

Wednesday November 13, 2024

Monmouth-Independence Network Board of Directors Meeting - 5:00 pm.

**The public is invited to attend at Monmouth Public Works, 401 N Hogan Rd,
Monmouth, Oregon or virtually. For agenda and virtual link details:**

<https://minetfiber.com/board-of-directors>

<https://www.minetfiber.com/news>



**MINET Board of Directors - Regular Meeting
Wednesday November 13 2024 5:00pm - 6:30pm**

Hybrid meeting held in person or via Google Meet

**Call in : (US) +1 605-627-1569 PIN: 100 855 391#
Virtual Link : meet.google.com/pvo-judh-ubz**

All regular meetings of the MINET Board of Directors are open to the public and are accessible to persons with disabilities. Members of the public may attend at Monmouth Public Works, 401 N Hogan Road, Monmouth Oregon or virtually by phone or by video using the log-in information provided in this notice. If you require special accommodations, please contact PJ Armstrong at 503-837-0700 or parmstrong@minetfiber.net at least 72 hours prior to the meeting. For Oregon Relay Service dial 1-800-735-2900.

AGENDA

● **Call to Order**

● **Call for Public Comment**

○ *Public comment is limited to 3 minutes per testimony.*

● **Consent Agenda**

○ Approval of September 25 2024 Minutes

● **DEPARTMENT REPORTS**

○ Finance Report (Khira Zappe)

■ September & October Financial Reports

○ Sales / Marketing / CSS Report (Jason Saunders)

■ Monthly Services Report

- Expansion Progress
- Community / Current Marketing Efforts
- Social Media efforts
- Update on team
- Other
- Network Operations Report (Dakota Snow)
 - Network usage
 - Significant projects & timelines
 - Other
- Field Operations Report (Ray Cruz)
 - New construction efforts, both markets
 - Expansion updates
 - Projects unrelated to construction / expansion
 - Update on team
 - Other
- General Manager Report (PJ Armstrong)
 - Expansion related updates
 - Industry related updates (i.e. progress w OR
Broadband Office)
 - Debt service & consolidated promissory notes
 - Dallas network ownership developments
 - Annual goals

- Team / Department updates / comments

- Other

- **BOARD BUSINESS**

- Election of Officers

Minutes, Virtual/In Person Meeting of the MINET Board of Directors, Wednesday, November 13, 2024, 5 PM. This meeting was held at Monmouth Public Works

In attendance:

Board Members Present: David Ritchey, Bob Mason, Kate Schwarzler, Michael Hicks, Rochelle Roaden, Cec Koontz

Board members not present : Kate Schwarzler

Staff Present: PJ Armstrong, Jason Saunders, Dakota Snow, Khira Zappe, Ray Cruz.

Others present: None

Chair David Ritchey opened the meeting at 5:00 PM.

Consent Agenda: Minutes of the November 13, 2024, meeting: Board chair David Ritchey called for approval of last meetings' minutes, Bob Mason moved to approve, David Ritchey 2nd, motion passed unanimously.

REPORTS

Financial Report: Khira Zappe

Khira provided the following updates & topics of discussion : Khira presented the September financial package. September revenue was up due to Willamette Valley Fiber now paying MINET for a dedicated access line. Operating expenses were down \$9.3K due to Personnel expenses. Overall net operating income was up \$9.8K in September from August. YTD, Revenue and Gross Margin were exceeding budget by \$190.3K, mostly due to the reimbursements from Polk County. YTD operating expenses were less than budget by \$46K, mostly due to personnel expenses with open positions throughout the year and turnover and employees not being eligible for benefits. Overall, YTD net operating income outperformed the budget by \$182.8K.

Khira also reported after September cash flow actuals were updated, our fiscal year end cash flow projections are on target and are trending to exceed them by 45%.

Khira also advised the December 1st 2024 Debt Service payments are set to be mailed next week, on or around the 22nd of November.

Sales, Marketing, CSS report: Jason Saunders

Jason provided the following updates & topics of discussion :

- Report sales numbers for September and October for MINET
- Reported on current sub counts in the Rickreall and South Dallas Markets
- Reported on the community marketing efforts
- Other updates -
 - The new holiday-themed billboard is up. The design was created by the MINET team and painted by a local artist
 - We target Dark ONTs (formally has or service and no longer does) annually after the college move in rush. The results were 172 dark apartments / 136 dark homes / and 21 dark mobile homes. The current vacancy rate in the MI area is a little over 7%
 - Customer churn is tracked monthly and this month I compared last year's results to this year's trends, and they are about even. What does this mean? We are not losing customers to our competitors at a greater rate, which our competitors are struggling with right now
- Competitors Report -
 - Canada's largest telecommunications company, Bell Canada, said Monday that it will buy Northwest Internet and cable TV provider Zply Fiber for \$5 billion in cash and assumed debt. Zply has been aggressive in the Willamette Valley overbuilding markets including Albany and Eugene with a headquarters in Beaverton.

Outside Plant Report: Ray Cruz

Ray provided the following updates & topics of discussion :

- Reported on MINET's new builds
 - Cottage Cluster (292 Monmouth Ave 16 units) - Ground is cleared and design is in process.
 - 478 S Main ST Independence (16 unit MDU) - Walls and roof are up. We are in close contact with the builder to have our fiber run to each unit.
- Reported on new builds in Dallas
 - HG 2 (highland Gleanns 2) (58 new passings) in process, curbs are in and dry utilities are still being placed.
 - Polk county development (373 East Ellendale ave) - 20 units, we have pipe from right of way to building. Waiting on low voltage to run fiber.
 - Ellendale Meadows (1080 W Ellendale ave) phase 1 - 28 homes, all pipe and vaults have been dropped off to be placed by the builder.

- **Expansion update**

Ray provided updates on the status of the South Dallas expansion efforts including progress made since our last BOD meeting as well as timelines for the remainder of the project.

- **Significant projects unrelated to construction efforts or expansion**

Provided updates on the safe route to school project, along Heffley St from Jackson St E to Gwinn ST E. All overhead lines will be converted to underground. We are working with MPL and will continue to provide updates.

Provided updates on placement of the meter Base in Falls City including timeline for when this will be completed.

Network Operations Report: Dakota Snow

Dakota provided the following updates & topics of discussion :

- Peak network utilization average 38Gbps and all DIA Circuits Stable
- DC plant and Generator Preventive maintenance coming due all systems running normal.
- MI-Trolleys Wireless, Security System and Digital signage damage in one Trolley and no response from Chariots yet.
- Deployment of a password management system accompanied my new policy aimed at increasing security.
- Two of the five HVAC systems were successfully replaced in the NOC per CapEx. One of the two front office HVAC systems failed and needed to be replaced that was not planned.. all systems are now working properly.

GM Report: PJ Armstrong

PJ provided the following updates & topics of discussion :

- Reported on debt service progress
- Reported on progress Khira has made with monthly cash flow projections tracking including additional insight, it being a positive source for ongoing internal discussion, and our intention to present a summary during the budgeting process to improve transparency.
- Reported on Dallas network ownership developments, current status of 3 year deferral agreement, time left in the agreement and timeline for intention to approach investors to discuss intent of the project beyond the current agreement.
- Reported on status of the S Dallas expansion project including timelines to completion.
- Provided a status update on BEAD grant funding including pre-qualification process, some of the challenges a small ISP will have participating in the BEAD process, some details about what the Polk County consortium idea could entail if ends up happening, types of passings that will likely qualify for BEAD funding in our area, some of the challenges building into and serving these types of areas, and the likelihood of extending into these areas being a positive decision for MINET.

Other Business :

Board chair David Ritchey opened discussion for election of officers with a suggestion he will fill the position of President, Jason Kistler as Vice President, and Michael Hicks as Secretary. Additional discussion was had around the possibility of holding off on election of officers pending potential change in BOD makeup due to change in council positions. Bob Mason moved to approve the positions as presented by David, Rochelle seconded, motion passed unanimously.

Meeting adjourned at 5:45 PM

Next Meeting: January 22 2025, 5 PM, Monmouth Public Works