

September 11, 2018

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 - Vice Chair
Gary W. Strong – Central District
Thomas D. Harvey, North District
Thomas H. Bruguire, Jr. West District- Chair
Jesse N. Rutherford – East District
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. Bruguire called the meeting to order at 1:02 PM with all Members present to establish a quorum.

II. Public Comments & Presentations

A. Public Comments

1. Gary Wood, CVEC CEO and Representative for Firefly Fiber Broadband

Mr. Wood advised that CVEC was proceeding with the fiber project in Appomattox and anticipated they would start connecting those customers in November. He then noted that they had finished the fiber design for the first two circuits out of the Martin's Store substation. He noted that they were doing the electrical make ready design and that was done on the Nellysford circuit and the Wood's Mill circuit. He noted they would have the make ready contractor working on poles in Nelson in October with the fiber going up on the Nellysford circuit in late November/December. Mr. Wood noted that their goal was to get people connected soon after the first of year and he reiterated that after the Nellysford circuit they would do Wood's Mill and then the Afton circuits and they were extending fiber on their system for now to keep moving on the project.

Mr. Rutherford asked Mr. Wood to explain the Wood's Mill Circuit and Mr. Wood noted that it went down Route 6 then South on Route 29 and up Davis Creek, over to Stagebridge Road around to Wheeler's Cove and Laurel Road down to Elma just about into the back end of Shipman. He added that it went down to Faber but not as far as Schuyler and it also covered Faber Road and down Route 29 North to Covesville. He reiterated that would be the second circuit built. Mr. Wood noted that AEP served downtown Schuyler; however they had substations located around it.

Mr. Strong asked Mr. Wood to speak to the relationship between AEP and CVEC related to the rest of the County's citizens in the future. Mr. Wood advised that he had spoken to the other electric service providers

adjacent to them about areas just outside of their service territory. He noted that there were no final agreements on anything and he was uncertain if they would reach agreement on anything. He advised that AEP and Dominion both owed the State Corporation Commission (SCC) reports in early December on how they could help promote the expansion of rural broadband using their facilities. He added that was required by the State and they would see what came out of that. In conclusion, Mr. Wood noted they had ideas on how they could work well with others to expand into other areas but nothing was finalized.

III. Consent Agenda

A. Resolution – R2018-07 Minutes for Approval

Ms. McGarry noted that Mr. Strong had a question about the draft minutes and she preferred that consideration of approving the minutes be deferred until she had a chance to look into the matter. Members then agreed by consensus to defer consideration of resolution **R2018-07**, Minutes for Approval from the July 10, 2018 meeting.

IV. New/Unfinished Business

A. Network Operations Report

Ms. Susan Rorrer presented the report as follows:

I. Operational

Total Number of Connections on 6/30/2018:	570
Installations for July and August:	14
Total Number of Connections on 8/31/2018:	584
Pending Installations:	66
Total Customers on 6/30/2018:	650

II. Administrative

- Installation for the Sunrise Drive neighborhood is nearly complete.
- Installation for the following neighborhoods are scheduled to begin in the September - October timeframe:
 - o Blundell Hollow - 18
 - o Crawford’s View – 17

Ms. Rorrer noted that in relation to the pending installations, the majority of fiber drops had been run and they were waiting for drill shots to be done under the road which was the main hold up on connections. She noted once those were done, they would need fiber splicing and connection to the ONT. She added that there were thirty (30) people in that situation right now. She added that the other pending installations were

September 11, 2018

in the two neighborhoods to be installed. Ms. Rorrer advised that there were a few people on Sunrise Drive waiting for connection and Mr. Harvey confirmed there were two or three. Ms. Rorrer then noted that hopefully in the next thirty to sixty days the loose ends would be tied up other than Blundell Hollow and Crawford's View.

Mr. Rutherford noted that he and the other Members had received an email from a Mr. Reickert that had advised that it had taken four (4) months to get service and he asked if that was the fault of the contractor.

Ms. Rorrer noted it was and that the County had not had any success in finding other contractors that could deliver all of the installation pieces for the right price. She added that CCTS's costs were significantly lower than others and that S&N had wanted a paid crew in the County full time regardless if there was work to be done. Mr. Carter noted that both S&N and Mastec have said that the NCBA did not have enough business for them to come in and work for the County.

Mr. Saunders added that Mr. Reickert had indicated that he was not able to reach anyone to speak with and Ms. Rorrer noted that she had spoken with him a couple of times and that he had called the office and spoken with someone in their office. Ms. Rorrer inquired if he said in the email that he had tried to call Danny Beam directly and Mr. Rutherford noted that he stated he had called IT and the Contractor who had not contacted him back and he noted he did not care who was at fault and just wanted internet for his wife's job as it had been four months.

Mr. Harvey noted that some had been waiting in line for a year or more and he was not the only one. He then inquired if there was fiber on the old County's maintenance shop side of the road as his place was between that and Vito's. Ms. Rorrer confirmed there was and Mr. Saunders noted the address in question was 8301 Thomas Nelson Hwy. Mr. Harvey confirmed the house was beside the Houchens to the north on Thomas Nelson Hwy. Ms. Rorrer noted that they may have just gotten connected with service and they would check on it; however there was not much staff could do to speed things along but she would contact him.

Members then suggested staff contact Mr. Beam to see what was going on and Mr. Carter noted that they constantly pestered him; but they also understood there just was not enough business. He added that Mr. Beam was always on his timetable rather than the County's. Mr. Harvey noted that he thought he was working in Lovington and Ms. Rorrer advised that they were down to people who all had a unique challenge to getting their service in. She added that if there was a drill shot or a more extensive installation, they were put on the back burner. Ms. Rorrer then noted that one of Mr. Beam's men had marked the drill shots in the area to be done so she was hopeful they would be doing those soon.

Mr. Strong asked if staff got incident reports or regular reports from the contractor responsible for online network operations of any kind such as for outages. He then questioned if there was any substantive communication between them and staff that could be of importance to the NCBA. Ms. Rorrer supposed they could have them put that information in some type of report and she advised that usually she and Mr. Crane were aware if there was an outage. Mr. Strong noted it would be good for them to know how many outages have occurred and how they were handled. He noted that people called him when there was an outage asking how to get in touch with them. Mr. Harvey the advised that a customer's only contact should be with the Service Provider and the only time they would speak with the contractor was when their service was first being installed.

September 11, 2018

Mr. Harvey noted that the most recent outage was widespread and Mr. Carter noted it was a Lumos and SCS issue. He added that he had spoken to the network operator, WON directly and it was not the network that was down but rather it was a service provider issue. He added that was what typically happened, it was an ISP issue and not the network.

Mr. Strong noted that he was hoping to hear more about a community wide outage where Ting had lost their domain name service and didn't know it until they got calls from customers. He added that it was confusing to people and he also got calls. He noted that Ting had called him back and relayed that it was a domain name service issue that was fixed within hours.

Mr. Carter noted that was not a network issue but Mr. Strong supposed that the network operator would have probably known about it. Mr. Harvey agreed that they would be the first ones to know. Ms. Rorrer supposed that would have to be on something they were actually monitoring to see it. Mr. Harvey agreed but noted that if they were called, they would look at it and figure out where the problem was.

Mr. Strong suggested that getting some kind of communication was something to think about. Mr. Carter advised members that if they heard of any issues, they could call staff and they would check on it. He added they could also report it to the ISPs.

B. Treasurer's Report

Ms. McCann then reported the following:

BROADBAND FUND @ 8/31/2018

OPERATIONS

Beginning Balance 7/1/2018	\$192,666.56
July-August 2018 Expenditures	\$ (50,014.83)
July-August 2018 Revenues	<u>\$ 56,430.85</u>
Subtotal	\$ 199,082.58
General Fund Transfer 7/1/2018	\$100,000.00
Available Bank Balance @ 8/31/2018	\$299,082.58

Mr. Bruguere inquired what would happen with those funds once CVEC took over the network and what expenditures would be left. Ms. McCann noted that once the pending customers were connected, they would be billed for those installations and those funds would be depleted quickly. Mr. Carter advised that unless the Authority was dissolved, they would still have to keep funds and the County would still have the towers. Mr. Strong added that they would still have non-CVEC customers to potentially serve.

C. County Administrator's Report

Mr. Carter noted staff was working with Mr. Payne on the transfer of the network to CVEC. He added there was no timeframe and they were working towards meeting NTIA requirements.

Mr. Carter reported that staff had met with DHCD staff on other matters and when asked about transferring the network, they said that if NTIA approved the transfer, they would as well. He added that the request could be a one page letter to that effect.

D. Proposed Changes to Rate Schedule-Add Dark Fiber Leasing and Remove Installation Discount and Amortization (**R2018-08**)

Ms. Rorrer noted that staff proposed a simple change after deciding it would be beneficial to add dark fiber operating leases back into the rate schedule. She noted the proposed language as follows:

Add:

Dark Fiber Operating Leases:

The NCBA will have a limited number of fibers available for dark fiber leasing at an annual rate of \$1,250 per leased fiber per mile. The minimum number of miles per fiber is five miles. Initial fiber leases will be leased on an annual basis for a period of not less than one year and not more than two years.

If available, NCBA will allocate a maximum of 24 NCBA fiber strands in any given cable for dark fiber leases. No single provider may lease more than 8 dark fiber strands allocated in any cable.

Dark fiber operating leases will be available only to broadband service providers who provide, or intend to provide, broadband services in Nelson County.

Ms. Rorrer noted it went back to the original leasing terms, placing a minimum # miles and lease terms, and identifying the number of fiber strands that would be available. She added that the proposal formally removed the nonrecurring charges and discounts from the rate schedule.

Mr. Strong noted that the numbers were concerning to those that had the final mile. He noted that the NCBA says they could limit the number of fibers leased and hopefully would since the community has paid for it and it would reserve bundles so as not to be split too far. He noted he would like to see language concerning that included. Ms. Rorrer noted that staff had briefly discussed that question and were considering having the dark fiber operating leases only apply to backbone fibers and not the laterals that were installed into neighborhoods and Mr. Strong agreed that would cover his concern.

Ms. McGarry added that the resolution provided for the public hearing to be held on December 11th at 1pm should the Authority move forward with amending the rate schedule.

In response to questions, Mr. Carter advised that the resolution allowed the changes to go forward pending formal approval and he noted the changes would be helpful to CVEC and the transfer of the network.

Mr. Rutherford asked if they needed the amended language now and Mr. Carter advised that staff would revise it and have it presented at the public hearing. He added that they did not anticipate that Mr. Strong's concern would come to the forefront; however it would be addressed at the public hearing.

September 11, 2018

Mr. Strong then moved to approve resolution **R2018-08** with the discussed modification 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 following resolution was adopted:

RESOLUTION R2018-08
NELSON COUNTY BROADBAND AUTHORITY
AMENDMENT OF ESTABLISHED SCHEDULE OF RATES, FEES AND
CHARGES AND AUTHORIZATION FOR PUBLIC HEARING FOR
THE ADDITION OF DARK FIBER LEASING & ELIMINATION OF
INSTALLATION DISCOUNTS & AMORTIZATION

WHEREAS, Pursuant to §15.2-5431.25 (B) and (C) of the Virginia Wireless Service Authority Act, the Nelson County Broadband Authority may fix and revise rates, fees and other charges after a public hearing at which all of the users of such facilities; the owners, tenants or occupants of property served or to be served thereby; and all others interested have had an opportunity to be heard concerning the proposed rates, fees and charges; and

WHEREAS, after the adoption by the authority of a resolution setting forth the preliminary schedule or schedules fixing and classifying such rates, fees and charges, notice of a public hearing, setting forth the proposed schedule or schedules of rates, fees and charges, shall be given by two publications, at least six days apart, in a newspaper having a general circulation in the area to be served by such systems at least 60 days before the date fixed in such notice for the hearing,

NOW, THEREFORE, BE IT RESOLVED, by the Nelson County Broadband Authority that the schedule fixing and classifying proposed rates, fees, and charges is amended as follows:

Add:

Dark Fiber Operating Leases:

The NCBA will have a limited number of fibers available for dark fiber leasing at an annual rate of \$1,250 per leased fiber per mile. The minimum number of miles per fiber is five miles. Initial fiber leases will be leased on an annual basis for a period of not less than one year and not more than two years.

If available, NCBA will allocate a maximum of 24 NCBA fiber strands in any given cable for dark fiber leases. No single provider may lease more than 8 dark fiber strands allocated in any cable.

Dark fiber operating leases will be available only to broadband service providers who provide, or intend to provide, broadband services in Nelson County.

Remove:

Non-recurring charges (NRC) are those costs incurred in connection with the installation of the fiber drop and ONT. The customer will be responsible for the payment of these costs on the following terms.

NRC not exceeding \$1500 will be discounted as follows: Term of Contract

Discount

12 months	none
24 months	10%
36 months	20%
48 months	35%
60 or more months	50%

The undiscounted balance of NRC together with any NRC in excess of \$1500 may be amortized over the term of the original contract.

BE IT FURTHER RESOLVED, that the Nelson County Broadband Authority does hereby authorize a public hearing to be held on the proposed revised schedule of rates, fees, and charges on **December 11, 2018** as prescribed by §15.2-5431.25 (B) of the Virginia Wireless Service Authority Act and hereby resolves that the proposed amended schedule of rates, fees, and charges shall be in effect for the interim period until formally approved.

V. Other Business

A. Cancellation of November Meeting and Establishment of Alternate Meeting Date in December (**R2018-09**)

Mr. Carter advised that they could not have the public hearing on the rate schedule on the November meeting date due to the notice requirements; therefore staff proposed that the November meeting date be cancelled and the meeting rescheduled for 1pm on December 11, 2018 just prior to the regular Board of Supervisors meeting. Ms. McGarry noted another issue was that the November Board of Supervisors meeting would likely be changed due to the VACo conference which made those dates a little fuzzy, therefore staff went with December.

Mr. Harvey then moved to approve resolution **R2018-09**, Cancellation of November 2018 Regular Meeting and Establishment of Alternative Meeting Date. Mr. Rutherford seconded the motion and 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 R2018-09
NELSON COUNTY BROADBAND AUTHORITY
CANCELLATION OF NOVEMBER 2018 REGULAR MEETING
AND ESTABLISHMENT OF ALTERNATE MEETING DATE

WHEREAS, the Nelson County Broadband Authority hereby establishes that cancellation of the Authority's regular monthly meeting on November 13, 2018 is necessary due to the attendance of some members of said governing body at the annual conference of the Virginia Association of Counties through November 13, 2018;

NOW THEREFORE BE IT RESOLVED, by the Nelson County Broadband Authority that the regular meeting of the Authority on Tuesday, November 13, 2018 be and hereby is cancelled and an alternate meeting date of Tuesday, December 11, 2018 at 1:00 pm is hereby established.

September 11, 2018

B. Introduced – Network Operator (WON) and Installation Contractor Reporting

Mr. Rutherford noted he would love to get reports either written or in person from the Network Operator, WON and or the installation contractor at the NCBA meetings and Members agreed by consensus for staff pursue that.

VI. Adjournment

At 1:30 PM, Mr. Strong moved to adjourn and Mr. Saunders seconded the motion. There being no further discussion, Members voted unanimously by voice vote to approve the motion and the meeting adjourned.