

January 14, 2020

**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, Lovingston Virginia.

Present: Larry D. Saunders, South District – Chair  
Gary W. Strong – Central District  
Thomas D. Harvey, North District – Vice Chair  
Thomas H. Bruguire, Jr. – West District  
Jesse N. Rutherford – East District  
Stephen A. Carter, County Administrator  
Grace Mawyer, Secretary  
Candice W. McGarry, Treasurer  
Susan Rorrer, Director of Information Systems

Absent: None

**I. Call to Order**

Mr. Saunders called the meeting to order at 1:01 PM with all Members present to establish a quorum, with Mr. Harvey leaving the meeting after the Consent Agenda.

**II. Public Comments**

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

**III. Reorganization, Election of Officers, and 2020 Meeting Schedule**

Mr. Saunders turned the chair over to Mr. Carter for conduct of the organizational meeting.

Mr. Carter referenced the authority's bylaws that prescribed an annual organizational meeting at which the Chair, Vice Chair, Secretary, and Treasurer for the year were set as well as the meeting schedule.

- A. Chair & Vice Chair
- B. Secretary & Treasurer
- C. 2020 Meeting Schedule

Mr. Carter opened the floor for nominations for Chairman of the Nelson County Broadband Authority for 2020 and Mr. Bruguire nominated Jesse Rutherford. Mr. Harvey seconded the nomination, and there being no other nominations, the floor was closed. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the nomination and elect Mr. Rutherford as Chair.

Mr. Rutherford then opened the floor for nominations for Vice Chair and Mr. Harvey nominated Mr. Strong for Vice Chair. Mr. Bruguire seconded the nomination, and there being no other nominations, the

floor was closed. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the nomination and elect Mr. Strong as Vice Chair.

Mr. Rutherford then advised that staff has come up with the recommendation of Ms. Mawyer for Secretary and Ms. McGarry for Treasurer. Mr. Harvey made the motion to accept these recommendations as presented by staff and Mr. Bruguere seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and elect Ms. Mawyer as Secretary and Ms. McGarry as Treasurer.

Mr. Carter noted that staff has proposed the meeting schedule to be quarterly instead of every other month. He added that meetings would be the second Tuesday of January, April, July, and October at 1 pm in the General District Courtroom, just prior to the regular session of the Board of Supervisors. The Board was agreeable to this, and it was noted that they could always have a special meeting or continue a meeting if needed.

Mr. Strong made the motion to accept the proposed change in meeting schedule and Mr. Harvey seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and set the meeting schedule as follows: Second Tuesday of January, April, July, and October at 1 pm in General District Courtroom (Just prior to the regular BOS meetings).

#### **IV. Consent Agenda**

##### **A. Resolution – R2020-01 Minutes for Approval**

Mr. Saunders moved to approve resolution **R2020-01** Minutes for Approval and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2020-01  
NELSON COUNTY BROADBAND AUTHORITY  
APPROVAL OF MEETING MINUTES  
(November 14, 2019)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **November 14, 2019** 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. Susan Rorrer presented the following report:

##### **I. Operational**

- The network is currently serving 562 customers.

January 14, 2020

- The network has lost approximately 22 customers since November.
- All pending installations are complete.
- The network transfer to CVSI in process and should be completed by the end of January. CVSI has taken over network operations and utility locates for the network. Outside plant work is still being completed by NCBA.

## II. Administrative

- AT&T will begin their installation at the Martin's Store site in the near future.
- The network transfer to CVSI has been fully approved and is in process.

## III. Financial

attached

Ms. Rorrer noted that approximately 3 connections have been added since the last meeting, and all of those connections are complete. Therefore, the goal of having everything completed prior to the transfer has been met.

Ms. Rorrer noted that one thing that needs to be determined is CVSI's plans moving forward for new connection requests. She added that she assumes any requests for new quotes will go through the network operator and then be passed on to CVEC. Mr. Rutherford noted it would be good to get something in writing from them about their intentions, because he's had several emails from people asking when they can start requesting CVEC to be their provider, even though they may not be on the CVEC power network. Ms. Rorrer advised that she knows Mr. Wood of CVEC does intend to write a formal letter and have some discussions with the current service providers to clarify how business will be done moving forward.

Mr. Bruguere then asked if Ms. Rorrer has heard any updates on the Verizon tower in Piney River. Ms. Rorrer noted she has not heard anything besides the fact that they are having issues with the VDOT entrance permit.

### **B. Treasurer's Report**

Ms. McGarry reported the following:

**Broadband Operations @ 12/31/19**

Beginning Balance 7/1/19	\$	686,319.34
July -December 2019 Expenditures	\$	(92,184.53)
July-December 2019 Revenues	\$	<u>319,997.44</u>
<b>Subtotal</b>	<b>\$</b>	<b><u>914,132.25</u></b>
General Fund Transfer 7/1/2019	\$	-
Available Balance 12/31/19	<b>\$</b>	<b><u><u>914,132.25</u></u></b>

**Accounts Receivable Aging Summary as of December 31, 2019**

<b>Current</b>	\$	35,465.10	
<b>1-30 days</b>	\$	32,282.83	<u>\$ 67,747.93</u>
<b>31-60 days</b>	\$	-	
<b>61-90 days</b>	\$	-	
<b>&gt; 90 days</b>	\$	4,379.41	<u>\$ 4,379.41</u>
<b>Total</b>	<b>\$</b>	<b><u>72,127.34</u></b>	<b><u>\$ 72,127.34</u></b>

*Note: \$67,748 is Current to 30 days and \$4,379 is >90 days*

Revenues & Expenditures

With 50% of the fiscal year remaining, 33% of the budgeted revenues remain to be collected with 132.62% of budgeted fiber lease revenue taken in. In terms of Expenditures, 59% of the expenditure budget remains to be expended. Expenses for utilities including locate expenditures (line 3006) is over budget by 3.21% Charges to this line include CVEC electrical services, VUPS and CCTS who is contracted to do NCBA fiber locates. The uptick in locates is a result of the CVEC network build activity.

Expenditures for Professional Services (line 3003) and Equipment (line 7007) are less than anticipated at this point in the fiscal year. The tower lease payment of \$9,530 to Rockfish Valley Volunteer Fire Department was made in December per the revenue sharing agreement in place. Per the agreement, this payment is 25% of the ATT annual tower lease payment to the NCBA for that site and is remitted to RRVFD on an annual basis.

Mr. Rutherford asked how much more revenue is expected in 2020, and Ms. McGarry noted we will still be collecting amortization installs and tower revenue, adding that she has not figured up these amounts yet. Mr. Rutherford noted he would be interested to see what our contingent accounts receivable is on those two items. Ms. McGarry noted that in terms of what we have budgeted for amortized installs, we're showing

January 14, 2020

\$33,180 remaining to collect on the budgeted amount. For tower leases, we're showing we should get \$16,213 more, but she believes that will be higher.

Mr. Strong asked about the cash flow for the \$25 per month charge that current subscribers are paying to NCBA. He asked if this will continue to come to NCBA. Ms. Rorrer stated no, adding it will go to CVSI.

Mr. Strong then noted he sees on the report where a resident in Horizons Village still hasn't paid their share and asked what is to be done about that. Ms. Rorrer noted that she will be talking with the resident again about this. Mr. Carter advised that Staff has worked with the County Attorney, who has given us a template for putting liens on people's property. He noted if need be, we will pursue this. Mr. Strong noted that this may be the appropriate approach. Mr. Bruguere asked if their service has been cut off, and Mr. Strong stated they do not have service. Mr. Strong noted the resident did sign an agreement stating he would pay his share of the community amount, which was \$1,516.68. Ms. Rorrer noted that the resident doesn't seem to be disputing the entire charge but wants us to adjust the charge.

### C. County Administrator's Report

Mr. Carter provided the following update:

Mr. Carter noted that we are essentially at the end of operation of the network and reiterated that everything is transferred over to CVSI now. He added Staff is now just finishing up with revenue collection.

Mr. Saunders asked what should be done about the fund balance. Mr. Rutherford noted that 85% of the county should be covered by CVEC and advised it would be appropriate to make plans for the remaining part of the county with these funds. He then asked Mr. Strong about the meeting that took place with County Staff, Mr. Harvey, AEP, and CVEC. Mr. Strong noted it was a productive meeting and Gary Wood wanted to manage expectations with what CVEC can do. He added he did have a question that came out of that meeting, noting that CVSI is a subsidiary of CVEC. He asked why CVSI would not be able to serve AEP territory, as they are separate and not CVEC. Mr. Carter noted that the revenue that CVEC/CVSI borrowed from USDA Rural Development is for the CVSI project, so that is their primary objective. He added that it was noted in the meeting that everyone is amenable to work it out, but CVSI's objective is to finish their project first and try to work with AEP over time, and maybe even before the 5 years is up. Mr. Carter advised that his suggestion is to take a wait-and-see approach for now and don't rush into anything. He added that Staff believes it will actually be about 92% of the county covered by CVSI. Also, the governor has increased his proposal for broadband funding. Mr. Carter suggested monitoring this and seeing if there are any grant opportunities, working with CVSI or independently, and seeing if we can get to that universal coverage/access without having to be super proactive right now. Mr. Strong noted that Mr. Wood did indicate that CVEC/CVSI would easily extend into AEP territory if there is somebody within 1,000 feet of the end of their fiber. Mr. Carter added that CVSI staff is actively pursuing grant opportunities, state and federal-wise.

Mr. Rutherford noted that there should be some continuous dialogue with APCO and CVEC moving forward. He suggested having another meeting with the two entities and two Board members to participate in this conversation. He added the ISPs should be included as well and suggested extending the conversation to telecommunicators like Verizon and AT&T to figure out how we can better serve those geographically difficult areas of the county.

January 14, 2020

Mr. Strong agreed and noted that since Verizon turned on, he has LTE service where he lives. He stated this is internet, and while it may not enable streaming live video very often, it will solve some of the problem for people who have smartphones but don't have fiber.

Mr. Rutherford reiterated that he would like to have another conversation with CVSI and get an update on their progress. Mr. Carter noted that in the previous meeting with CVEC, Mr. Wood asked for several months to continue to work on this, and he would report back as soon as he is in the position to do so. He added that Staff can contact him and ask about his status so the dialogue can be kept going.

Mr. Rutherford noted that he would like to see a conversation with the telecoms added into the broadband spectrum and asked Ms. Rorrer about getting in contact with the major providers such as Verizon.

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

There was no other business considered by the Board.

#### **VII. Adjournment**

At 1:30 PM, Mr. Strong moved to adjourn and Mr. Bruguiere seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call vote to approve the motion and the meeting adjourned.