

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
QUALITYLIFE INTERGOVERNMENTAL AGENCY  
AND  
NORTHERN WASCO COUNTY PEOPLE’S UTILITY DISTRICT**

**Recitals:**

1. WHEREAS, the State of Oregon has declared it a matter of statewide concern to promote intergovernmental cooperation for the purpose of furthering economy and efficiency in local government; and
2. WHEREAS, the legislature has given general authority for intergovernmental agreements by units of local government pursuant to the provisions of ORS 190.010 et. seq; and
3. WHEREAS, QualityLife Network (“QLife”) is an intergovernmental agency created in 2001 by an agreement between the City of The Dalles (“City”) and Wasco County (“County”) for the purpose of providing broadband services to the community; and
4. WHEREAS, on July 25, 2024, the QLife Board voted to add the Northern Wasco County People’s Utility District (“PUD”) as a new member of QLife pursuant to the terms and conditions of the Amended Intergovernmental Agreement for QualityLife Intergovernmental Agency; and
5. WHEREAS, prior to the QLife Board vote to add PUD as a member of QLife, the City, County and PUD entered into a Voluntary Withdrawal Agreement pursuant to which PUD agreed to voluntarily withdraw from QLife if the parties do not reach agreement on an amended intergovernmental agreement and related services agreements within 135 days of the Board vote; and
6. WHEREAS, the City, County and PUD intend to execute a Second Amended and Restated Intergovernmental Agreement for the QualityLife Intergovernmental Agency (“Second Amended IGA”) and intend that this Agreement will serve as the services agreement referenced in the Voluntary Withdrawal Agreement; and
7. WHEREAS, QLife has managed and operated its telecommunications system by contracting out for needed operational and administrative services, including through intergovernmental agreements with the City and with the County, and the City and the County have also provided financial support to QLife; and
8. WHEREAS, PUD has committed to providing for some period of time certain uncompensated services to QLife pursuant to the Second Amended IGA and as a contribution to the agency in recognition of the past value contributed by the City and the County; and

9. WHEREAS, the parties have determined that PUD's provision of uncompensated services as provided in this Agreement is reasonable and appropriate consideration for the benefits PUD will realize as a member of QLife, and that after the period of providing uncompensated services has elapsed, the parties intend that PUD shall be appropriately compensated for any services to be provided to QLife; and
10. WHEREAS, the parties anticipate that the PUD may provide QLife with some or all of the services listed in Exhibit C, determined as provided below.

NOW, THEREFORE, in consideration of the above and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, QLife and PUD (hereinafter the "Parties" or, individually, "Party") agree as follows:

**Section I: PUD Services:** PUD agrees as follows:

- A. PUD shall, in accordance with the provisions of this Agreement, furnish QLife with such "Services" as may be determined by the Parties in advance and shall be enumerated and described in the Statement(s) of Services (substantially in the form of Exhibit A attached hereto, which Statement of Services No. 1 to be executed by the parties contemporaneously with execution of this Agreement) that may from time to time be executed and delivered by the Parties pursuant to this Agreement.
- B. Each Statement of Services shall specify: (i) a description of the particular Services to be performed; and (ii) such additional terms and conditions as the Parties may mutually agree upon. The Parties' respective obligations under this Agreement with respect to the Services specified in each Statement of Services shall become effective, and supersede any existing Statement(s) of Services, upon the execution and delivery by both Parties of each such Statement of Services. All Statements of Services once duly executed shall be incorporated into and form a part of this Agreement and shall be subject to all the terms and conditions of this Agreement. In the event of any conflict between the terms of this Agreement and the terms of any Statement of Services, the terms of such Statement of Services shall govern for purposes of such Statement of Services.
- C. Any additions or changes to any existing Statement of Services that does not add additional Services shall be agreed upon in writing between QLife and PUD prior to PUD undertaking such additional or changed services ("Change Order").
- D. The specific scope of each of the Services is intended to conform to comparable functions PUD performs related to the provision of its electric utility services to its customers and the customary and typical internal functions of communications services providers. For the avoidance of doubt, PUD may but is not required to improve, expand, or otherwise change its existing systems, processes and policies, facilities, or assets for the purpose of providing the Services under this Agreement.
- E. PUD shall provide all Services specified in a Statement of Service without

compensation from QLife or any other member of QLife for the Initial Service Period as defined in Section III.

- F. PUD shall track all time, charges, and expenses (including the cost of staff time) related to the Services and provide itemized statements to QLife on a quarterly basis (“Itemized Costs”) for the purpose of allowing QLife to track the Services and their cost. The Itemized Costs shall be based on PUD’s documented costs, charges, and expenses, including reasonable rates for PUD staff based on each staff members’ total compensation. PUD shall not invoice or otherwise seek payment from QLife for the Services during the Initial Service Period. Upon request from QLife, PUD shall provide documentation to support its Itemized Costs.
- G. After the Initial Service Period, PUD shall provide the Services and shall be compensated for the provision of the Services as agreed upon by PUD and QLife. At least 90 days prior to the expiration of the Initial Service Period, the Parties shall engage in good faith negotiations to reach agreement on the charges for each Service, which shall be based on PUD’s time, charges, and expenses (including cost of staff time) and shall be comparable to the Itemized Costs during the Initial Service Period, taking into consideration changes in cost of living, inflation, scope of requested services and other objective factors impacting the cost to PUD to provide the Services. The Parties shall document the agreed upon Services and charges in a Change Order or new Statement of Services.
- H. In the event QLife dissolves pursuant to Section 3.2 of the Second Amended IGA during the Initial Service Period, PUD agrees that, notwithstanding Section 3.2.2 of the Second Amended IGA, PUD will not be entitled to any proceeds from the dissolution of QLife during the Initial Service Period and hereby waives and disclaims any right to such proceeds solely for the term of the Initial Service Period. After the Initial Service Period ends, PUD shall be entitled to proceeds upon dissolution as provided in the Second Amended IGA.

**Section II: QLife Duties:** QLife agrees as follows:

- A. QLife shall provide PUD with prompt access to the books, records, systems and all other information reasonably requested by PUD to enable PUD to provide the Services; provided that QLife may require PUD to enter into a nondisclosure agreement prior to providing any information QLife reasonably deems to be confidential, proprietary, personally identifiable information, or otherwise requires protection from further disclosure.
- B. Subject to the provisions of Section IV, QLife shall provide PUD with access to QLife’s communications network and related facilities, equipment and other property as reasonably necessary to provide any Services.
- C. After the Initial Service Period, QLife shall pay PUD for all Services based on the payment terms agreed to by the Parties pursuant to Section 1.G.

**Section III: Initial Service Period.** The “Initial Service Period” shall begin as of the effective date of this Agreement and last until PUD has provided Services in the amount of three million five hundred thousand dollars (\$3,500,000) calculated using the Itemized Costs. The Parties shall mutually agree upon the end of the Initial Service Period based on the following process:

- A. The Parties shall meet at least annually to review the Itemized Costs for the previous year.
- B. When the Parties mutually agree that PUD has provided Services in the amount of three million five hundred thousand dollars (\$3,500,000), the Parties will provide a written statement substantially in the form set forth in Exhibit B (“Termination of Initial Service Period”), signed by both Parties, specifying the date the Initial Service Period shall end.

**Section IV: Limitation on Services.**

- A. Notwithstanding any other provision of this Agreement or the Services PUD provides, nothing in this Agreement or in the provision of Services is intended to make PUD an operator of QLife or its communications network, or a service provider of QLife’s communications services, nor does this Agreement allow PUD to operate QLife or its communications network or otherwise provide communications services using the QLife network. QLife is and shall remain the sole operator of the communications network.
- B. QLife shall remain the sole owner of QLife’s communication network and all facilities, equipment, property and other components of the network. Nothing in this Agreement gives PUD any ownership or security interest, leasehold or other property rights, occupancy rights, or any rights whatsoever in QLife’s network or any QLife property except as may be provided to all QLife members in the Second Amended IGA upon dissolution of QLife.
- C. QLife and/or its Board shall retain full authority to set the rates for QLife’s communications services and to establish and amend QLife’s budget as set forth in the Second Amended IGA. Nothing in this Agreement gives PUD any authority to set or change rates for QLife’s services or establish or amend QLife’s budget except as may be provided to all QLife members in the Second Amended IGA.
- D. PUD shall not use QLife’s network, components of the network or any other QLife property to perform, maintain, provide or sell any communications or other services.
- E. PUD shall not use any QLife property of any kind in or for the production, transmission, distribution or furnishing of electricity or electric service for or to the public.

**Section V: Default and Termination.**

**A. Default**

1. In the event PUD fails to provide the Services as required in this Agreement, including any Statement of Services, for the entire Initial Service Period, QLife may provide PUD with thirty (30) days' notice of its intent to terminate this Agreement. In response to such notice, PUD shall have thirty (30) days to either provide the Services as required in this Agreement and the then-current Statement(s) of Services or dispute the allegations in the notice.
  - (a) If PUD provides the Services as required within the notice period, QLife may not terminate this Agreement, but may demand, and PUD shall pay, reimbursement for QLife's documented costs of providing or obtaining the Services during PUD's failure.
  - (b) If PUD disputes the allegations, the QLife Executive Director and/or other appropriate QLife representative and PUD representative(s) shall present the dispute to the QLife Board for resolution. The thirty (30) day cure period will be tolled from the time PUD disputes the allegations until the QLife Board renders its decision. The Board decision shall be binding on the Parties.
2. If PUD does not dispute the allegations and fails to provide the Services within the thirty (30) day notice period, QLife may terminate this Agreement pursuant to the provisions of Section V.B. In the event PUD has been found to have failed to provide the Services three (3) times during the Initial Service Period, as demonstrated by QLife providing the notice required in Section V.A.1 and PUD either not disputing the failure or the QLife Board determining PUD has failed, QLife may terminate this Agreement after the third notice regardless of whether PUD cures the failure within the thirty (30) day notice period.
3. If, after the Initial Service Period, QLife fails to comply with the payment terms established by the Parties pursuant to Section I.G. of this Agreement, or PUD fails to provide the Services as agreed by the Parties pursuant to Section I.G, then notwithstanding the notice requirements of Section V.B.3, that Party shall be deemed to have defaulted on its obligations under the Agreement and the non-defaulting Party may terminate this Agreement by giving notice of termination, which shall be effective 10 (ten) days after the date of the notice and shall relieve the non-defaulting Party of all obligations under this Agreement, unless the defaulting Party cures the default within the ten (10) day period.

**B. Termination**

1. During the Initial Service Period, PUD may terminate this Agreement by providing notice to QLife of its intent to terminate.
2. During the Initial Service Period, QLife may terminate this Agreement only in the event of default(s) by PUD as provided in, and subject to the procedures set forth in, Section V.A.1 and V.A.2.
3. After the Initial Service Period, except as provided in Section V.A.3, either





**EXHIBIT A**  
**STATEMENT OF SERVICES**

This Statement of Services is issued pursuant to the Intergovernmental Agreement between Qualitylife Intergovernmental Agency and Northern Wasco County People's Utility District ("Agreement") and subject to the terms and conditions of the Agreement and the additional terms and conditions the Parties hereby mutually agree upon herein.

**Statement of Services No.: 1**

**Date: October 28, 2024**

**Services and Additional Terms:**

1. For the QLife Executive Director, PUD will provide
  - a. Salary,
  - b. Benefits,
  - c. Office equipment.
2. PUD has no authority to fire, demote, promote, supervise, assess, evaluate or in any way direct the work, policies, or priorities of the QLife Executive Director, regardless of whether the QLife Executive Director is paid by PUD, other than the authority all members of QLife have through Board participation as provided in the Second Amended IGA and Bylaws. PUD has no right to control the work of the Executive Director, the work performed by the Executive Director is not an integral part of PUD's business, and the nature, scope, degree, and performance of the Executive Director's duties, as well as the policies, practices, and procedures governing the professional relationship between QLife and its Executive Director, will be determined by QLife in its sole discretion.
3. In addition to QLife's indemnification obligations under Section VI.C. of the Agreement, QLife shall defend, save, hold harmless, and indemnify PUD, its officers, directors, employees, and agents from and against all claims, suits, actions, liabilities, losses, damages, penalties, costs, including attorney fees and costs, and expenses of any nature whatsoever, arising out of or relating to the Executive Director's work for or relationship with QLife, its officers, directors, employees, or agents. The foregoing does not alter PUD's obligation to provide the Executive Director Services at no cost to QLife throughout the Initial Service Period, and QLife has no obligation to defend, save, hold harmless, and indemnify PUD from any claims, suits, actions, liabilities, losses, damages, penalties, costs, including attorney fees and costs, and expenses of any nature whatsoever, to the extent attributable solely to the acts or omissions of PUD or its officers, directors, employees or agents.
4. Before the expiration of the Initial Service Period, QLife shall endeavor to



administer these Services itself and to directly provide these Services to QLife and its Executive Director, obviating the need for PUD to continue to provide the Services after the expiration of the Initial Service Period.

**QLife**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Northern Wasco County PUD**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**  
**TERMINATION OF INITIAL SERVICE PERIOD**

The Parties hereby acknowledge and agree that PUD has provided, or as of the termination date below will have provided, Services in the amount of three million five hundred thousand dollars (\$3,500,000), and thus the Initial Service Period as defined in the Intergovernmental Agreement between the QualityLife Intergovernmental Agency and the Northern Wasco County People’s Utility District dated October 28, 2024, ends effective \_\_\_\_\_.

**QLife**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Northern Wasco County PUD**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**  
**POTENTIAL SERVICES PUD MAY PROVIDE**

The Parties anticipate that the PUD may provide QLife with some or all of the following services, as determined by the Parties as provided in the Agreement:

1. QLife Executive Director/Administrator
  - a. Salary
  - b. Benefits
  - c. Office equipment
2. Billing Services
3. Accounting and Finance services
4. Customer services
5. Maintenance/Repair of Plant (fiber on poles)
6. Engineering (PLAs)
7. Specific Cooperation
8. Marketing and Communications
9. Human Resources
10. Information Technology Services

This list is included for illustrative purposes, is not exhaustive, and is not intended to reflect the precise nature, scope, or extent of the future services the Parties may agree to pursuant to the Agreement.