



## MINUTES

Northwest Open Access Network  
May 8, 2019

NoaNet Network Operations Center  
422 W. Riverside, Suite 408  
Spokane, Washington 99201

The meeting of the Board of Directors of Northwest Open Access Network ("NoaNet") commenced at 9:00 a.m. on May 8, 2019.

### Present

The following Board members were in attendance:

Ron Gadeberg	(Okanogan PUD)
Jason Dunsmoor	(Pacific PUD)
Chris Folta	(Benton PUD)
Roger Wright	(Franklin PUD)
Angela Bennink	(Kitsap PUD)
Colin Willenbrock	(Pend Oreille PUD)
Linda Gott	(Mason PUD No. 3)
Ken Collins	(Jefferson PUD)
Steve Schopfer	(Clallam PUD)
Dean Kovacs	(Energy Northwest)

Also present were: Bob Hunter (Kitsap PUD); Ben Hooper (Franklin PUD); Jeff Hall (Benton PUD); Dale Knutson (Mason PUD #3); Justin Holzgrove (Mason PUD #3); Debbie Oakes (Pacific PUD); Rick Larson (Pend Oreille PUD); Sarah Holderman (Pend Oreille PUD); Dave Spencer (NoaNet); Paul Harding (NoaNet); John Fryling (NoaNet); Craig Nelsen (NoaNet); Rich Nall (NoaNet); Chris Walker (NoaNet); Phil Von Buchwaldt (Washington Trust Bank); Cindy Zehnder (NoaNet consultant); Jim Rowland (NoaNet consultant); George Caan (Washington PUD Association) (arrived 10:30 a.m.); and Don Cohen (Gordon Thomas Honeywell).

Some of those present attended by video conference or speaker phone.

### Preliminary Remarks

President of the Board Linda Gott welcomed those present. There were introductions around the room. Ms. Gott commented on a potential rescheduling of the June Strategic



Planning Workshop because of a conflict for some people with the APPA National Conference. This subject was to be discussed later in the meeting.

### **Approval of Minutes**

The minutes of the Board of Directors meeting of April 10, 2019 were presented for approval. With four non-substantive corrections, the following motion was considered.

**Motion:** Roger Wright moved, and Chris Folta seconded, approval of the minutes of April 10, 2019. The motion passed.

### **Approval of Payments for March 2019**

NoaNet CFO Paul Harding commented on several items in the March 2019 payment approval form. Discussion followed.

**Motion:** Roger Wright moved, and Ron Gadeberg seconded, approval of the expenses on the Payment Certification form for March 2019, dated March 31, 2019. The motion passed.

### **Financial Report**

Paul Harding stated that March was another good month and quarter for NoaNet. The financial statements for first quarter 2019 continue to show improvement. There was a net increase in cash flow that is expected to continue increasing. Budget-to-actual figures were: revenue 97%; expenses 95%.

Mr. Harding reviewed the status of the lines of credit and term loan. He stated that adjusted operating income (net of non-recurring items) was better than last year based on “apples-to-apples” comparisons. NoaNet’s debt service coverage ratios were met.

Discussion followed. This included discussion about capital projects funded by the lines of credit, and actual and projected revenue generated or preserved. The significant payments to current NoaNet Members for tail circuits since 2012 were also mentioned. This led to a discussion of additional financial information staff could compile on capital project revenues flowing to NoaNet Members.

### **Legislative Update**

Cindy Zehnder commented on the significance of this year’s legislative session in enactment of legislation confirming the State’s commitment to expanding broadband service. She continued that NoaNet’s efforts had been very important in bringing this about. She also summarized the funding resources to be implemented through the legislation, and emphasized the need to pay attention to the implementation process.



Jim Rowland noted that NoaNet's visibility had increased significantly during the legislative session, and that NoaNet is now recognized as a leader in providing broadband to unserved and underserved areas of the State. He commented on the 6-month safe harbor legislation for PUDs to provide retail service if a private service provider becomes unavailable.

Discussion followed. This included how to continue to educate legislators about NoaNet and its Members.

### **Member Report**

Justin Holzgrove described Mason PUD No. 3's telecommunications activities, including new programs to enhance broadband availability in unserved and underserved areas of Mason County, as well as funding resources the PUD has been pursuing. There was discussion throughout. It included discussion of the tie-in between expansion of rural broadband opportunities and carbon reduction resulting from increased telecommuting.

### **Operations and Marketing Report**

CEO Dave Spencer stated that NoaNet's network reliability continues to be at a very high level, in excess of 99.999%. NoaNet's goal of \$30,000 increased net monthly revenue is either being met, or very close, during the first few months of 2019. Mr. Spencer and Chris Walker described the professional services NoaNet is providing to public entities.

Dave Spencer, joined by Chris Walker and Rich Nall, commented on new business obtained and being pursued. This included new technologies involving a significant new potential customer project related to small cellular deployment, and financial considerations regarding that project. Mr. Spencer noted that this relates to an important subject for the upcoming Strategic Planning Workshop of access to capital for these kinds of projects to support NoaNet's positive growth trajectory.

There was discussion throughout.

### **Other Items for Discussion**

The scheduling of the June Strategic Planning Workshop was discussed. Because of conflicts with other utility meetings, and the importance of having all Board Members, Member Representatives, and Member General Managers present, the workshop will not be held on June 12-13 or June 13-14, 2019. Dave Spencer and Linda Gott will work on alternative dates, perhaps in July when a regular NoaNet Board meeting would not normally take place.



**Next Meeting**

The next Board meeting will be June 12, 2019, beginning at 9:00 a.m. at the NOC.

**Adjournment**

There being no further business, the meeting of the Board of Directors adjourned at 12:22 p.m.

Respectfully submitted,

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David H. Spencer  
Chief Executive Officer

Attest:

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Linda Gott  
President of the Board