

AGENDA
NELSON COUNTY BROADBAND AUTHORITY
July 8, 2014

**THE MEETING CONVENES AT 1:00 P.M. IN THE
GENERAL DISTRICT COURTROOM, OF THE COURTHOUSE, LOVINGSTON**

- I. Call to Order**
- II. Public Comments**
- III. Consent Agenda**
 - A. Resolution – R2014-02** Minutes for Approval
- IV. New/Unfinished Business**
 - A. Network Operator Report - Blue Ridge Internetworks
 - B. Treasurer's Report
- V. Other Business (As May Be Presented)**
- VI. Adjournment**

RESOLUTION R2014-02
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(April 8, 2014 and June 10, 2014)

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority's meetings conducted on **April 8, 2014 and June 10, 2014** be and hereby are approved and authorized for entry into the official record of the Broadband Authority's meetings.

Approved: July 8, 2014

Attest: _____, Secretary
Nelson County Broadband Authority

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. Bruguire, 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. Bruguire 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.

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- 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

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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.

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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

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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

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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.

DRAFT

Virginia:

AT A CALLED 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 H. Bruguire, Jr. West District
 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: None

I. Call to Order

Mr. Harvey called the meeting to order at 1:05 pm with all members present to establish a quorum.

II. FY-15 Proposed Broadband Budget

Mr. Carter noted that there was no requirement for a public hearing on the budget; however the Authority Board needed to review and approve it.

Ms. McCann reviewed the following FY14 budget as compared to projections.

FY14 EXPENDITURE BUDGET COMPARED TO PROJECTED				
Expenditure by Dept.	FY 13-14 Amended Budget	FY 13-14 Projections	Variance Increase/Decrease	% Difference
Broadband Project				
Professional Services	\$0.00	\$0.00	\$0.00	0.00%
Engineering Services	\$0.00	\$0.00	\$0.00	0.00%
Construction	\$0.00	\$0.00	\$0.00	0.00%
Project Inspection	\$0.00	\$0.00	\$0.00	0.00%
Equipment	\$0.00	\$0.00	\$0.00	0.00%
Land, Right-of-way, etc.	\$0.00	\$0.00	\$0.00	0.00%

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Contingency	\$0.00	\$0.00	\$0.00	0.00%
Network Operations				
Network Operator	\$81,600.00	\$81,096.00	-\$504.00	-0.62%
Repair & Maintenance	\$7,400.00	\$1,500.00	-\$5,900.00	-79.73%
Professional Services	\$10,000.00	\$8,000.00	-\$2,000.00	-20.00%
Office Supplies	\$0.00	\$95.00	\$95.00	100.00%
Insurance	\$2,500.00	\$2,281.00	-\$219.00	-8.76%
Utilities including locates	\$10,000.00	\$20,000.00	\$10,000.00	100.00%
Equipment	\$15,000.00	\$35,000.00	\$20,000.00	133.33%
Installations	\$340,000.00	\$126,000.00	-\$214,000.00	-62.94%
Service Contracts	\$5,000.00	\$7,000.00	\$2,000.00	40.00%
Tower Lease	\$3,075.00	\$9,375.00	\$6,300.00	204.88%
Contingency	\$0.00	\$0.00	\$0.00	100.00%
Total	\$474,575.00	\$290,347.00	-\$184,228.00	-38.82%

FY14 REVENUE BUDGET COMPARED TO PROJECTED				
	FY 13-14	FY 13-14	Variance	
Revenues	Amended Budget	Projections	Increase/Decrease	% Difference
Broadband Project				
BTOP Award (NTIA)	\$0.00	\$0.00	\$0.00	0.00%
CDBG Fund Transfer	\$0.00	\$2,700.00	\$2,700.00	0.00%
General Fund Transfer	\$0.00	\$0.00	\$0.00	0.00%
Year Ending Balance	\$0.00	\$0.00	\$0.00	0.00%
Network Operations				
Transfer from General Fund	\$123,335.00	\$123,335.00	\$0.00	0.00%
Network Access Charges	\$75,440.00	\$61,289.00	-\$14,151.00	-18.76%
Fiber Leases	\$0.00	\$4,000.00	\$4,000.00	-100.00%
Tower Leases	\$12,300.00	\$79,000.00	\$66,700.00	542.28%
Installation Reimbursement	\$13,500.00	\$61,381.00	\$47,881.00	354.67%
Non-Revenue Receipts	\$0.00	\$500.00	\$500.00	100.00%
Year Ending Balance	\$250,000.00	\$0.00	-\$250,000.00	-100.00%
Total	\$474,575.00	\$332,205.00	-\$142,370.00	-30.00%

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Ms. McCann noted that the \$250,000 for installations had not yet been fully expended and this line assumed thirty (30) installs at an average cost of \$3,000 = \$90,000 plus the \$250,000 fund for amortized installations.

Ms. McCann then noted the Utilities and Locates line included electric service, locates, and VUPS; however the expense driver was the locating services. She noted that the original contract for this was \$20 per locate; however that contract was terminated and the new contractor was charging \$75 per locate; which was a substantial increase.

Mr. Carter then advised that there had been a problem with the original locate contractor and they could not let that continue. Ms. Rorrer added that it was CCTS and that they had problems justifying having someone come out to do it; noting there was essentially not enough work. She added that this expense was only related to the fiber and that they were anticipating at least 400 locates. She noted that the average was 50 per month throughout the year.

Ms. McCann then noted that the Equipment line was anticipated to exceed the estimate due to the purchase of electronics to add capacity to the network. She noted that this expense was not passed on to the customer because it was an expansion of the network and served multiple customers. She added that this cost was recovered through the monthly circuit charges paid.

Ms. McCann then noted that for Installations, there was about \$193,000 left in the fund. She noted that the discounted installation expense was projected to be \$36,190 (\$750 per customer that is not recouped), the upfront installation expense was projected to be \$35,250 (17 connections), and the amortized installation expense from the fund was projected to be \$54,560 (34 connections).

Ms. McCann then noted that the Service Contract Expense line was relative to Calix equipment and the hosted fiber management system, which was not anticipated in the original budget.

On the revenue side, Ms. McCann reported that Tower Lease payments were the 25% of lease revenues for the RVFD tower and that \$9,375 was 25% of the current contract on the towers. Ms. McCann noted that the revenues were expected to be \$332,205 and included a transfer of \$123,335 from the County's General Fund. Outside of the transfer, operating revenues were budgeted at \$101,240 which included the Network Access Charges, the Tower Leases and Installation Reimbursements. She added that they anticipated to receive \$205,670.00 which significantly exceeded the budgeted amount.

Ms. McCann then reviewed the Broadband Fund balance as follows:

BROADBAND FUND BALANCE

Broadband Fund Balance @7/1/2013	\$ 312,912.52
FY14 Transfer from General Fund for operations	\$ 123,335.00
FY 14 Receipts (July-May & estimated June)	\$ 208,370.00
FY14 Expenditures (July-May & estimated June)	<u>\$ (290,347.00)</u>
Estimated Fund Balance @ 6/30/2014	\$ 354,270.52

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Fund Balance Detail:

Remaining Balance Amortized Installation Fund	\$ 193,634.00
Remaining Balance Operational Funds	\$ 160,636.52
	\$ 354,270.52

FY15 60 Day Operational Fund Requirement	\$ 83,284.00
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Mr. Hale then inquired as to the need for a General Fund transfer if there was a fund balance and Ms. McCann noted that the transfer is included because staff had not analyzed the whole budget at the time. She noted that the current year revenues had a small contingency and that the fund balance would be used if they did not make the transfer. Mr. Carter then added that the goal of staff as well as the Authority was to end the subsidy as soon as possible.

Ms. McCann then reviewed the FY15 proposed budget as follows:

EXPENDITURE SYNOPSIS -Proposed				
Expenditure by Dept.	FY 13-14 Amended Budget	FY 14-15 Proposed Budget	Increase/Decrease	% Change
Broadband Project				
Professional Services	\$0.00	\$0.00	\$0.00	0.00%
Engineering Services	\$0.00	\$0.00	\$0.00	0.00%
Construction	\$0.00	\$0.00	\$0.00	0.00%
Project Inspection	\$0.00	\$0.00	\$0.00	0.00%
Equipment	\$0.00	\$0.00	\$0.00	0.00%
Land, Right-of-way, etc.	\$0.00	\$0.00	\$0.00	0.00%
Contingency	\$0.00	\$0.00	\$0.00	0.00%
Network Operations				
Network Operator	\$81,600.00	\$81,600.00	\$0.00	0.00%
Repair & Maintenance	\$7,400.00	\$7,400.00	\$0.00	0.00%
Professional Services	\$10,000.00	\$10,000.00	\$0.00	0.00%
Office Supplies	\$0.00	\$300.00	\$300.00	100.00%
Insurance	\$2,500.00	\$2,500.00	\$0.00	0.00%
Utilities including locates	\$10,000.00	\$34,000.00	\$24,000.00	240.00%
Equipment	\$15,000.00	\$35,000.00	\$20,000.00	133.33%
Installations	\$340,000.00	\$256,134.00	-\$83,866.00	-24.67%
Service Contracts	\$5,000.00	\$10,000.00	\$5,000.00	100.00%
Tower Lease	\$3,075.00	\$9,375.00	\$6,300.00	204.88%

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Contingency	\$0.00	\$50,950.00	\$50,950.00	100.00%
Total	\$474,575.00	\$497,259.00	\$22,684.00	4.78%

REVENUE SYNOPSIS -Proposed				
Revenues	FY 13-14 Amended Budget	FY 14-15 Proposed Budget	Increase/Decrease	% Change
Broadband Project				
BTOP Award (NTIA)	\$0.00	\$0.00	\$0.00	0.00%
CDBG Fund Transfer	\$0.00	\$0.00	\$0.00	0.00%
General Fund Transfer	\$0.00	\$0.00	\$0.00	0.00%
Year Ending Balance	\$0.00	\$0.00	\$0.00	0.00%
Network Operations				
Transfer from General Fund	\$123,335.00	\$100,000.00	-\$23,335.00	-18.92%
Network Access Charges	\$75,440.00	\$70,000.00	-\$5,440.00	-7.21%
Fiber Leases	\$0.00	\$4,000.00	\$4,000.00	-100.00%
Tower Leases	\$12,300.00	\$83,625.00	\$71,325.00	579.88%
Installation Reimbursement	\$13,500.00	\$46,000.00	\$32,500.00	240.74%
Year Ending Balance	\$250,000.00	\$193,634.00	-\$56,366.00	-100.00%
Total	\$474,575.00	\$497,259.00	\$22,684.00	4.78%

Ms. McCann noted that most changes to the proposed budget were made based on FY14 history. Ms. McCann noted that the Installation expense assumed 30 installs at \$750 each discounted (\$22,500), assumed \$40,000 in paid upfront installations that was offset on the revenue side, and assumed a balance in the amortized connection fund \$193,634.

Ms. McCann noted that the Service Contracts line contained expenses related to the fiber management system. She noted that the Tower Lease line expense was based on the current tower lease arrangement with RVFD and that there was a contingency of \$50,950.

Ms. McCann then noted that on the revenue side, the General Fund contribution was reduced and primary adjustments were made in tower leases and installation reimbursements. She noted that she used current contracts and a half year of the wireless provider being on the Massie's Mill tower. Additionally, she explained that the Year Ending Balance of \$193,634 was carryover from the installations.

Mr. Hale inquired as to how much the discounted installation amount would be for FY15 and Ms. McCann noted that it was based on thirty (30) connections for a total of \$22,500. She noted that this year they had

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51 connections, of which 34 were amortized and 17 were paid up front. She added that staff was anticipating that connections would drop off a little bit.

Mr. Patrick asked if there was any consideration in the budget for network expansion and it was noted that this would require approval from the Board of Supervisors and that the budget would be adjusted thereafter. It was noted that if things went well, additional revenues could be applied towards this. Staff noted that the State's innovation grant program would require a match and this was not anticipated in the proposed budget.

Mr. Harvey then inquired to see if any surveys had been done in the proposed expansion area of Nellysford to see what was there now and Mr. Patrick noted that most people there had Verizon DSL. Mr. Carter added that BRI did some preliminary analysis of this and they could bring it back to report. Mr. Carter then noted that if they wanted to go for the grant, they would have to have at least \$100,000 and they would need to revisit the cost estimate for installation.

Mr. Bruguere then noted that he thought that Verizon was no longer offering new DSL connections and Mr. Patrick noted that he assumed this was because they were at capacity and were not interested in expanding. Mr. Saunders noted that perhaps then they should look into expanding the fiber into this area.

Mr. Carter noted that staff had been hesitant to pursue this because the Board of Supervisors was previously non-committal; however it could be revisited. He added that the State had encouraged the County to apply for the grant. Mr. Carter noted that Staff would bring this back and update the analysis to see what they thought at the next meeting in July. He added that the County would likely be the applicant.

Mr. Carter then noted that if there was no more discussion on the proposed budget he would suggest the Authority approve it by motion before June 30, 2014.

Mr. Hale then moved that they adopt the Broadband Authority budget for the coming fiscal year as presented and Mr. Harvey seconded the motion.

Mr. Hale then noted that as it has been said many times, the goal was to have the operations be self-supporting and to continue to look at fees and incentives as they may need to tighten up and that they needed to be constantly aware of this.

There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and approve the FY15 budget as presented.

III. Other Business (As May Be Presented)

Introduced: General Discussion Regarding Operations

Mr. Carter reiterated that the Authority had changed locate companies and was now working with Emats.

He then noted that the installation company was working with Rockfish Orchard on installation for 11-13 new customer and that the amortization program had been very helpful.

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Ms. Rorrer added that they had been getting one or two more customers per month that were coming online and that another Paul's Creek customer was interested.

Mr. Carter noted that staff had been pursuing use of the High Top tower; however the Nature Conservancy required that whoever located on the tower would pay a commercial rate. He noted that Mr. Payne had sent them the rate structure and was waiting to hear back if these were acceptable or not.

Mr. Hale then inquired as to any more information regarding expansion towards the Faber area and he suggested that staff keep in touch with Mr. Stewart to see how his wireless deployment was going.

Ms. Rorrer noted that she had spoken to him about getting on the Massie's Mill tower and that he was working with Central States Tower on getting on the Gladstone tower site. She added that he could sublet the County's space to him there. She noted that the Faber deployment was dependent on his use of the tower at High Top; however he may have alternative means of getting in there now and a number of things were in the works.

Ms. Saunders then inquired as to any repairs being made on the High Top tower and Ms. Rorrer noted that Mr. Stewart had recommended some repairs to bolts etc. and that something may need to be done there. Mr. Carter added that Mr. Payne was working on an indemnity agreement; however he did not think it was foolproof.

Mr. Bruguere then questioned that the Nature Conservancy wanted the commercial rates paid and staff confirmed that this was part of the lease agreement and there was also a revenue sharing clause included in the lease.

Mr. Harvey noted that staff should check on the Gladstone tower because he thought that Stewart may have rights there. Ms. Rorrer noted that subject to loading, he could sublet the County's space on the tower. It was suggested that Ms. Rorrer call them about it and Ms. Rorrer advised that he just needed to complete the load analysis.

Ms. Rorrer then noted that the Massie's Mill tower lease had not been signed yet by SCS and Mr. Bruguere noted that Mr. Stewart had said he would be on there at the end of May and he had not signed the lease yet. Mr. Bruguere then supposed that High Top tower would benefit Massie's Mill and Roseland as much as the Massie's Mill tower would, based on line of sight.

IV. Adjournment

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