

FRONTIER TELENET
BOARD OF DIRECTORS MEETING
MINUTES
DECEMBER 20, 2016

The regular meeting of the Board of Directors for Frontier TeleNet was called to order by Chairman Judge Steve Shaffer at 10:09 AM. This meeting held in the conference room of the North Central Education Service District, 135 S. Main Street, Condon, Oregon.

Directors Present: Judge Steve Shaffer, Judge Gary Thompson, and Judge N. Lynn Morley.

Also Present: April Stream, Ken Gross, Mac Stinchfield, Less Ruark, Rachel Weinstein, Rob Myers and Jeanne Burch.

Public Input/Comment: Les Ruark asked if he could make a comment on items on the agenda? Directors pointed out that later in the agenda he would have a chance to make comments.

Directors Changes to Agenda: None

Minutes: Minutes of November 10, 2016 meeting reviewed. Moved by Gary Thompson, seconded by Lynn Morley to approve minutes as presented. Motion carried with all present voting aye.

Financial: Financial information reviewed. Steve Shaffer noted that revenue appears to be slow to come in. Steve Shaffer asked Robert Myers about the progress of the core update and if it was in budget? Rob Myers reported that everything is progressing on time and within budget. Steve Shaffer inquired about the upgrade to Roosevelt Tower? Rob reported that work was progressing as weather permitted. Jeanne Burch reported to the Board that a transfer of funds from contingency to personal services will be necessary to accommodate contract with Executive Marketing Director. Resolution No. 4, a Resolution Transferring Funds from Contingency to Personal Services line items in 2016-2017 Frontier TeleNet Budget was reviewed. Moved by Lynn Morley, seconded by Gary Thompson to approve Resolution No. 4, transferring \$55,000.00 from contingency to personal services line item in 2016-2017 Frontier TeleNet Budget. Motion carried with all present aye.

A lengthy discussion held on the need to loan money to Financial Digital Network from Frontier TeleNet. This loan is necessary as the SIEC grant is a reimbursement grant and there will not be sufficient funds in Frontier Digital Network to advance this money. This item will be discussed in the Frontier Digital Network Board Meeting.

Discussion/Possible Action on Request for Quotes (RFQ) #816 and #817. RFQ 816 is for connectivity Arlington to Fossil. REF 827 is for connectivity Wasco to Rufus. Rob asked if we can arrange a contract based on RFQ versus Request for Proposal (RFP) Rob has made inquiries with contacts at the State and other sources but they have not answered. Solution might be to advertise for RFP and make some items more specific. Lynn noted that Wheeler County has voted to go aerial versus buried fiber. Discussion on aerial versus buried fiber but there will be

a backup with the wireless system. Conclusion was that it makes sense to issue a RFP for these projects. Discussion on proposed partnerships. Formal partnerships require a RFP. Lynn pointed out a big difference between a partnership and a contracted service. Lynn Morley moved to draft RFP 816 and 817. Motion died for lack of a second. Lynn Morley moved to draft RFP 816 Arlington to Fossil, 817 Wasco to Rufus and 818 Fossil Project. Discussion: Gary Thompson pointed out that route on 817 is not acceptable. Does not want to go down Scott Canyon Road. Sherman County has recently constructed a new road on this route and Sherman County Road Department does not want digging in the new road. A different route was proposed and that will be included in RFP 817. Motion carried with all present voting aye.

NCESD Withdrawal: The North Central Education District has tendered their withdrawal from the Frontier TeleNet ORS 190 Organization. Steve Shaffer will be working with Legal Counsel, Will Carey, to ascertain the proper documentation for this withdrawal and also what other alternatives may be an option for Frontier TeleNet and Frontier Digital Network.

Public Comment:

Ken Gross from Home Telephone suggested that an engineering firm be retained for work on the RFP details. Ken pointed out the engineering firm can work out all details so that those responding to the RFP would have complete details. Rob Myers questioned how to retain engineering firm? Ken also mentioned his earlier suggestion that a construction loan could be made to the RFP recipient and this would generate money back for Frontier TeleNet.

Les Ruark from Rock Creek, Oregon asked if it was a proper understanding that North Central Education District had withdrawn from Frontier TeleNet and was the withdrawal accepted? Les also questioned how the ORS 190 would be restructured? Judge Shaffer reported that the North Central ESD withdrawal letter was accepted and that legal counsel was being consulted to draw up the proper agreements regarding the ORS 190. Les also asked some quality questions about the structure of the Frontier TeleNet organization.

Rachel Weinstein asked if there was not a sense of urgency for a plan to secure the grant money for Wheeler County portion of project? Lynn Morley answered they are working with the State of Oregon and presenting a plan that will secure the funds. Rachel also asked for clarification on obtaining an engineering firm? Rob Myers answered that he needed to research the proper way to obtain a firm.

A discussion held on the technical term Hand Holds" for the system and what it means.

Next Meeting: The next meeting of Frontier TeleNet will be January 25, 2017 at 2 PM in Fossil following the Tri-County Court Meeting.

There being no further business the meeting adjourned at 11:30 PM.

Respectfully Submitted:

Jeanne E. Burch

Frontier TeleNet Staff

