

September 10, 2019

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, Lovingson 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 1:02 PM with 4 Members present to establish a quorum. Mr. Bruguire arrived at 1:09 PM.

II. Public Comments

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

III. Consent Agenda

A. Resolution – R2019-04 Minutes for Approval

Mr. Harvey moved to approve resolution **R2019-04** Minutes for Approval and Mr. Rutherford 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 R2019-04
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(July 9, 2019)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **July 9, 2019** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

IV. New/Unfinished Business

A. Network Operations Report

Ms. Susan Rorrer presented the following report:

I. Operational

- The network is currently serving 581 customers.
- There is currently 1 pending installation.

II. Administrative

- Verizon has completed the cellular site installation at Martin's Store. The site is not currently providing service. AT&T will begin their installation in the near future. The current lease amendment is under review by the County's attorney.
- The network transfer to CVSI is still pending.
- Staff has developed a Broadband coverage map for the County based on fixed wireless and DSL coverage information (Schuyler area only) provided on the Virginia Center for Innovative Technology's (CIT) Interactive Broadband Map (www.cgit.vt.edu/broadband) and the CVEC service area coverage information provided by CVEC. The accuracy of the fixed wireless coverage is not verifiable. Actual fixed wireless coverage (SCS Broadband coverage) information has been requested from SCS Broadband however to date no information has been received. It is assumed that the CIT Broadband map for fixed wireless coverage was developed based on information provided by SCS Broadband.

III. Financial

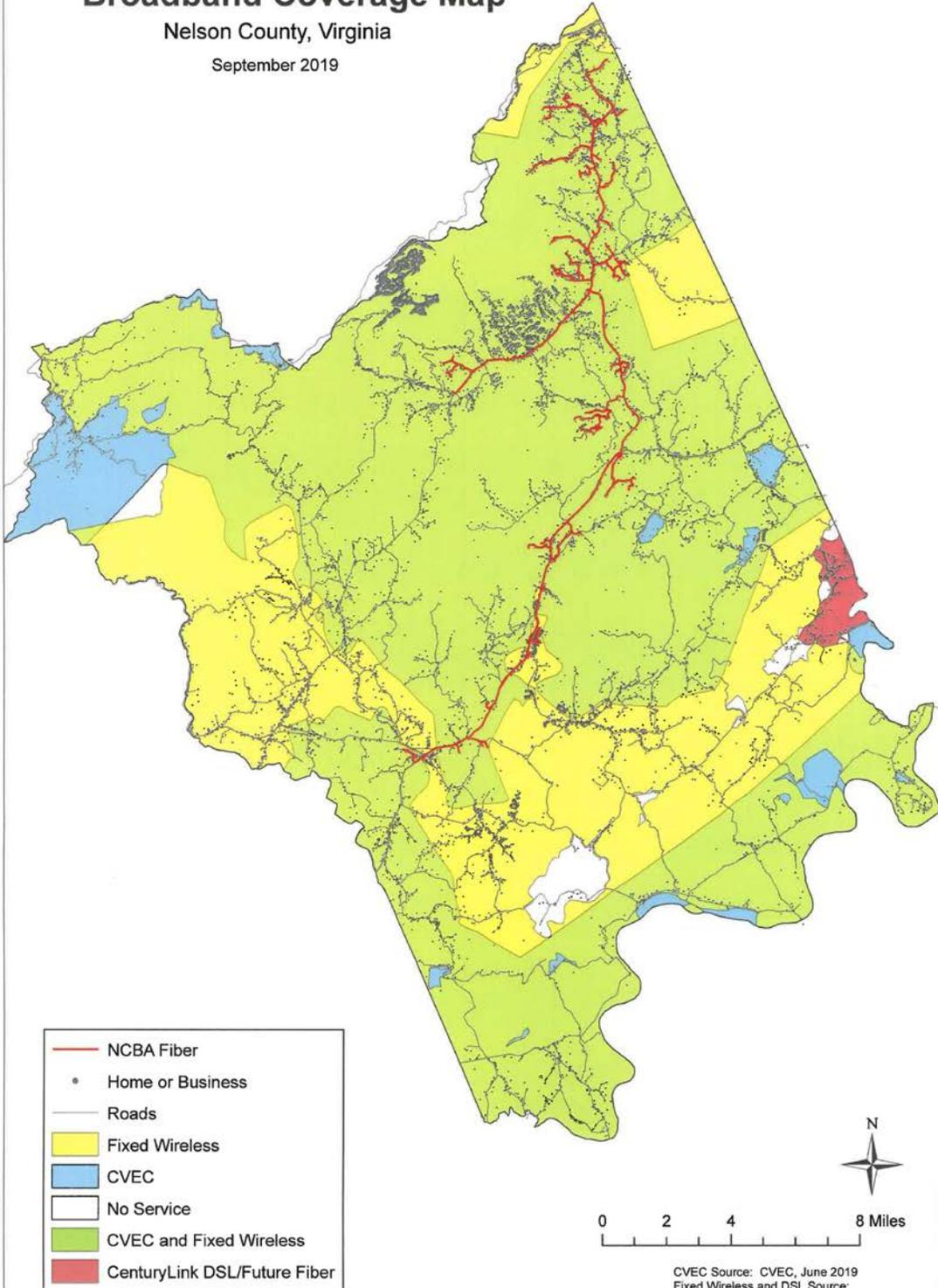
attached

Ms. Rorrer noted that they have developed quotes for 5 or 6 additional people who are still interested in service at this point, but things have slowed down quite a bit.

Broadband Coverage Map

Nelson County, Virginia

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Mr. Carter noted that Staff developed this map because when they tried to follow up on the Board's directive to facilitate a meeting with CVEC, AEP, and SCS Broadband, CVEC responded by stating that they would be willing to meet but had no new information to provide that we didn't already have. Also, they would not divulge anything that would be helpful to their competitors who would be included in the meeting. AEP stated they would be happy to come, but they had nothing to provide. They have a pending pilot project in Grayson County that has not been initiated, yet. Mr. Carter noted that Staff did not reach out to SCS once they received the two responses from CVEC and AEP. In lieu of this, he asked Ms. Rorrer to develop this map to show the Board the coverage in the county, present and future, so they could see how extensive it is in relation to their consideration of potentially constructing additional towers for wireless services. He noted that Staff did not include Nelson Cable because they overlap, but they are primarily in the Wintergreen community and a little bit along south 151 and 664. He stated Century Link was the recipient a few years ago of FCC Connect America 2 Funds, and they accepted the funds, so the red area on the map is one of their coverage areas.

Mr. Strong noted that before he had fiber installed in his neighborhood, they had Clay Stewart visit and do a walking tour. Mr. Stewart had stated that because of the trees, they would not be able to get coverage to the houses. Mr. Strong noted that most of Nelson County is covered by trees and he feels a disconnect in terms of what he claimed during that visit versus what this map shows. Mr. Carter noted that the areas on this map are what SCS reported to a state entity. Mr. Strong suggested maybe there are different frequencies for cellular and fixed wireless. Ms. Rorrer noted she believes it is a different frequency.

Mr. Carter noted that the Board may recall that the County partnered with CVSI on an application to one of the state agencies for Virginia Telecommunication Initiative (VATI) funding for the Gladstone area, and it would have been very helpful in the Gladstone community to help them get service faster than they will now. SCS sent a letter to DHCD stating they were already serving that area, and CVEC and the County responded saying this was not correct. CVEC wrote an extensive rejection of what SCS had reported to DHCD, but for whatever reason, the department decided not to fund the County's application. They funded a couple of other CVEC applications in Fluvanna and Albemarle Counties, but unfortunately, the residents in Gladstone will have to wait now because Staff does not believe they are extensively covered by SCS, regardless of what they claimed. Mr. Carter noted that Ms. Rorrer reached out to SCS at least 3 times to request this information, but they never responded.

B. Treasurer's Report

Ms. McGarry reported the following:

Broadband Operations @ 8/30/19

Beginning Balance 7/1/19	\$ 686,319.34
July -August 2019 Expenditures	\$ (32,818.62)
July-August 2019 Revenues	<u>\$ 137,704.33</u>
Subtotal	\$ 791,205.05

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General Fund Transfer 7/1/2019	<u>\$ -</u>
Available Balance 8/30/19	<u><u>\$ 791,205.05</u></u>

Accounts Receivable Aging Summary as of August 31, 2019

Current	\$ 24,036.79
1-30 days	\$ 24,229.75
31-60 days	\$ -
61-90 days	\$ 357.40
* > 90 days	<u>\$ 9,615.42</u>
Total	<u><u>\$ 58,239.36</u></u>

* NCC amount owed greater than 90 days on A/R Aging Summary was paid on 9/3/19

Mr. Bruguere asked when a customer gets cut off for nonpayment. Ms. McGarry stated she is not sure and added Staff is trying to collect after at least 90 days. Mr. Carter stated that the difficulty is if we turn them off, we turn all their customers off. Ms. McGarry agreed and added there is no actual turning off.

C. County Administrator's Report

Mr. Carter provided the following update:

Mr. Carter noted that Staff did meet recently with federal NTIA who advised that the request for approval from NTIA has moved from staff, and is recommended for approval, through legal counsel, recommended for approval. It is seemingly sitting on the desk of one of the assistant secretaries for NOAA, waiting for signature. He added Chris Holt from NTIA stated about 10 days ago that it should be a couple weeks, so Staff is just waiting for that approval to come. Mr. Carter noted that we already have approval from DHCD, so it's looking fairly good at this point, subject to something unforeseen. He noted in discussions with Mr. Holt, he related that one of the local service providers had actually, through Senator Kaine's office, tried to prevent the approval. Mr. Carter stated that Staff rebutted that and had a conference call with Senator Kaine's staff. His staff would not release the letter they received, but they did give us a letter back from NTIA stating the concern had been resolved and did not impact their recommendation for approval. Mr. Carter reiterated that Staff is just waiting to see when the letter comes forward from the federal government. He added that Staff has briefly spoken in the last few days with Mr. Wood of CVSI about moving forward again with meetings to effect the actual transfer once that federal approval comes forward.

V. Other Business (As May Be Presented)

Mr. Harvey stated he would like to discuss the connections that were financed. Mr. Carter stated that to date, Staff has decided to maintain WideOpen Networks to continue billing those people per their amortization schedules. He noted that Staff could write them letters asking if they would like to go ahead and pay it off.

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Mr. Saunders asked how many accounts are like this. Ms. Rorrer stated she knows the balance owed is around \$300,000 and it's probably at least 300-400 people who are still paying. The vast majority of people chose a 5-year contract. Mr. Harvey asked if somebody paid off their balance, would that still hold as an obligation to the provider. Mr. Carter stated that is between the provider and the customer. Mr. Strong advised he thinks it is important to find out from each provider what their arrangement is. He added that a question would be whether the amortization can be paid off and bought for whatever is left. Ms. Rorrer advised to keep in mind that over time, the exact language in the installation agreements has changed as far as penalties for early termination, so everybody should check to see what their particular agreement says.

Mr. Rutherford referenced the earlier conversation about fixed wireless and stated he knows that the fixed wireless is not sufficient in the Schuylers area. He noted he believes there needs to be some kind of action on our part to define what service they actually have. He added that he knows because of the trees, they may have service there in the winter but not the summer, but we need to be doing something better for the citizens.

Mr. Bruguere noted there is almost \$800,000 available in the Broadband Fund and asked how much fiber costs per mile. Ms. Rorrer stated about \$40,000-\$45,000 per mile.

Mr. Strong stated that we have been impacted by information that was not accurate being used against us in a sense by that information prohibiting CVEC from getting funds that would've assisted in providing coverage to Nelson residents. He reiterated that the information used to make that case was inaccurate and he also believes the information used for the map is inaccurate. He stated that one way around this is for WideOpen Networks, our contractor, to have a small team do a sampling of certain areas in the map. He added that by using an independent third party, there should be no bias, and the survey could be 5-10% of the population specifically chosen to cover the areas that are of concern.

Mr. Rutherford questioned if a survey really needs to be done and added he knows and can attest to these people not having internet because they complain to him regularly. Mr. Saunders noted he knows people in Arrington are greatly in need of something better.

Mr. Rutherford noted he thinks the NCBA still needs to have a meeting with CVEC and the parties that exist, and even if everybody doesn't know anything, they need to have that conversation. Mr. Harvey noted that NCBA doesn't have to meet with them all at one time, and Mr. Rutherford agreed. Mr. Carter stated he believes the key is to push forward with AEP to see what they may or may not do in the future once they finish this pilot project. He added if there can be cooperation between CVEC and AEP to use AEP's infrastructure, then about 100% of the county would have broadband access. He noted that AEP has an infrastructure project on the drawing board to upgrade the infrastructure in the county and will build 1-3 substations and then put new transmission lines in. It is probably 3-4 years away before they complete or start the project, but Staff has met with them, and they are definitely working on it.

Mr. Strong reiterated that AEP and CVEC need to cover the county. Mr. Carter encouraged working towards a partnership or agreement between AEP and CVEC, and he noted CVEC has stated they have already discussed it with AEP to some extent, but they want to finish their project first and AEP is just not far enough along, yet. He noted that AEP staff have told him they are amenable to working with CVEC if they can facilitate an agreement. He added that from his understanding and subject to confirmation is that

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AEP really does not want to be in the broadband business. Mr. Carter reiterated that he thinks engaging the two utilities is the best direction to go.

Mr. Rutherford suggested at least talking to CVEC to see if they have any recommendations. Mr. Harvey stated he would like to see the Board select two people to work as a small committee with Mr. Carter and maybe one or two others and meet to try to resolve some of these issues behind closed doors. By consensus, the Board selected Mr. Harvey and Mr. Strong to serve on the committee and Mr. Rutherford as an alternate.

VI. Adjournment

At 1:56 PM, Mr. Harvey moved to adjourn and Mr. Rutherford 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.