

March 28, 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: Constance Brennan, Central District  
Larry D. Saunders, South District – Vice Chair  
Thomas D. Harvey, North District – Chair  
Thomas H. Bruguere, Jr. West District  
Allen M. Hale, East District  
Stephen A. Carter, County Administrator  
Candice W. McGarry, Secretary  
Debra K. McCann, Treasurer  
Andrew Crane, Information Systems Technician  
Susan Rorrer, Director of Information Systems  
Baylor Fooks, Blue Ridge Internetworks (Network Operator)

Absent: None

**I. Call to Order**

Mr. Harvey called the meeting to order at 6:13 pm, with four Members present to establish a quorum and Mr. Hale arriving thereafter.

**II. Public Comments**

1. Clay Stewart, SCS Arrington

Mr. Stewart noted that he just wanted to provide the members with an update on his operations. He reported that he has started deploying services from a private Afton relay to both homes and businesses. He noted that his signals were transmitting as far south as the Martin's Store substation. He added that he was in the process of getting the Blue Toad and others connected. He added that he could now do wireless backhaul which would reduce start up costs and as more was needed he could use County fiber.

Mr. Stewart then noted that it was looking good for him to be able to relay signals from a high location spot to Faber and he was currently in negotiations for that relay site. He added that it was in the Route 6 to the Route 151 corridor area.

Mr. Stewart added that he was looking forward to finalizing the tower lease agreements with the County and then introduced Craig Richardson, SCS's new operations director.

Ms. Brennan then inquired as to the progress in him being able to use the High Top tower and Mr. Stewart and Mr. Carter both noted that use of that tower was part of the lease negotiations. Mr. Stewart added that the tower would provide some direct services; however it would be deployed mainly for redundancy purposes. It was then noted that the tower lease agreement would apply to the High Top and

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Gladstone Fire Department towers as well as the NCBA towers. Mr. Carter noted that the lease agreement was close to completion.

### **III. Consent Agenda**

Ms. Brennan moved to approve the consent agenda and Mr. Bruguiera 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:

#### **A. Resolution – R2013-04 Minutes for Approval**

**RESOLUTION-R2013-04  
NELSON COUNTY BROADBAND AUTHORITY  
APPROVAL OF MEETING MINUTES  
(February 28, 2013)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority's meeting conducted on **February 28, 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:

1. Massies Mill Tower is anticipated to be completed and operational by 3-29.
2. Completion and re-inspection of construction punch list by Mastec and VDOT staffs is in process.
3. Project closeout with NTIA, including completion of Federal Interest Statement, is in process and to be final on or before 6-30-13.
4. Legal staff developing installation agreement for fiber connections to businesses and residents.
5. Agreements (co-location and fiber lease) sent to Mid Atlantic Broadband week of 3-18.
6. Revised agreements with Lumos (co-location, fiber lease and services) pending execution.
7. Revised/final tower lease agreement sent to Stewart Computer Services on 3-20 (subject to comment by SCS but if none ready for execution).

Mr. Carter noted that staff wanted to ensure that the interference issue was addressed appropriately within the lease agreement.

8. CCTS (Authority's outside plant/OSP, contractor) has provided 25 installation quotes.

9. Blue Ridge Internetworks to report on 3-26 on status of network operation and internet services.
10. Staff (C. McGarry) has developed Frequently Asked Questions (FAQs) document, posted on Nelson County web site and sent an advertisement to NC Times to note the FAQ and reference thereto (see attachments containing FAQ and public advertisement).
11. Public hearing on revised operational/service rates scheduled for May 2013.
12. FY 13-14 Budget to be presented for consideration in ensuing several weeks.
13. Other – input/questions from Authority and/or public to be addressed at 3-26 meeting.

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

Mr. Fooks reported the following:

- I. Operational  
Installations – none

Open trouble tickets:

1. Colleen Power Rectifier: Intermittent alarms, case opened with Calix

Mr. Fooks noted that the rectifier was causing the alarms and Calix would be replacing this piece of equipment.

2. Nelson County connection reliability: fiber OTDR readings were taken, fiber ends have been cleaned, and patch cable were replaced attempting to isolate trouble. No issues reported since last action was taken. Next step is to replace ONT.

II. Administrative

Open Orders: 25x25	1 (No Construction)
Pending Orders 25x5	4 (3 Require Construction)

III. Financial

	<u>Current Month</u>	<u>YTD</u>
Income:	\$1,342.50	\$3,905.00
Current AR:	\$1,342.50	
Past Due AR:	\$ 0.00	

Mr. Fooks then added that they had received approximately ninety (90) calls for quotes and have done around 15-25 of them. He reported that financing of the installation for five (5) years was now being offered first to customers in order to simplify things and then other options were offered as requested.

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Mr. Fooks then noted that they had one (1) signed contract, four (4) verbal acceptances, and should have five total online in the next couple of weeks. He added that two of these were residential customers.

Mr. Carter then noted that Mr. Fooks and the County were interviewed by Channel 29 on the costs of connections and seemingly the primary concern or surprise for people was the installation costs. Mr. Fooks added that BRI had taken hundreds of calls on this and it has meant a lot of education.

Mr. Fooks then noted that their mark up was around 2% and they were keeping their costs as low as possible. He added that he did not want to be insensitive to costs; however they were offering \$59.95/month and \$40/month for installation costs for five (5) years; which was as good as it got. He then noted that a lot of installations being quoted were more than 2,000 feet away from the fiber and this was the classic rural problem.

Mr. Fooks then suggested that the sharing of installation costs may need to be addressed by a policy set by the NCBA. He added that this was since the installation payment would go to the NCBA and the Authority would be the ones to rebate any money etc. He noted that it would be difficult to know how this would be tracked.

Ms. Brennan then supposed that the various marketing areas would have an impact cost sharing ability. Mr. Fooks noted that BRI would like direction on how to handle this from the NCBA since the fiber drops would be the Authority's property.

Mr. Hale agreed that the Authority ought to instruct staff to explore this so a mechanism could be put in place such that the initial capital investment for fiber installation could be shared. Mr. Fooks added that this seemed to make sense when the first person to sign up was far away from the fiber and the fiber passed other homes who bought service. He noted that this would need to be coordinated with the outside plant contractor.

Mr. Carter noted that this was another example of operational questions that kept popping up. Members and staff briefly discussed the logistics of the concept of cost sharing and it was suggested that staff look at electric company policy on this. Mr. Fooks noted that he thought the volume of this would make it trackable; however some policy needed to be applied to these cases.

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

Mr. Saunders asked for clarification if the SCS lease agreement would be for one tower or all of the towers and Mr. Carter noted that it would be used for all of the tower locations.

Mr. Harvey then clarified that the tower rates had not been revised to account for the varying desirability of each of the tower locations. Mr. Stewart advised that he had suggested language for the lease that called for periodic post-lease review of the rates. He then advised that the staggering of tower leases was for cost reasons and some had a higher priority for them than others. He noted that he was also concerned that if he waited, the optimum tower space would be taken.

Mr. Carter reiterated to the Authority that subject to further review, he thought the tower lease rates were fine and he was not sure how the NCBA could adjust the rates based on estimated adoption rate

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consideration. He added that these were business decisions to be made by SCS; however, the Authority could not allow SCS to be on a tower without paying or hold the space until an unknown time.

Mr. Stewart reiterated that his start-up costs were cost prohibitive and he only expected to make a 4% profit first year and 40% profit the second year. Mr. Saunders advised that for most start ups a profit was not made in the first year and he did not think the Authority should tie up the towers with him holding a lease and not using it or paying for it.

Ms. Rorrer noted that there was more space on the towers for more than one provider to locate in and Mr. Stewart suggested that only the top two spots were usable in the County; with anything under ninety (90) feet not worth doing.

Mr. Carter then suggested that if staff and the attorneys could not come to agreement then it could be resolved by the NCBA. He added that they should keep everything uniform and not negotiate with individual providers.

Mr. Harvey then suggested that the NCBA continue its meeting to April 9<sup>th</sup> at 1pm.

Ms. Brennan suggested that the subcommittee should be involved and Mr. Harvey noted that he did not think this was necessary as the issues were more business related than technology related.

Mr. Stewart then indicated he was ready to sign the leases and that he was happy with his attorney's changes and the changes made by the County Attorney. He then noted two (2) points of importance in order for the project to work: tower lease pricing needed review and taking on all of the towers at once was cost prohibitive.

Ms. Rorrer then advised that the tower lease rates were not determined by what was in his lease but was rather set by the rate structure which could be revisited.

## **VI. Adjournment**

Mr. Bruguere then moved to continue the meeting until April 9<sup>th</sup> at 1pm and Mr. Saunders seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and the meeting adjourned.