



Lancaster County Broadband Authority

Minutes of Board Meetings

December 2 and 8, 2020

December 2, 2020

1. Call to Order & Approval of Minutes: Cassie Thompson called the meeting to order at 3:30 p.m. in the public meeting room of the County Administration Building. Cassie Thompson, Margie Armen, Mark McKercher, Kevin Bean and Michele Craddock were present. Don Gill, Gary Silverman, and Cherie Kiser attended as guests. Minutes of the November 4 meeting were approved as presented.

2. Closed Session: At 3:35 p.m., we entered a closed session under VA Code 2.2-3711.1 to discuss personnel matters. The closed meeting concluded at 4:20 p.m., and each member certified that only personnel matters were discussed and that no action was taken.

3. Discussions:

- a. Cassie offered a motion to recommend that the Board of Supervisors appoint Cherie Kiser to the Authority. Cherie will fill the vacancy created when Margie Armen completes her term on December 31, 2020. According to our By Laws, two directors need to step down on December 31. The second director to step down could be either Mark or Michele. Whoever steps down can be reappointed to a new two year term or a new director may be appointed instead. Cassie's motion was approved unanimously.
- b. Cassie reported that we have received a letter from RUS requesting that we make certain adjustments to our grant application before its final consideration. Additionally, RUS has redefined the grant scope in view of the Federal Communications Commission having opened its auction in connection with the Rural Development Opportunity Fund (RDOF). The auction offers successful bidders exclusive rights for federally subsidized development of broadband in census blocks where FCC records that no service presently exists. Those census blocks that were included in the auction are no longer eligible for RUS ReConnect grants. Accordingly, most of our Proposed Funded Service Areas will have to be removed from our ReConnect application, and our financial viability will need to be recalculated based on the reduced scope of the grant. What remains are scattered residences which are currently unserved and are located within census blocks that FCC marks as served. This occurs because of a known defect in the FCC maps, which treats an entire census block as served if just one residence in that block is served.

Our original application was for approximately 22.3 million to provide fiber to the home for just over 2,600 residences. Gary has reviewed our maps, and it appears that after the required reduction, only about 450 eligible residences will remain in Regions 1 and 2 and about 250 will remain in Region 3. (Region 3 is also the subject of our VATI grant application in conjunction with Atlantic Broadband and Middlesex, Caroline and Mathews counties. VATI is also expected to be scaled down to exclude census blocks in the RDOF auction, but that has yet to be announced. This change will obviously impact VATI significantly as well.)

We have until December 17 to submit written questions to RUS, and our revised application is due by January 19. Cassie reports that Jeff Beekhoo is already working on the financial aspects and on retooling our specifications, to align with other changes RUS requested us to make. Ultimately, it is the financial sustainability which will determine whether we can support an application that includes Region 3. As a general proposition, however, we agreed that it makes sense to try to get the highest possible number of service connections from the RUS grant.

Cassie also recommended that we immediately communicate with Representative Wittman to secure his advice and support, and she will make arrangements for that. If we are able to meet with Representative Wittman, Don Gill believes it would be most advantageous to meet in person. Margie will draft a letter to Rep. Wittman to get the conversation started.

- c. Mark reported that he, and Gary Silverman have looked at the options for a Community Connect grant, and they have determined it is not feasible. This grant would require placing at least two computers in a location that is available to the public. At this time, there is no suitable existing location where both public access and adequate security can be provided, and the original idea of building and staffing a new facility is too costly and out of line with the grant program funding capacity.

4. Schedule next meeting and Recess: The meeting recessed to the call of the Chair at 5:59 p.m. The meeting with Rep. Wittman will be scheduled for a mutually convenient day and time next week.

December 8, 2020

1. Call to order: Cassie Thompson reconvened the meeting via Zoom at 10:30 a.m. in the public meeting room of the County Administration Building. Mark McKercher and Margie Armen were also in the Zoom call. Representative Wittman participated from his Washington, DC office, where his Legislative Assistant, Chris Hall was present along with Michele Craddock, Gary Silverman and Don Gill.

2. Discussion:

Rep. Wittman opened the meeting by complimenting the Authority on the progress that has been achieved vis à vis our pending grant applications. He observed that the RDOF awards were made the previous day, and that all but one of the eligible areas in Lancaster County were awarded to a nationwide consortium consisting of unidentified firms. He was enthusiastic that the spectrum awarded to the as yet unnamed bidders was in a range that would allow really high quality wireless service to be delivered. He agreed with the speculation that Dominion Energy was likely part of the consortium and if so, he would assume that the award would result in service becoming available in a reasonable amount of time. Rep. Wittman acknowledged that the RDOF awards divide the County into small and geographically unconnected plots where the Authority would be able to provide service with funding from ReConnect, if our revised grant application is approved, however, he maintains we will still achieve universal broadband connectivity. It will just be harder to juggle, and take longer. He believes we must keep the consortium's virtual feet to the fire, to insure that they perform on their bid and he will support us in that effort. He also wanted us to be aware that the federal Lifeline program is available to reduce the cost of service to low income residents. He asked that we notify him when we are ready to submit our scaled down ReConnect application, so he can support us at the most opportune moment. In response to our question about coordinating our revised ReConnect application with the VATI process, he advised us to make the strongest and most comprehensive applications possible, and to pursue both opportunities equally. We thanked Rep. Wittman for his time and attention, and for his continuing support.

3. Schedule next meeting and Recess: The meeting recessed to the call of the Chair at 11:40 a.m. The meeting will reconvene at 4:30 to follow up on items from the Wittman conversation.

December 8, 2020

1. Call to order: Cassie Thompson reconvened the meeting at 4:30 p.m. in the public meeting room of the County Administration Building. Michele Craddock and Mark McKercher were present. Gary Silverman participated in person as a guest. Participating by telephone were Margie Armen and guest Jeff Beekhoo.

2. Discussions:

- a. Mark reported that, except for the small block in Region 3 that includes Fleets Bay Road, all the unserved census blocks in the County were awarded to NRTC, the national consortium, whose participants remain unidentified. The one stray block in Region 3 was awarded to Connect Everyone, Inc.
- b. Rep. Wittman was very certain that the winning bidders would perform, however, the auction awardees begin receiving subsidy funds immediately. Disbursements are made in equal monthly installments and they are not linked to project progress. Past experience with a similar program, the Connect America Fund (CAF) would indicate that some awardees collect subsidies and not perform at all.

RDOF program rules specify that the awardees will provide at least one voice and one broadband service in the awarded areas. The program anticipates that most service will be fixed wireless and that speeds will be at least 25/3 mbps. The performance schedule is very liberal. Awardees have 3 years to serve 40% of the service locations in their award areas and 2 additional years to add another 20%. The entire project must be completed within 10 years. Just like everyone else, the Authority will have to wait and see how this goes.

On the matter of our pending resubmission to RUS ReConnect, Jeff Beekhoo reported that USDA is asking for a revised business model. Two main things are going to influence the revised project: fiber quantity/installation and the number/location of homes to be connected. Whatever changes we make, our project must work financially.

Based on the lower number of homes in the reduced project, Jeff reported we will have to reduce the number of fiber strands from 144 to 96. Installation of the fiber (by pole attachment or underground) will also influence costs. Apparently, Dominion's current estimate for make ready costs is \$22,000 per mile. This makes underground installation relatively more affordable. These recalculations will influence the bottom line of our request.

Fiber requirements also affect the decision whether to submit our project for the residences in Regions 1 and 2 only (438 homes) or all three Regions (333 additional homes). Because much more fiber will need to be laid to reach the homes in Region 3, the estimated cost to connect each home would increase to about \$19,000. While we would obviously prefer to have the most homes possible in our project, this cost is prohibitive in absolute terms. Cassie asked for a vote to determine the number of homes to submit in our revised grant application. Members present agreed unanimously to submit for 438 homes. This vote was also premised on the fact that Region 3 will remain in VATI and the same 333 homes that remain eligible can hopefully be served through that project. However, this new adjustment will not allow us to honor our prior promise to withdraw from VATI if we receive RUS ReConnect funds. Someone will have to contact Virginia DHCD, Atlantic Broadband and the other counties involved in our VATI application to inform them of the changed circumstances.

The last issue discussed was the timing of our submission. Jeff agreed to have the papers ready for financial review by January 5, and we agreed to submit no later than January 15, 2021. Awards are being made on a rolling basis, and we want to be sure to get our application in before all the remaining funds are awarded.

- c. The Board of Supervisors will meet on December 12. Margie will prepare the monthly report and Michele will deliver it.

3. Schedule next meeting and adjourn: The meeting adjourned at 6:10 p.m. The next regular meeting will be held on December 16 at 4:30 p.m. in the public meeting room of the County Administration Building.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Margie Amon". The signature is written in a cursive, flowing style.

Secretary