



QLife Board Meeting Minutes

Sep 28, 2023 at 12:00 PM PDT

@ 511 Washington St., The Dalles, OR 97058

Attendance

Present:

Members: John Amery, Kristen Campbell (remote), Scott Hege, Matthew Klebes, Stephanie Krell, Shayla Maki, Mike Middleton, Scott Randall, Rod Runyon, Lee Weinstein

Guests: Nick Gerhardt (remote), Keith Mobley (remote), Bruce Patterson (remote)

Absent:

Members: Dale Lepper, Tyler Stone

I. Call to Order

President Weinstein calls the meeting to order at 12:00 PM.

II. Approval of Agenda

There are no changes to the Agenda.

Motion:

Motion moved by Scott Randall and motion seconded by Scott Hege. Motion passes unanimously.

III. Discussion Items

A. Administration & Project Updates (Presenters: Matthew Klebes, John Amery, ADP)

Mr. Klebes informs the Board that he issued a purchase order for the Jefferson St. repair and progress is moving forward to beat the winter weather. The bids for the Klindt Drive project will be finalized and the bid will be posted in the next few days. The bids will be ready for the Board's consideration at the November meeting. Mr. Hege asks for more detail on the Klindt Drive project and Mr. Klebes responds that it is for the mini business park to install fiber down the main road and splinter into the mini park area. Mr. Amery adds that this is the first fiber-to-the-home pon project. Additionally, we already fiber alongside the road and most of the conduit is already installed, there is just some construction still required.

1. EntryPoint Update

Mr. Klebes states that in the packet there is a short document with an initial findings summary from EntryPoint. They reviewed QLife's network, the existing fiber, trendlines, revenues, expenses and ran a market analysis of products being offered by other ISPs. Mr. Patterson adds that the intention of the summary was to understand the current investments, assets and the current market. He wants to make sure his team did not miss anything, which is why the summary is being presented today. President Weinstein remarks that he read through it and highly recommends others to read through it. Mr. Klebes adds that we met with EntryPoint earlier this week and they plan to have a more expansive report later this year and are also working on a

survey for residents. President Weinstein also says that from discussions with the PUD and WEC, we may be able to put flyers in the utility bills.

Mr. Hege points to page two and asks about the several thousand feet of underground backbone fiber and wonders how that is the case. Mr. Patterson explains that the information was delivered to his team via GIS layering, which shows paths but does not always show the number of strands. The unknown amount is minimal. Mr. Amery adds that we could identify the number of unknown strands and fix that. Mr. Hege then points to page three about QLife's pinnacle in 2021 and the decline in revenue in 2022 and 2023 and wonders what the reason is for the decline. Mr. Amery explains that we lost some customers. Mr. Hege points to page six and notes that our only competition comes from small patches of fiber provided by Lumen/Century Link, AT&T and other regional providers, which suggests that there is not a lot of competition. It seems as though there are other fiber companies in our marketing discussing overbuilding our area and wonders if he is interpreting that correctly. Mr. Amery stresses that he has a strong urgency to get things moving and explains that there is existing fiber and then potential fiber. Mr. Klebes adds that other companies have expressed their desire to overbuild QLife so if we stay the course, it comes with risk of overbuild. Mr. Amery also adds it is more difficult to build out to the county if we are overbuilt. Mr. Gerhardt remarks that there is a lot of fiber in the region, but very few receiving fiber services.

Mr. Hege brings up Starlink and asks if EntryPoint can explain their thoughts on them as competition. Mr. Gerhardt responds that there is not enough data yet to provide a viewpoint. Mr. Patterson adds that some will say they are a solution to the broadband problem but that also comes with environmental considerations and Starlink is not an urban solution, but the consumer will see them as competitive if they are able to get usable speeds.

Mr. Hege refers to the pricing matrix of our competition and remarks that he found it interesting. As a customer of Blue Mountain Networks, he is not paying what the listed pricing and he plans to call them and ask for that rate. He states that it is a farce in the context of what they actual provide and the prices they charge. He had a neighbor switch to T-Mobile and ran a speed test, which reported over 400 mbps download speed and pays \$50 per month. Mr. Gerhardt asks if the Board would be willing to share copies of their internet bills to help build a better picture.

Mr. Hege also notes that the report states that the fiber availability take rate is 18% in the first year, 30% in year two and 50% in year five, which is quite encouraging to show that if you build it, people will connect to it. Mr. Patterson adds that there is a lot more information available for what to expect for take rates if you build fiber. For instance, if fiber is built over DSL, bank loans will accept a take rate of 15% the first year, 30% the second year and 50% the third year. Additionally, if you provide fiber before another company, they will invest without a large scale market analysis.

Mr. Gerhardt remarks that a draft report to the Board will be ready in early December so they may start making some decisions.

 [EntryPoint - QLife Findings Summary 090823.pdf](#)

IV. Action Items (Presenters: Matthew Klebes)

A. Biarri Networks Engineering Services

Mr. Patterson informs the Board that EntryPoint has a design partner for feasibility design of a network footprint. Australia and New Zealand both completed a fiber to the home project and used Biarri Networks. They build an artificial intelligence (AI) that creates a fiber plan design. If QLife wanted to do some similar, they would own the data.

Mr. Hege asks if the design would show connections to all addresses in the county and Mr. Patterson confirms that it would. Mr. Klebes adds that the technology identifies the most efficient path to build out fiber and wonders if it would show the best path for both urban and rural areas of the county. Mr. Patterson responds that it will. Mr. Hege wonders how it determines if aerial or underground is a better choice and Mr. Patterson explains that it gives you the ability to make preferences manually. President Weinstein adds that both the EntryPoint report and AI will help us with future grant funding from the state broadband office. Mr. Patterson concurs and states that QLife would be close to shovel ready and has successfully been awarded grants based on AI designs. Mr. Amery remarks that RISI provided a top level opinion but did not get to the underlying data that could be used for grant applications. Mr. Klebes asked if the Board would be in consensus to amend the scope of work with EntryPoint and they can subcontract with Biarri. Ms. Campbell likes the approach. Mr. Hege asks if there are pros and cons to consider. Mr. Amery responds that EntryPoint has subcontracted with them before and we have not. Mr. Klebes adds that we can go through a procurement process if the Board would prefer that method. Mr. Runyon asks if we will have substantive documentation to secure grants after the work with Biarri and Mr. Klebes responds that we will have a high level design for the entire county.

 [Biarri - QLife Engineering Services RFI.pdf](#)

 [Biarri Case Study.pdf](#)

Motion:

Amend the scope of work with EntryPoint to include AI design with a not to exceed \$13,660.

Motion moved by Scott Hege and motion seconded by Scott Randall. Motion passes unanimously.

V. Discussion Items (con't)

A. BAT Update (Presenters: Lee Weinstein)

President Weinstein remarks that Jason Hartman from MCEDD was not able to attend today's meeting but he is helping while Carrie is out on maternity leave. President Weinstein had a meeting with a city councilor from White Salmon who is excited to get involved with the BAT so hopefully they will be meeting soon.

The Oregon Broadband Office funding proposal is requesting feedback during a comment period and wonders if QLife would like to provide feedback. Mr. Hege says he has not had a chance to review the proposal but knows that if the plan does not work for us, we may not get little to no funding. Mr. Klebes responds that he can take a look at the proposal and it makes sense to see if Mr. Hartman can respond on behalf of the BAT. Mr. Hege adds that we can support his response from a Wasco County perspective. Mr. Mobley wonders if EntryPoint can look at it and provide their feedback and Mr. Klebes states that we can add it to a future team meeting.

B. Aristo Technical Management Report

Mr. Amery had nothing additional to report that was not already discussed earlier in the meeting.

 [20230926 Aristo Technical Management Report.pdf](#)

VI. Consent Agenda

A. August 24, 2023 Minutes

 [QLife Board Meeting Minutes: August 24, 2023.pdf](#)

Motion:

Motion moved by Rod Runyon and motion seconded by Scott Hege. Motion passes unanimously.

VII. Finance (Presenters: Mike Middleton)

Mr. Middleton informs the Board that we are two months into the fiscal year so there is no trend to report yet. Revenue appears to be less than last year which is due to the Beginning Fund Balance not being recorded yet. If the Fund Balance is removed from consideration, the year over year variance is 14.8% up with a budget execution of 17.2% which is above the budget execution expectation. Mr. Klebes asks if that could impact the EntryPoint report but Mr. Middleton responds that it will not. Interest was not updated this month in the analysis and as of yesterday, most of the outstanding AR balance has been paid down. Transfers are also on target.

The Capital fund does not have much to report other than interest is up. The Maupin fund has no revenue except interest.

Mr. Middleton is building confidence in Ms. Maki before she fully takes over QLife finances.

 [QLife Financial Analysis 2023-08 August.docx](#)

 [FY24 2023-08 August Financials.pdf](#)

VIII. Executive Session

Executive Session ORS 192.660 (2) (f) To consider information or records that are exempt by law from public inspection as a "trade secret" on the basis that ORS 192.345(2) conditionally exempts trade secrets. ORS 192.660(2)(n) To discuss information about review or approval of programs relating to the security of telecommunications systems.

 [Executive Session Script.pdf](#)

The meeting is adjourned at 1:13 PM.