

September 26, 2013

**Virginia:**

AT A REGULAR MEETING of the Nelson County Broadband Authority Board at 6:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse.

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

Absent: Debra K. McCann, Treasurer  
Baylor Fooks, Network Operator – BRI

**I. Call to Order**

Mr. Harvey called the meeting to order at 6:00 pm with all members present to establish a quorum.

**II. Public Comments**

1. Clay Stewart, Stewart Computer Services (SCS)

Mr. Stewart confirmed that SCS and the County were close to signing the tower lease agreements. He noted that he would sign the leases with scattered commitment dates; with the Martin's Store tower lease being the first and then the others would follow.

Mr. Stewart then stated that he had compromised with the County lowering him on the towers to great extent and he would not be able to serve certain places now. He added that he did this to allow for EMS and cellular services, but not to allow for other wireless broadband providers. He explained that AT&T was going on some towers to provide cellular services and he welcomed that for EMS communications. He noted, however that he would consider it a breach if another wireless broadband provider was allowed higher on the towers after SCS had requested those spots. He concluded by noting that he was looking forward to working with the NCBA.

Mr. Stewart then reported that he was nearing his 100th customer stemming from the Afton expansion and that he was expanding into Amherst, Buckingham, and Appomattox. He added that SCS was concentrating on "the holes" right now and he used community relays to get to these places.

**III. Consent Agenda**

**A. Resolution – R2013-12 Minutes for Approval**

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Mr. Bruguier moved to approve resolution **R2013-12**, Approval of Meeting Minutes and Mr. Hale seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2013-12**  
**NELSON COUNTY BROADBAND AUTHORITY**  
**APPROVAL OF MEETING MINUTES**  
**(August 22, 2013)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority's meeting conducted on **August 22, 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 that the Paul's Creek Subdivision was still process with twenty connections going in. He noted that the conduit had been installed to the gates of the subdivision and more work was to be done to connect the subscriber households.

He noted that Ms. Rorrer had been working with Phil Payne and SCS to get the tower agreements in place and that Staff was moving forward with the closeout with NTIA. He reiterated that SCS was positioned to sign contracts.

Mr. Carter confirmed that Staff was working with AT&T as well; however he would refrain from giving specifics of when that deployment may happen.

Ms. Rorrer added that she was currently working with SCS to finalize agreements for four towers and that he intended to sign the Martin's Store agreement first and then the other three as these could be worked into his schedule. She confirmed that AT&T was working with them to locate on the Martin's Store and Rockfish Volunteer Fire Department towers.

Staff then acknowledged that getting closure on the tower agreements has taken longer than expected. Mr. Carter noted that the agreements with SCS were ready last Christmas and now they have gone back and forth on them. Ms. Rorrer added that in working with the cellular companies, they are working with multiple sites and agreements and agreements with them tend to go back and forth with their legal departments. Mr. Hale then confirmed that the providers were primarily responsible for these delays and the County was working to move things along. Ms. Rorrer confirmed this to be true and that Staff has responded to both SCS and Cellular providers' requests quickly. Mr. Carter added that as an example of how long things can take, he noted that AT&T was still in the process of deploying from the Devils Knob tower and it has taken two years now. Ms. Rorrer added that things were very up and down with cellular deployment.

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

The Network Operator's Report was provided as follows:

I. Operational

Active Circuits:

Blue Ridge	29
Shentel	1
Nelson Social Services	1
TOTAL	31

Under Construction:	20
Quotes Pending Approval:	3

New equipment has been installed for Paul's Creek and updates were performed to Calix equipment and management systems.

II. Administrative

Paul's Creek: under construction. Two other signed customers are supposed to start construction "next week".

Working on organizing groups to pay for expansion on 151 and 6 (Afton).

Two construction-related complaints are not resolved.

III. Financial

Most recent Income and Receivables reports are attached.

Revenues:

Total Service Revenues on an accrual basis for the period of January 1, 2013 through September 25, 2013 were reported at \$62,632.

Accounts Receivable:

Current Receivables were reported at \$26,179 with receivables at 1-30 days being \$1,290 for a total of \$27,469. There were no receivables older than 30 days reported.

Mr. Hale then confirmed that the 20 listed as under construction were the Paul's Creek connections.

Mr. Patrick then asked if BRI could provide information as to their service providership. Ms. Rorrer noted that Mr. Fooks was still trying to work through the DSL process with Verizon and he could now register to request services as a CELEC. She noted that it took a long time to get set up and move things forward. She

added that she had not asked if he has a timeline for DSL deployments; however hopefully now he could determine where and when these might be rolled out.

Mr. Patrick then asked if there was an Authority requirement for internet service providers to provide reports and Ms. Rorrer responded that she did not think so; however the Network Operator report should be able to break out the number of customers.

Mr. Patrick noted that he was looking for coverage areas for each type of service so that he could provide this information to anyone who inquired. Ms. Rorrer noted that the National Broadband Mapping initiative asks service providers to report to them the areas that they serve. Mr. Patrick reiterated that he would like to be able to give people their options for each area of the County. Ms. Rorrer noted that staff could work on this in the future.

Mr. Harvey inquired as to the construction related complaints reported by BRI and Ms. Rorrer noted that one was an electrical issue that CCTS was to repair the following week and the other was related to a fuel line that was cut at Tiger Fuel and they were hashing out whose responsibility this was. She added that CCTS had communicated with Tiger Fuel prior to installation and they were advised to go ahead. She noted that this line was not marked by Miss Utility because it was a private line. She noted that CCTS offered to refund their installation costs and Tiger Fuel had asked that they pay \$4,000 for the new line. It was then noted that this was not an Authority issue and that CCTS's insurance would not cover this because it was the property owner's obligation to make them aware that the line was there.

Ms. Rorrer then noted that the installation agreement was being amended to state that the property owner was responsible to report any private lines, tanks etc. Mr. Saunders confirmed that the law required that private property owners did this and noted that Miss Utility did not cover this type of thing at Randolph College where he had done work.

### C. Treasurer's Report

The Treasurer's report was provided as follows:

The Broadband Project Fund report showed year-to-date expenditures of \$73,267 for Network Operations, with there being an unencumbered balance of \$401,308. The Revenue Summary for the fund showed year-to-date revenues of \$135,992 and a balance of \$382,583 projected for the remainder of the year. The broadband fund balance was reported as follows:

#### **BROADBAND FUND @ 8/31/2013**

Broadband Fund Balance @7/1/2013	\$ 312,912.52
FY14 Transfer from General Fund for operations	\$ 123,335.00
FY 14 Receipts (July & August)	\$ 12,657.16
FY14 Expenditures (July & August)	\$ (73,266.76)
	<u>\$ 375,637.92</u>
Remaining Balance Amortized Installation Fund	\$ 247,262.60
Remaining Balance Operational Funds	\$ 128,375.32
	<u>\$ 375,637.92</u>

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Mr. Hale noted that the current revenues were \$12,157 and expenditures were \$55,939 per the reports.

Mr. Carter confirmed this and noted that there were additional accounts receivable in the amount of \$27,000 to be collected.

He then noted that this was the first stab at this and that there was a difference between revenues and expenditures that would be mitigated with time as some other things happened. He noted that it would still be difficult to operate at a balance between revenues and expenditures. He added that staff needed to get the BRI financial reports in sync with the County's financial reports so they matched up and were more meaningful. He added that BRI used an accrual method and showed nine months which was a split fiscal year.

Mr. Hale then noted that there was an overage in the equipment expense line item and asked if this would continue. Mr. Carter noted that some of these equipment costs were incurred in obtaining the necessary equipment for the passive network (DSL) deployment. He added some unexpected costs related to ONTs were also reflected there. He noted that Members would see that the Authority was paying up front for installations and then recovering the costs and then there was the amortization discount which would be hard to keep up with.

Mr. Hale noted that the Network Operator reports show that the amortization of installation costs has not been utilized much up to this point and Mr. Carter agreed noting that they may be more utilized in the Paul's Creek deployment. Ms. Rorrer added that amortization had picked up in July. Mr. Carter noted that Finance wanted records of the amortization so it could be clearly reported as a line item on the budget reports.

Mr. Hale noted that he wanted to be able to see whether or not the Authority was making progress towards a self sustaining operation and Mr. Carter noted that this might take a while.

Ms. Rorrer added that in terms of the equipment expense, the initial installation would handle a certain number of customers and once its capacity was reached, the Authority would have to purchase more. She noted that this expense would periodically increase based on the demand for service; however the customer base should pay for this as required.

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

There was no other business considered by the Authority.

#### **VI. Adjournment**

At 6:27 pm, Mr. Saunders 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.