

# NELSON COUNTY BROADBAND AUTHORITY

P.O. Box 336 • Lovingsston, VA 22949-434-263-7000 • Fax 434-263-7004

## MEMBERS

Thomas H. Bruguire, Jr.  
Jesse N. Rutherford  
Thomas D. Harvey  
Larry D. Saunders  
Gary W. Strong

## OFFICERS

Amanda B. Spivey, Secretary  
Candice W. McGarry, Treasurer

**AGENDA**  
**NELSON COUNTY BROADBAND AUTHORITY**  
**JANUARY 11, 2022**  
**THE MEETING CONVENES AT 1:00 P.M.**  
**IN THE GENERAL DISTRICT COURTROOM**  
**OF THE COURTHOUSE IN LOVINGSTON, VIRGINIA**

- I. Call to Order**
- II. Public Comments**
- III. Reorganization, Election of Officers, and 2022 Meeting Schedule**
  - A. Chair & Vice Chair**
  - B. Secretary & Treasurer**
  - C. 2022 Meeting Schedule**
- IV. Consent Agenda**
  - A. Resolution – R2022-01 Minutes for Approval**
- V. New/Unfinished Business**
  - A. Treasurer’s Report**
- VI. Other Business (As May Be Presented)**
- VII. Adjournment**

BYLAWS OF THE  
NELSON COUNTY BROADBAND AUTHORITY  
A VIRGINIA NONSTOCK CORPORATION

ARTICLE I  
OFFICES

The principal office of the Nelson County Broadband Authority (the “Authority”) will be located at the office of the County Administrator, Nelson County, 84 Courthouse Square, Lovingston, Virginia 22949. The authority may have such other offices as the Authority Board (the “Authority Board”) may determine from time to time.

ARTICLE 2  
AUTHORITY BOARD

The Authority Board will have five (5) members.

The initial members of the Authority Board shall be the members of the Board of Supervisors, whose terms of office shall be concurrent. The terms of office of the initial members will begin on the date the Certificate of Incorporation or Charter is issued by the State Corporation Commission and will continue for one (1) year.

Henceforth, The Authority shall be comprised of five (5) members appointed by the Board of Supervisors and there shall be one (1) appointee from each election district. Each succeeding member appointed by the Board of Supervisors, shall serve from July 1 until four (4) years hence on June 30 when their term shall expire. Any person appointed to fill a vacancy shall serve the unexpired term of the member being replaced. Board members shall continue to sit beyond the expiration of their term until such time as their successor may be appointed; however, the successor's term shall not be extended by such delay.

ARTICLE 3  
GENERAL POWERS AND MEETINGS

- 3.1 GENERAL POWERS. The affairs of the Authority will be managed by the Authority Board, who will conduct its business in public meetings as provided by state law, the Authority’s Articles of the Incorporation, and these Bylaws.
- 3.2 REGULAR MEETINGS. At the Authority Board’s first meeting, it will establish a time, place and location of its meetings. The members of the Authority Board may provide, by motion and recorded vote, the time and place for holding additional regular meetings.

Additional regular meetings will be held at the principal office of the Authority or at such other place as may be designated by the Authority Board.

- 3.3 SPECIAL MEETINGS. Special meetings of the Authority Board may be called by or at the request of the Chairman or any two (2) members and will be held at the principal office of the Authority or at such other place as the members may determine.
- 3.4 NOTICE OF SPECIAL MEETINGS. All notices for special meetings shall be in accord with the provisions of the Virginia Freedom of Information Act (“VFOIA”) at such time, as well as any other applicable state law.
- 3.5 QUORUM. A majority of the members of the Authority Board will constitute a quorum for the transaction of business at any meeting of the Authority Board, but if less than a majority of the members are present at any meeting, then a majority of the members present may adjourn the meeting from time to time without further notice.
- 3.6 BOARD DECISIONS. An act of majority of the members of the Authority Board present at a meeting in which a quorum is present will be an act of the Authority, unless the act of a greater number is required by law or by these Bylaws.
- 3.7 COMPENSATION. Members of the Authority Board as such will not receive any stated salaries for their services, but will receive such compensation as may be fixed from time to time by resolution of the Board of Supervisors and will be reimbursed for any actual expenses necessarily incurred in the performance of their duties. Nothing in these Bylaws will be construed to preclude any member of the Authority Board from serving the Authority in any other capacity and receiving compensation for serving in that capacity, unless the service and compensation violates the law.
- 3.8 VACANCIES. No vacancy in the membership of the Authority Board will impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. If a vacancy on the Authority Board occurs by reason of the death, disqualification or resignation of a board member, then the Nelson County Board of Supervisors will appoint a successor to fill the unexpired term.
- 3.9 ABSENCES. If an Authority Board member should miss three consecutive Board meetings, or five such meetings at any time in a calendar year, then he shall have been deemed to have resigned and the seat shall be vacant until filled by the Board of Supervisors.
- 3.10 MEETINGS OF AUTHORITY BOARD AND COMMITTEES. The Authority Board and all committees of the Authority Board are subject to the requirement of the VFOIA.

ARTICLE 4  
OFFICERS

- 4.1 OFFICERS. The officers of the Authority are a Chairman, a Vice Chairman, a Secretary, a Treasurer, and such other officers as may be elected in accordance with this Article 4. No two (2) or more offices may be held by the same person, except the offices of Secretary and Treasurer. Neither the Secretary nor Treasurer need be members of the Authority Board.
- 4.2 ELECTION AND TERM OF OFFICE. The officers of the Authority shall be elected annually by the Authority Board at its annual meeting. If the election of officers is not held at the annual meeting, then the election will be held as soon thereafter as is convenient. New officer positions may be created and filled by the Authority Board by amendment to these Bylaws. Each officer will hold office until his successor has been duly elected and qualifies, even if such term of office extends beyond the date of the annual meeting.
- 4.3 REMOVAL. Any officer elected or appointed by the Authority Board may be removed by the Authority Board whenever in its judgment the best interests of the Authority would be served thereby.
- 4.4 VACANCIES. The Authority Board may fill a vacancy in any office because of death, resignation, removal, disqualifications, or otherwise for the unexpired portion of the term.
- 4.5 POWERS AND DUTIES OF OFFICERS.
- (A) Chairman. The Chairman of the Authority will preside at all meetings of the Authority Board at which he is present. The Chairman also will discharge such other duties as the Authority Board may direct. The Chairman will sign or countersign all instruments that require his signature and will make such reports and perform such other duties incident to his office as required of him by the Authority. Subject to such limitations as the Authority Board may propose, and subject further to the exception of signing or countersigning all instruments that require the Chairman's signature, the duties of the Chairman may be discharged by employees of the Authority except for presiding at meetings of the Authority Board.
- (B) Vice Chairman. In the absence or disability of the Chairman, the Vice Chairman will exercise all of the Chairman's responsibilities and functions.
- (C) Secretary. The Secretary will (i) maintain custody of the corporate seal and books, (ii) issue notices of all meetings of the Authority Board, and (iii) keep the minutes of all meetings of the Authority Board. The Secretary also will keep

proper records of the contracts, deeds, records, publications, and property belonging to the Authority, including the Articles of Incorporation, Charter, Bylaws, and amendments to those documents. The Secretary will sign or countersign to attest to any instruments that so require his signature. The Secretary will make such reports as the Authority Board may require. The Secretary will discharge such limitations as the Authority Board may propose. The duties of the Secretary may be discharged, with the exception of signing or countersigning any instruments, by employees of the Authority acting under his supervision and direction.

- (D) Treasurer. The Treasurer will have the custody of all monies, funds, securities, contracts, mortgages, deeds of trust, leases and deeds of the Authority. He also will keep proper books of account, which books, at all times, will be open to inspection by each member of the Authority Board. The Treasurer will keep proper records of all appropriations and authorizations of expenditures and will maintain itemized and classified accounts of expenditures and pledges made. The Treasurer will deposit the monies and securities of the Authority in such depositories and on such terms as the Authority Board may direct, and as directed by Virginia law, and when so deposited, the Treasurer will not be personally responsible for the safe keeping of the monies and securities.

#### ARTICLE 5 COMMITTEES

- 5.1 COMMITTEES OF AUTHORITY BOARD. The Authority Board, by a majority vote of the members in office, may designate one (1) or more committees each of which will consist of two (2) or more members of the Authority Board.
- 5.2 MEMBERSHIP OF COMMITTEES. The Chairman will appoint the members of the committees of the Authority Board. The Chairman or the Authority Board, as the case may be, will instruct a committee in its duties.

#### ARTICLE 6 CONTRACTS, CHECKS, DEPOSITS AND FUNDS

- 6.1 CONTRACTS. The Authority Board may authorize the Chairman or someone acting in his place or stead, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Authority which is proper and legal for the Authority to enter into, and the authorization may be general or may be confined to specific instances.
- 6.2 CHECKS, DRAFTS OR ORDERS. All checks for the payment of money issued in Authority's name will be signed by both the Chairman and the Treasurer. Any notes or other evidences of indebtedness will be signed by the Chairman and attested by the

Secretary, as directed by the Authority Board. Nothing in these Bylaws will prevent Authority Board from adopting a resolution or resolutions permitting the disbursal of funds by other officers or members of the Authority Board or requiring that any funds so disbursed by any approved officer or member of the Authority Board be counter-signed by another officer or member of the Authority Board.

- 6.3 DEPOSITS. All funds of the Authority must be deposited from time to time to the credit of the Authority in a bank that is insured by the Federal Deposit Insurance Corporation.
- 6.4 GIFTS. The Authority may accept any contribution, gift, bequest, or devise for any purpose of the Authority, unless conditions placed on the contribution, gift, bequest or devise, if any, are contrary to law.

ARTICLE 7  
BOOKS AND RECORDS

The Authority's books and records will be audited annually either by the Board of Supervisors or by an independent auditor hired by the Authority. A copy of the annual audit of the Authority's books and records will be made available to each member of the Authority Board immediately after the audit's conclusion. A copy of the annual audit will be forwarded in the same manner to the County Administrator and forwarded to the Board of Supervisors.

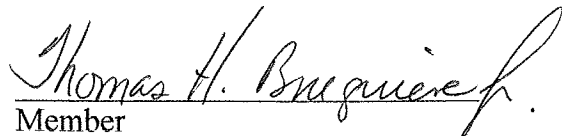
ARTICLE 8  
RULES OF ORDER

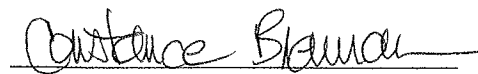
The Authority will use Roberts's Rules of Order as a procedural guideline for conducting all business.

ARTICLE 9  
AMENDMENT OF BYLAWS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the members of the Authority Board present in any regular or special meeting at which a quorum is present.

Adopted this 14th day of December, 2010, by the Nelson County Broadband Authority.

  
Member

  
Member

Alan M. Hale  
Member

[Signature]  
Member

[Signature]  
Member

ATTEST

Caroline W. McGaughey  
Secretary

**2022 NCBA Officers and Meeting Schedule:**

- A. Chair – TBD, Vice Chair – TBD
- B. Secretary – Amanda Spivey, Treasurer – Candice McGarry
- C. 2022 Meeting Schedule – Second Tuesday of January, April, July, and October at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2021 NCBA Officers and Meeting Schedule:**

- A. Chair – Jesse N. Rutherford, Vice Chair – Gary W. Strong
- B. Secretary – Amanda Spivey, Treasurer – Candice McGarry
- C. 2021 Meeting Schedule – Second Tuesday of January, April, July, and October at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2020 NCBA Officers and Meeting Schedule:**

- A. Chair – Jesse N. Rutherford, Vice Chair – Gary W. Strong
- B. Secretary – Grace Mawyer, Treasurer – Candice McGarry
- C. 2020 Meeting Schedule – Second Tuesday of January, April, July, and October at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2019 NCBA Officers and Meeting Schedule:**

- A. Chair – Larry A. Saunders, Vice Chair – Thomas D. Harvey
- B. Secretary – Grace Mawyer, Treasurer – Candice McGarry
- C. 2019 Meeting Schedule – Second Tuesday of January, March, May, July, September, and November at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2018 NCBA Officers and Meeting Schedule:**

- A. Chair – Thomas H. Bruguiera, Jr , Vice Chair – Larry A. Saunders
- B. Secretary – Candice McGarry, Treasurer – Debra McCann
- C. 2018 Meeting Schedule – Second Tuesday of January, March, May, July, September, and November at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2017 NCBA Officers and Meeting Schedule:**

- A. Chair – Thomas D. Harvey
- B. Vice Chair – Thomas H. Bruguiera, Jr.
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2017 Meeting Schedule – Second Tuesday of January, March, May, July, September, and November at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2016 NCBA Officers and Meeting Schedule:**

- A. Chair – Allen M. Hale
- B. Vice Chair – Thomas D. Harvey
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2016 Meeting Schedule – Second Tuesday of January, March, May, July, September, and November at 1pm in General District Courtroom (Just prior to the regular BOS meeting).



**2015 NCBA Officers and Meeting Schedule:**

- A. Chair – Alan Patrick
- B. Vice Chair – Allen M. Hale
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2015 Meeting Schedule – Second Tuesday of January, April, July, October at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2014 NCBA Officers and Meeting Schedule:**

- A. Chair – Larry D. Saunders
- B. Vice Chair – Alan Patrick
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2014 Meeting Schedule – Second Tuesday of January, April, July, October at 1pm in General District Courtroom (Just prior to the regular BOS meeting).

**2013 NCBA Officers and Meeting Schedule:**

- A. Chair – Thomas D. Harvey
- B. Vice Chair – Larry D. Saunders
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2013 Meeting Schedule – Fourth Thursday of each month at 6pm in General District Courtroom

**2012 NCBA Officers and Meeting Schedule:**

- A. Chair – Thomas H. Bruguiera, Jr.
- B. Vice Chair – Constance Brennan
- C. Secretary – Candice McGarry
- D. Treasurer – Debra McCann
- E. 2012 Meeting Schedule – Fourth Thursday of January, April, July, October at 6pm in BOS

**NELSON COUNTY BROADBAND AUTHORITY**

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MEMBERS

Thomas H. Bruguere, Jr.  
Jesse N. Rutherford  
Thomas D. Harvey  
Larry D. Saunders  
Gary W. Strong

OFFICERS

Amanda B. Spivey, Secretary  
Candice W. McGarry, Treasurer

**RESOLUTION R2022-01**  
**NELSON COUNTY BROADBAND AUTHORITY**  
**APPROVAL OF MEETING MINUTES**  
**(October 12, 2021)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **October 12, 2021** be and hereby are approved and authorized for entry into the official record of the Broadband Authority meetings.

Approved: January 11, 2022

Attest: \_\_\_\_\_, Secretary  
Nelson County Broadband Authority

October 12, 2021

**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: Jesse N. Rutherford, East District – Chair  
Gary W. Strong, Central District – Vice Chair  
Thomas D. Harvey – North District  
Larry D. Saunders – South District  
Stephen A. Carter, County Administrator  
Amanda B. Spivey, Interim Secretary  
Candice W. McGarry, Treasurer

Absent: Thomas H. Bruguere, Jr. – West District

**I. Call to Order**

Mr. Rutherford called the meeting to order at 1:00 p.m. with four (4) 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 – R2021-04 Minutes for Approval**

Mr. Harvey moved to approve resolution R2021-04 Minutes for Approval and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call to approve the motion and the following resolution was adopted:

**RESOLUTION R2021-04  
NELSON COUNTY BROADBAND AUTHORITY  
APPROVAL OF MEETING MINUTES  
(July 13, 2021)**

**RESOLVED**, by the Nelson County Broadband Authority that the minutes of said Authority meeting conducted on **July 13, 2021** 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:

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## NCBA Treasurer's Report

10/7/2021

<u>Broadband Operations @ 9/30/2021</u>	
Beginning Balance 7/1/21	\$ 1,341,789.71
July -September 2021 Expenditures	\$ (1,254,709.89)
July-September 2021 Outstanding Checks	\$ 86.20
July-September 2021 Revenues	\$ 12,113.45
<b>Subtotal</b>	<b>\$ 99,279.47</b>
General Fund Transfer 7/1/2021	\$ -
<b>Available Bank Balance at September 30, 2021</b>	<b>\$ 99,279.47</b>

<u>Accounts Receivable Aging Summary as of September 30, 2021</u>	
Current	\$ 4,788.45
1-30 days	\$ 937.50
31-60 days	\$ -
61-90 days	\$ -
> 90 days	\$ -
<b>Total</b>	<b>\$ 5,725.95</b>

Revenues & Expenditures

On a Preliminary Cash Basis, through September 30, 2021; Operational Revenues of \$12, 113.45 exceeded Expenditures of \$4,709.89 by \$7,403.56. The \$1,250,000 contribution to CVSI/Firefly was made on August 9, 2021.

Mr. Strong asked the status of the network buildout by Firefly. Ms. McGarry stated that she could not comment on that, however the report submitted by Firefly under Other Business should provide details on the buildout. Mr. Rutherford asked Ms. McGarry what the potential NCBA fund balance would be over the course of the next year, whether the Authority would be generating positive revenue. Ms. McGarry estimated that there should be around \$60,000 in revenue generated and after expenditures, the Authority would come out ahead.

**B. County Administrator's Report**

Mr. Carter did not have any additional information to provide other than what had already been provided. He did refer the Authority to the report provided by Firefly for the meeting, which details the project status throughout the County and within their regional initiative. He stated that the project is moving along well. CVEC Territory work should be completed in Nelson early 2022 and then AEP and Dominion after that. In noting the report, Mr. Carter stated that the section on Use of Funds seemed to imply that Firefly may be seeking additional funding. He stated that he

October 12, 2021

had reached out to Mr. Gary Wood regarding any needs for additional funding as the Board of Supervisors, not the Broadband Authority, would have American Rescue Plan money to allocate in the near future, which could be used for broadband. Mr. Wood had not reached back prior to the start of the meeting as he was scheduled to be in a series of meetings leading up to the start of the Authority's meeting time. Mr. Rutherford did not think that Firefly would be seeking any additional funds at present. Mr. Carter noted that County staff had asked if Firefly may be able to attend the meeting, however, they were unable to be present, so they sent the provided report.

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

Mr. Rutherford asked about the work schedule in the Shipman area. He noted that some folks had been frustrated with the amount of time it is taking for hook ups to become available. Mr. Carter referred to the CARES Projects portion of the Firefly report which detailed the delay on the Shipman project and the need to convert to an overhead line. He also noted that County Administration is still getting requests for service or assistance with expediting the connection process and that staff are referring citizens to the service providers for updates on service. Mr. Saunders mentioned rural connections that are taking more time, particularly areas that only have a few homes where fiber has to run a mile before reaching the customer. He asked when those homes would be able to obtain service. Mr. Saunders did note that building out to those locations where more fiber was being run to connect fewer homes, it would take years to cover the cost to buildout. Mr. Rutherford stated that it seemed like those connections would be picked up as time and labor permitted. Mr. Rutherford then mentioned that Firefly was getting ready to celebrate its 10,000<sup>th</sup> connection. Mr. Carter confirmed that they would be holding a celebration on the 21<sup>st</sup> of the month at the Palmyra headquarters for Firefly. Representatives from the Board of Supervisors were invited and attendance was being determined. Mr. Rutherford asked if there was any further business to discuss. Mr. Carter noted that they did not recommend that the Authority disband, but meetings going forward would likely be brief. Mr. Rutherford asked if the bylaws would need to be changed if meetings took place any less than quarterly. He did note that they could have a special called meeting as needed, particularly if there was a broadband grant that would need the Authority's endorsement or to act as a pass through for funds. Mr. Rutherford suggested that a semi-annual meeting may be all that is needed going forward and ask if we could confer with Mr. Payne.

### **A. Firefly Fiber Report**

The following report was provided to the Authority by Firefly as a project update:



6 October 2021

October 12, 2021

## ***Fiber Network Expansion Update for Nelson County***

Firefly Fiber Broadband continues to make progress in Nelson County with its planned expansion. Here is a snapshot of the project after three quarters of 2021. In total, gigabit speed broadband is available to more than 8500 locations today from Firefly and 3850 of those locations have chosen to take the service. It is estimated that another several thousand locations in the Lovingston, Stoney Creek and Wintergreen areas have access through cable modem or fiber from an incumbent provider which would out the take rate for total service at close to 70% for combined ISPs.

CVEC Electric Service Territory: CVEC has completed construction of the Martins Store, Wintergreen, Colleen and Gladstone substations making gigabit speed access available to 7085 of the total 8000 CVEC locations in the county.

We are presently working in our Schuyler substation area completing make ready work on the electric distribution lines. There are 11 poles left to change out plus a few others to make pole top adjustments on. We are also making progress on the make ready work in the Piney River substations area, having completed about 40% of the 500 pole change outs necessary on the circuits for that substation. It will be close to year end when fiber crews begin placing fiber in these areas which will include the last 1100 CVEC locations in the county to have service available. We are still on schedule to have the CVEC area built out by mid-2022.

Central Virginia Network (CVN): The fiber network transferred to Firefly from Nelson County continues in operation, providing 550 locations service through one of the four ISPs providing retail service from the network, and making access available to a total of 1500 locations in the county. Firefly has spent time with field audits and addressing poor installations techniques and service problems along the network laterals. Additional work was required to audit construction in areas where records were not transferred from the previous contractor who never provided as built drawings to the county. Many splice enclosure locations were filled with mud and water due to poor installation techniques. The network backbone was generally well designed and constructed, but extensions, laterals and service drops will be a source of service issues throughout their useful life of the network.

Firefly has begun to expand the access to Firefly rates and service along this network. In Afton, service was made available to another 60 locations with 60% taking advantage of the offer. Service expansion for Firefly will soon be offered in Lovingston, with anticipation of a significant signup for service extensions in this area as well.

CARES Projects: We have completed all of the CARES construction with the exception of the Shipman area west of the railroad tracks. The Shipman project was held up due to the amount of rock we encountered. We have converted that line to overhead and AEP has completed their make ready construction. We are presently awaiting the completion of some line changes from the incumbent cable television provider and expect to begin fiber construction this month. The Shipman project presently has a 50% take rate on signup before we have started connections. We anticipate this reaching 60% before we complete the service extensions in the area.

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AEP Territory Expansion: Last December the Broadband Authority agreed to our plan for universal service in the county and we began the work to reach into the first three areas of the east side of the RR tracks at Arrington and Shipman plus the Schuyler area. These projects will bring service availability to another 625 locations. We anticipate the AEP make ready crews moving into these areas within the next month, moving from Arrington to Schuyler and then Shipman.

We will begin the field data collection process for several other areas in the next month after communicating the plans to the residents. We have not marketed any of these areas yet but about 200 people living within the Arrington/Schuyler/Shipman areas have found our website and signed up without being contacted by Firefly. We anticipate the take rates will be near the 60% rate that we have seen for the past year.

We will begin data collection the Buffalo Mines area soon as well as covering Jennys Creek and the remaining homes near the Rt 151 and Rt 56 intersection near Piney River. The fiber construction for these areas will take place after the CVEC Piney River substation area buildout in the first half of next year, and this field data collection is the first step in that process.

After the first four areas are complete, about 900 other locations on the AEP system will remain. We will get to those as quickly as possible.

There are also about 30 locations on the Dominion system at the top of Afton Mountain. We plan to include those in our Regional Internet Service Expansion (RISE) project we are developing this summer.

RISE Project: Firefly completed its 13 county RISE project application for the VATI grant in mid-September. All locations in Nelson County are included in the application, including the Dominion Energy service area at the top of Afton Mountain and the Shenandoah Valley Electric Cooperative service area near Love east of Montebello. We anticipate a positive response from the VATI review in December.

Use of Funds: Firefly has sought additional funds to support the fiber project through multiple means at the federal, state and local levels. Those outside support dollars are critical to the ability to provide gigabit speed service over a new fiber optic network built to utility standards across rural terrain. If you recall, our initial business case for the CVEC project forecast it would be 7 years of operating before we reached breakeven on an annual basis, and 11 years before the first years of losses were paid off and the first dollar of profit realized.

Since that first study was done in 2017, cost have increased for labor and materials. Steel costs alone for the strand we place between poles is much more than double the early estimates. Our projected cost for construction on the CVEC system was about \$30,000 per mile, and our actual costs today are over \$40,000 per mile. When we build off system, those costs are estimated to be \$55,000 per mile on the AEP system and \$75,000 per mile on the Dominion system.

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Our rates of \$49.99 per month for 100 mbps service and \$79.99 for gigabit service were design to allow us to reach breakeven at 60% take rate and \$30,000 per mile in construction costs. For us to maintain those rates, we need to find enough grants and incentive payments to offset our growing capital costs and keep the Firefly investment to \$30,000 per mile. In Nelson County, Firefly will have 132 miles of construction on AEP and another 4 miles on Dominion, requiring a total of more than \$7.5 million total. Our rates can support the debt service for \$4.1 million in these areas, so we need to find a way to offset the rest of the additional costs. The county broadband authority contribution of \$1.25 million helps offset a portion of that cost. The CARES projects helped offset some of the capital cost on those small projects, which were built using even more expensive underground construction to meet the necessary deadlines. We are hopeful of accessing some additional VATI funds to further help within the RISE project.

There is one other note regarding the outside funds Firefly is accessing. All grant funds we receive are taxable under federal income tax law. The \$1.25 million received from the county is required to be booked as income, which reduces the benefit by well over 20% for all of those funds. This is not a complaint since all for profit ISPs have the same issue. It is a notable impact though.

Firefly is committed to bridging the digital divide and it will find a way to get the construction completed in the county without asking for further county funding. On the other hand, we are making use of every dollar we receive to keep the project moving and keep the rates low.

Overall Firefly Update: Firefly is a wholly owned subsidiary of CVEC, headquartered in Nelson County since 1937. Firefly connected its 10,000<sup>th</sup> account recently and will celebrate the milestone this month. The fiber project for CVEC has already improved reliability and service for all CVEC members, resulting in the best reliability metrics in the history of the cooperative.

Nelson County and its citizens are further ahead than almost any county in the state or even in the nation in terms of broadband access. The CVEC members who live in Nelson are also appreciating the primary benefits of the fiber with world class electric service for rural areas, plus having access to gigabit speed internet.

Overall Nelson County Update: The residents of Nelson County are fortunate to have had the Board of Supervisors making an early commitment to universal broadband. The work done since before 2010 has put the county in good position to reach universal access earlier than the vast majority of counties. The fact that the access is available from fiber to the home with gigabit speeds puts Nelson County into a very elite status in the state and nation in terms of broadband access.

## **VI. Adjournment**

At 1:13 PM, Mr. Saunders moved to adjourn and Mr. Strong seconded the motion. There being no further discussion, Members voted unanimously (4-0) by roll call to approve the motion and the meeting adjourned.



## NCBA Treasurer's Report - January 2022

### **Broadband Operations @ 12/31/2021**

Beginning Balance 7/1/21	\$ 1,341,789.71
July -December 2021 Expenditures	\$ (1,267,757.69)
July-December 2021 Outstanding Checks	\$ 11,005.58
July-December 2021 Revenues	\$ 67,422.42
<b>Subtotal</b>	<b>\$ 152,460.02</b>
General Fund Transfer 7/1/2021	\$ -
<b>Bank Balance at December 31, 2021</b>	<b>\$ 152,460.02</b>
<b>Available Balance at December 31, 2021</b>	<b>\$ 141,454.44</b>

### **Accounts Receivable Aging Summary as of December 31, 2021**

<b>Current</b>	\$ 4,788.45
<b>1-30 days</b>	\$ -
<b>31-60 days</b>	\$ -
<b>61-90 days</b>	\$ -
<b>&gt; 90 days</b>	\$ -
<b>Total</b>	<b>\$ <u>4,788.45</u></b>

### **Revenues & Expenditures**

On a Preliminary Cash Basis, through December 30, 2021; Operational Revenues of \$67,422 exceeded Expenditures of \$17,758 by \$49,664. This excludes the one time \$1,250,000 contribution to CVSI/Firefly that was made on August 9, 2021. This does include the annual RVFD Tower Lease Revenue Sharing payment of \$10,673.88 Distributed on 12/28/21.

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FUND # 114 \*\*\*Revenues-Broadband Network\*\*\*

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	BALANCE	% REMAIN
999	***Revenues-Broadband Network***						
1502	***Revenue from Use of Property***						
0020	Fiber Leases	12,119.00	12,119.00	.00	1,000.95	11,118.05	91.74
0030	Tower Leases	100,925.00	100,925.00	46,695.52	54,695.52	46,229.48	45.80
	***Revenue from Use of Property***	113,044.00	113,044.00	46,695.52	55,696.47	57,347.53	50.73
1620	***Charges for Services***						
0001	Network Access Charges	9,000.00	9,000.00	500.00	3,100.95	5,899.05	65.54
0100	Other Network Charges	18,000.00	18,000.00	3,075.00	8,625.00	9,375.00	52.08
	***Charges for Services***	27,000.00	27,000.00	3,575.00	11,725.95	15,274.05	56.57
1803	***Charges for Services***						
1899	***Installation Reimbursements***						
	***Revenue from Use of Property***	140,044.00	140,044.00	50,270.52	67,422.42	72,621.58	51.85
3201	***Grants & Transfers***						
4101	***Non-Revenue Receipts***						
4105	***Transfers***						
9999	***Year Ending Balance***						
0001	Year Ending Balance	1,250,000.00	1,250,000.00	.00	.00	1,250,000.00	100.00
	***Year Ending Balance***	1,250,000.00	1,250,000.00	.00	.00	1,250,000.00	100.00
	***Year Ending Balance***	1,250,000.00	1,250,000.00	.00	.00	1,250,000.00	100.00
	-- FUND TOTAL--	1,390,044.00	1,390,044.00	50,270.52	67,422.42	1,322,621.58	95.14

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FUND # 114 \*\*\*BROADBAND PROJECT\*\*\*

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	ENCUMBRANCE AMOUNT	UNENCUMBERED BALANCE	% REMAIN
94100	***Broadband Network***							
94200	***Network Operations***							
1011	Remuneration-Broadband Authority	1,500.00	1,500.00	300.00	600.00	.00	900.00	60.00
3002	Professional Services (Net Op)	3,600.00	3,600.00	600.00	1,800.00	.00	1,800.00	50.00
3003	Professional Services	1,500.00	1,500.00	.00	.00	.00	1,500.00	100.00
3004	Repair & Maintenance	4,000.00	4,000.00	.00	.00	.00	4,000.00	100.00
3005	Insurance	1,000.00	1,000.00	.00	2,221.00	.00	1,221.00	122.10
3006	Utilities Including Locates	4,000.00	4,000.00	723.78	2,399.41	.00	1,600.59	40.01
3013	Contribution to Industry	1,250,000.00	1,250,000.00	.00	1,250,000.00	.00	.00	.00
5501	Travel (Mileage)	200.00	200.00	31.70	63.40	.00	136.60	68.30
7007	Equipment	7,500.00	7,500.00	.00	.00	.00	7,500.00	100.00
8112	Tower Leases	10,674.00	10,674.00	10,673.88	10,673.88	.00	.12	.00
	***Network Operations***	1,283,974.00	1,283,974.00	12,329.36	1,267,757.69	.00	16,216.31	1.26
94500	***REFLY FIBER EXPANSION 2021***							
94600	***TRANSFERS***							
	***Broadband Network***	1,283,974.00	1,283,974.00	12,329.36	1,267,757.69	.00	16,216.31	1.26
999000	***Contingency***							
9901	Contingency Reserve	106,070.00	106,070.00	.00	.00	.00	106,070.00	100.00
	***Contingency***	106,070.00	106,070.00	.00	.00	.00	106,070.00	100.00
	***Contingency***	106,070.00	106,070.00	.00	.00	.00	106,070.00	100.00
	-- FUND TOTAL--	1,390,044.00	1,390,044.00	12,329.36	1,267,757.69	.00	122,286.31	8.79

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01/03/22

Nelson County Broadband Authority  
A/R Aging Summary  
As of January 3, 2022

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	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
River Street/Wilkes Comm	2,000.00	0.00	0.00	0.00	0.00	2,000.00
Segra	937.50	0.00	0.00	0.00	0.00	937.50
MBC	1,600.95	0.00	0.00	0.00	0.00	1,600.95
Social Services	250.00	0.00	0.00	0.00	0.00	250.00
TOTAL	<u>4,788.45</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,788.45</u>