

**LOUISA COUNTY BROADBAND AUTHORITY  
BOARD OF DIRECTORS  
LOUISA COUNTY OFFICE BUILDING  
1 WOOLFOLK AVENUE  
LOUISA, VIRGINIA  
December 6, 2017 7:00 P.M.**

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Present: Melvin Burruss, Steve Duren, Bernie Hill, Mary Johnson, Mark Luttner and Garth Wermter

Absent: Brian Sullivan

Others Present: Fitzgerald Barnes, Patrick Henry District Supervisor; Stephanie Koren, Mineral District Supervisor; R.T. Williams, Jackson District Supervisor; Robert Babyok, Green Springs District Supervisor- elect; Sandra Robinson, Louisa County Attorney; and Bob Hardy, Louisa County Information Technology Director

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**CALL TO ORDER**

Ms. Johnson called the December 6, 2017, regular meeting of the Broadband Authority (BBA) Board of Directors to order at 7:00 p.m.

Mr. Burruss led the Pledge of Allegiance.

**ADOPTION OF THE AGENDA**

Mr. Wermter requested that a “Consultant Status Report” be added as a discussion item under “Unfinished Business”.

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board approved the December 6, 2017, agenda.

**APPROVAL OF THE MINUTES**

**November 1, 2017- Regular Meeting**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board approved the November 1, 2017, minutes.

**November 15, 2017- Special Meeting**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board approved the November 15, 2017, minutes.

## **PUBLIC COMMENT**

There were none.

## **NEW BUSINESS**

### **Discussion- Central Virginia Electric Cooperative (CVEC) Fiber Project**

Mr. Hardy stated that CVEC made a presentation during the Thomas Jefferson Planning District Committee Legislative Forum in Charlottesville on Wednesday, November 29, 2017. He stated that they had announced that they would be doing a five (5) year project to connect all of their customers to fiber. Mr. Hardy stated that many local officials and representatives from various counties had attended the meeting.

Mr. Hardy gave a brief summary of CVEC's presentation and stated that in Central Virginia, there were accounts in the counties of Albemarle, Nelson, Fluvanna and Greene as well as the city of Charlottesville. In terms of CVEC's rural broadband project, they want to connect their wholesale delivery points and substations all together. Mr. Hardy stated that currently, they provided meter feedback through their electric lines. He stated that they wanted to do fiber through every house they could and wanted to offer internet and possibly telephone service as well. He stated that they had 3,500 miles of line, planned to buy all 36,000 accounts and expected about a 35% take rate. In Louisa County specifically, Mr. Hardy stated that CVEC planned to install overhead on their own poles and underground where needed. He stated that as they could only serve electric, they would need to form a subsidiary in order to install fiber. He stated that CVEC was currently estimating to install 15-20 miles of fiber per week with 100-120 new customers. He stated that they claimed to be using conservative costs and revenue projections and expected to be cash flow positive in year seven (7) of the project and planned to completely pay the project off in year eleven (11). He stated that they would spend over \$100 million years on the entire project. CVEC also claimed that customers would either pay \$49.99 per month for 100 megabytes of service or \$79.99 per month for gigabyte service. Mr. Hardy stated that they would provide voiceover IP telephone service for another \$30.00 per month. CVEC estimated that providing service to 3,500 homes in Louisa County specifically would be \$10 million in construction costs, according to CVEC.

Mr. Hardy mentioned that CVEC had lower construction costs because they had utility right-of-ways, poles, access to those poles and crews that the subsidiaries could hire from CVEC directly. However, they estimated that a 5% increase in cost or 5% lower take rate would extend the payback up to twenty (20) years rather than eleven (11) years. Mr. Hardy stated that once they built a substation, they planned to complete all houses fed by that substation.

Mr. Hill inquired as to whether the payback rate included principal *and* interest. Mr. Hardy stated that it did include both figures. He stated that CVEC would sink 20% of overall project costs in capital offset or annual revenue, etc., and that they were looking for 20% from the locality. He stated that there were various ways to reduce costs as opposed to giving CVEC cash directly. He stated that CVEC would be looking for local, state and federal funding

opportunities as well.

Mr. Hardy stated that CVEC was currently located in the southwestern portion of Louisa County, up to Route 33, almost to Trevilians Elementary School, which he estimated to be about a fifth to a sixth of Louisa County.

Mr. Hardy distributed maps to the Authority members to display CVEC's current coverage in Louisa County. He stated that it was an interesting project that they claimed would be complete in five years and projected that CVEC would probably pick busier substations (those with the most customers). He stated that there were five or six substations that would feed Louisa County as opposed to Fluvanna County who would receive about 90% coverage through CVEC's project.

Mr. Hardy stated that he was not sure yet how CVEC's project would affect the Louisa County Broadband project.

Discussion ensued regarding the project and its impact on Louisa County, including the \$2 million request from CVEC for cash or offset from the locality for the project.

Ms. Johnson stated that Trevilians and Moss Nuckols were locations that the LCBBA had been considering as tower locations. She stated that if CVEC could provide the Authority with a timeline of the project, it might alleviate the need for some of the tower locations that the LCBBA was planning, since the Authority's goal was to provide infrastructure.

Ms. Johnson inquired as to whether CVEC would be holding any additional meetings or if Mr. Hardy had contact information for the company. Mr. Hardy stated that he did have contact information.

Ms. Johnson stated that for the record, the Authority had contacted CVEC in the past, and that they had stated that they would not be doing a project like this.

Mr. Hardy stated that the CVEC representative had not expressly stated that they would not carry out the project if the locality did not provide or offset the 20% construction cost. He speculated that a locality willing to help financially would more likely receive service. However, he said that he could not speak for CVEC or Louisa County regarding that proposition.

Mr. Burruss mentioned the grant that LCPS had recently received for cable. Ms. Johnson stated that this item would be discussed under the item of "Fiber Grant Opportunities".

## **UNFINISHED BUSINESS**

### **Discussion- WideOpen Networks Consultant Status Report**

Mr. Bussing updated the Authority regarding the status of the project. He stated that during the last meeting, quite a bit of the status report regarding the Twin Oaks Neighborhood Meeting,

ongoing negotiations and the process of the RFP negotiations had already been discussed. He turned the update over to Mr. Hardy regarding the new opportunities for tower co-location.

Mr. Hardy stated that one of the tower companies had offered an area near Twin Oaks as a potential location, and they offered to give space on that tower to the Broadband Authority and an ISP at no cost. The company already had a ground lease from the property owner. He stated that the company was a small tower company out of Richmond, Virginia. Mr. Hardy stated that the proposition would be beneficial to the company because they were trying to construct a tower half a mile away from the potential tower that the LCBBA was planning to construct at Twin Oaks. Mr. Hardy said that the company's proposal did reduce co-location costs. He stated that the company wanted to meet with the Department of Community Development to discuss several offers and the new wireless consultant. An invitation to the meeting was extended to any Authority members who wanted to attend (no more than two members) on Wednesday, December 13<sup>th</sup> at 10 a.m. at the Louisa County Administration Building.

Ms. Johnson stated that the Authority definitely needed to be represented and volunteered Mr. Duren to attend the meeting on behalf of the Authority. Mr. Duren agreed to attend.

Ms. Johnson stated that one concern she had was that she wanted to see more specific details and whether the proposed opportunity would truly benefit what the LCBBA was trying to accomplish.

Mr. Hardy stated that the drawback of co-locating was that the Authority could not control the height of the tower.

Further discussion ensued regarding the height of the potential tower and whether it would be beneficial to the LCBBA project.

Ms. Johnson stated that it seemed like a great opportunity, and that she was hopeful that other companies would follow suit or begin to expand if the Authority could get into a mutually satisfying agreement.

Mr. Bussing stated that WideOpen Networks had begun to draft the point to point equipment RFP. He was hoping to get the details worked out and have their section of the information ready for Mr. Massie, Louisa County Procurement Officer, to work on it by the end of December 2017. Mr. Bussing speculated that this would be a shorter turn around than the construction RFP and hoped to have a recommendation regarding the equipment purchase by the end of January 2018. He stated that there would be more details to follow at the LCBBA January meeting.

Mr. Bussing stated that in the attachments provided to the Authority, there was information included about steel poles. He stated that he had been talking to some new manufacturers regarding steel poles versus wooden poles. Some of the new information they found, in general, revealed that the costs of developing steel poles has been reduced, costing roughly \$4,500. In contrast, the cost of a wooden pole being shipped could cost anywhere from \$4,000 to \$6,000 and that shipping them required a special permit as well. He stated that there were probably a few ways that this could be an effective strategy moving forward.

Mr. Hill asked if the poles were shipped as telescopic or sectional. Mr. Bussing stated that he believed there were options to ship them in sections or in the form of a solid steel pole.

Mr. Bussing stated that the vendor would be quoting him three different sizes, depending on what equipment the Authority wanted to use on the towers. He stated that there were options to do temporary installs where the pole was shipped with a ballast box and filled with gravel, which was the foundation for the pole, and would not be buried at all. The manufacturer representative stated that more wireless providers were beginning to use those types of poles as an alternative to wooden poles. He explained that these would be appropriate in low spots with small houses and heavy trees, smaller neighborhood poles. He stated that a few had already been installed in the Lake Anna region, and that it was a trend that would become more prevalent.

Mr. Duren stated that he was a little bit confused because he thought these poles would be provided by the ISPs.

Mr. Bussing stated that this information was not for the backbone infrastructure but for expanding coverage, it was simply for general information purposes.

Mr. Wermter stated that the Authority had talked specifically about recommending to the Board of Supervisors that one of the requirements for new neighborhoods be that fiber be run through an access point, and that this option would be perfect solution for that.

Ms. Johnson asked Mr. Bussing whether this type of pole would be less than the 100 foot, falling into the Certificate of Compliance with Louisa County's ordinance.

Mr. Bussing stated that it did fall into compliance.

Mr. Burruss inquired as to the dates for some of the project items and when they would be completed.

Mr. Bussing stated that completion dates depended on awarding the construction RFP.

### **Discussion- RFP Recommendation to the Board of Supervisors**

This item was discussed during the closed session portion of the meeting.

### **Discussion- Fiber Grant Opportunities**

Mr. Hardy stated that the LCPS School Board received notification of funding for their E-Rate application to install fiber in all schools. Mr. Mark Outten had already begun sales orders and contracts with the chosen vendor for their RFP and stated that they would be starting construction as soon as they could.

Mr. Hardy said the total length of fiber would be 30.9 miles and that the application called for twelve (12) strands of fiber at each elementary school and would come through the Louisa

County Administration Building to get to Trevilians Elementary School and Moss Nuckols Elementary School. He stated that the application had accidentally not included fiber strands to connect the LCPS High School with the County Administration Building for county purposes. He stated that they planned to add additional strands of fiber and that E-Rate would pay for the initial strands. Mr. Hardy stated that Louisa County/LCPS could pay for additional strands added to the same conduit. He recommended that he put in a CIP project to the County to pay for the additional strands. He stated that to double the number of strands would cost \$65,000. He stated that for the \$1.3 million award, Louisa could add \$65,000 to double the number of strands to every school. He stated that with the same line of thinking, they could quadruple the number of strands and be prepared to serve the Betty Queen Center and the Industrial Park. He stated that the current plan was to place 144 strands between the high school and the County Administration Building, 96 strands to Thomas Jefferson Elementary School, 48 strands to Jouett Elementary School, 48 strands to Trevilians Elementary School, and 48 strands to Moss Nuckols Elementary School. He stated that the County's plan would be to supply some of that infrastructure to LCBBA if they were going to put towers on some of the school properties so that there would be backhaul radio and a primary source or backup internet transmission through the fiber. The backhaul radios would be a source for the schools if anything happened to any of the fibers. He stated that the total cost came up to about \$120,000 to do the 144 strands and 48 strands to each school. He recommended putting \$175,000 in the CIP budget to potentially pay for running fiber to Industrial Drive and the Betty Queen Center. He stated that the project was moving along pretty quickly, and that they were trying to put together the final engineering drawings.

It was asked whether all of that fiber would be underground. Mr. Hardy stated that it would be.

Ms. Johnson asked if the additional strands were for backhaul or for end users. Mr. Hardy stated that theoretically, they were for backhaul or subleasing the dark fiber to an ISP that wanted to serve customers.

Mr. Duren asked what the cost would be for one of the connection boxes to a house that was a quarter of a mile away. Mr. Hardy stated that it would be about \$25,000-30,000 to put in aerial fiber and \$60,000 per mile to put in buried fiber. Based off of his calculations, it would cost about \$15,000 to run fiber a quarter of a mile. He stated that it was up to the ISP and their customers, not the County regarding that cost. He stated that there were not many developments right on the lines, and that there were quite a few options once the infrastructure was in place.

Further discussion ensued.

Mr. Burruss stated that he wanted to be sure that the Authority was focusing on their intended purpose to integrate the wireless and fiber with LCPS, which they were working on. He stated that they would not know if CVEC's project would get off the ground or where it would be in five years. He encouraged the Authority to continue with their original plan with LCPS, and emphasized that he did not want them to lose focus.

Ms. Johnson concurred.

Mr. Hill stated that he agreed with Mr. Burruss' comments, and that they needed to concentrate on the project they had set out to do and what they would be discussing in closed session.

Mr. Wermter inquired as to whether they had the potential fiber path chosen to connect the schools yet.

Mr. Hardy stated that the pathway went from the Louisa County Administration Building to Trevilians Elementary School, from the Louisa County Administration Building to Moss Nuckols Elementary School, and on its way from the high school to the Administration Building, it would go down School Bus Road to Thomas Jefferson Elementary School and would go out to Route 33 all the way to Jouett Elementary School. He stated that the CIP project would run the fiber down from School Bus Drive to Industrial Drive to the Betty Queen Center. He stated that in terms of economic development in the business park, having fiber would be advantageous.

Mr. Hardy stated that trenches would be dug and conduit would be put in. He was not sure at the present time whether it would be placed in the right-of-way or not.

### **PUBLIC HEARINGS**

There were none.

### **CHAIRMAN/GENERAL MANAGER'S REPORT**

There was none.

### **CONSENT AGENDA**

There was none.

### **APPROVAL OF THE BILLS**

There were none.

### **CLOSED SESSION**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board voted to enter Closed Session at approximately 7:52 p.m. for the purpose of discussing the following:

1. In accordance with §2.2-3711.29 VA Code Ann., for the purpose of discussing the award of a public contract involving the expenditure of public funds, where such discussion in open session would adversely affect the bargaining position or strategy of the public body.

**RESUMPTION OF REGULAR SESSION**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board voted to return to regular session at approximately 8:45 p.m.

**RESOLUTION - CERTIFICATION OF CLOSED SESSION**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board voted to adopt the following resolution:

**WHEREAS**, the Louisa County Broadband Authority Board of Directors has convened a Closed Meeting pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, §2.2-3712.D of the Code of Virginia requires a certification by the Louisa County Broadband Authority Board of Directors that such closed meeting was conducted in conformity with the Virginia Law.

**NOW, THEREFORE BE IT RESOLVED** that the Louisa County Broadband Authority Board of Directors does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting was heard, discussed or considered by the Louisa County Broadband Authority Board of Directors.

<u>NAME</u>	<u>VOTE</u>
Melvin Burruss	Yes/Aye
Steve Duren	Yes/Aye
Bernie Hill	Yes/Aye
Mary Johnson	Yes/Aye
Mark Luttner	Yes/Aye
Garth Wermter	Yes/Aye

**FINAL COMMENTS**

On the motion of Mr. Wermter, seconded by Mr. Hill, which carried by a vote of 6-0, the Board voted to recommend that the Louisa County Board of Supervisors approve the contract with the vendor as discussed in closed session, subject to the revisions of the proposal, and full contract price not to exceed the discussed figures.

**NEXT MEETING**

The next Broadband Authority meeting will take place on Wednesday, January 3, 2018, at 7:00 pm.

**ADJOURNMENT**

On the motion of Mr. Wermter, seconded by Mr. Burruss, which carried by a vote of 6-0, the Board voted to adjourn the December 6, 2017, regular meeting at approximately 8:47 p.m.

BY ORDER OF:

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MARY JOHNSON, CHAIRMAN  
BOARD OF DIRECTORS  
LOUISA COUNTY BROADBAND AUTHORITY