

# Minutes

December 11, 2018, 6:30-8:30 PM PST Location – Marcia West’s Home  
BOARD OF DIRECTORS MEETING ORCAS HIGHLANDS ASSOCIATION  
MEETING CALL-IN INSTRUCTIONS: Dial: (641) 715-3287 Enter Access Code: 420471#

PURPOSE: To conduct a regular session of business of the Association.

Roll Call: David Turnoy, Marcia West, Harvey Aldort, Dennie Carter, Lee Goodwin, Jens Kruse, Brian Ehrmantraut, Bob Wyatt. Guests: Ron Claybourn by phone, Alan Smith, Dan Burke, Naomi Aldort.

I. Call to Order: Meeting to order at 6:30.

II. Water System Funds – Reinvestment Project

A. Review of Fiber Proposal – Ron C: First meeting with Rock Island was in 2014, got a base model in 2015, Alan Smith revised it in June, final design proposal and bid received in November of 2018.

B. Question & Answer with RockIsland/OPALCO Representatives – Alan Smith and Dan Burke are both officers at Rock Island, they complimented Ron on his professionalism.

Harvey asked if there is a certain minimum number of people to subscribe before Rock Island builds the middle mile. No, as long as the middle mile is fully funded.

Marcia asked if we can undercut the Earthworks excavating bid, the answer is yes, we can try to get a better price. But Rock Island has negotiated with Earthworks to get a good price, not likely for us to do better.

What if he hits bedrock? You have to pay for whatever the work is. RI’s bids have been pretty accurate.

How deep is the conduit? Has to be at least 18 inches deep. Bob asked if there could be some collaboration between OPALCO and RI, as OPALCO wants to do some work in our area. OPALCO is already absorbing some trenching cost, so there is a partnership between OPALCO and OHA. Where we are splitting with them, the trench needs to go deeper, but we only pay 35% and OPALCO is paying 65%, therefore a net saving. The bid we received included the cost being paid by OPALCO. OPALCO will be paying about \$114,000.

What are the possible terms for paying? RI normally requires 50% down, but financing can be flexible, we could pay month by month, or some other method. RI actually doesn’t make any money on the deal. RI wants to make sure the process works for them and us.

Is sales tax included in the bid? Yes.

Do they have materials we can send out to convince the members that this is a worthwhile investment? Yes, they do. They will also hold meetings if we want them to. Ron asked what easements RI would require. Alan said that as a public utility, they have rights of way, no additional easements needed except for the last mile on private property.

Harvey asked about junction boxes, which in some cases could be hundreds of feet away. RI uses a four-way conduit which can tie in 6 locations, we can tie into the middle mile anywhere along the route, fiber will already be in the ground. They use a system from Duraline, a multi-strand mainline trunk. This system allows the last mile to be a little more reasonable.

Marcia asked when we might be able to have this work done. Alan says the construction calendar fills up quickly as summer approaches. 2019 will be very busy for individual users. Earthworks can restructure their crews if a big job comes up. The earliest they could get to us would be March or April, and it would take about four months to be ready.

Could the last mile be done while they are here for the middle mile? It can't be guaranteed, and the two different miles are separate crews anyway. You actually could start the last mile project earlier than when the middle mile is done, so both could be worked on at the same time.

Has the price for the last mile gone down at all? The average seems to be about \$2,500 to \$3,500. But we could get a fairly substantial savings if we get a lot of people to get their last mile done right away. Each last mile will depend on the specific construction needed at that site.

What percent of Spring Point people bought in? It was 74% at first, is now over 80%.

Bob asked if when they give a presentation, could they speak to the advantage of signing up early? Yes.

It was suggested that we could do a member survey to gather information about knowledge and interest level related to getting fiber.

Is the \$1,500 incentive still in place? Yes, it is a credit on the last mile, so a \$3,500 last mile would only cost \$2,000.

Is there a program to get money for this program? Islanders Bank has such a program.

Lee asked what percentage of people we would need to proceed? Nobody needs to commit if the project is fully funded.

Miscellaneous notes: We have advantages in having money and being organized. The contract is very simple. If anything is damaged during the project, they will take care of it. Otter's Lair already has fiber.

Bob wondered if the timing would be difficult as far as weather, and Alan said that spring should be fine.

Marcia asked about "quote is good for 60 days", can that be extended? If we are engaged with RI, they will most likely honor the quote, they will work with us.

Brian asked for RI educational materials ASAP. Dan said most stuff is on the website, paper materials would be customized for our OHA.

Why do this project? 3.1% increase in property value is national average. You need it for work, for people in the house to have enough capacity for multiple users. There is a limit to how much phone copper wire can handle, fiber has greater capacity. Infrastructure is decaying while usage is increasing. Fiber is the replacement for the old infrastructure. We are future-proofing our infrastructure, because usage will only increase. Dan will now be our main point man.

C. Setup of Committee: We have a list of names, we should have them meet and elect a chair, it doesn't have to be a board member. Meeting could be on Tuesday, Jan. 8.

D. Next Steps: Committee should meet and get educated, perhaps set up a survey of the membership, see if we have any other beneficial opportunities to consider, once the committee agrees on fiber, then go ahead. Marcia will call a meeting of the committee for shortly after the first of the year, possibly the second Tuesday, then perhaps a membership meeting to sell the

project. Committee could consider the financing we will need, as we will need some extra money.

### III. Financials

A. Current Account Balance

B. Status of Online Payments: New merchant account is ready.

C. Update of asset sale tax and income tax filing

### IV. Old Business

A. Fire Protection clearing contract

- Walk Through with Harvey Logging – Friday, Dec 14. David and Brian will be there.

- Point Person for overseeing progress

B. Update Addition of new point of connection at pump house and billing account

C. Burn Pile Equipment Update

D. Snow Plowing Contract for 2018-2019 – Update: Norm Flint will do it again.

### V. New Business

A. Neighborhood lighting complaint: Naomi Aldort attended to discuss the lights issue, she feels the lights of her neighbor's house are too bright. Marcia thinks that one of the outside lighted areas is for their dogs. We don't currently have a policy on lights, we could have a voluntary lights policy, it would require education to get people to come around to support some measure related to this. We could put something in the newsletter.

B. Other Business

VI. Date and time for next Board of Director meeting will depend on Fiber Committee meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:10.