



**APPROVED 12/15/2021**

**MINUTES**

**BOARD OF COMMISSIONERS**

**SPECIAL MEETING**

**WEDNESDAY, OCTOBER 27, 2021, 6:00 – 7:30 P.M.**

**4000 BLIMP BLVD., MAIN CONFERENCE ROOM OR**

**VIA ZOOM:** <https://us02web.zoom.us/j/86549484352?pwd=SUpbXNvcXhTc1BqRTM5ZnJwOXN3UT09>

**1. Call to Order @ 6:13 p.m.**

Recognition of Persons Present: Commissioners Sierra Lauder; Bill Baertlein; Jack Mulder and Matt Mumford. Absent: Kevin Stoecker

Port Staff: General Manager Michele Bradley; Margaret Amick

By Zoom: Ayreann Colombo – Col-Pac; Erin Skaar – County Commissioner; Samantha Goodwin – Tillamook County Broadband Coordinator; Todd Simmons and John Luquette – Tillamook PUD

In person observers – Miel Macassey and Julien Macassey

Public Comment for items not on the agenda - none

**2. Discussion on Broadband Expansion in Tillamook County and the N. Coast Region and the Port's role in Tillamook Lightwave – Sierra Lauder, Board Vice-President and TLW Liaison said the feedback from the board about Samantha Goodwin's broadband presentation was that they knew a lot more when they left than when they started. Sierra asked Ayreann if she could explain about Columbia -Pacific Economic Development District's goal for the project.**

- a. Integration options for regional approach - Col-Pac – Ayreann Colombo talked about a study Col-Pac started in February 2021 that mapped out a preliminary middle-mile network throughout the four counties in the Col-Pac district. One of the reasons Tillamook County wasn't included in the initial preliminary map that Col-Pac did for the region was that Col-Pac hadn't yet brought in the HR Green data. The middle-mile map that HR Green developed of the City of Tillamook will be added to Col-Pac's map for Tillamook County. Ayreann stressed that it is a feasibility study at this point and they are hoping to wrap it just after the first of the year. Col-Pac has been talking with potential middle-mile partners such as the city of Hillsboro in Washington County to connect their fiber further west; and to TLW about expanding along Hwy 6 into Washington County. Then, to the north, Col-Pac is looking into partnering with NoaNet in Clatsop and Columbia Counties who are interested in extending their fiber to hook into TLW and Hillsboro. These ideas are still preliminary and

nobody has committed; Col-Pac isn't sure how far the potential partners might want to expand. The next step will be to come up with some numbers and a business model plan. Ayreann added that the purpose of the study is to position the region to pursue federal funding for broadband infrastructure to construct the middle-mile network. This would draw interest from last-mile providers to service the region. When asked to link her work to the level of services Ayreann spoke of, Samantha said that the Middle-Mile Alternative map is what the HR Green study used to plan the link into Col-Pac's fiber. The light green lines show the planned expansion of the network and the other colors show what already exists. Sierra told Ayreann that as part of figuring out the Port's role in the next steps the board would like to know if there will be administrative redundancy with TLW and Col-Pac each having their own administrative staff? Ayreann replied that Col-Pac is more of a facilitator and not an administrative level. If the project goes as described they would facilitate the partnership in terms of connecting with each other between Tillamook, NoaNet, and Hillsboro with each having their own administrative layer. If for some reason one of the entities doesn't want to take on an administrative layer then as a region the partners will need to decide if they want to create an administrative structure to manage the wholesaling of the backbone fiber. Sierra said she wonders about the grant writing and management and whether the entities would be competing for the pool of funds. Ayreann said not necessarily because she believes Col-Pac would manage that in phases so that the grant funding would be spread across the region. However, each entity would have to obtain their own financing and revenue. Jack said that he thinks that what he heard is that instead of TLW and Col-Pac each going out for grant funding from the same pool, they would coordinate their applications. Ayreann said that would be ideal and probably more successful. Sierra asked if the separate entities would need to coordinate the infrastructure to be compatible with each other and Ayreann said that it wouldn't be necessary. Matt asked Ayreann what she wants the board to take away from the presentation and she said that if TLW is interested in being a middle-mile fiber provider, Col-Pac wants to facilitate and partner on that Middle-Mile network. Sierra said she sees Col-Pac's role not as an overseer but as integrated and cooperative.

- b. Input from Samantha Goodwin – Michele asked Samantha what she, as the Tillamook County Broadband Coordinator, hopes the Port gets out of the meeting so they can direct Sierra in her conversations with the Lightwave board. She answered that the most important thing would be for the Port to understand where they are in the process, what the probable next steps would be, and get a good understanding of what the possible end product would look like, in order to make the best decision for the Port. She said they are trying to get a lock on who their core partners will be so they can move from thinking about who will do the project to actually planning it. Sierra asked Samantha if there were other potential partners besides PUD, Tillamook County and POTB. She said that the ISP will be important, whether it is WAVE or a different ISP. Also, based on what she has learned so far, since Lightwave is the operating system staying with them would be a step ahead in the process. It would be good to continue with them but it is still open to change. The first question needing an answer is who wants to do this and who has valuable resources to partner together to get it done. Michele said that if the Port as part of TLW says let's move forward to the next step, considering the number of unknowns there are always off ramps in the future. Samantha agreed that the plan is in flux and that the focus of her work is to solidify the plan. Matt asked if TLW needs the Port more than the Port needs TLW. Samantha replied that the county and

PUD are critical because of their infrastructure. There was some discussion of whether the Port's right of way will be critical to the expansion of broadband since it can't be extended. Samantha spoke of the concern of PUD and the County about the Port's railroad encroachment fees and how it would affect the viability of the venture. She also spoke of the legal financial complications that could arise if the Port decided to exit from the IGA and how to untangle the Port's investments from rest. Bill talked about his concern that HR Green has failed to provide the expected asset evaluation for TLW. There was discussion of approaching WAVE to perform an evaluation of the Port's assets. He asked if the current fiber optic cable will have to be removed and replaced due to its age. Samantha said she doesn't know enough about fiber cable lifespan to say but Wave would need to research their records to see how old the cable is. Julian Macassey said that fiber optic has about a 40-year lifespan.

c. Options for POTB with TLW

- i. Questions, concerns from board members – Sierra asked the board to consider the amount of money and staff time spent on developing the Strategic Business Plan and build out projects that will add to the Port's industrial development assets, but will also involve incurring substantial debt service. She is concerned about the Port taking on the additional financial responsibility of broadband and feels that the investment will end up putting the Port in a financial bind. Jack said he feels that it isn't in the Port's core mission; the Port doesn't have the organizational capability to really participate; it is a distraction for the board; and he thinks the financial risk isn't something they are prepared to do. There was discussion of what the Port could contribute to the partnership and Michele pointed out that the Port is part of TLW only because of owning the right of way. Bill wants to get an IGA in place that the Port can be comfortable with.
- ii. Additional public comment – Erin Skaar asked isn't TLW the best entity to own the middle-mile and last-mile sections of the infrastructure? Erin said that there have been two different perceptions of what TLW actually is. One view is that the IGA is a complete entity on its own; the other view is that it is comprised of the three members, all individually responsible for any agreements. She said as she understands the IGA, TLW is the responsible entity for any agreements made by them. The board members are not liable, individually or as a group and TLW would have to purchase insurance as protection against any financial defaults. Jack asked what the benefit would be to the Port for the investment in staff. Sierra cited the contract for the fiber optic cable in the Port's right of way and how the lack of knowledge of the fiber optic business resulted in an agreement that was disadvantageous to the Port. Miel Macassey stated that the Port has missed out on huge profits from the cable landings due to the way the contracts were written and that exiting the IGA is shortsighted. Julien Macassey said 7 of the 10 best ISPs in the USA are municipal and that POTB has enormous assets for broadband. Bill asked what will it look like when it is done? He would prefer to see the county set up a public utility district for broadband with each member contributing their share and an elected board. He would be open to staying if the IGA is renegotiated; there is limited liability to the Port; and no financial commitment from the Port. Matt said the Port should stay in for the potential revenue but limit contribution to 10%. Sierra brought up the question of whether the Port's purpose is to create and run enterprises or to use the Port's assets to provide the opportunity to

businesses to start up and to thrive. Bill wants to know when TLW's contracts with WAVE expire. Sierra said the Port should know the value of its assets with TLW before deciding to leave. Jack said there are a lot of questions to be answered before making a decision.

- iii. Rank options and needs – Samantha said from talking with Doug Olsen that he felt the first and most important step is to find funds to hire a knowledgeable general manager with expertise in the broadband industry, and possibly admin staff; audit of assets; create new format for IGA; limited financial liability; renegotiate IGA; TLW needs to formally request a listing of Port assets from WAVE and to have an agent renegotiate the contract with WAVE.

The board directed Sierra to communicate to TLW that POTB will not be exiting the IGA yet; will not take on financial liability; wants to know the value of Port assets; and wants a new IGA.

3. Calendar follow up Workshop with SDAO – Next SDAO workshop on Wednesday November 17, 2021 @ 6:00 p.m. for review of the draft job description for the General Manager
4. Adjourned @ 8:28 p.m.