

Virginia:

AT A RESCHEDULED 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, Lovingston Virginia.

Present: Gary W. Strong – Central District
Thomas D. Harvey, North District
Thomas H. Bruguire, Jr. West District- Chair
Jesse N. Rutherford – East District
Stephen A. Carter, County Administrator
Candice W. McGarry, Secretary
Debra K. McCann, Treasurer
Susan Rorrer, Director of Information Systems

Absent: Larry D. Saunders, South District - Vice Chair

I. Call to Order

Mr. Bruguire called the meeting to order at 1:00 PM with four (4) Members present to establish a quorum and Mr. Saunders being absent.

II. Public Hearing

A. Amendment of the Schedule of Wholesale Rates, Fees, and Charges:

Receipt of public on the proposed amendment to the schedule of wholesale rates, fees and charges to add provisions for dark fiber leasing and to remove installation discounts and associated amortization. **(R2018-10)**

Mr. Carter noted the purpose of the public hearing was to consider removal of the installation discounts and amortization and provide for the ability for dark fiber leasing and rates associated with that:

The NCBA will have a limited number of fibers available for dark fiber leasing at an annual rate of \$1,250 per leased fiber per mile. The minimum number of miles per fiber is five miles. Initial fiber leases will be leased on an annual basis for a period of not less than one year and not more than two years.

If available, NCBA will allocate a maximum of 24 NCBA fiber strands in any given cable for dark fiber leases. No single provider may lease more than 8 dark fiber strands allocated in any cable.

Dark fiber operating leases will be available only to broadband service providers who provide, or intend to provide, broadband services in Nelson County.

Mr. Bruguire asked if these rates were in line with industry standards and Mr. Carter advised they were the same rates discussed over last 18 months and staff was comfortable with what was proposed.

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Mr. Strong noted that he thought where communities had paid for underground fiber and additional fibers could not be added, it was in their best interest that those fibers were not part of the dark fiber lease offering as they were part of the final mile. Mr. Carter advised that the fiber and the ONT to individuals homes was owned by the County. He noted he was not sure about the individual drops and Mr. Strong noted he was speaking about the fiber within a community such as Horizons Village, where that community paid for the fiber and any unused fibers should be reserved for use by that community. He added that fibers could not be added in that instance because there was no conduit.

Ms. Rorrer noted there was no clear answer except for restricting dark fiber leasing to the backbone fiber only. Mr. Strong noted that was suggested at the last NCBA meeting. Mr. Harvey noted that the fiber would likely only be used by the neighborhoods anyway and Mr. Strong emphasized that people were wanting to protect those direct buried fibers that were in communities.

Mr. Carter noted that staff was still working on the network transfer to CVEC and should that go through, they would own the assets. He added he would provide a status report later in the meeting.

Mr. Harvey supposed that Mr. Strong's point applied to several neighborhood builds such as: Horizons Village, Paul's Creek, and Rockfish Orchard and maybe a few others.

Ms. Rorrer then noted that the language allocating a maximum of 24 strands did not take into account if there was only a 24 strand fiber.

Mr. Carter then suggested they hold the public hearing and then they could rework any language necessary.

Mr. Bruguere then opened the public hearing and there being no persons wishing to be recognized, the public hearing was closed.

Mr. Carter suggested that they discuss any amendments to the dark fiber leasing provisions for fibers in neighborhoods. Mr. Strong suggested that they exclude direct buried fibers of limited capacity.

Mr. Strong then moved to amend the Schedule of Rates, Fees, and Charges to exclude direct buried fiber in neighborhoods from dark fiber leasing and Mr. Harvey seconded the motion.

Mr. Harvey inquired as to the fiber count of the smallest strand and Ms. Rorrer noted that it was 12 count and would serve approximately 50 homes. She added that a strand was used for every splitter box with a maximum of 4 served per splitter. She noted it could be split further; however bandwidth would be lost. Mr. Carter advised that he would not think the language amendment would preclude ISPs from doing what they wanted with dark fiber and Ms. Rorrer reiterated that the intent was that dark fiber leases were only available along the main fiber thoroughfares.

There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion.

Mr. Strong then moved to approve resolution **R2018-10** with the language amendment just adopted and Mr. Rutherford 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:

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**RESOLUTION R2018-10
NELSON COUNTY BROADBAND AUTHORITY
ESTABLISHED SCHEDULE OF WHOLESALE RATES, FEES, AND CHARGES**

WHEREAS, Pursuant to §15.2-5431.25 (B) and (C) of the Virginia Wireless Service Authority Act, the Nelson County Broadband Authority may fix and revise rates, fees and other charges after a public hearing at which all of the users of such facilities; the owners, tenants or occupants of property served or to be served thereby; and all others interested have had an opportunity to be heard concerning the proposed rates, fees and charges; and

WHEREAS, the Authority adopted Resolution **R2018-08** on September 11, 2018, setting forth the preliminary schedule or schedules fixing and classifying such rates, fees and charges, having given notice of a public hearing, setting forth the proposed schedule or schedules of rates, fees and charges, given by two publications, at least six days apart, in a newspaper having a general circulation in the area to be served by such systems at least 60 days before the date fixed in such notice for the hearing, and

WHEREAS, the Authority conducted said public hearing on December 11, 2018,

NOW, THEREFORE, BE IT RESOLVED, by the Nelson County Broadband Authority that the amended schedule fixing and classifying proposed rates, fees, and charges is as follows:

Local Wholesale Access Rates (Rates for Providers to Utilize the Network for Transport to an End User):

Service Tier	NCBA Proposed Service Types			
	Service Class	Service Type	Recommended Wholesale Cost	Comment
Tier 1	Residential GPON	25/5 Mbps	\$25	Best Effort (maximum 32:1 split)
	Residential GPON	50/10 Mbps	\$50	Best Effort, maximum 32:1 split)
	Residential GPON	1000/50 Mbps	\$75	Best Effort (maximum 32:1 split)
Tier 2	Business GPON	25/25 Mbps	\$60	higher priority than Best Effort (maximum 16:1 split)
	Business GPON	50/50 Mbps	\$150	higher priority than Best Effort (maximum 16:1 split)
	Business GPON	100/100 Mbps	\$300	higher priority than Best Effort (maximum 16:1 split)
	Dedicated Business	250/250 Mbps	\$450	Active Ethernet, higher priority than Best Effort
	Dedicated Business	500/500 Mbps	\$850	Active Ethernet, higher priority than Best Effort
	Dedicated Business	1000/1000 Mbps	\$1000	Active Ethernet, higher priority than Best Effort
Tier 3	Wide Area LAN Service	100/100 Mbps	\$400	Active Ethernet, highest priority, supports QinQ (two or more connections may be needed)
	Wide Area LAN Service	500/500 Mbps	\$640	Active Ethernet, highest priority, supports QinQ (two or more connections may be needed)
	Wide Area LAN Service	1000/1000 Mbps	\$830	Active Ethernet, highest priority, supports QinQ (two or more connections may be needed)

Service Types:

- **Tier 1** – Transport service from the service provider’s port in the data center to a single customer location. Traffic is untagged at the customer. Circuit is typically asymmetric and priority is set at Best Effort across the core network. NCBA will observe a maximum 32:1 split.
- **Tier 2** - Transport service from the carrier or provider’s port in the colo to a single customer location. Traffic is untagged at the customer. GPON circuits are symmetric and the priority is set higher than Tier 1 for better performance across the core network. NCBA will observe a maximum 16:1 split on this service tier for GPON connections. Active Ethernet connections are symmetric and have a higher traffic priority than Tier 1 services. An example of this is a package of Internet access for a business with regular use of videoconferencing, heavy cloud-based service use, and large file uploads.
- **Tier 3** – Transport service between the carrier or provider’s port in the colo as well as between multiple customer locations (fee applies for each end-point outside of provider’s NNI). Passed traffic can be tagged or untagged as well as supporting Q-in-Q. The circuit is symmetric and traffic has the highest priority across the core network. An example of this would be a transparent LAN service to link two customer locations.

Non-Recurring Charges:

Non-recurring charges (NRC) are those costs incurred in connection with the installation of the fiber drop and ONT. The customer will be responsible for the payment of these costs.

Colocation Charges for Providers within NCBA shelters:

Quantity	Monthly Cost
2 RU	\$75.
One-half rack	\$200.
Full Rack	\$350.

All rentals are based on a space available basis. Rental will include access to one 20 amp, 120 volt circuit. Redundant CC power (-48 volt) will be available as well. The Colocation charges include up to 20 amps of DC power. Additional DC power, subject to availability, will be priced at \$6.25 per amp in 10 amp increments.

Tower Access:

Option 1:

Location on Tower	Price per Month per Customer
Top thirty feet in 10 foot sections	\$275 per antenna for first three antennas (includes cables and ancillary equipment such as tower mounted amplifiers) \$150 per additional antenna installed by the same lessee.
Next thirty feet in 10 foot sections	\$175 per antenna for first three antennas

	(includes cables and ancillary equipment such as tower mounted amplifiers) \$90 per additional antenna installed by the same lessee.
Remaining access in 10 foot sections	\$50 per antenna (includes cables and ancillary equipment such as tower mounted amplifiers)

All tower access charges are in addition to a site access fee of \$200 per month. Site access fee entitles lessee access to electric power (contracted for by lessee) and ground space for cabinet (10 square feet). Shelter colocation charges and local transport charges are additional as are lease space for placing shelters, generators or other equipment. Items not specifically addressed will be priced on an individual basis.

Preference will be given to providers wishing space higher on the towers. The NCBA may limit the size of antennas or duration of leases for antennas located below the top 80 feet.

Tower leases will be accepted based on maximum allowable loading of a tower. If, in the sole discretion of the NCBA, an analysis of the structural integrity of the tower is deemed necessary, then the costs of the analysis will be borne by the lessee.

Option 2:

WIRELESS INTERNET SERVICE PROVIDERS (WISPs) may enter a master lease for tower space on all NCBA owned or operated towers. The tower access charge under the master lease (the “Master Tower Access Charge”) shall be \$2,000 per month. For each tower the NCBA adds to its system subsequent to the adoption of this rate schedule, the Master Tower Access Charge shall automatically increase by \$250 per month. The Master Tower Access Charge also includes any colocation charges in available shelters and cabinets located at the tower sites as well as 10 square feet of ground space for lessee’s cabinet. The location of the tower space leased pursuant to this paragraph shall be determined in the sole discretion of the NCBA. If, in the sole discretion of the NCBA, an analysis of the structural integrity of a tower is deemed necessary, then the costs of the analysis will be borne by the lessee.

These rates apply to towers operated by the NCBA. Rates for towers leased by the NCBA may be subject to approval by the lessor.

Dark Fiber Operating Leases:

The NCBA will have a limited number of fibers available for dark fiber leasing at an annual rate of \$1,250 per leased fiber per mile. The minimum number of miles per fiber is five miles. Initial fiber leases will be leased on an annual basis for a period of not less than one year and not more than two years.

If available, NCBA will allocate a maximum of 24 NCBA fiber strands in any given cable for dark fiber leases. No single provider may lease more than 8 dark fiber strands allocated in any cable.

Dark fiber operating leases will be available only to broadband service providers who provide, or intend to provide, broadband services in Nelson County. Direct-buried fiber in neighborhoods is excluded from dark fiber leasing.

Increase in Rates:

Rates are firm for a contract or lease term which does not exceed five years.

For contract and lease terms exceeding five years, the contract or lease shall provide for either of the following payment adjustments: (a) if an extension of an original term is month-to-month or year-to-year, then beginning with the first month of the extension, payment shall be increased 3%, and thereafter by 3% on each subsequent annual anniversary, or (b) if the term is for five years with a right of renewal in five year increments, then upon each renewal payment shall be increased 12%.

Penalty and Interest:

Any sum due NCBA and unpaid by the due date shall be assessed a 10% penalty and carry interest at the rate of 12% *per annum*.

III. Public Comments & Presentations

A. Public Comments

1. Joe Lee McClellan, Nelson Cable

Mr. McClellan noted he hoped all ISPs would be allowed to provide services on any fiber installed through a grant that the County and CVEC had applied for in the south side of the County. He added he thought it was a good thing as they needed internet service and he reiterated his hope that all NCBA service providers would be allowed to participate.

Mr. Carter then explained that the grant being applied for was part of the VATI program from the Department of Housing and Community Development (DHCD) and the County was working with CVEC on an application due on December 14th. He added that the target area was part of the Gladstone community and the program had \$4 Million to grant statewide. Mr. Carter further explained that the County had to be the applicant; however, CVEC was doing the application work. He reiterated that the applications were due Friday and would be approved on a competitive basis.

IV. Consent Agenda

Mr. Strong moved to approve the consent agenda and Mr. Rutherford seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion and the following resolutions were adopted:

A. Resolution – R2018-07 Minutes for Approval (Deferred)

**RESOLUTION R2018-07
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(July 10, 2018)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **July 10, 2018** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

B. Resolution – R2018-11 Minutes for Approval

**RESOLUTION R2018-11
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(September 11, 2018)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **September 11, 2018** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

V. New/Unfinished Business

A. Network Operations Report

Ms. Rorrer presented the following report:

I. Operational

Total Number of Connections on 8/31/2018:	584
Installations for September - November:	26
Total Number of Connections on 11/30/2018:	610
Pending Installations:	27
Total Customers on 11/30/2018:	637

II. Administrative

- Blundell Hollow and Crawford’s View neighborhoods have been removed from pending installations until a final determination is made regarding these builds.

Mr. Strong asked if those decisions were based on potential CVEC involvement and it was noted that it was based on that possibility by June of next year and the lack of success in getting those deployed. It was noted that CVEC may get there before the NCBA. Mr. Harvey noted that Crawford s View was coming off of Route 151 and was underground and was a pretty easy run. Ms. Rorrer noted that would keep that entire area served by NCBA. Mr. Harvey then supposed that Blundell Hollow would be better served by an aerial deployment.

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B. Treasurer's Report

Ms. McCann then reported the following:

BROADBAND FUND @ 11/30/2018

OPERATIONS

Beginning Balance 7/1/2018	\$192,666.56
July -November 2018 Expenditures	\$ (118,622,75)
July -June 2018 Revenues	<u>\$ 246,384.15</u>
Subtotal	\$ 320,427.96
General Fund Transfer 7/1/2018	\$100,000.00
Available Bank Balance @ 11/30/2018	\$420,427.96

Mr. Bruguere inquired as to the status of the outstanding collections and Ms. McCann noted that they have had some collections of old items and received one of the skipped tower payments of \$38,000. She noted they were still trying to collect some of the considerable accounts that were backlogged and were trying to reconcile those.

Mr. Carter advised there had been internal discussion about a means for collection and he was waiting for confirmation that it was an option. He added that the method would enable aggressive collections to be made and allow for the collection of 100% of outstanding balances within 30 days.

Staff then noted that the non-payment issue is an ISP issue and staff did not want to turn anyone's service off and that the Treasurer was looking at the ability to collect; which entailed issuing a letter and asking for payment within 10 days. Mr. Carter noted that staff believed the ISPs were collecting the funds and not remitting the payments to the Authority.

Ms. Rorrer then noted there were some problems when WON took over the billing, that there was no one person to blame and things were out of whack somewhat and staff was trying their best to get things corrected. Mr. Carter noted that the accounts had been reconciled down to a few if any discrepancies and they had asked ISPs to provide information if their reconciliations were incorrect.

In response to questions, Ms. Rorrer noted that there were some businesses on the list that had added a separate service or their installation fees were being billed directly.

Mr. Carter reiterated the issues were with the ISPs primarily and Ms. McCann noted the report provided noted when they were billed and the due date.

C. County Administrator's Report

Mr. Carter provided an update on the network transfer:

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Mr. Carter noted that staff was meeting with CVEC and Firefly staff weekly and decisions were being made to finalize the assets to be retained and transferred by the end of the week. He noted that the goal was to have that complete before Christmas or by the end of the year, so it could be submitted to NTIA after the first of the year. He added that they also were working to finalize agreements between the County, CVEC, and NCBA. Mr. Carter noted that they were speculating it could be 6-8 months to hear from NTIA.

He then noted that CVEC would be working in the Martin's Store circuit area and south later that month or early next month. He noted that they expected to be offering services the second quarter of 2019. He added that they had sent notices to 4400 prospective customers on that circuit.

Mr. Harvey commented that there were large bucket trucks staged in the county now and Mr. Carter noted they were getting ready for mass deployment and were doing make ready work on their poles; which involved replacing a number of poles as well.

Mr. Carter then advised that they needed to resolve outstanding amortization balances and staff may need to come back to the NCBA on that. He added that staff was not sure of its position yet and CVEC may propose to pay off some of it but that was to be determined. He advised that the amortization balance could be \$387,000 and he did not want to lose that revenue.

Mr. Bruguere inquired what would happen to the NCBA if it did not have anything to do and what would happen to any funds remaining. Mr. Carter noted he hoped any extra funds would be transferred back to the County and NCBA would operate the towers; which provided income of about \$80,000 per year.

Mr. Strong then asked about the rest of the county that was not served by CVEC and Mr. Carter noted that according to CVEC, other utilities were being encouraged to work on their broadband solutions. It was noted that those services would be down the road and those citizens still had a need for the NCBA to do what it could. Mr. Harvey suggested that money should not be turned back to the County just yet.

Mr. Carter advised that CVEC was negotiating with other utilities and the other utilities had to report to SCC on what they would do to deploy broadband. He added that was not the current focus but rather it was the transfer and maintaining the network.

VI. Other Business (As May Be Presented)

Introduced: Ms. McCann's resignation as Treasurer

Mr. Harvey asked who would take over for Ms. McCann upon her retirement and Mr. Carter noted that Ms. McGarry would. Mr. Harvey thanked Ms. McCann for her hard work on behalf of the NCBA. Ms. McCann advised that she had submitted her resignation letter; however staff thought that the appointment of Ms. McGarry would occur in January. Mr. Carter echoed Mr. Harvey's comments noting he could not thank her enough for her service.

VII. Adjournment

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