

**Board of Directors**  
**Regular Meeting Minutes**  
**October 22, 2019**

<p>1. Call to Order and Roll Call Vote</p>	<p>President Wallender called the meeting to order at 12:07 PM. The meeting was held at the nearest practical location, 1001 4th St, La Grande, OR. Members Present: President Wallender, Vice President Innerarity, Director Mike Kenny. Staff Present: Executive Director Alex McHaddad.</p>
<p>2. Declaration of Conflict of Interest</p>	<p>Asked and none declared.</p>
<p>3.a. Director Reports</p>	<p>Vice President Innerarity requested information on the status of the OPB signal. Executive Director McHaddad announced that he had contacted OPB regarding the signal outage in the region, and they are using a backup transmitter that places the signal on Channel 10.</p> <p>President Wallender recalled that he had seen an outage of KOIN that night before and requested that RS Technology reset the signal. This capability is proving to be a cost-saving investment. President Wallender also commended the work of the Executive Director, and he hopes that the next budget will include funding for the position to work full time.</p> <p>President Wallender asked when the provision of SB 393 permitting service charge payers in cities to serve on the board goes into effect. Executive Director McHaddad clarified the provision goes into effect in January 2020. President Wallender recommended considering Mr. Scott Butner of La Grande for appointment.</p>
<p>3.b. Staff Report</p>	<p>Executive Director McHaddad discussed the annual census of antennas. Over 320 unregistered</p>

	<p>antennas were discovered in 2019 during searches in Cove, Elgin, Haines, Imbler, Island City, La Grande, North Powder, Summerville, and Union. Baker City was only partially searched. In 2019, all cities are being searched, including Baker City. Over 275 unregistered antennas discovered thus far. Approximately 180 are in Baker City, while only approximately 150 in rural Baker City paid the service charge for 2018-2019. Directors and the Executive Director discussed the new Baker City data. The ratio of non-paying viewers to paying viewers is hard to justify because aside from the purchase of a new transmitter, 58% of engineering costs during the previous fiscal year were dedicated to Beaver Mtn. maintenance. The District will attempt to increase the advertising investment in the area to improve subscription numbers, but continued revenue collection problems could possibly lead to a point at which signals are no longer broadcast and the Beaver Mountain facility is only maintained as a relay for KTVB and the local channel.</p>
4.a. Safety	<p>President Wallender asked if the Executive Director had maintained a safe workplace environment since the last meeting. Executive Director McHaddad confirmed that he had maintained a safe workplace environment since the last meeting.</p>
5.a. Supplemental Budget Hearing	<p>Executive Director McHaddad reviewed the item included in the board packet and explained the process for approving the supplemental budget. President Wallender opened a public hearing on the Supplemental Budget at 21:21 PM. Directors asked for clarification regarding the supplemental budget. Executive Director McHaddad clarified that a new revenue, specifically a grant from Wildhorse Foundation, had increased</p>

	<p>the "Other" Resource in the 2019-2020 Budget, but the additional revenue simply enlarged the Unappropriated Ending Fund Balance. The Supplemental Budget enlarges the "Other" Resource and increases the General Fund Engineering/Equipment Requirement by \$1,500.00 so that the grant from Wildhorse Foundation can be utilized to purchase EAS receiver equipment necessary for implementing a provision of SB 394. Comment from members of the public was not received.</p> <p>President Wallender closed the Public Hearing at 12:27 PM.</p>
<p>5.b. Approval of Expenditures</p>	<p>Executive Director McHaddad reviewed the expenditures listed in the board packet. An earlier edition that Directors had received included a possible expenditure related to installing a seismic monitoring station on Mt. Fanny, but those costs will be absorbed by ShakeAlert.</p> <p>Vice President Innerarity moved to approve the expenditures as presented, second by Director Kenny.</p> <p>Yes: President Wallender, Director Innerarity, Director Kenny.</p> <p>No: N/A.</p> <p>Abstain: N/A.</p> <p>Motion passes.</p>
<p>5.c. Community Survey Review</p>	<p>Executive Director McHaddad reviewed the results of the community survey summarized in the board packet. In response to President Wallender, McHaddad clarified that the survey had been taken by attendees at the Baker and Union County Fairs, and Baker City Miner's Jubilee. The survey was also distributed online, including over 100 participants altogether.</p>
<p>5.d. Approval</p>	<p>Executive Director McHaddad reviewed the minutes</p>

of Minutes	<p>that had been submitted. Changes to the submitted minutes included:</p> <ul style="list-style-type: none"><li>• May 29 - change title to regular board meeting;</li><li>• June 26 - change title to regular meeting;</li><li>• August 5 - change title to regular meeting;</li><li>• September 17 change title to regular meeting.</li></ul> <p>Vice President Innerarity moved to approve the minutes as amended, second by Director Kenny. Yes: President Wallender, Director Innerarity, Director Kenny. No: N/A. Abstain: N/A. Motion passes.</p>
5.e. Contract Review	<p>Executive Director McHaddad reviewed the staff summary included in the board packet. A representative from ShakeAlert had informed BMTD in writing that the initiative would absorb costs related to the regulatory approval process for a seismic monitoring station. The included contract had been approved and signed by contracting authorities at the University of Oregon.</p> <p>Vice President Innerarity moved to approve the Permit and Right of Entry for Seismic Monitoring Station, second by Director Kenny. Yes: President Wallender, Director Innerarity, Director Kenny. No: N/A. Abstain: N/A. Motion passes.</p>
6. Public Comment	<p>Director Kenny requested an update on the status of a District audit. Executive Director McHaddad noted that the average price for a full audit is \$10,000 per year. He, Vice President Innerarity, and Director Kenny had met with a local CPA firm,</p>

Guyer & Associates, to discuss an audit. The plan suggested by the firm is for BMTD to review existing financial records and pick a 3-month period to review. If BMTD finds problems with financial records, they can submit the records to a CPA firm such as Guyer for review under an "Agreed-Upon Procedures Agreement."

Vice President Innerarity noted that BMTD needs to weigh the costs of pressing charges for fraud against a former district employee. She cautioned that any legal action taken will require that BMTD present conclusive evidence. In the State of Washington, there are different levels of fraud crimes prosecuted.

Executive Director McHaddad noted that finance-related crimes can be investigated separately from alleged destruction of public records.

President Wallender disclosed that he has an invoice number from AcuShred. Executive Director McHaddad noted that during the process of resignation, a former employee deleted all emails held in BMTD's Gmail account, and President Wallender recalled that many files on District computing equipment had been deleted. BMTD had provided the equipment to an IT firm in Baker City, Davis Computer Services, but their employees were unable to recover deleted files. Vice President Innerarity queried whether charges could be pressed in Union or Baker County.

Executive Director McHaddad cautioned that this discussion has legal implications and that BMTD could find itself in an awkward legal situation if the publicly available minutes of this meeting are reviewed by a member of the public. President Wallender declared his intent to adjourn the meeting and enter into executive session.

Executive Director McHaddad advised the board against entering into executive session because the agenda did not announce the intent to do so.

	<p>BMTD needs to invite legal counsel to a meeting to discuss the issue further and enter into executive session. The Executive Director can conference with the attorney, but for a quorum of the board to discuss legal issues with the attorney, a publicly-announced meeting with an executive session scheduled is required.</p> <p>Vice President Innerarity suggested that the Board adjourn. Executive Director McHaddad asked for a consensus about contacting BMTD's legal counsel. President Wallender prefers not contacting the legal counsel until the Board has held a discussion in executive session; he believes that Mr. Wyatt Baum, currently on retainer as BMTD's legal counsel, has a familial relationship with a former employee of BMTD. McHaddad suggested holding a special meeting including executive session; the agenda will need to include the reasons BMTD is entering into executive session.</p> <p>Director Kenny commented that legal action will be a lengthy process. Vice President Innerarity concurred that a special meeting with executive session should be held prior to contacting counsel. Executive Director McHaddad clarified that there are statutes related to executive session, and that discussing pending or potential litigation may require the presence of an attorney. Vice President Innerarity suggested that the Executive Director contact counsel, note BMTD's concerns, and invite him to an executive session.</p>
7. Adjournment	President Wallender adjourned the meeting at 1:05.

Author: Alex McHaddad, Executive Director.

Board Approval Date: 11/14/19.