

October 13, 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: Jesse N. Rutherford, East District – Chair
Gary W. Strong, Central District – Vice Chair
Thomas D. Harvey – North District
Larry D. Saunders – South District
Thomas H. Bruguire, Jr. – West District
Stephen A. Carter, County Administrator
Grace Mawyer, Secretary
Candice W. McGarry, Treasurer
Susan Rorrer, Director of Information Systems
Gary Wood, CEO of Central Virginia Electric Cooperative and Firefly Fiber Broadband

Absent: None

I. Call to Order

Mr. Rutherford called the meeting to order at 1:00 PM with all Members present to establish a quorum.

II. Public Comments

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

III. Consent Agenda

A. Resolution – R2020-04 Minutes for Approval

Mr. Strong moved to approve resolution **R2020-04** Minutes for Approval and Mr. Bruguire 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 R2020-04
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(August 11, 2020)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **August 11, 2020** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

IV. New/Unfinished Business
A. Treasurer's Report

Ms. McGarry reported the following:

Broadband Operations @ 9/30/2020

Beginning Balance 7/1/20	\$ 1,157,164.83
July -September 2020 Expenditures	\$ (4,679.15)
July-September 2020 Revenues	<u>\$ 41,349.35</u>
Subtotal	\$ 1,193,835.03
General Fund Transfer 7/1/2020	<u>\$ -</u>
Available Balance at September 30, 2020	<u>\$ 1,193,835.03</u>

Accounts Receivable Aging Summary as of October 7, 2020

Current	\$ 16,998.57	
1-30 days	\$ 12,404.96	<u>\$ 29,403.53</u>
31-60 days	\$ -	
61-90 days	\$ -	
> 90 days	\$ 3,302.54	<u>\$ 3,302.54</u>
Total	<u>\$ 32,706.07</u>	<u>\$ 32,706.07</u>

Note: \$29,403.53 is Current to 30 days and \$3,302.54 is >90 days

Revenues & Expenditures

On a preliminary Cash Basis, through September 30, 2020 Revenues, excluding amortized installation payments of \$26,016.48, exceeded expenditures by \$10,652.72. Including amortized installation payments, revenues exceeded expenditures by \$36,669.20

Mr. Bruguere referred to people who were hooked up on the Nelson County Broadband and still paying for that and have now switched to Firefly. He asked what would happen if they default on those payments. Mr. Carter noted that County Staff can go after them legally by either attaching a lien to the property or the

October 13, 2020

Treasurer can potentially attach a lien to the person's bank accounts. He added that Staff is not currently experiencing a lot of issues with the outstanding amortization obligations.

Mr. Saunders asked about the amount over 90 days to which Ms. McGarry had listed in the accounts receivable aging summary. Ms. McGarry noted that these are two accounts that have been on the books for a while, adding that Ms. Rorrer is working with them. Ms. Rorrer noted that these accounts should have been paid at this point, but she will double check and report back.

Mr. Harvey asked Mr. Wood if there is a process to be sure that customers are paid up with their bills if they wish to switch over from the County system to Firefly. Mr. Wood advised that Firefly does not have a process like this because those contracts are not with them. He noted that they have had a number of people who have asked about switching, but when they find out they still have a commitment, they usually stay with their provider. Mr. Harvey then asked if there is a way that the County can receive an inquiry if somebody has inquired to switch to Firefly. Mr. Wood noted that he would have to check with his attorney to be sure. Mr. Carter noted that Staff could provide Firefly with a list of those people who are still outstanding with the County.

Introduced: Update from CVEC/Firefly Fiber Broadband (G. Wood)

Mr. Wood noted that he is a resident of the East District and the CEO of Central Virginia Electric Cooperative and Firefly Fiber Broadband. He advised that the CVEC project is moving along well. They have completed all the initial installs on the 4,000+ passings out of Martin's Store, and they are connecting people out of their Colleen substation, which will run from where Martin's Store substation stops, which is at Davis Creek, and runs the rest of the way down to the County line at Tye River. He added this goes into Freshwater Cove and Stevens Cove and also goes into Piney River to their old substation and covers Montreal Village in Shipman. He advised this is 1200-1400 more homes they will be passing, and the fiber is in place and the splicing is underway. Mr. Wood then noted that they have started building fiber in Gladstone, and they have about 30% of the fiber up. In Piney River, most of the people who want service should have service over the next couple of months.

Mr. Wood then provided an update on the CARES Act projects. He noted these are in design and under way, and they do not yet have the VDOT permits for Piney River, Cabell Mountain, Shipman, and maybe Arrington. He noted that they do have the permit for the Gladstone connector from Colleen, and most of the work should be finished for that this week.

Mr. Wood noted that this week, they asked the County to submit two more CARES applications to the State, as the State set aside an additional \$30 million last week. He added that this is great news, however, those projects would have to be in service by December 25th, and it is really difficult to start in mid-October and finish by that date if they do not have a project ready to go. He advised that they knew this was coming, so they had a couple projects planned.

Mr. Wood stated that the first project is out of Piney River, and they have an agreement with AEP to be on their poles. They have found a route that takes very little work on AEP's part, and they will be on 114 of AEP's poles. Mr. Wood advised that only one of those poles will require one transformer to be turned a little bit. He noted that this will extend the Piney River area that they had first started with and run on Route 151 all the way up to Lane Ford Bridge and then Route 56 up to Fleetwood Community Center.

October 13, 2020

They will also be able to extend down Lowesville Road to Whitehead Drive. He advised this project will add about 84 more homes and businesses, and they are asking the State for the funding. He added that the County is working with them on the application.

Mr. Wood noted that the other area they are looking at for use of State funding is a feed up to the top of Sugar Loaf Mountain, as this would help with 911 reliability.

Mr. Wood advised that these two applications were sent in this morning, and the funding is first-come first-serve. He noted that they looked at some other options including Schuyler, which needs a hot spot, and the School Division has asked about a hot spot at the community center down there. He noted that they could get there off of AEP poles, but that would take some work on a few of the poles, and they just cannot get the timing done by year-end.

Mr. Wood stated that they would like to come back to the Board next month and review some options and talk about a plan to see if the County could help speed them up getting to a few areas. He advised that in return, if approved by his Board, they would commit access to gigabyte speed fiber service at every door in Nelson County, within a fixed time frame.

Mr. Saunders asked about the connection from Davis Creek to Colleen. Mr. Wood noted that they are splicing it now. He added that they will also go down Tye River Road, and they are waiting on the railroad crossing permit for the underpass. They have 120 splices to make on the other side of that underpass as soon as they receive permission to put the fiber up there.

Mr. Rutherford thanked Mr. Wood for his efforts on behalf of the Broadband Authority. He then noted that the Faber/Schuyler area is a lesser/moderate income demographic area, adding that those citizens are suffering. He stated that access to internet for academic reasons is very critical, especially getting to the other side of Stump Town and Salem/Rockfish River Road. He emphasized the need at these areas.

Mr. Wood noted that CVEC and Firefly is currently trying to prioritize Schuyler and Arrington because of the need, density, and demographics in those areas. He added that they may come back and ask the County for support to help get to those areas more quickly.

Mr. Harvey asked if they have any project plans for Taylors Creek. Mr. Wood noted that they know this is another area of need, and it's an area with AEP poles. Now that they have a pole agreement, he needs to look at what condition those poles are in. He advised that the areas that have newer construction do not take as much work, and CVEC/Firefly can get into those areas sooner. He added that AEP has plans to do a good bit of work in the county over the next couple of years, and CVEC/Firefly is coordinating with them and trying to help them prioritize where they are working.

Mr. Harvey asked about Dominion. Mr. Wood noted that Dominion has just a few homes at the top of Afton. He stated that if they can get on Dominion's poles, then they will try to get to those homes. If they cannot get on the poles, they will do it underground. He added that the top of Afton is not the easiest place to get underground. He noted that this area has about 30 homes on the Nelson side, and they will be sure those homes have that option. He emphasized that they are first focusing on CVEC customers as much as possible, other than the special opportunities for funding that have been discussed. Mr. Wood added that

October 13, 2020

they are moving toward more overhead construction in the CVEC areas, and all of the CARES Act funding project areas are utilizing underground work for the most part.

Mr. Rutherford suggested having a November NCBA meeting to discuss updates. Mr. Carter noted that it could be a special called session.

Mr. Wood noted that Firefly will have over 5,000 total connections this month and are on target to hit 7,000 by year-end, 15,000 next year, and 25,000 the next year. Mr. Rutherford asked how many of these connections will be in Nelson. Mr. Wood stated that he would have to obtain this figure, however, their largest substation area is Martins Store, and they are at about 2,200-2,400 connections. Out of those, about 90% are in Nelson County. He added that they also have the Midway substation, which serves both Nelson and Albemarle, and that has about 2,000 connections.

Mr. Bruguere asked what percentage of all CVEC customers are signing up. Mr. Wood stated that at initial signups, they will get 40-50%, and as they start building in an area, they increase to over 50%. They are reaching toward 60% in some areas. He noted that signups have reached 75% in three of their most remote areas in Albemarle, Louisa, and Fluvanna.

B. County Administrator's Report

Mr. Carter provided the following update:

Mr. Carter noted that Staff gave the Board the two applications that were submitted earlier, which Mr. Wood had referenced. He reiterated that these applications are for use of CARES Act funding, and it is first come first served.

Mr. Strong noted that internet speeds increased tremendously after the COVID outbreak started. He asked if Staff knows if this is a long term thing or temporary. Ms. Rorrer stated it is a long term thing. Mr. Strong added that he is still being served by Blue Ridge Internetworks (BRI). Mr. Wood noted that when CVEC/Firefly took over the network from the County, one of their commitments was to have it available to serve gigabit speed and also get the rates down. He noted that COVID was not the driving force, but the timing turned out this way, as it took them about six months to test and feel comfortable that they could deliver that speed across the entire network. Mr. Wood added that in May, they dropped the price for all wholesale providers to \$25 per month for 100-megabit symmetrical service and \$35 per month for gigabit symmetrical service. He noted that this is giving everybody the option to increase the speed, but it is up to the provider to make the change.

V. Other Business (As May Be Presented)

Mr. Rutherford noted that the Broadband Authority will definitely meet in November, adding that it is important to continue to be proactive as a Board in making sure more people are getting access to these internet speeds. He thanked Mr. Wood for his efforts in Nelson County, noting that it has been life changing to a lot of kids who are unable to go to school at this time as well as adults who are working from home.

October 13, 2020

Mr. Bruguere asked if it would be possible to use some of the Broadband funds in the case that they do not get the CARES Act money that they are hoping for. Mr. Carter noted that he believes this is the premise that Mr. Wood had referred to.

VI. Adjournment

At 1:35 PM, Mr. Strong moved to adjourn 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 the meeting adjourned.