

**City of Condon/Gilliam County Court  
Work Session Notes  
November 29, 2016  
1 p.m.**

Present:	Staff Present:
Mayor Jim Hassing Councilor Donald Jamieson Councilor Michael Cronk Councilor Jan Stinchfield Gilliam County Judge Steve Shaffer GC Commissioner Michael Weimar Fiber Committee Members: Elizabeth Farrar Rita Rattray Dale Scobert Joe Knapp (telecom)	Kathryn Greiner, City Administrator Nancy Werner, City Telecom Attorney (telecom)

Absent:
Councilor Boyd Harris Councilor Terri Carnine Councilor Tom Fatland GC Commissioner Dennis Gronquist

**CALL TO ORDER**

Mayor Jim Hassing called the meeting to order at 1:06 p.m.

**INTRODUCTIONS**

Introductions were made with members present and added David Soloos, State of Oregon Statewide Operability Coordinator on the telephone. Public was Mac Stinchfield Times-Journal; Rachel Weinstein, Gilliam County Community Development; and Dana Hohn resident.

**DISCUSS POTENTIAL PARTNERSHIP OF FIBER LINE**

Councilor Donald Jamieson asked if Gilliam County is interesting in being a partner with City of Condon to construct a fiber line from Arlington to Condon. Elizabeth Farrar said that the proposal would be that the fiber line would be split in ownership between the entities based on financial contributions. Gilliam County Judge Steve Shaffer asked what the expectations of the fiber line would be to the city. Farrar stated that it would make lines available for end users at an affordable cost. Judge Shaffer stated that Gilliam County is Frontier Telenet and said that is where the partnership would lie. Farrar countered that it not the same as her representatives are

not all sitting at the table when decisions are made for Frontier Telenet, and wants to have the Gilliam County Commissioners make the decisions of Gilliam County funds. Commissioner Mike Weimar stated that Frontier Telenet is a government entity with Gilliam County being a partner. Councilor Jamieson stated that he believes the partnership in a fiber line could be a future revenue source for the city and county. Commissioner Weimar stated that he had not seen a business plan from either City of Condon nor Frontier Telenet to determine what the revenue and expenses may be, and noted that the partnership with a digital radio switch was more expensive with maintenance costs than previously estimated. He noted that his major concern as a county commissioner was the county road system.

Councilor Jan Stinchfield asked the county court members if there was a possibility of a partnership, realizing that there is a lot of groundwork to be accomplished with a business plan needed. Joe Knapp stated that he sat in on the city's RFP process as an IT director for City of Sandy and noted that county and city appear to have similar goals and urged them to work together on a partnership. Knapp stated that Sandy worked with Clackamas County to provide their system with broadband.

Judge Shaffer asked Knapp if they had fiber from Sandy to a network access point such as the Pittock building in Portland. Knapp stated that Sandy owns and maintains the fiber network within their city, and Clackamas County owns and maintains the fiber within the county. A discussion was held with Knapp, Judge Shaffer and Soloos regarding the access to Pittock building, dark fiber and maintenance issues of Sandy and Clackamas County. Knapp stated that Clackamas County and Sandy do not own dark fiber to the Pittock building but lease with another company and the owner is responsible for maintenance. Judge Shaffer also asked if Clackamas County provided fiber service to Sandy residents or businesses with Knapp stating that they can supply dark fiber, but not lit fiber.

Farrar asked attorney Nancy Werner how maintenance agreements were formed or drafted with co-owners. Werner stated that she has worked on these types of agreements and it can be split between the owners of the fiber line by financial investment or contract with a third-party to maintain the line.

Judge Shaffer inquired about service level (SLA) or update agreements. Knapp stated that they do with the people that they purchase transfer fees, but have a partnership with Clackamas without an SLA. Knapp said that they mostly deal with rebates on services if they are not provided. For updates the city of Sandy provides the upgrades on their own equipment. Sandy owns equipment at Pittock and within the city.

Knapp stated that Sandy over-engineered their system for 40GB service but normally use only 5GB. He said that they have built in redundancies so if one line goes down they have another line to use. Knapp said that their system can sustain breakdowns without the public noticing any disruption of service.

Soloos asked if the partnership was going to be with Gilliam County and City of Condon and come from Arlington to Condon. Judge Shaffer stated that Gilliam County is currently in a partnership with two other counties which forms Frontier Telenet a wireless system. Objective was direct fiber connection from digital switch in Sherman County to 911 call center in Condon. Shaffer said "why would Gilliam County want to get into another partnership with the City of Condon when they are supplying these services now." Shaffer suggested that Condon use their money to take fiber to the home and let Frontier Telenet bring it to Condon. Judge Shaffer

*City of Condon Work Session Notes, 11/29/2016 Page 3*

asked Knapp if he would want to own his own middle mile fiber with Knapp responding that he is basically getting it for free from Clackamas County so for him no, but if it was expensive, he would want ownership of middle mile.

Werner addressed Shaffer's concern of Clackamas County build as they got a federal grant to build the fiber ring so it was not like the current proposal of another entity offering money in the partnership. They weren't looking for a partner because they didn't need money, said Werner. Soloos said that it was an \$11 million project with county putting in \$3 million and rest was a grant. Knapp said that part of grant contribution was the in-kind with Sandy providing underground conduit and waived ROW over 20-year period. He added that it brought in a lot of competition as many of the local providers before this project would either not allow access or charge a large sum to provide it. Those prices came down immediately.

Chief Scobert stated that was the fear with Frontier Telenet that they were not going allow competition and they will then have a monopoly.

Councilor Jamieson thinks this fiber line could be a future revenue source and the city and county should decide where that revenue goes. Soloos stated that there is a lot of ways to approach this but to separate position from interests. Be good to have a business plan so all parties understand the basic revenue and expense projections.

Judge Shaffer said that the original goal for Frontier Telenet was to build a fiber line from digital switch in Sherman County to PSAP in Condon. He said that Frontier Telenet reached out to Centurylink, Light Speed Network and they did not respond. They put money in their plan and were contacted by Windwave who was building a line to The Dalles from Arlington.

Farrar said that she appreciated the original goal of Frontier Telenet. Judge Shaffer said that the city jumped in this at a point that we were trying to finalize what we are looking to do – final build. Rita Rattray asked what Frontier Telenet has done to help the residents and homes and Shaffer asked what the city has done for the residents. Rattray responded that the committee was formed to help residents.

Councilor Jamieson interrupted the discussion of getting fiber service to residents and business in Condon and asked if there was an opportunity to partner with Gilliam County on a fiber build.

Judge Shaffer said, "I am not interested. To be honest, I've already got partners in middle mile build." Donald Jamieson asked "so there is not potential for a partnership," with Judge Shaffer replying "not in the middle mile build."

Farrar asked Commissioner Weimar if he agreed with Judge Shaffer of no middle mile partnership and he replied that he didn't have enough information at this time to make a decision. Farrar asked if the city was to get the information requested by the county if that would allow him to make the decision. Judge Shaffer interrupted and asked "how are you going to get it to my house." Farrar stated that Home Telephone is putting fiber to the home and what they need is a less expensive middle mile option to make it more affordable to residents. Judge Shaffer suggested that the city use their money like City of Sandy and get fiber to the home and the county will get it to Condon. Councilor Jamieson and Commissioner Weimar asked for clarification if it was Gilliam County or Frontier Telenet constructing the middle mile with no clear response. Rattray stated a concern was that Frontier Telenet never offered the services to residents and businesses with Judge Shaffer stating that "they never said they would." Several committee members stated that was the reason this committee was formed as Frontier Telenet

*City of Condon Work Session Notes, 11/29/2016 Page 4*

were not providing services to residents and businesses. He also asked if Condon invests in the middle mile who was to get it to the home? Farrar said that Home Telephone is already supplying it to the home and the need for more affordable middle mile is needed. When Farrar stated that Home Telephone is getting to home, Judge Shaffer said that "what makes you think Frontier Telenet hasn't already had these conversations with them (Home Telephone) in getting this done?" Councilor Jamieson and Farrar asked if these discussions have been publicized with Shaffer saying they have not and pointed out that City Administrator Greiner has conversations without public notice with Joe Knapp and David (Soloos). Councilor Jamieson reminded him

that they are all governmental entities and CA Greiner is not an elected official. Farrar added that she (Greiner) is not working on agreements with companies which is not.

At this point Judge Shaffer announced he had another meeting and was leaving. Councilor Stinchfield asked "so this means you are not interested." Judge Shaffer responded "Me? No, not at this time." Mayor Hassing asked if he was speaking as Gilliam County Judge or a Frontier Telenet board member and was told he was there as Judge. Judge Shaffer left the meeting at 1:48 p.m.

Condon resident Dana Hohn voiced concerns of the conflict of interest of between Judge Steve Shaffer's county position and member of Frontier Telenet board of directors. It was discussed that Frontier Telenet is a government partnership and the board of directors do not get paid for their positions.

Farrar asked Commissioner Weimar about funding Frontier Telenet's middle mile build and noted that it could not be completed without the County court's sign-off. Commissioner Weimar stated that he thought Frontier Telenet needed to be in this partnership. Councilor Jamieson said that Frontier Telenet has made it clear they do not want to partner with Condon or their fiber committee. Commissioner Weimar stated that if they partnered with Condon and Frontier Telenet they would have two partnerships, but Councilor Jamieson said that would not affect Gilliam County signing over the use of the fiber line to Frontier Telenet or another organization.

A discussion was held regarding the business plans to present to Gilliam County court for the fiber build and that the committee wanted to make sure the county, or whichever governmental entity invested in the fiber line have ownership.

CA Greiner asked for clarification for the minutes from Commissioner Weimar. Judge Shaffer is not interested in a partnership; asked if more information is needed or was the decision going to wait until a third member was put on county court; and if the Gilliam County money awarded to the city's fiber project could be extended if they do not spend it by June 30, 2017. Commissioner Weimar stated that he doesn't have an issue with an extension, and he doesn't think any of the decisions can be made until there is a full court at the table.

A short discussion on providing broadband to rural areas is important in the city's plan and was stressed by rural residents on the committee and by Gilliam County Community Development staff Rachel Weinstein.

Members present discussed the pros and cons of aerial versus buried fiber and Soloos stated that they find it a "wash" on time between the two. He said that buried has less incidents of damage, but it takes less time to find and fix aerial lines. Knapp stated that costs to bury range from \$180-250,000 per mile and aerial is approximately \$25,000 per mile.

Meeting was adjourned at 2:29 p.m.