [Financial Reports](#) – Kate Mast
4. [Reports](#) – John Amery
5. [Public Hearing: Fiscal Year 2016-17 Qlife Budget](#)
6. [Resolution 16-005: Adopting the QLife Budget for Fiscal Year 2016-17](#) – Kate Mast
7. [Scholarship Funding Report](#) – Tawny Wade
8. [Discussion: Pricing Clarification & Resolution 16-006](#) – Tyler Stone
9. [Administrative Overhead Cost](#) – Tyler Stone
10. [Maupin Project Update](#) – Eric Orton
11. [Executive Session: \(2\)\(g\) Competitive trade or commerce negotiations and \(2\)\(m\)\(E\) Discuss information regarding security of telecom systems and data transmission.](#)
12. Next Meeting Dates:  

Regular Board Meeting, June 23, 2016 Noon
13. Adjourn

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.

## **Approval of April 28, 2016 Board Minutes**

- [Board Minutes](#)



## MINUTES

Q-Life Regular Board Meeting  
Thursday, April 28<sup>th</sup> 2016  
Noon  
Deschutes Room, Wasco County Courthouse

**Call to Order:** President Larson calls the meeting to order.

**Roll Call:** Tyler Stone, Tawny Wade, Taner Elliot, Scott Hege, John Amery, Kate Mast, Erick Larson, Leif Hansen, Brian Ahier and Keith Mobley

**Approval of Minutes:** Erick Larson makes motion to approve minutes from last board meeting.

Scott Hege questions the amount mentioned in the minutes for the Public Works Grant. The minutes show the amount of \$280,000. Keith Mobley states it is actually \$28,000.

Scott Hege asks about John Amery working with Tyler Stone to have a back-up in place for Amery and what the status was on that. Agreed by all that this was not pertaining to the minutes and could be addressed in the meeting.

Minutes from March board meeting approved.

**Approval of Agenda:** Brian Ahier moved to approve the agenda for April meeting, Taner Elliot seconds. Minutes are approved with the edit of Leif Hansen being added to the reports.

**Financial Reports:** Kate Mast begins narrative of financial reports. Revenue is 76.5% in operational budget with 75% of the year past.

Kate Mast explains in the financial narrative that some line items will be over expended because we are tracking expenses for the Maupin project with only a code within the regular operating budget. The operating fund will eventually need to be reimbursed by the Maupin fund for all these coded expenses.

After finished her reporting, Kate Mast is dismissed.

**LSN/Leif Hansen Report:** Leif Hansen begins his report on the Maupin project and also discusses the meeting that he and Keith Mobley had with the City of Condon and their interest in getting broadband to their community.

It is discussed that they met with the "broadband committee" and they are concerned about what they don't know. They are interested in talking to QLife as a trusted third party. LSN does not have fiber running into Condon and it would be a 45 mile build out of Wasco with a middle mile estimate of 1.1 million. Keith Mobley suggested they form their own intergovernmental agency similar to QLife but they would prefer to reach out for guidance.

Scott Hege and Erick Larson both state their concerns about getting involved because of ongoing political conversations. Erick asks Keith Mobley if we could possibly be the arbitrator.

Tyler Stone states that the political arm of the City of Condon (Judge Schaffer) reached out to Commissioner Kramer and was told to "back off".

Scott Hege further agrees with Erick Larson that there may be some way to help facilitate their planning; why we did it, how we did it.

Further Leif states the Maupin Project is going well. The only disappointment so far is Wasco Electric is insisting we pole load. Collectively a \$20,000 cost to contract out.

Once Leif Hansen concludes his updates he leaves the meeting.

**Reports:** Beginning his report, John Amery states there were known system outages this month. Aristo Networks has been working closely with QLife administration to ease the transition.

**Scholarship Funding:** Moving on to the next topic, Erick Larson notices that the scholarship luncheon date has passed. Erick asks if we want to continue scholarship funding. Tyler's question is if QLife wants to continue to contribute on the same level. Everyone would agree that they would like to know who we are cutting the checks to, receive reports on recipients and continue funding the scholarships.

**Oregon Telecommunications Conference:** Tyler Stone asks if we want to be a sponsor at the Oregon Telecommunications Conference. Scott Hege states we usually sponsor at the \$500 level. Tyler states he will need to go. In addition, Taner, Keith, Erick and Scott express interest in going. Tawny Wade will also attend to aid in the set-up.

**Participant Pricing:** Beginning the discussion topic of pricing, Tyler Stone points out to the board that he has included comments and questions on both pricing resolutions 16-003 and 16-004.

Tyler acknowledges that he now understands that Participant pricing and Other Customer pricing is meant to be the same. When asking about the language discussing honoring previous pricing from past service orders for participants it is pointed out that some of what is being discussed may need to be in executive session.

During the discussion about pricing, Scott Hege points out that the board has never been exposed to the pricing and its implementation. The previous administrator, Nolan Young, always handled that alone.

Regarding Tyler's question about honoring previous pricing, Brian Ahier points it out that he thought the new pricing only applied to new customers not necessarily to new service orders.

The suggestion to the board is that Tyler will come to the next board meeting with an amended resolution with further clarification and discussion.

Tyler also asks about QLife covering build out costs as long as there is revenue guaranteed over the life of a 5 year contract, wanting to clarify that this is how it is meant to read. Erick Larson points out QLife recurring costs are not considered in the language, just the initial build out costs.

Tyler Stone asks what happens if we can't build it for the equal amount of revenue received from the 5 year contract. He points out that under the current language a build out would not happen if it were more than that revenue.

**Administrative Report:** Next on the agenda is a report on the Administrative transition. Tyler points out that his report is in the board packet and due to time restraints everyone can read it on their own time.

Erick Larson moves the meeting into Executive Session.

Next meeting on May 26, 2016 at noon.

Submitted by Tawny Wade

Signed: \_\_\_\_\_  
Brian Ahier Secretary/Treasurer

## Financial Reports

- [2016 Balance Sheet](#)
- [83% Year Lapsed Report](#)
- [Qlife Financial Narrative](#)
- [Audit Letter](#)
- [Invoice Summary as of 4/20/16](#)
- [Disbursements List as of 5/20/16](#)

600 QUALITYLIFE AGENCY FUND

		DEBITS	CREDITS
<b>ASSETS</b>			
101.00-00	CURRENT ASSETS / CASH AND INVESTMENTS	73,947.62	
115.00-00	CURRENT ASSETS / ACCOUNTS RECEIVABLE	63,562.47	
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 RECIEVABLE	.00	
<b>TOTAL ASSETS</b>			<b>1,615,201.43</b>
<b>LIABILITIES</b>			
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
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
<b>TOTAL LIABILITIES</b>			<b>231,823.49</b>
<b>FUND EQUITY</b>			
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	
<b>RETAINED EARNINGS</b>			<b>1,901,713.03</b>
<b>TOTAL FUND EQUITY</b>			<b>1,847,024.92</b>

PREPARED 05/03/2016, 16:41:00  
PROGRAM GM263L  
City of The Dalles

2016 BALANCE SHEET

PAGE 2  
ACCOUNTING PERIOD 10/2016  
Suppression = N

-----  
600 QUALITYLIFE AGENCY FUND

DEBITS

CREDITS

-----  
TOTAL LIABILITIES AND FUND EQUITY

1,615,201.43

601 QLIPE CAPITAL FUND

		DEBITS	CREDITS
<b>ASSETS</b>			
101.00-00	CURRENT ASSETS / CASH AND INVESTMENTS	827,801.94	
115.00-00	CURRENT ASSETS / ACCOUNTS RECEIVABLE	.00	
115.20-00	ACCOUNTS RECEIVABLE / ACCRUED ACCOUNTS RECBL	.00	
130.00-00	ASSETS / DUE FROM OTHER FUNDS	.00	
	<b>TOTAL ASSETS</b>		<b>827,801.94</b>
<b>LIABILITIES</b>			
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
	<b>TOTAL LIABILITIES</b>	<b>377,826.07</b>	
<b>FUND EQUITY</b>			
243.01-00	RESERVE ACCOUNTS / RESERVE FOR ENCUMBRANCES		.00
	<b>FUND BALANCE</b>		<b>1,205,628.01</b>
	<b>TOTAL FUND EQUITY</b>		<b>1,205,628.01</b>
	<b>TOTAL LIABILITIES AND FUND EQUITY</b>		<b>827,801.94</b>



City of The Dalles

FUND 600 QUALITYLIFE AGENCY FUND		***** CURRENT *****			***** YEAR-TO-DATE *****			ANNUAL	UNREALIZED
ACCOUNT	DESCRIPTION	ESTIMATED	ACTUAL	%REV	ESTIMATED	ACTUAL	%REV	ESTIMATE	BALANCE
300	BEGINNING BALANCE								
300									
00 00		18,213	.00		182,130	231,823.49	127	218,563	13,260.49-
300	**	18,213	.00		182,130	231,823.49	127	218,563	13,260.49-
300	*** BEGINNING BALANCE	18,213	.00		182,130	231,823.49		218,563	13,260.49-
340	CHARGES FOR SERVICES								
344	UTILITY SERVICES								
10 00	UTILITY SERVICE CHARGES	54,005	54,840.00	102	540,050	539,125.00	100	648,069	108,944.00
15 00	LSN CEDITIS	0	.00		0	.00		0	.00
20 00	CONNECT CHARGES	187	200.00	107	1,870	4,200.00	225	2,250	1,950.00-
344	** UTILITY SERVICES	54,192	55,040.00	102	541,920	543,325.00	100	650,319	106,994.00
340	*** CHARGES FOR SERVICES	54,192	55,040.00		541,920	543,325.00		650,319	106,994.00
360	OTHER REVENUES								
361	INTEREST REVENUES								
00 00	INTEREST REVENUES	58	543.35	937	580	3,648.60	629	700	2,948.60-
361	** INTEREST REVENUES	58	543.35	937	580	3,648.60	629	700	2,948.60-
369	OTHER MISC REVENUES								
00 00	OTHER MISC REVENUES	16	.00		160	3,932.50	2458	200	3,732.50-
20 00	E-RATE REIMBURSEMENT	4,166	.00		41,660	41,289.60	99	50,000	8,710.40
369	** OTHER MISC REVENUES	4,182	.00		41,820	45,222.10	108	50,200	4,977.90
360	*** OTHER REVENUES	4,240	543.35		42,400	48,870.70		50,900	2,029.30
390	OTHER FINANCING SOURCES								
392	SALE OF FIXED ASSETS								
00 00	SALE OF FIXED ASSETS	0	.00		0	.00		0	.00
392	** SALE OF FIXED ASSETS	0	.00		0	.00		0	.00
390	*** OTHER FINANCING SOURCES	0	.00		0	.00		0	.00
FUND TOTAL QUALITYLIFE AGENCY FUND		76,645	55,583.35		766,450	824,019.19		919,782	95,762.81

FUND 600 QUALITYLIFE AGENCY FUND		DEPT/DIV 6000 QLIFE/			*****CURRENT*****			*****YEAR-TO-DATE*****			ENCUMBR.	ANNUAL BUDGET	UNENCUMB. BALANCE	± BDDT
BA	ELE OBJ	ACCOUNT	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP					
66			EXPENSE-ACCOUNT											
660			FINANCIAL OPERATIONS											
	02		MATERIALS & SERVICES											
	31	10	ADMINISTRATIVE	3249	7064.17	217	22992	29015.13	126	.00	29500	484.87	98	
		15	COUNTY	416	.00	0	4160	.00	0	.00	5000	5000.00	0	
		20	OUTSIDE PLANT MAINTENANCE	3583	.00	0	35830	7225.64	20	.00	43000	35774.36	17	
		90	OTHER SERVICES	1916	.00	0	19160	12278.37	64	.00	23000	10721.63	53	
	32	10	AUDIT	558	.00	0	5580	3750.00	67	.00	6700	2950.00	56	
		20	LEGAL SERVICES	700	1590.00	227	7000	7560.00	108	.00	8400	840.00	90	
	34	10	ENGINEERING SERVICES	1866	6273.30	336	18660	29526.01	158	.00	22400	7126.01	132	
		30	NETWORK SYSTEM MANAGEMENT	5666	2760.00	49	56660	51787.15	91	.00	68000	16212.85	76	
		50	SPECIAL STUDIES & REPORTS	0	.00	0	0	.00	0	.00	0	.00	0	
	41	40	ELECTRICITY	50	45.21	90	500	406.00	81	.00	600	194.00	68	
	43	10	BUILDINGS AND GROUNDS	41	.00	0	410	247.03	60	.00	500	252.97	49	
		25	NETWORK EQUIPMENT	416	.00	0	4160	.00	0	.00	5000	5000.00	0	
		87	UTILITIES LOCATES	83	.00	0	830	.00	0	.00	1000	1000.00	0	
	44	10	OFFICE SPACE RENTAL	646	1938.00	300	6460	5814.00	90	.00	7752	1938.00	75	
	52	10	LIABILITY	501	.00	0	5010	7317.00	146	.00	6017	1300.00	122	
		30	PROPERTY	0	.00	0	0	.00	0	.00	0	.00	0	
	53	20	POSTAGE	16	.00	0	160	.00	0	.00	200	200.00	0	
		30	TELEPHONE	35	69.36	198	350	377.46	108	.00	420	42.54	90	
		40	LEGAL NOTICES	33	.00	0	330	174.00	53	.00	400	226.00	44	
	54	00	ADVERTISING	125	.00	0	1250	500.00	40	.00	1500	1000.00	33	
	57	10	PERMIT	33	.00	0	330	.00	0	.00	400	400.00	0	
	58	10	TRAVEL, FOOD & LODGING	166	.00	0	1660	1876.42	113	.00	2000	123.58	94	
		50	TRAINING AND CONFERENCES	58	.00	0	580	195.00	34	.00	700	505.00	28	
		70	MEMBERSHIPS/DUES/SUBSCRIP	72	.00	0	720	1432.85	199	.00	875	557.85	164	
	60	10	OFFICE SUPPLIES	8	.00	0	80	234.06	293	.00	100	134.06	234	
	63	80	QLIFE SCHOLARSHIPS	166	.00	0	1660	2000.00	121	.00	2000	.00	100	
		90	ROBOTICS GRANTS	166	.00	0	1660	2000.00	121	.00	2000	.00	100	
	69	50	MISCELLANEOUS EXPENSES	54	10.10	19	540	488.06	90	.00	650	161.94	75	
		60	POLE CONNECTION FEES	875	.00	0	8750	8158.35	93	.00	10500	2341.65	78	
		70	RIGHT OF WAY FEES	1620	1631.70	101	16200	14528.55	90	.00	19442	4913.45	75	
		80	ASSETS <\$5000	0	.00	0	0	.00	0	.00	0	.00	0	
	02	**	MATERIALS & SERVICES	23118	21381.84	93	221682	186891.08	84	.00	268056	81164.92	70	
		03	CAPITAL OUTLAY											
	74	20	TELECOMMUNICATIONS EQUIP	1666	.00	0	16660	.00	0	.00	20000	20000.00	0	
	03	**	CAPITAL OUTLAY	1666	.00	0	16660	.00	0	.00	20000	20000.00	0	
660	**	**	FINANCIAL OPERATIONS	24784	21381.84	86	238342	186891.08	78	.00	288056	101164.92	65	
66	**	**	EXPENSE-ACCOUNT	24784	21381.84	86	238342	186891.08	78	.00	288056	101164.92	65	
	DIV	6000	TOTAL *****	24784	21381.84	86	238342	186891.08	78	.00	288056	101164.92	65	
	DEPT	60	TOTAL ***** QLIFE	24784	21381.84	86	238342	186891.08	78	.00	288056	101164.92	65	

FUND 600 QUALITYLIFE AGENCY FUND		DEPT/DIV 9500 OTHER USES/			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%		
BA	ELE	OBJ	ACCOUNT	*****CURRENT*****	*****YEAR-TO-DATE*****		ENCUMBR.	BUDGET	BALANCE	BDGT		
SUB	SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP				
60		QLIFE FUND										
600		OTHER USES										
	05	OTHER										
	81	91 QLIFE CAPITAL FUND	42011	45830.91	109	420110	458309.10	109	.00	504140	45830.90	91
	83	10 ESD E-RATE	4166	.00	0	41660	41289.60	99	.00	50000	8710.40	83
	05	** OTHER	46177	45830.91	99	461770	499598.70	108	.00	554140	54541.30	90
	06	CONTINGENCY / UAFB										
	88	00 CONTINGENCY	723	.00	0	16728	.00	0	.00	18180	18180.00	0
	89	00 UNAPROPRIATED ENDING BAL	4950	.00	0	49500	.00	0	.00	59406	59406.00	0
	06	** CONTINGENCY / UAFB	5673	.00	0	66228	.00	0	.00	77586	77586.00	0
600	**	** OTHER USES	51850	45830.91	88	527998	499598.70	95	.00	631726	132127.30	79
60	**	** QLIFE FUND	51850	45830.91	88	527998	499598.70	95	.00	631726	132127.30	79
DIV	9500	TOTAL *****										
			51850	45830.91	88	527998	499598.70	95	.00	631726	132127.30	79
DEPT	95	TOTAL *****										
		OTHER USES	51850	45830.91	88	527998	499598.70	95	.00	631726	132127.30	79
FUND	600	TOTAL *****										
		QUALITYLIFE AGENCY FUND	76634	67212.75	88	766340	686489.78	90	.00	919782	233292.22	75

City of The Dalles

FUND 601 Q LIFE CAPITAL FUND		***** CURRENT *****			***** YEAR-TO-DATE *****			ANNUAL	UNREALIZED
ACCOUNT	ACCOUNT DESCRIPTION	ESTIMATED	ACTUAL	%REV	ESTIMATED	ACTUAL	%REV	ESTIMATE	BALANCE
300	BEGINNING BALANCE								
300									
00 00		33,382	.00		333,820	377,826.07	113	400,590	22,763.93
300	**	33,382	.00		333,820	377,826.07	113	400,590	22,763.93
300	*** BEGINNING BALANCE	33,382	.00		333,820	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	.00		25,000	13,568.68	54	30,000	16,431.32
344	** UTILITY SERVICES	2,500	.00		25,000	13,568.68	54	30,000	16,431.32
340	*** CHARGES FOR SERVICES	2,500	.00		25,000	13,568.68		30,000	16,431.32
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	Q LIFE OPERATING FUND	42,011	45,830.91	109	420,110	458,309.10	109	504,140	45,830.90
391	** OPERATING TRANSFERS IN	42,011	45,830.91	109	420,110	458,309.10	109	504,140	45,830.90
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		420,110	458,309.10		504,140	45,830.90
FUND TOTAL Q LIFE CAPITAL FUND		77,893	45,830.91		778,930	849,703.85		934,730	85,026.15



FUND 601 QLIFE CAPITAL FUND		DEPT/DIV 9500 OTHER USES/			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%		
BA	ELE OBJ	ACCOUNT	*****CURRENT*****			*****YEAR-TO-DATE*****			BUDGET	BALANCE	BDGT	
SUB	SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	BDGT
60		QLIFE FUND										
600		OTHER USES										
	05	OTHER										
	84 15	RSRV FOR SYS IMPROVEMENTS	39309	.00	0	393090	.00	0	.00	471717	471717.00	0
	05 **	OTHER	39309	.00	0	393090	.00	0	.00	471717	471717.00	0
600	** **	OTHER USES	39309	.00	0	393090	.00	0	.00	471717	471717.00	0
60	** **	QLIFE FUND	39309	.00	0	393090	.00	0	.00	471717	471717.00	0
66		EXPENSE-ACCOUNT										
660		FINANCIAL OPERATIONS										
	06	CONTINGENCY / UAFB										
	88 00	CONTINGENCY	7917	.00	0	79170	.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	79170	.00	0	.00	95013	95013.00	0
660	** **	FINANCIAL OPERATIONS	7917	.00	0	79170	.00	0	.00	95013	95013.00	0
66	** **	EXPENSE-ACCOUNT	7917	.00	0	79170	.00	0	.00	95013	95013.00	0
DIV	9500	TOTAL *****	47226	.00	0	472260	.00	0	.00	566730	566730.00	0
DEPT	95	TOTAL *****	47226	.00	0	472260	.00	0	.00	566730	566730.00	0
		OTHER USES	47226	.00	0	472260	.00	0	.00	566730	566730.00	0
FUND	601	TOTAL *****	77889	1353.78	2	778890	21923.91	3	.00	934730	912806.09	2
		QLIFE CAPITAL FUND	77889	1353.78	2	778890	21923.91	3	.00	934730	912806.09	2

City of The Dalles

FUND 602 QLIPE MAUPIN FUND		***** CURRENT *****			***** YEAR-TO-DATE *****			ANNUAL	UNREALIZED
ACCOUNT	ACCOUNT DESCRIPTION	ESTIMATED	ACTUAL	%REV	ESTIMATED	ACTUAL	%REV	ESTIMATE	BALANCE
300	BEGINNING BALANCE								
300									
00 00		0	.00		0	.00		0	.00
300	**	0	.00		0	.00		0	.00
300	*** BEGINNING BALANCE	0	.00		0	.00		0	.00
330	INTERGOVERNMENTAL REVENUE								
334	STATE GRANTS								
90 00	STATE GRANTS, OTHER	8,825	.00		35,300	.00		52,950	52,950.00
334	** STATE GRANTS	8,825	.00		35,300	.00		52,950	52,950.00
336	PRIVATE SECTOR GRANTS								
10 00	PRIVATE SECTOR GRANTS	14,647	.00		58,588	87,880.00	150	87,880	.00
336	** PRIVATE SECTOR GRANTS	14,647	.00		58,588	87,880.00	150	87,880	.00
330	*** INTERGOVERNMENTAL REVENUE	23,472	.00		93,888	87,880.00		140,830	52,950.00
340	CHARGES FOR SERVICES								
344	UTILITY SERVICES								
20 00	CONNECT CHARGES	0	.00		0	.00		0	.00
344	** UTILITY SERVICES	0	.00		0	.00		0	.00
340	*** CHARGES FOR SERVICES	0	.00		0	.00		0	.00
360	OTHER REVENUES								
369	OTHER MISC REVENUES								
00 00	OTHER MISC REVENUES	0	.00		0	.00		0	.00
20 00	E-RATE REIMBURSEMENT	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								
393	PROCEEDS- LT LIABILITIES								
10 00	LOAN/BOND PROCEEDS	68,333	.00		273,332	.00		410,000	410,000.00
393	** PROCEEDS- LT LIABILITIES	68,333	.00		273,332	.00		410,000	410,000.00
390	*** OTHER FINANCING SOURCES	68,333	.00		273,332	.00		410,000	410,000.00
FUND TOTAL QLIPE MAUPIN FUND		91,805	.00		367,220	87,880.00		550,830	462,950.00
GRAND TOTAL		246,343	101,414.26		1,912,600	1,761,603.04		2,405,342	643,738.96



FUND 602 QLIFE MAUPIN FUND		DEPT/DIV 6000 QLIFE/										
BA ELE OBJ	ACCOUNT	*****CURRENT*****			*****YEAR-TO-DATE*****			ANNUAL	UNENCUMB.	%		
SUB	SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	BUDGET	BALANCE	BDGT
66		EXPENSE-ACCOUNT										
660		FINANCIAL OPERATIONS										
02		MATERIALS & SERVICES										
31	10	ADMINISTRATIVE	5000	3432.00	69	20000	22000.00	110	.00	30000	8000.00	73
32	20	LEGAL SERVICES	0	.00	0	0	.00	0	.00	0	.00	0
34	10	ENGINEERING SERVICES	0	.00	0	0	.00	0	.00	0	.00	0
	70	CUSTOMER CONNECT COSTS	0	.00	0	0	.00	0	.00	0	.00	0
43	86	LINES MNTNCE & SUPPLIES	0	.00	0	0	.00	0	.00	0	.00	0
02	**	MATERIALS & SERVICES	5000	3432.00	69	20000	22000.00	110	.00	30000	8000.00	73
03		CAPITAL OUTLAY										
72	20	BUILDINGS	0	.00	0	0	.00	0	.00	0	.00	0
74	20	TELECOMMUNICATIONS EQUIP	27401	.00	0	109604	.00	0	.00	164404	164404.00	0
76	10	PRIMARY	0	.00	0	0	.00	0	.00	0	.00	0
	20	SECONDARY	44277	.00	0	177108	.00	0	.00	265659	265659.00	0
	30	POLE MAKE READY COSTS	0	.00	0	0	.00	0	.00	0	.00	0
03	**	CAPITAL OUTLAY	71678	.00	0	286712	.00	0	.00	430063	430063.00	0
04		DEBT SERVICE										
79	50	LOAN 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
04	**	DEBT SERVICE	0	.00	0	0	.00	0	.00	0	.00	0
660	** **	FINANCIAL OPERATIONS	76678	3432.00	5	306712	22000.00	7	.00	460063	438063.00	5
66	** **	EXPENSE-ACCOUNT	76678	3432.00	5	306712	22000.00	7	.00	460063	438063.00	5
DIV	6000	TOTAL *****	76678	3432.00	5	306712	22000.00	7	.00	460063	438063.00	5
DEPT	60	TOTAL ***** QLIFE	76678	3432.00	5	306712	22000.00	7	.00	460063	438063.00	5



FUND 602 QLIFE MAUPIN 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			QLIFE FUND											
600			OTHER USES											
	06		CONTINGENCY / UAFB	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
	88	00	CONTINGENCY	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
	06	**	CONTINGENCY / UAFB											
600	**	**	OTHER USES	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
60	**	**	QLIFE FUND	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
DIV	9500		TOTAL *****	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
DEPT	95		TOTAL *****											
			OTHER USES	15128	.00	0	60512	.00	0	.00	90767	90767.00	0	
FUND	602		TOTAL *****											
			QLIFE MAUPIN FUND	91806	3432.00	4	367224	22000.00	6	.00	550830	528830.00	4	
GRAND			TOTAL *****	246329	71998.53	29	1912454	730413.69	38	.00	2405342	1674928.31	30	

TO: Qlife Board  
 Tyler Stone, QLife Administrator

FR: Kate Mast, Finance Director

RE: Financial Report for QLIFE – April 2016

**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.

83% 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 April 30, 2016</u>			
	<b>Budget</b>	<b>Actual</b>	<b>Percentage</b>	
Beginning Balance	\$ 218,563	\$ 231,823	106.0%	* see below
Revenues	\$ 701,219	\$ 592,196	84.4%	
Expenditures	\$ 415,642	\$ 228,181	54.9%	
Transfers to Capital/Debt Fund	\$ 504,140	\$ 458,309	90.9%	
<hr/>				
Revenues Less Expenses	\$ 0	\$ 137,539		
Cash at Month End	\$ 73,947.62			

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 83% of the year, we have received 83.2% 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. An additional \$2,867.83 was billed and received for another transformer move in February.
- 3) Expenditures:
- a) The Liability Insurance Line Item has been over-expended by \$1,300.00. I believe only the Special Districts Liability insurance was budgeted in this line item, but the \$1,600 Pole Attachment Bond was appropriately also posted to this line item. This should not require any budget adjustments, as the category should not be over-expended at the end of the year.
- b) The Memberships/Dues/Subscription Line Item has been over-expended by \$557.85 due to dues being paid in February in the amount of \$575.00 to the Oregon Joint Use Association. This should not require any budget adjustments, as the category should not be over-expended at the end of the year.
- c) The Engineering Services line item has been over-expended by \$7,126.01. \$6,437.50 of this are for the Maupin Project. Since there is no budget in the Maupin Fund, it is our understanding that some of the expenses are being charged to the Operating Fund, with the MAUPIN project code. This will allow us to track these expenses, and when the Maupin project is completed and that system is generating its own revenue, those expenses will be repaid to the Operating Fund.
- 4) Budget Changes: The Board approved a supplemental budget creating the new QLife Maupin Fund (602) and budget amendments to provide additional funds for the Interim Manager in the QLife Agency Fund (600) on January 21, 2016.

**CAPITAL (601):**

**BUDGET COMPARISONS**

	July 1, 2015 to April 30, 2016			
	Budget	Actual	Percentage	
Beginning Balance	\$ 400,590	\$ 377,826	94.3%	* see below
Transfers In	\$ 504,140	\$ 458,309	90.9%	
Revenues	\$ 30,000	\$ 13,569	45.2%	
M&S / Capital Outlay / Other	\$ 934,730	\$ 21,924	2.3%	
Debt Expenditures	\$ 00	\$ 0	0.0%	
Revenues Less Expenses	\$ 0	\$ 827,780		
Cash at Month End	\$ 827,801.94			

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.

**MAUPIN (602):**

BUDGET COMPARISONS

	July 1, 2015 to April 30, 2016		
	Budget	Actual	Percentage
Beginning Balance	\$ 00	\$ 00	00.0%
Revenues	\$ 550,830	\$ 87,880	15.9%
Expenditures	\$ 550,830	\$ 22,000	4.0%
<hr/>			
Revenues Less Expenses	\$ 0	\$ 65,880	
Cash at Month End	\$ 65,880.00		

Exceptions:

- 1) Beginning Balance:
- 2) Revenues: A \$87,880 grant has been received from Google for the Maupin Project.
- 3) Expenditures:
- 4) Budget Changes: This fund was created via a supplemental budget on January 21, 2016.

May 5, 2016

To the Board of Directors  
QualityLife Intergovernmental Agency

We are engaged to audit the financial statements of the QualityLife Intergovernmental Agency for the year ended June 30, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 5, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatement. Our audit of the financial statements does not relieve you or management of your responsibilities.

Generally accepted accounting principles provide for certain required supplementary information (RSI), which includes the management's discussion and analysis, to supplement the basic financial statements. Our responsibility with respect to the items listed above, and which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, this RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on supplementary information, such as budgetary comparison schedule, which accompany the financial statements. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the officials of the agency, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

As part of our audit, we will consider the internal control of the QualityLife Intergovernmental Agency. Such considerations will be solely for the purpose of determining our audit procedures

and not to provide any assurance concerning such internal control. We are 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 specifically to identify such matters.

We gave significant consideration to our assistance with the preparation of the financial statements, which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.

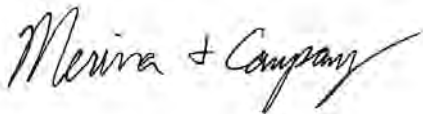
#### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

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

Very truly yours,

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
Certified Public Accountants and Consultants



**Qlife Network**

qualitylife Intergovernmental Agency

INVOICE SUMMARY	4/20/16	
EMAIL ONLY CUSTOMERS		
MAIL ONLY CUSTOMERS		19
EMAIL & MAIL CUSTOMERS		
TOTAL CUSTOMERS INVOICED		19
TOTAL AMOUNT INVOICED	\$55,040.00	

QLIFE - LISTING OF FINANCIAL TRANSACTIONS

FUND: OPERATING 600

FISCAL YEAR: 2015-16

PERIOD DETAIL FROM: 4/28/2016 TO: 5/20/2016

Revenue: Billed as of

QLife Monthly Billings

BILLING DONE ON THE 20TH

			55,040.00
TOTAL:			<b>55,040.00</b>
CODE	Expenditures:		
600.6000.660.34.30	Aristo	monthly retainer	2,000.00
600.6000.660.34.30	Aristo	April	2,000.00
600.6000.660.53.40	The Dalles Chronicle	budget posting	26.10
600.6000.660.34.10	Commstructure		552.50
600.6000.660.34.10	Commstructure	MAUPIN	5,974.75
600.6000.660.34.10	Commstructure		440.00
600.6000.660.54.00	Oregon Telecom Conference	Sponsorship	500.00
600.6000.660.32.20	Keith Mobley	Legal Services	690.00
600.6000.660.32.20	Keith Mobley	MAUPIN	1,920.00
600.6000.660.69.50	Rage Graphic	plaque for Nolan	94.00
600.6000.660.60.10	Staples- Izetta	Office Supplies	10.99
600.6000.660.69.60	Century Link	Pole Rent	144.54
600.6000.660.34.30	Aristo	General Oversight	3,775.68
600.6000.660.34.30	Aristo	MCMC Craigs SO6	668.61
600.6000.660.34.30	Aristo	MCF&R SO2	22.08

TOTAL: 18,819.25

FUND: CAPITAL 601

FISCAL YEAR: 2015-16

PERIOD DETAIL FROM: 4/28/2016 TO: 5/20/2016

Revenue:

TOTAL:

CODE Expenditures:



TOTAL:

0.00

FUND:

MAUPIN FUND 602

FISCAL YEAR:

2015-16

PERIOD DETAIL

FROM: 4/28/2016 TO: 5/20/2016

Revenue:

TOTAL:

CODE

Expenditures:

TOTAL:

0.00

## Reports

- [Aristo Technical Management Report](#)

Aristo Networks LLC  
Technical Management Report  
By  
John Amery  
5/19/2016

Items of Discussion:

- There was one system outage this month. It is believed one of Qlife's customers developed an internal bridge loop. This loop affected Qlife's customer's internal network severely and trickled into Qlife's network forcing a reboot of a Qlife device. While multiple providers were affected by this loop it is not believed that the impact occurred within the Qlife network as only one Qlife device showed signs of impact and this Qlife device was not servicing multiple Qlife customers.
- Aristo Networks has been working closely with Qlife Administration to help with the transition.
- Qlife is currently evaluating different monitoring solutions for our electronics.
- Qlife has their first signed wholesale customer. Aristo Networks is working on technical details regarding deployment for this new service.

## **Public Hearing: Fiscal Year 2016-17 QLife Budget**

- [Staff Report](#)

## QLIFE AGENDA STAFF REPORT

TO: Qlife Board  
Tyler Stone, QLife Administrator

FROM: Kate Mast, Finance Director

DATE: May 9, 2016

RE: **Required Public Hearing and Adoption of FY16/17 QLife Budget as Approved by the QLife Budget Committee**

**BACKGROUND:** The QLife Budget Committee reviewed the proposed budget for FY16/17 at their Budget Committee meeting on April 28, 2016, and approved that budget with one change to the Maupin Fund to increase the estimated Beginning Fund Balance and allocate those additional funds to the Capital Outlay category for continuation of the Maupin system project.

The QLife budget as approved by the QLife Budget Committee was then considered by the Wasco County Commission at their meeting on May 4, 2016, in accordance with the Intergovernmental Agreement between the County and City that states that both partners must approve the QLife Budget. During the County's review, Mr. Wayne Lease stated that GASB 54 had not been applied correctly to the QLife Budget. The Commissioners approve the QLife Budget, contingent upon research into Mr. Lease's concerns.

QLife Attorney Keith Mobley and QLife auditor Tonya Moffitt, CPA, both looked into the issue. Mr. Mobley found no restrictions in statutes and Ms. Moffitt provided an email stating that GASB 54 only applied to the net position of funds classified as "governmental", while the QLife funds are classified as "proprietary". She provided her opinion that GASB 54 does not apply to the QLife funds for that reason. She discussed her findings and her credentials with Mr. Mobley, who then produced a letter to QLife Administrator Tyler Stone indicating that Mr. Mobley was confident in Ms. Moffitt's credentials and in her opinion on this matter (see attached).

The QLife budget was then reviewed and approved by the City Council at their meeting on May 9, 2016.

**PUBLIC NOTICE & PUBLIC HEARING REQUIRED:** The required Public Notice of the Public Hearing to be held prior to adoption of the approved budget at the QLife Board meeting will be published on Sunday, May 15, 2016.

### **BOARD ALTERNATIVES:**

1. Staff Recommendation: Hold the required Public Hearing on the budget. Then **Move to adopt Resolution No. 16-005 Adopting the QualityLife (QLife) Intergovernmental Agency Budget for Fiscal Year 2016-2017, Making Appropriations and Authorizing Expenditures.**
2. The Board may choose to amend the approved budget before adoption at this meeting as long as the changes are not more than 10% of the fund expenses or \$5,000, whichever is greater. If that limit is exceeded the budget notice will have to be republished and another Public Hearing must be held before the budget may be adopted.

**Keith A. Mobley**

*Lawyer*

E-Mail: mobley@ortelco.net

*By Appointment Only*

P.O. Box 537

Dufur, OR 97021

Telephone: (541) 993-2086

Facsimile (888) 467-7850

May 5, 2016

Tyler Stone, Administrator  
Q-Life Network  
511 Washington Street  
The Dalles, OR 97058

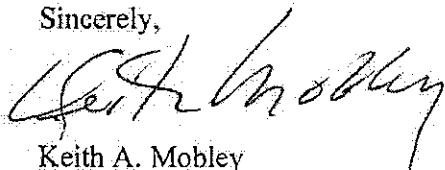
Dear Tyler:

I write in response to a question posed by Mr. Wayne Lease about a provision in the proposed 2015-2017 budget for the QualityLife Intergovernmental Agency that would authorize the board of directors to transfer funds from the Agency to its founding owners, Wasco County and the City of The Dalles.

Not knowing the basis for his objection to such a transfer, I researched the question of whether there were statutory or other restrictions that would apply. I found none, and subsequently learned the authority he was relying on was Governmental Accounting Standards Board Statement 54.

After reviewing the Statement and discussing it with CPA Tonya Moffitt, a member of the firm that audits the QualityLife Intergovernmental Agency and an expert on GASB requirements, I have concluded that it does not provide authority that would support the objection.

Sincerely,



Keith A. Mobley  
Legal Counsel for Q-Life Network

## Kate Mast

---

**From:** Tonya Moffitt <tmoffitt@merinacpas.com>  
**Sent:** Wednesday, May 04, 2016 3:35 PM  
**To:** Kate Mast  
**Subject:** GASB 54 - application to QualityLife Financial Statements  
**Attachments:** GASBS\_54\_\_Fund\_Balance\_Reporting\_and\_Governmental\_Fund\_Type\_Definitions.doc;  
GASBS\_34\_\_Basic\_Financial\_Statements\_and\_Management\_s\_Discussion\_and\_An....doc;  
GASBS\_46  
\_\_Net\_Assets\_Restricted\_by\_Enabling\_Legislation\_an\_amendment\_of\_GASB\_Statement  
No\_34.doc

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Kate,

Government Accounting Standards Board (GASB) 54 – Fund Balance Reporting and Governmental Fund Type Definitions is not applicable to QualityLife Intergovernmental Agency because it is a Proprietary Fund. GASB 54 is applicable to Governmental Funds and not Propriety Funds. Per GASB 54 Summary:

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

It is our understanding that the Net Position listed as “Unrestricted” on page 1 of the QualityLife Intergovernmental Agency’s June 30, 2015 Financial Statements is appropriately categorized based on the Government Accounting Standards Board’s Statements definitions. Below I have referenced the GASB’s that apply to Net Position (formerly referred to as Net Assets).

GASB 34 – Basic Financial Statements and Management Discussion and Analysis For State and Local Government has the following definition for Restricted Net Position paragraph 34:

- Net assets should be reported as restricted when constraints placed on net asset use are either:
- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments
  - b. Imposed by law through constitutional provisions or enabling legislation.
- Enabling legislation*, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
35. When permanent endowments or permanent fund principal amounts are included, "restricted net assets" should be displayed in two additional components—expendable and nonexpendable. Nonexpendable net assets are those that are required to be retained in perpetuity.

Enabling legislation was later amended in GASB 46 – Net Assets Restricted by Enabling Legislation an amendment of GASB Statement No. 34. See the attached statement.

I have attached GASB 54, 34, & 46 in their entirety for your reference.

Here are some of the classes I have taught or will be teaching in the next few months:

- GASB 51 & 54 classes
- GASB 61 & 62 – What's Coming in 2013
- Governmental Accounting and Reporting
- Governmental Accounting and Auditing Update
- GASB 68 classes at the 2016 Oregon Government Finance Officer Association Spring Conference and 2015 Oregon Society of CPA Spring Governmental Auditing Conference
- I am scheduled to:
  - Be the discussion leader for the GASB 68 panel at the 2016 OSCPA Spring Governmental Auditing Conference on May 17, 2016.
  - Teaching Applying the Uniform Guidance for Federal Awards in Your Single Audits June 1, 2016
  - Teaching Minimum Standards for Audits of Oregon Municipal Corporations and Oregon Local Budget Law on June 14, 2016
  - Teaching the Governmental Accounting and Reporting on June 28, 2016

If you have any questions please let me know.

Tonya Moffitt, CPA  
Partner  
Merina & Company, LLP  
Certified Public Accountants and Consultants  
5499 Amy Street  
West Linn, OR 97068  
Phone 503.723.0300 X 208  
Fax 503.723.9946  
[tmoffitt@merinacpas.com](mailto:tmoffitt@merinacpas.com)  
[www.merinacpas.com](http://www.merinacpas.com)

**PRIVILEGED AND CONFIDENTIAL:** This communication and any accompanying documents are confidential and privileged. They are intended for the sole use of the addressee. If you receive this transmission in error, you are advised that any disclosure, copying, distribution, or the taking of any action in reliance upon this communication is strictly prohibited. Moreover, any such disclosure shall not compromise or waive the attorney-client, accountant-client, or other privileges as to this communication or otherwise. If you have received this communication in error, please contact me at the above email address. Thank you.

**DISCLAIMER:** Any accounting, business or tax advice contained in this communication, including attachments and enclosures, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Merina & Company, LLP would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.



## **Resolution 16-005: Adopting the QLife Budget for Fiscal Year 2016-17**

- [Resolution 16-005](#)

**QUALITYLIFE INTERGOVERNMENTAL AGENCY**  
doing business as  
“QLife Network”

**RESOLUTION NO. 16-005**

**A RESOLUTION ADOPTING THE QUALITYLIFE (QLIFE)  
INTERGOVERNMENTAL AGENCY BUDGET FOR FISCAL YEAR 2016-2017,  
MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES.**

WHEREAS, the City of The Dalles and Wasco County have approved the Agency’s Budget for Fiscal Year 2016-2017;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE QLIFE INTERGOVERNMENTAL AGENCY AS FOLLOWS:

Section 1. Adoption of the Budget. The Board of Directors hereby adopts the Fiscal Year 2016-2017 QLife budget in the total sum of **\$2,663,612**, as approved by the QLife Intergovernmental Agency Budget Committee, the City of The Dalles, and Wasco County, pursuant to the requirements of that Intergovernmental Agreement between these entities dated March 5, 2003, as amended.

Section 2. Making Appropriations. The amounts for the Fiscal Year beginning July 1, 2016 and for the purposes shown are hereby appropriated as follows:

**QLife Operating Fund (600)**

Materials & Services	\$ 289,785
Capital Outlay	20,000
Interfund Transfers	433,491
Special Payments	50,000
Contingency	<u>28,400</u>
Sub-Total	\$ 821,676
Unappropriated Fund Balance	<u>62,000</u>
Total	\$ 883,676

**QLife Capital Fund (601)**

Materials & Services	\$ 23,000
Capital Outlay	503,000
Special Payments	159,456
Reserves	540,000
Contingency	<u>100,000</u>
Total	\$ 1,325,456

**Maupin Fund (602)**

Materials & Services	\$ 16,210
Capital Outlay	400,000
Debt Service	0
Reserves	28,320
Contingency	<u>9,950</u>
Total	\$ 454,480

**Section 3. Effective Date.** This Resolution shall be effective as of 12:01 AM, July 1, 2016.

**PASSED AND ADOPTED THIS 26th DAY OF MAY, 2016**

Voting Yes, Board Members: \_\_\_\_\_

Voting No, Board Members: \_\_\_\_\_

Absent, Board Members: \_\_\_\_\_

Abstaining, Board Members: \_\_\_\_\_

SIGNED:

ATTEST:

\_\_\_\_\_  
Erick Larson, President of the Board

\_\_\_\_\_  
Brian Ahier, Secretary

## **Scholarship Funding Report**

- [Application Letters from CGCC Recipients](#)
- [Letter from Robotics Program Coach](#)

Zach Cosner

June 20th, 2015

### CGCC Scholarship Essay

This past year has humbled me mentally and physically. I graduated June 7th, 2014 from Astoria High School and I started working at Astoria Marine Construction (AMCCO) on June 9th. So as all my buddies enjoyed their first week of not going to school or having a job, I started what happened to be my most memorable year of my life. I had to learn quickly in order to keep up with everything going on around me. AMCCO is a old school ship yard that uses cranes from 1917 and twin drum donkeys. Almost everything is vintage and it still runs, the secretary types the time cards with a type writer. From day one I knew I was in for a trip.

The first couple months Tim the owner of AMCCO, was throwing everything at me trying to find my place. He taught me how to sandblast, drive forklift, setup welders, tie up boats to the dock, how to drive the yard tug boat, grind metal, needle gun paint and rust, signal the crane, and replace planks in the dock. Tim just kept trusting me with more and more tasks. That summer went by, and I learned how the shipyard worked, as well as what I can do with my abilities.

When fall came around I enrolled myself at Clatsop Community so I could get my prerequisites done, so I could apply for the RET program at Columbia Gorge Community College. When the classes started I found myself working 8 hours during the day then going to class for 2-5 hours at night. I did this for two terms, It wore on me but it showed me I was more than capable of doing it. I earned a 3.77 in my classes and my role at AMCCO continued to grow. By the end of my winter term I had completed all my prerequisites, and I was excited to be one step closer to my goal of going to college for something I want to do.

Spring is where I blossomed at AMCCO, I was able to take propellers and drive shafts out of boats. I also learned how to cork wood boats, Tim had me cork about half of his boats back deck. I became more than just a guy you send down an do all the dirty work. My versatility was my greatest asset to the company. Working at AMCCO has been a blessing, no matter where I end up I will be able to take on anything with confidence. Each week it seemed I learned something, as the weeks went on I continued to grow as a man.

I have never been the fastest, smartest, or strongest but I show up everyday and give it my all. Give me a chance and I will take it. Put an obstacle in front of me I will do whatever it takes to get threw. I know what it takes to make money, this was my fifth year filing for taxes. I don't spend my money on needless stuff and I am investing my time and money into this RET program and I am going to finish it no matter what it takes. The most important lesson I learned from the shipyard is the mentality of doing whatever it takes to finish the job the correct way because people's lives depend on the quality of the work. Taking short cuts usually ends in failure, and if it fails 500 miles off shore then you just let the families down who just lost their husband or father.



Rachael Fabiny

I have struggled for years to find my place in this world, to find my calling. I have moved jobs more times than I can count because there was never any growth potential anywhere I have been. It has been three years since I made the decision to go into wind as a career and as of now I believe it has been the best decision I have ever made. I say this because I am currently interning with Granite Services and I have come to the realization that this is the career I have been searching for. This internship has amazing so far and continues to show me what a career in this field will entail and it is helping to prove to me that this is something I can do and that I will continue to enjoy doing day to day. When I finish school I plan to come back to work for Granite Services as a technician and hopefully from there I can use the knowledge I gain in the RET program to specialize in the electrical systems of wind turbines. My second year of my associate's degree will go into great detail in training me to be able to really understand the circuits I will be working on. So I know I will be very qualified to be an excellent trouble shooter in the field.

In my short time at Columbia Gorge Community College I have had many accomplishments and with those I have attempted to give back when I could and I will continue to do so. I currently maintain a 3.78 GPA and I have been on the Dean's list 2 of my 3 terms at CGCC and on the Presidents list the other one of those terms. Other accomplishments of mine include being chosen as one of six women of wind Rudd Mayor Fellow's for 2015 and being able to attend AWEA because of this honor, also I have been chosen as one of 12 wind turbine technician students across America to be a Granite Services intern as stated before and lastly I was asked by my instructor Jim Pytel to be a tutor for the incoming first year students because of how well I did and how much I understand what we have learned so far. This coming year I will be very focused on learning as much as possible in my own studies but also I will be trying to give back as much as possible by being a tutor for new students and helping them to achieve as much as I have in the short time I have to work with them. Also I will be volunteering for the Wind challenge as well as the Lego robotics competition, which I helped in last year as well, to try to help the upcoming generation find their way into renewable energy.

With so much going on I know it will be very difficult to maintain a job which is a large reason as to why I am applying for this scholarship. I believe it would be more beneficial for me to concentrate on my studies and trying to help tutor then to have a part time job that will have no benefit to my future career except to help me survive another year of school. One other reason I need this scholarship is because I will be losing one of my outside loans this year. I had a Sallie Mae loan last school year and because of financial difficulties my grandmother could not be a cosigner again this year on it there for I will be losing about 1500 a term from that loan. Although I know this last year will not be easy by any means, when it comes to studying and helping others to succeed as well, I know with a little financial assistance I will be in a far greater position to excel in the class room so when I graduate I can thrive in the work place.

I thank you for your time and I hope to hear from you soon in regards to this application. If you have any further questions or comments please feel free to contact me at 541-409-3116 or email me at [rfabs@hotmail.com](mailto:rfabs@hotmail.com).





Tawny Wade &lt;tawnyw@co.wasco.or.us&gt;

---

**Fwd: Qlife Scholarship**

2 messages

---

**Cindy Miller** <millerc@nwasco.k12.or.us>  
To: tawnyw@co.wasco.or.us

Thu, May 5, 2016 at 10:00 AM

Hi Tawny,

Below (and attached) is information I received from our Robotics Coach, Ajay Rundell at The Dalles High School. The 2015-2016 funding of \$2,000 was deposited into the ASB Robotics account and used for the Regional and State Tournament expenses in March 2016. I've included Ajay's email to staff about the results from the State Tournament below, which led to students attending the Regional Tournament in Oakland, California. [\(Let me know if you need anything further - Thank you!\)](#)

- Good Morning, Two teams from The Dalles High school are advancing to the West Regionals in Oakland California the week of spring break March 24-26th, after competing in the state robotics championship. These fine young ladies and young men have put in countless hours after school and at home to prepare for the multiple competitions that have taken place since the start of the season in September. **Team 10485 SA-BOT-AGE** composed of **Spencer Donald, Bill Burns, Tyler Vasser, and Rey Aviluz**, were on the championship alliance. Their team was part of the alliance that won the whole tournament and set a state record for total points in a match, nearly missing a world record for this years challenge. Frankly they were dominant on the playing field. **Team 3633 BAZINGAI BOTS** composed of **Quinn Farquharson, Becca Stiles, Caelen Curtiss, Preston Klindt, Lauren Jubitz, Azure Compton, and Jacob Field** won the Motivate Award. This judged award celebrates the team that exemplifies the essence of the FIRST Tech Challenge competition through team building, team spirit and exhibited enthusiasm. This team embraces the culture of FIRST and clearly demonstrates what it means to be a team. This is a team who makes a collective effort to make FIRST known throughout their school and community, and sparks others to embrace the culture of FIRST. These kids have put in so much work please take the time to congratulate them for representing their school and community in a way we should all be proud.

----- Forwarded message -----

From: **Ajay Rundell** <rundella@nwasco.k12.or.us>  
Date: Wed, May 4, 2016 at 4:59 PM  
Subject: Qlife Scholarship  
To: Cindy Miller <millerc@nwasco.k12.or.us>  
Cc: Nick Nelson <nelsonn@nwasco.k12.or.us>

Attached is the budget from last years regional tournament and general spending, this years regional tournament expenses are also attached as an excel file. It is my understanding that this money was spent as part of travel and reimbursement from last years travel expenses those would have been the reimbursement for money spent by Bev. The money went into the general robotics ASB account that we used all year to purchase parts, food at tournaments, pay for registration for several teams as well as bussing to and from the competitions.

—  
**Ajay Rundell**  
*Science Teacher*  
The Dalles High School  
220 E. 10th Street  
The Dalles, OR 97058

## **Discussion: Pricing Clarification & Resolution**

- [Resolution 16-003](#)
- [Resolution 16-004](#)
- [Proposed Resolution 16-006](#)



QUALITYLIFE INTERGOVERNMENTAL AGENCY  
doing business as

"QLife Network"

RESOLUTION No. 16-003

A RESOLUTION AMENDING RESOLUTION No. 11-002 ESTABLISHING  
SERVICE RATES AND FEES FOR THE QUALITYLIFE  
INTERGOVERNMENTAL AGENCY.

WHEREAS, the QualityLife Intergovernmental Agency (QLife) is an open access provider of broadband services to The Dalles area, and;

WHEREAS, QLife has customers desiring service, and;

WHEREAS, QLife is willing and able to provide certain service to its customers, and;

WHEREAS, the QLife Board wishes to adopt charges and fees for services it provides

NOW, THEREFORE, BE IT RESOLVED BY THE QUALITYLIFE  
INTERGOVERNMENTAL AGENCY BOARD AS FOLLOW:

SECTION 1: Resolution 11-004 and QLife's Policy on Lease of Dark Fiber approved July 24, 2007 are both repealed.

SECTION 2: Customer Classes. For the purpose of this resolution, QLife shall have two classes of customers.

A. Participant Customers (Participants). The following specific customers who played an essential role and assumed some risk in helping the QLife system become operational:

1. Wasco County
2. City of The Dalles
3. Mid-Columbia Medical Center
4. Northern Wasco County School District 21
5. Region 9 Education Service District
6. Columbia Gorge Community College

B. All Other Customers including Wholesalers

SECTION 3: Rates and Fees. Effective the date of this resolution service rates, fees and charges for the QLife system shall be as follows:

A. Broadband Transport Service.

1. Participants. Either the amount established in an existing service order previously signed between the participant and QLife and any continuation of those service orders or, for new service requested after the adoption of this resolution:
  - a. 10 Mbps; \$200/ month,
  - b. 20 Mbps; \$300 month
  - c. 100 Mbps; \$400/ month
  - d. 1,000 Mbps. service \$850 /month
  
2. Other Customers. for new service requested after the adoption of this resolution:
  - a. 10 Mbps; \$200/ month
  - b. 20 Mbps; \$300 month
  - c. 100 Mbps; \$400 /month
  - d. 1,000 Mbps; \$850/month

B. Alternative Wholesale Pricing:

Internet Service Providers (ISP) may use this uplink port pricing model for all customers not under the terms of an existing service order.

1. Uplink Port:

100Mbps	\$ 1,200/month
500 Mbps	\$ 2,400/month
1000 Mbps	\$, 2,600/month
  
2. Looping Price:

12 Mbps	\$ 50/month
30 Mbps	\$ 90/month
100Mbps	\$ 150/month

QLife will eliminate the requirement for a switch at a loop customer demarks if the ISP can provide a solution agreeable to QLife for limiting the size of service to the amount purchased.

The Turn Up Fee for loop customers shall be \$100.

C. Lease of Dark Fiber

1. Participants: Either the amount established in an existing service order agreement previously signed between the participants and QLife and any extension of those services, or
2. Others:

Single Fiber; one direction no backup fiber	\$ 450/month
*Single Fiber Loop	\$ 600/month
1 pair fiber one direction	\$ 900/month
1 pair fiber loop	\$1200/month

D. Other Service. The costs for all customers (both participants and wholesalers) shall be as follows:

1. Collocation in QLife City Hall Equipment room includes 10 Amp AC Power with generator back up.  
  
Full rack: \$400 per month;  
  
Single Deck or our Rack: \$100 per month
2. Antenna/Dish on City Hall:  
  
First: \$150 per month;  
  
Each Additional: \$50 per month
3. Turn up fee for new network connection:  
  
10 Mbps. \$200 non-recurring charge (NRC)  
  
100 Mbps. \$200 NRC  
  
1,000 Mbps. \$ 200 NRC
4. NRC for charges for equipment and service installation will be actual costs unless a cost share of service installation is agreed to under QLife's Line Extension policy (Resolution 16-004).
5. Delinquent accounts: 18% (1.5% per month) late charges.

6. Termination Fee: Cost of placing a customer on termination list - \$5 (Third Notice).
7. Reconnection Fee: Cost of reconnecting a customer whose service has been terminated \$20.
8. Non-Sufficient Funds Check Fee: \$25.
9. Special Service Fee: \$20.00

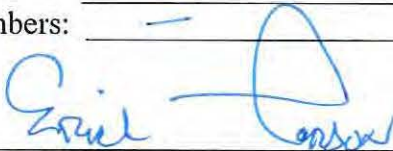
SECTION 4: Term of Fees. These fees shall remain in effect until which time the QLife Board, by a majority vote, amends all or portions of these fees.

SECTION 5: Effective. This resolution shall be effective February 1, 2016.

PASSED AND ADOPTED THIS 21<sup>st</sup> DAY OF JANUARY 2016

Voting Yes, Board Members: Larson, Ahier, Spatz, Elliott, Hege  
 Voting No, Board Members: —  
 Absent, Board Members: —  
 Abstaining, Board Members: —

APPROVED:

  
 Erick Larson, President

ATTEST:

  
 Brian Ahier, Secretary-Treasurer

QUALITYLIFE INTERGOVERNMENTAL AGENCY  
doing business as

"QLife Network"

RESOLUTION No. 16-004

A RESOLUTION AMENDING THE QUALITYLIFE  
INTERGOVERNMENTAL AGENCY'S POLICY FOR LINE EXTENSIONS.

WHEREAS, the QualityLife Intergovernmental Agency (QLife) is an open access provider of broadband services to The Dalles area, and;

WHEREAS, QLife has customers desiring service, and;

WHEREAS, QLife is willing and able to provide certain service to its customers, and;

WHEREAS, the QLife Board has a policy for line extensions for customers and wishes to amend that policy.

NOW, THEREFORE, BE IT RESOLVED BY THE QUALITYLIFE  
INTERGOVERNMENTAL AGENCY BOARD AS FOLLOW:

Section 1: QLife's Policy on Line Extension approved July 24, 2007 is repealed.

Section 2: The purpose of this policy is to establish a standard procedure for extending fiber optic lines from QLife's primary loop and spurs to other business locations.

Section 3: The primary purpose of QLife is to be a middle mile provider, which includes the loop and service hubs and spurs. This policy will allow, under certain conditions, QLife to extend fiber lines to certain customers in order to enhance the overall benefit of the fiber optic loop to the community and allow it to serve its primary mission of "Quality of Life Through Connectivity". QLife is an open network and as such, any potential user may connect to an appropriate location in accordance with this and other Board approved policies.

Section 4: When to Extend Lines

It will be the policy of QLife to extend fiber-optic spur lines with hubs from the loop for the following classes of customers if they qualify under the guide lines identified in Section 6.

A. Participant Customers (Participants). The Six customers identified in Section 2 A of the rate schedule (Resolution 16-003). This category will receive first priority of QLife resources and will be given certain incentives identified elsewhere in the policy.

B. All other customers and wholesale providers.

## Section 5: Type of Line Extension

- A. For the purpose of this policy, there are three types of system line extensions:
1. Primary fiber optic loop, to be extended by QLife when the guidelines in Section 6 are met as determined by the Board.
  2. Service Hub (includes spur line from primary loop) to be extended as outlined in Section 6.
  3. Service line: fiber optic line from the hub to a customer's de-mark plant (where electronic device is located) as outlined in Section 6
- B. Service lines will be extended to customer's facilities at a location approved by QLife. Customer will provide raceways from the exterior of the building to the approved customer de-mark location if located inside the building, in accordance with QLife specifications.

## Section 6: Guidelines for Line Extension

The determination of eligibility for primary loop, hub and service line extensions and method for financing the cost of extending lines will be as follows:

### A. Participants

QLife will use its resources to extend sections of the primary loop, Hubs and Service Lines to specific site, if the participant will sign a five (5) year service contract that guarantees QLife revenue over the life of the contract, sufficient to meet debt payments created by the costs of the extension or equal to costs paid for by QLife from reserve funds.

If less than a five year contract is signed by a participant they will have the three options identified in section B for Wholesale providers

B. Wholesale Providers and other customers have three options to then to pay non-recurring costs (NRC) for fiber optic line extensions needed to service new customers:

1. Pay QLife the actual costs of line extensions constructed by QLife contractors.
2. If the customer signs a three year service contract, QLife will pay 50% of the NRC up to an amount equal to one third of the projected revenue QLife will receive for the service contract (including both uplink and loop revenue under the Alternative Whole Pricing model). If the actual cost of extending a line exceeds 50% the fees that will be received from the customer, then the customer shall pay the additional cost.





QUALITYLIFE INTERGOVERNMENTAL AGENCY  
doing business as

"QLife Network"

RESOLUTION No. 16-006

A RESOLUTION ESTABLISHING SERVICE RATES AND FEES FOR THE  
QUALITYLIFE INTERGOVERNMENTAL AGENCY.

WHEREAS, the QualityLife Intergovernmental Agency (QLife) is an open access provider of broadband services to The Dalles area, and;

WHEREAS, QLife has customers desiring service, and;

WHEREAS, QLife is willing and able to provide certain service to its customers, and;

WHEREAS, the QLife Board wishes to adopt charges and fees for services it provides

NOW, THEREFORE, BE IT RESOLVED BY THE QUALITYLIFE  
INTERGOVERNMENTAL AGENCY BOARD AS FOLLOW:

SECTION 1: All previous pricing Resolutions including but not limited to Resolution 11-002, 16-003 and 16-004 are repealed and replaced by 16-006.

SECTION 2: Customer Classes. For the purpose of this resolution, QLife shall have two classes of customers.

A. Participant Customers (Participants). The following specific customers who played an essential role and assumed some risk in helping the QLife system become operational:

1. Wasco County
2. City of The Dalles
3. Mid-Columbia Medical Center
4. Northern Wasco County School District 21
5. Region 9 Education Service District
6. Columbia Gorge Community College

B. All Other Customers including Wholesalers



SECTION 3: Rates and Fees. Effective the date of this resolution service rates, fees and charges for the QLife system shall be as follows:

A. Broadband Transport Service.

1. Participants. Existing pricing as established in a prior service order shall remain in place for that specific service drop provided the Board may amend this pricing to keep up with market conditions no more frequently than once every three years and in an amount not more than 10% of the monthly reoccurring cost of the service order. For new service requested after the adoption of this resolution or for upgrades to existing services the following pricing shall apply:

- a. 10 Mbps; \$200/ month,
- b. 20 Mbps; \$300 month
- c. 100 Mbps; \$400/ month
- d. 1,000 Mbps. service \$850 /month

2. Other Customers. for new service requested after the adoption of this resolution:

- a. 10 Mbps; \$200/ month
- b. 20 Mbps; \$300 month
- c. 100 Mbps; \$400 /month
- d. 1,000 Mbps; \$850/month

B. Alternative Wholesale Pricing:

Internet Service Providers (ISP) may use this uplink port pricing model for all customers not under the terms of an existing service order.

- 1. Uplink Port: 100Mbps \$ 1,200/month  
500 Mbps \$ 2,400/month  
1000 Mbps \$, 2,600/month
- 2. Connection Price: 12 Mbps \$ 50/month per customer connection  
30 Mbps \$ 90/month per customer connection  
100Mbps \$ 150/month per customer connection

In an effort to reduce build-out costs, Qlife will allow ISPs to place their own equipment at the customer premises. If at some point in the future and at Qlife's discretion; different technologies are deployed, the Customer is responsible for upgrading their Customer Premesis Equipment (and/or) Optics to coincide with the technology being provided by Qlife.

Qlife will provide and control the host switch which will control bandwidths to end customers as well as the uplink port to the ISP.

The Turn Up Fee for loop customers shall be \$200 per connection.

C. Lease of Dark Fiber

1. 1. Participants: Existing pricing as established in a prior service order shall remain in place for that specific service drop providing the Board may amend this pricing to keep up with market conditions no more frequently than once every three years and in an amount not more than 10% of the total monthly reoccurring cost of the service order, or for upgrades to existing services the following pricing shall apply:

2.	<u>Participant (new orders) and Others:</u>	
	Single Fiber; one direction no backup fiber	\$ 450/month
	*Single Fiber Loop	\$ 600/month
	1 pair fiber one direction	\$ 900/month
	1 pair fiber loop	\$1200/month

D. Other Service. The costs for all customers (both participants and wholesalers) shall be as follows:

1. Collocation in QLife City Hall Equipment room includes 10 Amp AC Power with generator back up if available.

Full rack: \$400 per month;

Half rack: \$250 per month;

Single Deck or Rack Unit: \$100 per month

2. Antenna/Dish on City Hall:

First: \$150 per month;

Each Additional: \$50 per month

3. Turn up fee for new network connection:

10 Mbps. \$200 non-recurring charge (NRC)

100 Mbps. \$200 NRC

1,000 Mbps. \$ 200 NRC

4. NRC for charges for equipment and service installation will be actual costs unless a cost share of service installation is agreed to under QLife's Line Extension policy (See Below).
5. Delinquent accounts: 18% (1.5% per month) late charges.
6. Termination Fee: Cost of placing a customer on termination list - \$5 (Third Notice).
7. Reconnection Fee: Cost of reconnecting a customer whose service has been terminated \$200.
8. Non-Sufficient Funds Check Fee: \$25.
9. Special Service Fee: \$50.00 or actual cost if over \$50.00

#### SECTION 4: Lines Extensions

It will be the policy of QLife to extend fiber-optic spur lines with hubs from the loop for the following classes of customers if they qualify under the guidelines identified in Section 6.

- A. Participant Customers (Participants). The Six customers identified in section 2. This category will receive first priority of QLife resources and will be given certain incentives identified elsewhere in the policy.
- B. All other customers and wholesale providers.

#### Section 5: Type of Line Extension

- A. For the purpose of this policy, there are three types of system line extensions:
  1. Primary fiber optic loop, to be extended by QLife when the guidelines in Section 6 are met as determined by the Board.
  2. Service Hub (includes spur line from primary loop) to be extended as outlined in Section 6.
  3. Service line: fiber optic line from the hub to a customer's de-mark plant (where electronic device is located) as outlined in Section 6

B. Service lines will be extended to customer's facilities at a location approved by QLife. Customer will provide raceways from the exterior of the building to the approved customer de-mark location if located inside the building, in accordance with QLife specifications.

Section 6: Guidelines for Line Extension

The determination of eligibility for primary loop, hub and service line extensions and method for financing the cost of extending lines will be as follows:

A. Participants

Board Option 1: QLife may use its resources to provide an 80% cost share to extend sections of the primary loop, Hubs and Service Lines to a specific site, if the participant will sign a five (5) year service contract that guarantees QLife revenue over the life of the contract, sufficient to meet debt payments created by the costs of the extension or equal to costs paid for by QLife from reserve funds. If revenue over the life of the contract is not sufficient to cover the costs of the Extension the Participant may pay the difference at their sole cost. Any request for a cost share incentive is at the option of the Board and shall be in alignment with the goals and initiatives of QLife.

Board Option 2: QLife may use its resources to extend sections of the primary loop, Hubs and Service Lines to a specific site, if the participant will sign a five (5) year service contract that guarantees QLife revenue over the life of the contract, sufficient to meet debt payments created by the costs of the extension or equal to costs paid for by QLife from reserve funds. If revenue over the life of the contract is not sufficient to cover the costs of the Extension the Participant may pay the difference at their sole cost. Any request for a cost share incentive is at the option of the Board and shall be in alignment with the goals and initiatives of QLife.

If less than a five year contract is signed by a participant they will have the three options identified in section B for Wholesale providers

B. Wholesale Providers and other customers have three options to pay non-recurring costs (NRC) for fiber optic line extensions needed to service new customers. Any request for line extensions under this section is at the option of the Board and shall be in alignment with the goals and initiatives of QLife. All line extensions upon completion shall become the sole property of QLife.:

1. Pay QLife the actual costs of line extensions constructed by QLife contractors.
2. If the customer signs a three year service contract, QLife will pay 50% of the NRC up to an amount equal to one third of the projected revenue QLife will receive for the service contract (including both uplink and loop revenue under the Alternative Whole Pricing model). If the actual cost of extending a line exceeds this amount, then the customer shall pay the

additional cost. This credit toward connection costs is a one-time use it or lose it cost share. For each customer drop this credit will be given on the initial service order only. As additional customers are added to the loop, NRC cost share will be given for each additional order based on this same formula. All cost share dollars are use it or lose it for the order they were earned on and cannot be carried forward to future orders. If Host Circuits are upgraded no cost share will be available for the upgraded circuit.

3. At the time a provider proposes a new service line, the provider may also submit a proposal to construct the needed system improvements in accordance with QLife's construction standards. QLife at its discretion may accept that proposal. The provider's proposal can include the actual connection to QLife fiber if QLife had previously certified the provider's splicer to do work on the QLife system. QLife's cost for the connection including inspection of the work done by a provider will be reimbursed to QLife by the customer unless a three year contract is signed, in which case QLife will pay for connection costs, as allowed under section 6B(2) above

Section 7: Equipment for Lit Services

The customer may either pay the full cost of equipment required for lit service or provide their own QLife approved equipment. Customer allows QLife rights and access to monitor line extensions using customer's equipment

Term of Fees. These fees shall remain in effect until such time as the QLife Board, by a majority vote, amends all or portions of these fees.

SECTION 5: Effective. This resolution shall be effective June 1, 2016

PASSED AND ADOPTED THIS 26<sup>th</sup> DAY OF May, 2016

Voting Yes, Board Members: \_\_\_\_\_  
Voting No, Board Members: \_\_\_\_\_  
Absent, Board Members: \_\_\_\_\_  
Abstaining, Board Members: \_\_\_\_\_

APPROVED: \_\_\_\_\_  
Erick Larson, President

ATTEST: \_\_\_\_\_  
Brian Ahier, Secretary-Treasurer

## **Administrative Overhead Costs**

- [Proposed Intergovernmental Agreement](#)

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
QUALITYLIFE INTERGOVERNMENTAL AGENCY (QLIFE)  
AND  
WASCO COUNTY (COUNTY)**

**Recitals:**

1. WHEREAS, the State of Oregon has declared it a matter of statewide concern to promote intergovernmental cooperation for the purpose of furthering economy and efficiency in local government; and
2. WHEREAS, the legislature has given general authority for intergovernmental agreements by units of local government pursuant to the provisions of ORS 190.010 et. seq; and
3. WHEREAS, QLife is an intergovernmental agency created by an agreement between the City of The Dalles and Wasco County for the purpose of providing broadband services to the community; and
4. WHEREAS, it is the intent of QLife to manage and operate its telecommunications system by contracting out for needed operational services; and
5. WHEREAS, Section 1.37 of the Intergovernmental Agreement creating the QLife Agency provides that each party “may provide in-kind services to further the purposes of the IGA (Intergovernmental Agreement) as each Party deems necessary or desirable” and further, that such in-kind services “shall not be reimbursed from the IGA or other parties, unless otherwise agreed;” and
6. WHEREAS, the County has determined it has the ability to provide needed administrative and clerical services for QLife previously provided by City of The Dalles without significantly impacting the County’s ability to perform its normal operations (and may in the future also assume financial accounting services currently being provided by City of The Dalles) and the County and QLife have agreed the County should be appropriately compensated for the services to be provided to QLife; and
7. WHEREAS, QLife has the financial ability to compensate the County for services to be provided to QLife, as QLife has been actively providing service to customers and collecting fees for those services; and
8. WHEREAS, the parties desire to enter into an intergovernmental agreement which outlines the services the County will provide to QLife, the compensation to be paid to the County by QLife for such services, and how such compensation will be paid.

NOW, THEREFORE, the parties agree as follows:

**Section I: County Duties:** In consideration of the compensation to be paid to the County under Section II, the County agrees to provide the following services upon request from designated QLife

officials:

- A. Financial Accounting Services as follows: (The City of The Dalles will continue to provide these services at the same level as it has in the past, from April 1, 2016 until such time as County is ready and able to assume responsibility for these service from the City.) At the same standard the County provides for its own Fund accounting, as to:
1. Budgeting – All activities required by the State of Oregon budget law including preparation of the annual budget and submittal to the QLife Board of monthly budget report showing expenditures and revenues.
  2. Purchasing and contractual duties as required by the Agency’s Contract Review Board Rules.
  3. Accounts Payable – a minimum of twice a month payments.
  4. Accounts receivable including monthly billing of customers.
  5. General ledger accounting.
  6. Assist Auditor with annual audit.
- B. Secretarial Services – Attend Board meetings, take minutes, send out necessary meeting notices, prepare documents and correspondence for Board. See Attachment A for detail regarding secretarial services.
- C. Administrative Services – QLife shall pay the County for administrative services annually the sum of \$15,000.00 for services provided by the County Administrative Officer or other paid County officials, on behalf of QLife, excluding attendance at Board meetings, including, but not limited to, preparation of QLife documents, correspondence, meetings, working with other QLife contractors, customers and others, responding to inquiries by e-mail, telephones, or in person. See Attachment B for detail regarding administrative services.
- QLife’s reimbursement for administrative services will not include time County staff spends looking out for the interest of the County by reviewing documents for the County, attending meetings for the County, and preparing reports and information on QLife issues for the County Board of Commissioners.
- D. COUNTY shall submit bills to QLife and be reimbursed quarterly, for services and amounts as described in Section I C above and II A below.

**Section II: QLife Duties:** In consideration of the services provided by County, QLife agrees as follows:

- A. To compensate County for financial and secretarial services based on actual salary paid employee providing the service plus the cost of the following: Health Insurance, Retirement,



FICA, Workers Comp Insurance and Life Insurance fringe benefits. The County overhead costs or materials will be charged, except for actual postage cost.

B. All invoices for services will be due and payable within 15 days of the date of the invoice.

**Section III: General Terms:**

A. Term of the Agreement - This contract shall commence upon the first day of April, 2016, and the initial term of the contract will continue until June 30, 2017. Thereafter, this contract will be renewed on an annual basis beginning with the term that will commence on July 1, 2017, unless either party provides written notice of intent to terminate this contract at least sixty (60) days prior to June 30<sup>th</sup> of each year thereafter. The contract may also be terminated at any time by mutual agreement of both parties.

B. Assignment - The responsibility for performing the services under the terms of this agreement shall not be assigned, transferred, delegated, or otherwise referred by the County to a third party without prior written consent of QLife.

C. Indemnification - Each party shall hold harmless and defend the other party, its officials, agents, and employees from and against any and all claims, damages, lawsuits, and expenses, including attorney fees, that is the result of an error, omission or negligent act of either the County or QLife arising from the performance or non-performance of any of their respective duties set forth in this agreement.

D. Attorney fees. If by reason of any default on the part of either QLife or the County, litigation is commenced to enforce any provision of this agreement or to recover for a breach of any provision of this agreement, the prevailing party shall be entitled to recover from the other party, in addition to costs and disbursements, reasonable attorney fees in such amount as is fixed by the court.

E. Notices - All notices required to be given under this agreement as required by law shall be in writing and delivered to the parties that follow:

QLife, Board President  
c/o Administrator  
511 Washington Street  
The Dalles, OR 97058

Chairman, Board of Commissioners  
Wasco County Courthouse  
511 Washington Street  
The Dalles, OR 97058

F. Applicable laws - The laws of the State of Oregon shall be used in construing this Agreement, including determinations concerning the enforcement of the respective rights and remedies of the parties.

G. Merger - There are no other undertakings, promises, or agreements either oral or in writing other than that which is contained in this agreement. Any amendments to this agreement shall be in writing and executed by both parties.

H. Subordination to Intergovernmental Agreement – This agreement shall be considered subordinate to the Intergovernmental Agreement creating QLife Intergovernmental Agency



**QLIFE**

**COUNTY**

---

Keith Mobley, Agency Attorney      Date

---

Kristen Campbell, County Counsel      Date

**ATTACHMENT A – SECRETARIAL DETAIL**

**Title:**            QLife Secretary

1. State and Federal forms including: FCC Forms 477, 473, 498 and certifying BEARS (e-rate invoices that the school district and ESD create), Form L and annual fee statement.
2. Answer phones, direct inquiries to the appropriate person, assist customers with billing questions (in coordination with Finance)
3. Process invoices, coordinate with technical manager when projects are complete and ready to bill as well as if incoming invoices are pass through.
4. Keep spreadsheets of projects that have an up to limit so that we don't over bill.
5. Spreadsheet for all payments made (monthly for board packet)  
(This duty to be performed by City until transfer of Financial Services to County completed)
6. Spreadsheet of all customers and charges identified by SO
7. Create Invoice to QLife for staff time
8. Create SO's and make sure numbers are correct, billing is clear and fully executed
9. Coordinate with City of The Dalles finance to assure A/P and A/R are accurate, signature cards for checking account and credit card are up to date
10. Code and forward all invoices to Board President for authorization
11. Create draft agendas - assure Board packets are complete and are distributed in a timely fashion
12. Attend all board meetings and take minutes
13. Create and work trade booths
14. Maintain QLife website
15. Keep records of resolutions

## **ATTACHMENT B – ADMINISTRATIVE SERVICES DETAIL**

**Title:** QLife Administrator

### **Duties and Responsibilities:**

#### ***Section 1: Administrative Structure and Responsibilities***

The Administrator is the Chief Appointed Officer of QLife and works under the general direction of the QLife Board.

#### ***Section 2: Duties***

The Administrator's duties shall include the following:

1. Coordinate with and obtain the assistance of the QLife Attorney as needed.
2. Monitor QLife's other contracts for services (i.e.; engineering, network technical operation, GIS and finance).
3. Be QLife's primary contact for current and new customers desiring QLife services; including providing quotes and completing and implementing service orders with assistance of QLife's Engineer and Network Technician.
4. Manage all other leases, contracts and agreements that QLife has or may enter into.
5. Fill out and submit all required Local, State and Federal reports, forms and permits with the assistance of QLife's Attorney, as needed.
6. Prepare the QLife budget and be responsible for monitoring revenues, expenditures, and obligations. The Administrator will adhere to QLife's Purchasing Policy.
7. Work with the City of The Dalles Finance Director on financial issues and transactions.
8. Be the project manager on all construction projects for QLife unless otherwise directed by the Board. This will include bid preparation and subsequent compliance by the contractor.
9. Implement QLife's Strategic plan including all goals and objects and give regular reports to the Board on the progress of each.
10. Prepare and implement a five (5) year capital improvement plan with regular reports to the Board.
11. Pursue grant opportunities and prepare grant applications.
12. Record Board Meetings and produce and maintain records of all Board activities, including but not limited to agendas, notice of meetings, minutes, and correspondence.
13. Maintain records and filing systems and all other administrative functions pertaining to QLife.
14. Attend Board meetings and provide a monthly report to the Board on QLife's activities.

15. In consultation with the Board Chair, prepare the Agendas for QLife Board meetings and provide reports on action and discussion items as needed.
16. Attend meetings and conferences pertaining to management and operation of QLife and be reimbursed for reasonable expenses incurred in such travel.
17. Work a schedule that best meets the needs of QLife as approved by the Board.
18. From time to time may be assigned additional tasks or responsibilities that can be accomplished within the time allotted under the contract.

## Maupin Project Update

- [Phone conference with Commstructure & Eric Orton \(no materials\)](#)
- [Gorge.net Maupin Proposal](#)
- [Gorge.net Service Order](#)
- [Maupin \(Draft\) Budget](#)
- [Gorge.net Agreement](#)

## Maupin Proposal

March 29th, 2016

This proposal includes the cost to accommodate the following 4 items:

- 1) Public WiFi at the Maupin Riverfront Park
- 2) Public WiFi inside the Maupin Library
- 3) Operation and support of both 1) and 2) above
- 4) Internet service for Maupin library and The Dalles library

### Maupin Riverfront park

This is approximately a 500 x 200 feet park. We estimate 4 access points would be required to provide adequate coverage

Qty	Manufacturer	Manufacturer Part #	Description	Unit cost	Expanded cost	Group total
4	Ruckus	T710 or 7782	7782 or T710 Sector 802.11abgn dual-band (2.4Ghz/5Ghz) outdoor AP's. Includes mounting kit and POE injector. Includes 3 Years Warranty  Note: T710 is to be released in May and pricing is not final. 7782 will be installed if required to be installed before T710 release or if final pricing is more than the 7782.	\$2,400	\$9,600	
4	Gorgenet	Labor	Design/installation/configuration	\$1000	\$4000	
4	Electrical	Electrical	Provide electrical service to unit	\$500	\$2000	
				<b>Total</b>		<b>\$15600</b>

### Public WiFi inside the Maupin Library

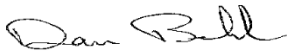
Qty	Manufacturer	Manufacturer Part #	Description	Unit cost	Expanded cost	Group total
4	Ruckus		Ruckus Indoor Wifi R500 Final AP Quantity and selection based on Site Evaluation.	\$650	\$2600	
4	Gorgenet	Labor	Design/installation/configuration	\$300	\$1200	
4	Electrical	Electrical	Indoor Wiring (Cat 5)	\$250	\$1000	
				<b>total</b>		<b>\$4800</b>

Operation and support of both 1) and 2) above

**Public WiFi**

Qty	Manufacturer	Manufacture Part #	Description	Monthly Unit cost	Expanded cost	Annual Cost
8	Ruckus		Ap Management < 10 APs	\$12	\$96	\$1152
1	Gorgenet	Internet Connection	100 Meg Fiber Internet Service + Layer 2 Transport to the Dalles City Hall for hand off to Library	\$1100	1100	13200
				<b>Total Annual</b>		\$14352
				<b>3 Year</b>		\$43056

Sincerely,



Dan Bubb – President Gorge Networks Inc.



**Service Order Agreement**

Prepared exclusively for:

**Qlife****Agreement Date:** April 27, 2016**Prepared By:** Dan Bubb**Service Description:** Gorge Networks will perform the services identified in Exhibit A and summarized below:**One Time Charges**

Item Description	NRC
Install 4 Ruckus Aps at Maupin Riverfront Park	\$15,600
Install WiFi inside Maupin Library	\$4,800
Total One time charges	\$20,400

**Yearly Recurring Charges (Paid Monthly)**

Site Name	Annual charge
Management/support and transport for Maupin Wifi and Library.	\$14,352
Total One time charges	\$14,352

**Contract Term:** **Three Years**

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

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

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

\_\_\_\_\_  
Signature\_\_\_\_\_  
Printed Name/Title\_\_\_\_\_  
Date of Acceptance**Customer Questionnaire**

**Customer Billing Contact:**

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

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

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

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

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

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

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

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

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

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

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

**Maintenance/outage contact:**

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

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

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

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

**Service Descriptions:**

(as applicable)

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

**Clarifications**

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

**SERVICE AGREEMENT TERMS**

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

**1. Service Delivery.** Requests for Services will be on Gorge Networks, Inc. orders ("Orders") stating the pricing and term ("Service Term") for which Services are requested. Once order is approved, customer has up to 48 business hours to cancel order, otherwise order is considered irrevocable. If there is a cancellation of order by customer prior to commencement of service, there will be an administrative charge equal to costs incurred by provider to date for provisioning, labor and equipment as applicable. The Service will continue on a month to month basis at the expiration of the Service Term at Gorge Networks, Inc.'s then current rates. Gorge Networks, Inc. will try, but is not obligated, to provide Services by requested or otherwise committed delivery dates. Should Gorge Networks, Inc. determine to accept Orders, the Service Term will commence when the Service is installed ("Service Commencement Date"). Unless Customer notifies Gorge Networks, Inc. within 3 days of the Service Commencement Date that Service is not working properly, the Service will be deemed accepted and billing will commence on the Service Commencement Date. Customer will at its expense provide suitable access to non-Gorge Networks, Inc. facilities or power required for Service delivery or removal of equipment. Title to all equipment and software provided by Gorge Networks, Inc. remains with Gorge Networks, Inc..

**2. Charges.** Invoices are delivered monthly. Gorge Networks, Inc.'s standard charges apply to moves, adds or changes agreed to by Gorge Networks, Inc.. Payment is due upon Customer's receipt of invoices and is past due 30 days after the invoice date ("Payment Deadline"). Past due amounts bear interest at the lesser of 1.5% per month or the highest rate

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

**3. Taxes and Tax Like Fees.** Except for Gorge Networks, Inc.'s net income tax, Customer is responsible for all taxes, fees, surcharges, license fees and other tax like charges imposed on or incident to the provision, sale or use of Service (whether imposed on Gorge Networks, Inc. or its affiliates). Such charges may be billed as cost recovery fees. Valid exemption certificates will be given prospective effect upon receipt by Gorge Networks, Inc..

**4. Maintenance.** Maintenance of the Service may, but ordinarily will not, result in limited Service interruptions. Customer will not attempt maintenance of the Service. Customer is responsible for the costs of maintenance required by acts or omissions of Customer.

**A. Preventative Maintenance:** Preventative Maintenance refers to upgrades (including upgrades to increase capacity), and or routine maintenance or the necessary replacement, alteration or repair of equipment or network upgrades. Preventative Maintenance may temporarily degrade the quality of the service or cause temporary outages. Preventative Maintenance shall be undertaken typically between the hours of 24:00:00 and 06:00:00 Local Time. Gorge Networks agrees to provide at least two (2) days notice to Customer prior to any Preventative Maintenance.

**B. Emergency Maintenance (Unscheduled Maintenance or Repair):** Emergency Maintenance shall mean repair work not reasonably anticipated but which requires immediate action to restore network connectivity, use or efforts to correct network conditions that are likely to cause a material service outage, or address any issue reasonably observed as a threat to Gorge Networks resources (person, equipment or facility). Work to address an Emergency Maintenance situation may degrade the quality of or cause outages in the Service. Gorge Networks may undertake Emergency Maintenance at any time deemed necessary but shall make commercially reasonable efforts to perform such maintenance within the hours identified for Preventative Maintenance if possible. Gorge Networks shall provide notice of Emergency Maintenance to Customer as soon as is commercially practicable under the circumstances and, when reasonably possible, provide notice twenty-four (24) hours in advance. Whenever prior notice is given, Customer agrees it will take the steps necessary to notify key personnel internally in order for Gorge Networks to correct or repair the affected area.

**C. Demand Maintenance:** Demand Maintenance is work necessary to restore service to one or more End-Users of Gorge Networks and/or maintenance work required when a deficiency is found while performing Preventative Maintenance work. Gorge Networks may undertake Demand Maintenance immediately. Gorge Networks shall provide notice of Demand Maintenance to Customer as soon as is commercially practicable under the circumstances.

**D. Notification:** Gorge Networks shall provide Customer with notice of Preventative Maintenance, or as soon as possible in the case of Emergency or Demand Maintenance, to the contacts as specified on the Customer Questioner in Exhibit B.

## **5. Trouble reporting.**

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

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

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

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

If it is determined that the problem is not with Gorge Networks Services or equipment then a service call charge will be applied.

**6. Termination.** If (i) Customer fails pay Gorge Networks, Inc. any undisputed charges when due and such failure continues for 5 business days after written notice from Gorge Networks, Inc. or (ii) either party fails to observe any other material term of this Agreement and such failure continues for 30 days after written notice from the other party, then the non-defaulting party may terminate this Agreement or any Order, in whole or in part, and subject to the limitations of this Agreement, pursue any remedies it may have at law or in equity. If Customer terminates Service for convenience or Gorge Networks, Inc. terminates Service for cause, Customer will pay Gorge Networks, Inc. a termination charge equal to the sum of: (a) all unpaid amounts for Service actually provided; (b) any waived charges for the Services(s); (c) 100% of the remaining monthly recurring charges (if any) for months 1-12 of the Service Term; (d) 50% of the remaining monthly recurring charges for month 13 through the end of the Service Term; and (e) any termination liability payable to third parties by Gorge Networks, Inc. resulting from the termination. Any amounts owed may be sent to collections and customer will be responsible for the amount due plus reasonable cost recovery fees.

**7. LIABILITY LIMITATIONS. NEITHER PARTY WILL BE LIABLE FOR ANY DAMAGES FOR LOST PROFITS, LOST REVENUES, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, LOSS OF DATA, THE COST OF PURCHASING REPLACEMENT SERVICES, OR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES IN ANY WAY RELATED TO THIS AGREEMENT OR ANY ORDER. GORGE NETWORKS, INC. WILL HAVE NO LIABILITY FOR ANY CLAIMS RELATING TO 911 OR OTHER EMERGENCY REFERRAL CALLS. GORGE NETWORKS, INC. MAKES NO WARRANTIES OR REPRESENTATIONS RESPECTING THE SERVICE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**8. Service Levels.** The Service level commitments ("Service Levels") for Services are stated in the applicable Service Schedules for each Service. Service Levels generally do not apply to services provided by third parties, during periods of force majeure or during Service maintenance ("Excused Outages"). If Gorge Networks, Inc. does not meet a Service Level (based on Gorge Networks, Inc.'s records) applicable service credits will be issued upon Customer's request to Gorge Networks, Inc. Customer Service. Credits must be requested within 60 days after the event giving rise to the credit. Customer's sole remedies for any outages, failures to deliver or defects in Service are contained in the Service Levels (if any).

**9. Assignment.** Customer may not resell the Services or assign its rights or obligations under this Agreement or any Order without the prior written consent of Gorge Networks, Inc., not to be unreasonably withheld. Customer will indemnify and defend Gorge Networks, Inc., its affiliates and their agents against any claims related to any use or resale

of Service. Nothing in this Agreement, express or implied, confers upon any third party any right, benefit or remedy under this Agreement.

**10. Miscellaneous.** The terms of this Agreement and all information of a confidential nature acquired in performing this Agreement are confidential and will not be disclosed to third parties. Gorge Networks, Inc. may provide notices under this Agreement to any address identified in an Order. Notices to Gorge Networks, Inc. will be made in writing to the address below. Services may be provided by Gorge Networks, Inc. or its affiliates. This Agreement is the entire agreement between the parties respecting the subject matter hereof and can only be modified in a writing signed by both parties. Neither party will be liable, nor will any remedy provided by this Agreement be available, for any failure to perform due to causes beyond such party's reasonable control. If either party fails to enforce any right or remedy under this Agreement, such failure will not waive the right or remedy. This Agreement will be governed by and construed in accordance with the laws of the State of Oregon.

**11. Rights and Obligations of Customer.**

Customer shall, at its expense, undertake all necessary preparations required to comply with Gorge Networks Inc. installation and maintenance instructions. Such preparations include obtaining all necessary consents for the installation and use of Gorgenet facilities and/or equipment in the building, including consents for necessary alterations to buildings; ensuring that any floor loading limits will not be exceeded; providing suitable accommodations, foundations and an environment to meet the environmental specifications, including providing suitable electric power and any other utilities needed by Gorgenet to install, test and or maintain Gorgenet's facilities and equipment; providing a suitable and safe working environment for Gorgenet's personnel, including an environment safe from environmental hazards; and taking up or removing, in time to allow Gorgenet to carry out installation as scheduled, any fitted or fixed floor coverings, ceiling tiles, suspended ceilings and partition covers. Customer will provide Gorgenet with access to all existing conduits, raceways and etc. to be used in cable pathway. By accepting this Agreement Customer implicitly provides Gorgenet with permission to use any available conduits in said pathway.

**12. Facilities and Equipment.** Any facilities and/or equipment installed on Customer's premises shall be and remain the property of Gorgenet and may be repaired or replaced at any time and removed at the termination of service, and may be used to supply other customers of Gorgenet whether or not on the same premises. No rent or other charge shall be made by Customer on Gorgenet for placing or maintaining its facilities or equipment upon Customer's premises. Gorgenet shall be entitled, at any time, to affix to Gorgenet facilities or equipment a label indicating the interest of Gorgenet. After at least 48 hours' notice, Customer will grant Gorgenet reasonable access to Customer's premises for the installation, operation, removal, repair and/or maintenance of the facilities and equipment for the services hereunder. In the event that Customer does not provide Gorgenet with the necessary access to remove said equipment and/or facilities after the termination of service upon receiving notification as indicated above, Gorgenet may assess a fee to Customer equal to the retail cost of said equipment and/or facilities plus 25%.

**DRAFT BUDGET:**

**MAUPIN BROADBAND PROJECT  
(As of March 11, 2016)**

REVENUES	AMOUNT
SPWF-TA Grant	\$ 28,504
Google Grant	\$ 87,880
Regional Solutions Grant (SPWF loan)	\$ 410,000
QLife	\$ 0
<b>TOTAL REVENUE</b>	<b>\$ 526,384</b>
EXPENDITURES	
QLife Project Administrative Costs	\$ 25,000
Conceptual, Preliminary & Final Engineering and Permitting	\$ 69,862
Construction Engineering Services	\$ 11,446
Equipment For Level Three Connection	\$48,186
Maupin Fiber Middle Mile Build (includes 10% contingency)	\$309,010
Public Wi-Fi Equipment & Installation	\$ 20,400
3 Year Wi-Fi Maintenance/Operation and Internet Costs	<u>\$ 42,480</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 526,384</b>

**DRAFT BUDGET: BPA**



## AGREEMENT

PARTIES: QualityLife Intergovernmental Agency, doing business as Q-Life Network (QLife)

Gorge Networks, Inc., an Oregon Corporation (Gorge Net)

PURPOSE: The parties have an opportunity to increase the quality and quantity of bandwidth available in Maupin and portions of southern Wasco County, Oregon. Working cooperatively will leverage the assets of the parties to the advantage of the citizens of that community and the parties.

### AGREEMENT

Section 1: QLife and Gorge Net agree as follows:

- A. QLife [and the City of Maupin have](#) been designated as the recipient of approximately \$410,000.00 in funds to be available through the lottery bond financed program under the direction of the Oregon Business Development Department and the North Central Regional Solutions Advisory Committee.
- B. Those funds are being made available for economic development purposes, in support of an initiative to increase the availability of broadband in this region. QLife has identified the establishment of a point of presence (POP) within the City of Maupin that will be connected to a long haul fiber optic provider that will connect the new Maupin POP to QLife's current The Dalles POP creating the availability of high capacity broadband within that community and the region.
- C. QLife has established itself as a provider of middle-mile fiber connectivity within the City of The Dalles. It is co-owned by Wasco County as the other member of the Intergovernmental Agency.
- D. The delivery of "last-mile" telecommunications services has to the extent possible been left to private providers who serve the region, but have for business reasons been unable to invest the funds needed to provide the level and quality of services available through QLife.
- E. QLife will work with LS Networks to establish a POP, which will be owned and operated by LS Networks; QLife will assist the City of Maupin in the design, construction and operation of the middle-mile fiber system, which is to be owned by the City of Maupin. This fiber system is further described in Exhibit A.
- F. Gorge Net will have the use of the POP and fiber system to enhance its service to current and future customers.

Section 2: QLife agrees that it will provide leadership and assistance for:

- A. The construction of the Maupin Fiber Optic System and POP identified in Exhibit A, including fiber to the Gorge Net facilities and/or customers identified in Exhibit B.

B. Acquisition of Fiber Transport Service from the Maupin POP to QLife's The Dalles POP and provision for Gorge Net use of that connection at the rates identified in Exhibit C and additional terms identified in QLife's standard Service Order (see Exhibit D).

C. Provision of ISP space for at least one (1) rack in QLife's collocation space at the Maupin POP for the fees described in section 3C including adequate power for ISP's telecom equipment. ISP will have 24x7 access to the POP for maintenance and service issues.

D. Connection for ISP to connect to QLife's fiber for the fees identified in section 3 C below.

Section 3: Gorge Net agrees that it will:

A. Install at least one equipment rack in QLife's space in the Maupin POP.

B. Execute QLife service orders for fiber connection, to the specific locations identified in Exhibit C.

C. For the privilege of using the QLife Maupin System identified in Exhibits A and B, pay QLife 10% of gross revenue on all directly connected fiber customers (as identified by service orders executed for each service). Gross revenue does not include revenue from customers that are connected via means other than fiber (i.e., wireless), that pass through an ISP POP (i.e., wireless aggregation point) on the fiber system. The calculation of gross revenue will also not include the fees QLife pays the ISP for operation of the Maupin Public WiFi System. No cross connect fees will be assessed to cross connect with any other ISP in the POP. Gross revenue is defined as monthly recurring revenue associated with broadband service and telephone service to customers directly connected to the Maupin fiber. Gross revenue does not include any taxes, fees, call features, video, webhosting, hardware, or non-recurring revenue.

D. Multipoint revenue will be prorated by dividing total revenue by the number of points in a multipoint configuration and applying that rate to the connections on Maupin fiber. For example, gross revenue for a point-to-point connection between a site on Maupin Fiber and a site in The Dalles would be defined as 50% of the total revenue for that service.

E. Gorge Net will provide sufficient detail to allow audits by QLife or its agents of services provided and amounts paid for all services that are subject to the terms and conditions of this agreement. Payments will be quarterly, and will include a report in a form and level of detail mutually acceptable to the parties.

Section 4: The ISP reserves the right to install at their own expense and to the QLife standards, any new customer ISP brings on to the Maupin fiber. QLife will provide at its own expense fiber assignment and other technical services to connect customer to its fiber system.

Section 5: Term: The initial Term of this agreement is for 5 years. The parties may agree to an extension of this agreement. If no extension is signed, this agreement will continue until either party gives a written 30-day notice to the other party.

**Comment [WC1]:** This does not make sense to me. If you can't have one without the other why would we cut the cost in half?



Approved as to Form:

**Gorge Networks, Inc.**

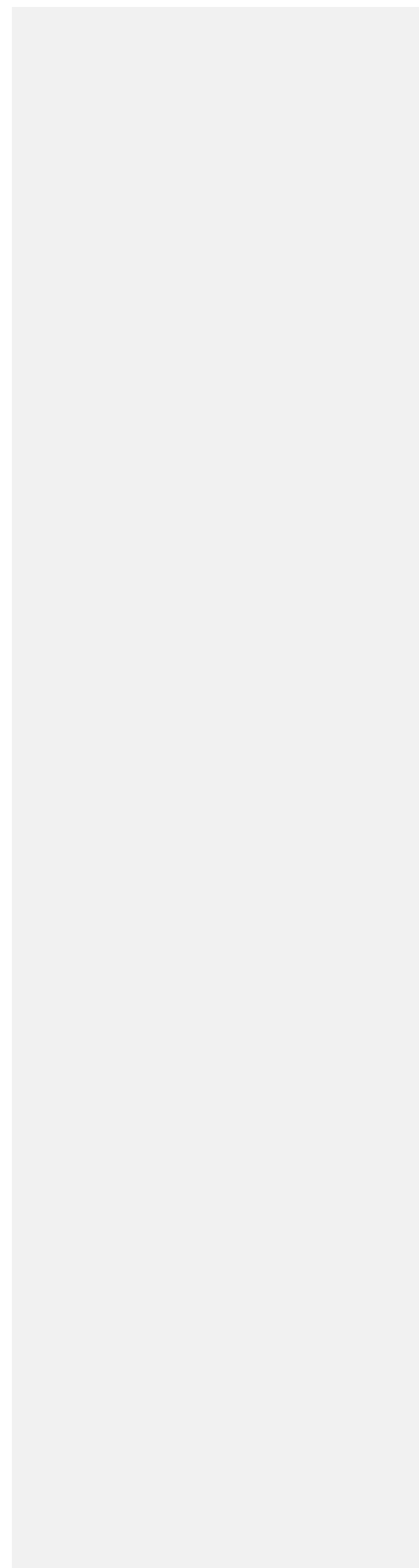
\_\_\_\_\_  
Legal Counsel for QLife Network

By: \_\_\_\_\_

Name  
: \_\_\_\_\_  
*Print/Type*

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Exhibit C**

**QLife's Maupin Broadband System Fees**

I. Middle Mile Fee: For the privilege of using QLife's Fiber Optic Middle Mile system in Maupin and for the right to locate one (1) standard equipment rack in QLife's Maupin POP rack allocation, customer shall quarterly pay QLife an amount equal to 10% of the revenue received by the customer for the prior three months for services they provide over this QLife system (as identified by service orders executed for each service). See paragraph 3 C for further terms and conditions related to payment.

II. Collocation Space: includes 10 Amp AC Power with generator back up:  
\$400 for each rack per month.

III. Transport from Maupin POP to The Dalles POP:  
\$500 for 100 Mbps.

**Comment [WC2]:** Do our rates ever go up with the cost of doing business? I do not see an escalator here nor do I see an escalator in any of our Qlife pricing resolutions? In other words once we have a signed service order does it ever go up during the life of that customer?

**Executive Session: (2)(g) Competitive trade or commerce negotiations and (2)(m)(E) Discuss information regarding security of telecom systems and data transmission.**