

September 12, 2017

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: Thomas D. Harvey, North District – Chair
Allen M. Hale, East District
Thomas H. Bruguere, Jr. West District- Vice Chair
Larry D. Saunders, South District
Gary W. Strong – Central 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. Harvey called the meeting to order at 1:05 PM with all members present to establish a quorum.

II. Public Comments

1. Ashley Johnson, James River Rd, Shipman

Ms. Johnson related that for the past six (6) years, she has had SCS broadband services; however in the past couple of months they have struggled to maintain the service due to tree growth. She noted that she lives at the bottom of Eagle Mountain in Shipman and had a signal, whereas her neighbors higher up have not. She then noted that her impression from SCS was that a push was made for the Broadband project and not for bringing in Internet Service Providers. She added that if you lived outside of the Route 151 corridor or in a less populated area, there had been no growth in broadband. Ms. Johnson noted that she has teenagers and Internet service was a popular topic. She noted that the schools provided laptops to the students to do homework and broaden their knowledge through the Internet allowing for a more fast paced education. She then stated that it was unfortunate for youth in a rural county to not have the same opportunities as others in more populated areas. She then noted that the County/Authority should not stop others from coming in to provide service if the broadband project was not continuing to expand.

In response to questions from Authority members, Ms. Johnson clarified that the tree growth between her home and the radio signal has prevented their receiving Internet service now and that there was nothing else SCS could do because of the tree growth. She added that she was in the same location and had not moved. She noted that Excede Satellite was their only other option and she had Verizon but DSL was not available.

Mr. Harvey noted that the only way to get Internet to that part of the County was by wireless and he agreed that they needed to put more attention in that area. He added that they could reach a lot more with wireless

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solutions because it would not work to run fiber if the area was not densely populated. He noted that was the direction the NCBA was leaning towards in getting service to the kids.

Ms. Johnson noted that they could go to the Library to use the Internet; however there were no other opportunities/spaces available for that.

Mr. Carter then clarified that neither the Authority nor the County were preventing anyone from providing Internet services and Mr. Harvey added that it was a wide open network that anyone could use to provide services.

Ms. Rorrer then noted that the County has had interest from a handful of companies but it has never gotten off the ground and starting from scratch was carefully considered. She added that the best thing the Authority could do was to work with SCS to place infrastructure in order to help them expand services more quickly.

Mr. Strong advised that the Authority has discussed a hybrid approach and he questioned the population density where Ms. Johnson lived. It was noted that she lived a few miles from the Shipman train tracks where there were more clusters of homes.

Mr. Hale advised that he had the same situation as Ms. Johnson and he had to use satellite service. He suggested that in areas that did not have service; that they begin to develop a list of potential customers, including name, address, and email as he had begun doing in the Faber area. He added that the biggest issue they had was the terrain and forest cover. He noted the terrain to be very rugged with houses tucked around in various places. He then questioned if you had to have a direct line of site to residences from towers and Ms. Rorrer noted that was best; however there was some capability to go through trees at a short distance. She advised that she had service with SCS and it shoots through trees to her home; however their service had declined in the summer. Mr. Hale then noted that he hoped that if there were a large number of customers ready to sign up, a wireless service provider would take notice. He emphasized that the Authority was very much interested in getting better Internet access to that area; but noted it was very challenging.

Mr. Carter then advised that both the Authority and the Board had revised the rate structure favorably for wireless providers; showing that there was an effort to try to facilitate services in the county.

Ms. Johnson then indicated she would be willing to contact neighbors in her area to get their contact information.

Mr. Harvey then noted that fiber should be able to be deployed to the Shipman area, getting it as far as those homes and then from that point, towers may be needed. He supposed that they would have customers if they put it in. He added that it took numbers to get it done and noted there were different ways to do it. He advised that the best thing to do was to go to the GIS website and count homes in the area to see the potential customers. He noted that in the north district, they were reaching 90% participation on the roads they were doing. He added that it took someone from the public to put the leg work together.

Ms. Rorrer then noted that she could get CCTS to run something that could tell how many houses were in the area. Mr. Harvey stated it was a workable project and Mr. Carter advised that staff could meet with her to discuss the process.

Ms. Rorrer then added that SCS was deploying wireless LTE technology and that may be better at reaching people. She stated that they should enter into discussions with SCS to get that deployed in various areas of the County. Ms. Rorrer noted that Shipman was a challenge because many of those customers were satisfied wireless customers. Mr. Harvey noted that they had to do something for SCS to expand beyond those customers near the road and Ms. Rorrer noted they had seen the benefit of switching some wireless customers to fiber.

III. Consent Agenda

A. Resolution – R017-06 Minutes for Approval

Mr. Hale moved to approve the consent agenda 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 R2017-06
NELSON COUNTY BROADBAND AUTHORITY
APPROVAL OF MEETING MINUTES
(July 11, 2017)**

RESOLVED, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **July 11, 2017** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

IV. New/Unfinished Business

A. Network Operator’s Report

Ms. Susan Rorrer presented the report as follows:

I. Operational

Total Number of Connections on 6/30/17:	344
Installations for July and August:	24
Pending Installations:	175
<u>Total Customers on 8/31/17:</u>	<u>543</u>

Ms. Rorrer noted that the majority of the pending installations were in five (5) neighborhoods and staff was working with Wide Open Networks to update databases for the accuracy of the total customer count.

II. Administrative

- Installation of the backbone and drops for Woods Mill neighborhood have been completed with a total of 20 customers.
- The VDOT permit for New Land neighborhood has been received and work has begun. It is estimated that the installation will be complete in 5 to 10 business days.
- Drawings are being completed for the Glass Hollow and Tanbark neighborhoods.
- Three additional neighborhoods are pending installation.

Mr. Harvey noted that in relation to bullet #3, they had acquired easements from property owners now and that VDOT required drilling which doubled the cost. He noted that they had the first mile or more done on easements; which meant that 70-80% of the installation would be on private right of ways.

Ms. Rorrer suggested that going forward, they may want to put the easement document out with the other paperwork so it was collected at same time and then it would be done. Mr. Harvey noted that if those could be obtained, it was so much easier to deal with property owners. He added that Glass Hollow should come up cheaper than anticipated now and CCTS was supposed to start on Thursday.

III. Financial

Attached

B. Treasurer's Report

Ms. McCann reported the following:

BROADBAND FUND @ 8/31/2017

OPERATIONS

Beginning Balance 7/1/2017	\$103,653.40
July-August 2017 Expenditures	\$ (81,233.34)
July-August 2017 Revenues	\$ 32,397.34
Subtotal	\$54,817.40
General Fund Transfer 7/1/2017	\$200,000.00
Available Bank Balance@ 8/31/2017	\$254,817.40

Ms. McCann reported that July and August had not been billed yet and the preliminary report from WON showed \$62,000 in estimated outstanding accounts. She noted ISPs were behind. Mr. Hale then supposed that the July-August collection could be brought up about \$90,000 in revenues. Ms. Rorrer added that staff and WON were trying to flesh out who owed what and what had or had not been billed.

Mr. Harvey related that people were contacting him about not getting billed. Ms. Rorrer noted that in the last few months of Ting being the network operator, the billing had not been done timely and WON was trying to reconcile accounts before they began billing.

Ms. McCann then noted that the outstanding amounts covered a 3-4 month period and that once WON got going, staff would have a better grasp on what the regular income would be. Mr. Carter emphasized that there was intense focus to get the reconciliation done and they were making progress.

Mr. Harvey then supposed in reality, they would probably get \$50,000 per month.

C. County Administrator's Report

1. Request for Proposals for Outside Plant Services: While County staff continue to be concerned with the timeliness and quality of installation work of the current OSP contractor, CCTS, in lieu of requesting the Authority Board to authorize the issue of a Request for Proposals to solicit OSP services, inclusive of an objective of retaining at least two OSP contractors, staff have conferred with CCTS's principal who has agreed to provide a completion schedule for the balance of work that is currently pending completion (i.e. 175 installations are currently pending completion, see S. Rorrer's Report dated 9-12-17). As such, staff recommends that a decision on authorizing an OSP RFP be deferred until the Board's November, 2017 meeting at which time CCTS's progress can be evaluated and a decision made based on this progress in relation to a decision to authorize issuance of an RFP. Deferring this decision until November will provide a degree of security from CCTS simply giving notice and leaving the Authority in an uncertain position, etc.

Mr. Strong noted that from his experience of when CCTS put the network in his neighborhood, when an Authority member was talking to Danny, the work got done and when they were not, it did not. Mr. Carter noted he wanted to see the work done timely; noting that the Authority was paying CCTS and when he was not connecting people, revenue was not coming in.

Mr. Hale noted that those waiting the longest should be done first.

Mr. Harvey explained that there were projects that CCTS had that they wanted to get done; noting Woods Mill and Adial for example. He added that he thought the Authority would see reality when an RFP was put out. He noted that the price charged was a percentage of what most localities were paying for the same service and he did not think other outside plant contractors would get out in the field and solve problems. He added that Mr. Beam had been beneficial to the County.

Mr. Carter then related that the 175 pending installations had been waiting since last November. Mr. Harvey disagreed and he described the process of working with VDOT on projects had taken a long time. He advised that Glass Hollow may be finalized in March. He noted that they could not try to get VDOT permits because they had to find out the customer base and how to make it work before getting those permits. He added that the people he had dealt with were antsy and wanted it tomorrow but were understanding. He added it was like doing a gravel road in the winter time.

Mr. Strong noted that he did not think the issue was Mr. Beam as he tried to do the right thing. He noted he thought the problems were below Danny and noted that they had cut a marked Verizon telephone line twice in their neighborhood.

Mr. Bruguere noted he thought the orders for service should be done within 30 days and Mr. Harvey advised that it could not be done that quickly. Mr. Bruguere added that things were taking too long.

Mr. Saunders agreed that it should not take ten months to get the service. Mr. Harvey added that he knew the process and they had no idea what it took. Mr. Saunders countered that he had worked with permitting for years and it did not take this long to get the work done.

Mr. Hale then noted he agreed with Staffs' recommendation to defer issuing an RFP and see if things improved. He added that putting out an RFP would not suddenly change everything and he was amenable as long as CCTS was working on things and staff pushed him to overcome problems. Mr. Harvey advised that if a person was already along the backbone, then the connection happened more quickly and conversely, when going back for miles from it, they had to put the pieces together and it took time.

2. Leasing of Dark Fiber: County staff have moved forward with advertising the proposed amendment(s) to the broadband network's rate schedule to provide for the inclusion of the leasing of dark fiber. Subsequent to the Board's authorization to proceed with the rate amendment advertisement, both Nelson Cable and Shentel contacted County staff to make inquiry on leasing dark fiber with an objective of doing so as immediately as possible. However, as County staff have previously cautioned and recommended against leasing dark fiber, both companies are seeking the ability to use any leased dark fiber not to provide service for a point to point connection, but, rather, to utilize the dark fiber to establish multiple access points to then be able to serve customers from the leased fiber instead of from the NCBA network as an Internet Service Provider. County staff conferred with Dr. Andrew Cohill of Design Nine on this subject on 9-8. Among Dr. Cohill's comments (using Shentel as the reference) to County staff were that Shentel would never allow another company to do what it has proposed and, secondly, to enable Shentel to utilize leased dark fiber to establish multiple (services) access points would "be stupid".

County staff requested written comment from Dr. Cohill (attached hereto). In the interim prior to the Board's November meeting (the rate schedule amendment is scheduled for the November session), County staff will not facilitate the leasing of dark fiber. And, County staff in conjunction with the Authority will either add language to the current dark fiber leasing provisions to deter what Nelson Cable and Shentel have proposed and/or again recommend that the leasing of dark fiber simply be tabled (not approved).

3. Network Operations: Wide Open Networks (the new/current Network Operator) is continuing to reconcile customer accounts and establish them in customer management system data base. Once completed, including any invoicing of accounts that have outstanding balances, WON will maintain the CMS in a current status (which was a recurring issue with Ting). The current reconciliation is nearly completed.

4. Network QA/QC/Inspections: County staff have conferred with Design Nine/Wide Open Networks on development of a Quality Assurance/Quality Control/Inspection checklist for use in confirming network installations. The checklist is pending but is understood to be in progress.

5. VDOT Permitting: County staff have conferred with Design Nine/Wide Open Networks for provision of assistance with VDOT permitting due to the difficulty that has been experienced in the timeliness and difficulty CCTS has experienced in obtaining VDOT permits for network expansion work. A proposal from CCTS is pending receipt.

Mr. Carter noted that this would be an engineering firm contracted with through D9 for their services and it would be part of the evaluation in November.

6. Fiber Management: County and WON staff are working towards purchasing a fiber (strand) management program to provide for a data base to be maintained for fiber/strand management. This work is also in progress.

The above subjects are considered important decisions or next steps for the NCBA network.

V. Other Business (As May Be Presented)

Introduced: Work Session

Mr. Bruguere noted the need for a work session for the Authority and Internet Service Providers (ISPs) in order to determine how to help Ms. Johnson and how to move forward more quickly than they currently were. He added that they needed to look at this and start funding it as he felt they were dragging their feet a bit.

Mr. Hale agreed and for example, in the Faber area, Design Nine and SCS could advise where to put a tower in order to reach the maximum number of people and they could nail down specific areas to expand.

Mr. Strong noted that he thought they needed to explore the hybrid approach with ISPs.

Mr. Carter agreed but noted that the obvious constraint was having the capital to do it and that was what was holding them back. Mr. Hale noted he thought the capital could be found and the County would have funds from the sale of the old Lovingson Healthcare Center building. Mr. Carter noted that the expansion could be designed and the needed funding determined with a focus on concentrated areas. Mr. Bruguere added that they needed to nail down funding and do something. Mr. Carter advised that there were low interest loans out there but no grants really.

Mr. Harvey asked if they could not work with an ISP and if they would have to go through Design Nine and WON and Mr. Carter advised that it depended upon the Authority and the Board working together, since other ISPs have shown no interest in serving residents.

Mr. Hale asked if they could have a work session before the next Authority meeting in November and invite SCS and Nelson Cable to attend. Mr. Harvey noted that the Authority needed to put as much effort towards wireless solutions as they had fiber.

Following discussion, the consensus was to have a called meeting for this work session.

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VI. Adjournment

A 2:00 PM, Mr. Saunders moved to adjourn the meeting and Mr. Hale seconded the motion. There being no further discussion, Members voted unanimously by roll call vote to approve the motion and the meeting adjourned.