

April 25, 2013

**Virginia:**

AT A REGULAR MEETING of the Nelson County Broadband Authority Board at 6:00 p.m. in the Board of Supervisors Room located on the second floor of the Nelson County Courthouse.

Present: Allen M. Hale, East District  
Larry D. Saunders, South District – Vice Chair  
Thomas D. Harvey, North District – Chair  
Thomas H. Bruguere, Jr. West District  
Stephen A. Carter, County Administrator  
Candice W. McGarry, Secretary  
Debra K. McCann, Treasurer  
Philip D. Payne, IV – County Attorney  
Susan Rorrer, Director of Information Systems  
Baylor Fooks, Blue Ridge Internetworks (Network Operator)  
Daniel Beam, CCTS Outside Plant Contractor

Absent: Constance Brennan, Central District

**I. Call to Order**

Mr. Harvey called the meeting to order at 6:05 pm, with four Members present to establish a quorum and Ms. Brennan being absent.

Following the call to order, Mr. Carter advised members that staff proposed to convene in closed session as permitted by Virginia Code section 2.2-3711 A(6) to discuss the consideration of the use of public funds where competition or bargaining is involved, where if made public initially, the financial interest of the government unit would be adversely affected and secondly as permitted by section A (34) of the Virginia Freedom of Information Act, discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 19 of Section 2.2-3705.6.

Mr. Bruguere then moved to convene in closed session as permitted by Virginia Code section 2.2-3711 A(6) to discuss the consideration of the use of public funds where competition or bargaining is involved, where if made public initially, the financial interest of the government unit would be adversely affected and secondly as permitted by section A (34) of the Virginia Freedom of Information Act, discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 19 of Section 2.2-3705.6 regarding nonrecurring charges.

Mr. Saunders seconded the motion and there being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion.

Mr. Carter then proposed that staff participate in the initial discussions and then have the Network Operator and perhaps Mr. Beam, the outside plant contractor participate as necessary.

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Members then conducted the closed session and upon its conclusion, Mr. Saunders moved to return to regular session and Mr. Hale seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion and return to open session.

Mr. Hale then moved to certify that in the closed session just concluded, nothing was discussed except the matters specifically identified in the motion to convene in closed session and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion.

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

No action was taken by the Authority as a result of matters discussed in closed session.

## **II. Public Comments**

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

## **III. Consent Agenda**

Mr. Bruguere moved to approve the consent agenda and Mr. Hale 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 – R2013-06** Minutes for Approval

**RESOLUTION-R2013-06  
NELSON COUNTY BROADBAND AUTHORITY  
APPROVAL OF MEETING MINUTES  
(March 28, 2013 and April 9, 2013)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority's meetings conducted on **March 28, 2013 and April 9, 2013** 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 reported the following:

Broadband Infrastructure Project Update: The NTIA/County (grant) funded project is essentially complete. Exceptions thereto include: a) FCC Licensing of the Massies Mill Tower (in process), b) VDOT construction permit closeout (in process) and, c) final reporting and project close out with NTIA (also in process and anticipated to be concluded prior to the 6-20-13 official project close out date).

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The project is currently transitioning to an ongoing operational mode. In this regard, Blue Ridge Internet Works is proceeding with marketing of its services for fiber optic cable based connection(s) to the fiber optic middle mile network. In addition to the startup of services to several Community Anchor Institutions (CAIs), BRIW now has five new subscribers for its services with services to these subscribers either installed or in the process of being installed (by the Authority's outside plant contractor, Computer Cabling and Technology Services or CCTS). BRIW is also continuing its efforts to complete agreement with Verizon for deployment of a DSL (digital subscriber line) service, which will provide BRIW the ability to deploy these services extensively along the middle mile network. As noted, BRIW's efforts are ongoing.

With regard to wireless internet services being deployed from the Authority's four towers, no additional discussions have been conducted with Stewart Computer Services albeit the ability of SCS to agree to locate on and use the towers remains. Otherwise, no additional WISP(s) or cellular companies have contacted the Authority regarding use of the towers, which will require a more extensive marketing effort by staff.

A primary consideration for the session on 4-25 is the Non-recurring charges (NRC) within the network's approved schedule of rates, fees and charges. This pertains specifically to the provisions within the NRC that provide for a discount of up to \$750 for agreement to connect to the NCBA network for 12-60 months (the \$750 discount is for a 60 month installation agreement). Related to the discount is the provision providing that "the undiscounted balance of an NRC together with any NRC in excess of \$1,500 may be amortized over the term of the original contract". These provisions were included when the rates, fees and charges were initially approved as a means of assisting with the concern noted with the cost of fiber installations off the network, which is easily several thousand dollars. Now that the network is operational, the NRC provision is in play and being requested, including to facilitate an approximate 3 mile build to a business at an estimated cost of \$26,000. The positive is that the NRC could be beneficial to the Authority's efforts to achieve connections to the network. The negative with the NRC is that it places the Authority in the position of paying the installation costs (upfront) to the OSP but recovering the installation costs from the customer over 12 – 60 months (possibly longer), this in addition to paying the \$750 discount to the OSP when a customer agrees to a 60 month connection service.

The attached agreements have been developed to provide for customer installations to the network. The Addendum for Installment Payment of Installation Costs, which is used in conjunction with the NCBA Installation and License Agreement for those network customers requesting the NRC ability, has been limited to a maximum amount of \$4,000 as a means of limiting the Authority's financial outlay. However, as noted herein, the Authority has received an inquiry from a local company that is willing to commit to a 60 month term for a 3 mile, \$26,000 installation cost for a fiber connection to the network. The Authority would own the entire installation, which would have the ability for other branch connections along the 3 mile installation.

Given the above, the Authority's considerations related to the NRC include 1) maintaining or removing the NRC within the schedule of rates, fees and charges and, 2) if the NRC is maintained then is the current provision sufficient, including the \$4,000 limit within the installation addendum, and/or, should the NRC be on a case by case basis beyond the present \$4,000 limit and, 3) if the NRC is maintained to what extent financially will the NCBA commit itself to the NRC on an annual basis. As the NRC has

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just become a focus of consideration additional review needs to be completed on the financial considerations related to the NRC.

**B. Network Operator Report - Blue Ridge Internetworks**

Mr. Baylor Fooks, Network Operator gave the following report:

I. Operational

Orders:	10
Installations Completed:	9
Construction Costs:	\$16,053.20
Construction Cost Billable	\$10,776.40
Construction Financed by SPs:	\$0
New NCBA MRC:	\$375/month
Speed Selections:	25x5 7
	50x10 2
	25x25 1

Open trouble tickets: One trouble ticket remains open. We are waiting on a replacement rectifier shelf from Calix.

Mr. Fooks noted that the difference in the construction costs and billable construction costs was the application of the 5 year term contract amortization discount.

II. Administrative

BRI worked with County Staff to optimize processes and clarify policies and procedures.

All ONTs have been utilized. New order is scheduled to ship from Calix 4/30.

III. Billing

Month to Date Income:	\$762.50
Current AR:	\$75.00
Past Due AR:	\$1,080.00
SLA Credits:	\$0.00

Mr. Fooks then introduced Daniel Beam, the outside plant contractor retained by the Authority to do network installations.

In response to questions, Mr. Fooks reported that the 50x10 connections were both homeowners and that some of the other speeds were purchased by businesses.

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**V. Other Business (As May Be Presented)**

Mr. Carter noted that staff would have a draft budget to show the Authority at their May meeting and it would be sent out in advance. He added that he needed to confirm that the approval process for the Authority's budget did not require a Public Hearing; however he was fairly sure it did not.

**VI. Adjournment**

There being no further business, Mr. Harvey adjourned the meeting at 6:55 PM.