

April 8, 2014

Virginia:

AT A REGULAR MEETING of the Nelson County Broadband Authority Board at 1:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse.

Present: Thomas D. Harvey, North District
Allen M. Hale, East District
Alan Patrick, Central District – Vice Chair
Larry D. Saunders, South District – Chair
Stephen A. Carter, County Administrator
Candice W. McGarry, Secretary
Debra K. McCann, Treasurer
Susan Rorrer, Director of Information Systems

Absent: Thomas H. Bruguiera, Jr. West District
Baylor Fooks, Network Operator – BRI

I. Call to Order

Mr. Harvey called the meeting to order at 1:03 pm with four members present to establish a quorum and Mr. Bruguiera being absent.

II. Public Comments

There were no persons wishing to be recognized for public comments.

III. Consent Agenda

A. Resolution – R2014-02 Minutes for Approval

Mr. Hale moved to approve the Consent Agenda and Mr. Patrick seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2014-02
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(January 23, 2014)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority's meeting conducted on **January 23, 2014** be and hereby are approved and authorized for entry into the official record of the Broadband Authority's meetings.

IV. New/Unfinished Business

A. Broadband Infrastructure Project Update

Mr. Carter noted that staff had submitted everything to NTIA for final sign off on the grant by the deadline of March 27, 2014.

B. Network Operator Report - Blue Ridge Internetworks

Ms. Rorrer noted that the BRI staff was at a Conference in Dallas, TX and she presented the following report on their behalf:

Report to Nelson County Broadband Authority April 7, 2014 Prepared by Baylor Fooks, Blue Ridge Internetworks (Network Operator)

I. Operational

No installs were completed in February. Two were completed in March and one thus far in April.

Active Circuits:

| | |
|------------------------|----|
| Blue Ridge | 55 |
| Shentel | 3 |
| Nelson Social Services | 1 |
| TOTAL | 59 |

Under Construction: 2

Mr. Carter noted that these totals included North Branch School.

II. Administrative

- Met with Pat Groot re. FCC "Expression of Interest" letter for Connect America funds.

Mr. Carter noted receiving notice of a federal grant opportunity and Mr. Fooks had followed up with Pat Groot from the PDC and he was not sure where it went from there. He added that the County did not think it would be able to benefit from these funds as it was related to the potential of using the Fiber network for Voice over Internet Protocols (VOIP). He added that the amount of work to be done in order to be positioned to go forward was an extraordinary amount.

Mr. Hale added that he thought the PDC was applying and that there was some possible benefit to the County if the PDC got it. He noted that he had not gotten any feedback as to where it was headed. Mr. Carter added that he had asked ICON Engineering about it and they thought it may be an effort in futility for the County.

April 8, 2014

- Met with MOX Networks regarding proposed conduit lease from NCBA. They have not followed up.

Ms. Rorrer noted MOX had expressed interest in using the network's fiber for their long haul network. She added that they seemed to have ideas but could not formulate a proposal on paper to submit to staff.

- Construction is averaging more than 60 days. This is a major obstacle to success and a source of a lot of frustration from customers. Paul's Creek took six months to complete and North Branch School took seven. There is no way to get accurate progress information from the contractor.

Ms. Rorrer noted that she has spoken to additional contractors who have expressed an interest in performing outside plant installations. She noted that the current contractor had broad knowledge of the trade and she wanted to sit down with them to talk about it. She confirmed that delays in construction were an issue; however she did not want to burn bridges because there was so little work for the contractor to do. She then noted that Mr. Rath's installation took less than 30 days. And that North Branch School really took 5.5 months but over 4 of those were related to obtaining permits from VDOT. She added that VDOT had changes in personnel and they were further delayed because of construction at RT 6 and RT 151.

Mr. Carter then added that another issue was that the outside plant contractor incurred greater cost than what was quoted and had absorbed these costs. Ms. Rorrer confirmed that they had been willing to absorb these costs when applicable and he was very cooperative in trying to make the network successful; however he has to adhere to pricing guidelines within the contract. Mr. Carter noted that they have discussed timeliness with him and he had completed the work at North Branch School within 40 days of obtaining the VDOT permit.

- Introduced: Other Network Installations

Ms. Rorrer noted that staff was still waiting on AEP make ready, in the relocation of a street light and then they would extend fiber aerially to the Registrar's office.

Ms. Rorrer noted that staff had completed a lease with AT&T on the Martin's Store tower and were waiting for their signature.

Ms. Rorrer noted that she met with Clay Stewart of Stewart Computer Services (SCS) on the projects he was working on and he noted that he had changed his plan for the Martin's Store site and had reconfigured antenna installation such that he would use 1 ten foot span of tower instead of 2. She noted they were updating his equipment list and pricing for signing of a lease amendment. She added that SCS was in the process of installation but not operating yet. She noted that he began paying on the lease within the execution date and the lease would be amended to reflect the new equipment and pricing.

Ms. Rorrer then noted that on the High Top Tower, SCS was completing additional testing to determine the feasibility of them using it. She added that they had requested that the County install plates and bolts to secure the tower's foundation. She noted that Mr. Payne was working on the lease agreement and he was waiting for approval from the Nature Conservancy regarding lease pricing. Ms. Rorrer then noted that SCS

April 8, 2014

intended to sign the Massie's Mill lease next around May 1st and then they would deploy at the Gladstone tower site. She noted they were working on what documentation he needed to provide so that they could communicate this to Central States Tower.

Mr. Patrick then inquired as to the Authority was doing with making connections compared to those that wanted the service and Ms. Rorrer noted that there were not people who wanted the service who were waiting; however there were people deciding on what they wanted to do.

Mr. Carter suggested that staff could look at planning grant potential customers and compare it to those that have signed up.

Mr. Saunders then noted that he thought marketing efforts needed to be stepped up and staff agreed. He added that if there were more installations, the outside plant contractor would be more apt to get them done sooner. Mr. Carter added that if there were a much larger demand for connections and the outside plant contractor wasn't getting it done, then they would likely have someone else to talk to.

Ms. Rorrer noted that staff had discussed internally the idea of having multiple contractors; however this would dilute the pool when there was so little work already.

Mr. Harvey suggested they come and do several jobs at a time instead of doing one job at a time and Ms. Rorrer noted that it seemed that the larger jobs were more difficult to complete but they were working on it.

Mr. Saunders suggested that they get a larger customer base and then worry about this issue.

Mr. Patrick reiterated that the Authority needed to start an advertising/marketing campaign; perhaps using the County website. Ms. McGarry noted that information may be there already; however it may be hard to get to.

Mr. Carter then reported that Shentel was serving the schools; however there was no indication that they wanted to serve others. Mr. Saunders agreed with Mr. Patrick that the network needed to be advertised. Mr. Carter noted that BRI had put something in Blue Ridge Life magazine. He noted that there were not a lot of customers on the Route 29 side, they were all on the Route 151 side.

Ms. Rorrer then noted that the Authority had contacted to provide circuits at the cell towers for the LOCKN festival and that the fiber was run out there last year. She noted that the ticket booths were served and internet was provided for tour buses.

Mr. Patrick then inquired about providing internet service to the Festy and Mr. Carter noted that they had expressed a strong interest in getting the fiber and he needed to follow up. He added that if the Authority could run the fiber down there, it would get a lot more customers including potentially Nelson Cable. Ms. Rorrer agreed that they would then be able to provide Nelson Cable with a valuable connection.

Mr. Patrick then asked if Nelson Cable had asked recently about being a service provider and it was noted that they had not recently; however they had indirectly indicated that they would like to use the network; not necessarily for residential deployments.

April 8, 2014

Mr. Carter then noted that once AT&T and SCS were on the towers, the Authority would be moving towards being revenue neutral or positive and then could come back to get approval to get State money to run fiber down to Rt. 664.

Ms. Rorrer then noted that the Festy was an October event and the consensus of members was to follow up on marketing with BRI etc.

III. Financial

Nelson County Broadband Authority
A/R Aging Summary
As of April 7, 2014

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | > 90 | TOTAL |
|----------------------------------|-----------------|---------------|-------------|-------------|-------------|-----------------|
| BRI | 2,473.17 | 0.00 | 0.00 | 0.00 | 0.00 | 2,473.17 |
| Lumos | 437.50 | 0.00 | 0.00 | 0.00 | 0.00 | 437.50 |
| MBC | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 600.00 |
| Shentel | 3,120.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,120.00 |
| Social Services | 0.00 | 250.00 | 0.00 | 0.00 | 0.00 | 250.00 |
| Stewart Computer Services | 1,270.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,270.00 |
| TAL | 7,300.67 | 850.00 | 0.00 | 0.00 | 0.00 | 8,150.67 |

April 8, 2014

Nelson County Broadband Authority
Income Statement by Item YTD
Accrual Basis January 1 through April 7, 2014

| | Jan 14 | Feb 14 | Mar 14 | Apr 1 - 7, 14 | TOTAL |
|--|------------------|-----------------|-----------------|-----------------|------------------|
| ONT 716GE-I (Calix 4-Port Indoor ONT) | 0.00 | 742.00 | 0.00 | 0.00 | 742.00 |
| Total Parts | 0.00 | 742.00 | 0.00 | 0.00 | 742.00 |
| Service | | | | | |
| Collo 2RU (Collocation: 2 Rack Units, 20A) | 150.00 | 150.00 | 150.00 | 150.00 | 600.00 |
| Collo Full Rack (Collocation: 19" Rack, incl 20A DC) | 350.00 | 350.00 | 350.00 | 350.00 | 1,400.00 |
| Collo Power \$250 (Collo Power Fee) | 250.00 | 250.00 | 250.00 | 250.00 | 1,000.00 |
| Collo Power 10A (Collocation: Additional Power, 10A) | 437.50 | 437.50 | 437.50 | 437.50 | 1,750.00 |
| Tier 1 25x5 (Tier 1 25x5 Access Circuit) | 1,120.16 | 1,125.00 | 1,159.67 | 1,175.00 | 4,579.83 |
| Tier 1 50x10 (Tier 1 50x10 Access Circuit) | 200.00 | 200.00 | 200.00 | 200.00 | 800.00 |
| Tier 2 100x100 (Tier 2 100x100 Access Circuit) | 300.00 | 300.00 | 300.00 | 300.00 | 1,200.00 |
| Tier 2 25x25 (Tier 2 25x25 Access Circuit) | 150.00 | 150.00 | 150.00 | 150.00 | 600.00 |
| Tier 3 1G (Tier 3 Private WAN 1 Gbps) | 1,040.00 | 1,188.58 | 3,120.00 | 3,120.00 | 8,468.58 |
| Tier 3 25M (Tier 3 P2P WAN 25 Mbps) | 250.00 | 250.00 | 250.00 | 250.00 | 1,000.00 |
| Tower Lease (Tower Lease, Monthly) | 1,195.00 | 1,195.00 | 1,195.00 | 1,195.00 | 4,780.00 |
| Total Service | 5,442.66 | 5,596.08 | 7,562.17 | 7,577.50 | 26,178.41 |
| Other Charges | | | | | |
| CF Amort (Construction Fee Amortized Pmt) | 2,128.39 | 471.16 | 504.83 | 504.83 | 3,609.21 |
| CF Std (Construction Fee One-Time Pmt) | 5,787.20 | 0.00 | 0.00 | 0.00 | 5,787.20 |
| Total Other Charges | 7,915.59 | 471.16 | 504.83 | 504.83 | 9,396.41 |
| TAL | 13,358.25 | 6,809.24 | 8,067.00 | 8,082.33 | 36,316.82 |

C. Treasurer's Report

The Treasurer's Report was provided as follows:

BROADBAND FUND @ 3/31/2014

| | |
|---|---------------|
| January-March 2014 Expenditures | \$ 34,765.08 |
| January-March 2014 Revenues | \$ 34,070.58 |
| Expenditures over Revenues for Qtr. | \$ 694.50 |
| FY14 YTD Expenditures | \$ 257,670.21 |
| FY14 YTD Revenues | \$ 224,331.19 |
| Expenditures over Revenues FYTD | \$ 33,339.02 |
| Remaining Balance Amortized Installation Fund | \$ 189,941.94 |
| Remaining Balance Operational Funds | \$ 130,396.98 |
| Bank Balance @3/31/2014 | \$ 320,338.92 |

April 8, 2014

The Broadband Project Fund report showed year-to-date expenditures (July 2013– March 2014) of \$216,905 for Network Operations, with there being an unencumbered balance of \$257,670. The Revenue Summary for the fund showed year-to-date revenues of \$224,331 and a balance of \$250,244 projected for the remainder of the year. Ms. McCann Noted 123,335 was a contribution from the General fund and revenue less this was noted to be \$97,796.

V. Other Business (As May Be Presented)

There was no other business considered by the Authority.

VI. Adjournment

At 1:40 PM, Mr. Harvey moved to adjourn and Mr. Patrick seconded the motion. There being no further discussion, Members voted unanimously by voice vote to approve the motion and the meeting adjourned.