

Lancaster County Broadband Authority



Minutes of Meeting

August 24, 2018 9:30 a.m.

County Administration Building

1. Call to Order & Approval of Minutes: The regular meeting of the Lancaster County Broadband Authority convened at 9:30 a.m. in the CAB public meeting room. Cassie Thompson, Gary Silverman, Kevin Bean, Margie Armen and David Pere were present along with guests, Chuck Rusinak and Wally Dawson (the representatives) from the Eagles Landing Community and Supervisor Bob Westbrook. The corrected minutes of the July 27 and August 17 meetings were approved as presented.

2. New Business:

A. Eagle Landing Conversation

Homeowners in the Eagle Landing subdivision have been exploring the possibility of working with Atlantic Broadband (ABB) to lay cable that will provide CATV and Internet service to their currently unserved area. As generally described to us by the homeowners, the project will require laying 7 miles of cable from the closest position where service is provided to reach the community. The line extension would serve 54 homes, 26 in Eagle landing and the remainder along the route. There is no one consistent statement of the proposal, but according to the representatives, ABB has offered to cover approximately 21% of the cost, with 14% coming from the homeowners and from the County, and the remaining 65% funded through the Virginia Technology Initiative (VATI). Neither ABB nor the homeowners are authorized to apply for a VATI grant, so our participation would be essential for the project to go forward in this configuration. As originally presented the project assumed a cost of \$35,000 per mile of cable for a total project cost of 245,000. Pricing out the contributions using these assumptions, ABB would pick up a cost of \$953 per home and the 54 homeowners and the county would each pay \$325. The VATI grant would cover the rest at a cost of \$2949 per home. These assumptions are far from iron clad, and there are many possible contribution models some of which are shown on the handout attached to these minutes.

A thorough discussion followed that focused on three basic factors: the size of the project, whether the county can or should participate financially, and the opportunity cost associated with seeking or obtaining a VATI grant.

While we applaud the Eagle Landing homeowners for taking on the task of getting a project started, there was general consensus among members of the Authority that we should not sponsor a project that serves so few homes. To illustrate the possibilities of expanding the

service area to be covered, we considered hypotheticals of 173 and 199 homes respectively (see attachment). It was the consensus of the group that an expansion of service to 199 homes would be more convincing to VATI and more consistent with the Authority's mandate. In the first instance, it would be up to the Eagle Landing homeowners to approach their neighbors about seeking a grant and paying for at least a part of the installation costs. The Authority would also want to be sensitive about income levels of the homeowners in the expanded area.

We discussed whether it would be necessary or important for the County or the Authority to make a financial contribution to the project. The initial proposal assumed that the Authority would make a contribution equal to that of the homeowners. It was generally agreed that County or the Authority having some "skin in the game" would make any grant application more appealing to the VATI evaluation board. However, the County's budget is already approved for the July 2018/June 2019 Fiscal Year, and this project isn't in the budget. Moreover, the Authority has no funds of its own, and faces the same problem of asking the County to fund unbudgeted expenses. However, there is a strong case to be made that leveraging a relatively small investment by the County to obtain a large VATI grant is a good use of funds.

Another factor is the positive and negative opportunity cost to participate in the project. It is clear that if this project were to be selected for a VATI grant, it would be at least a year before we could expect to have any chance of getting another grant. While Jerry Davis may be able to provide us with grant writing support, we have to acknowledge that we are at the very beginning of our planning process. Therefore, we cannot say with certainty that this project is the highest priority or that it is the logical first step of a strategic plan for serving the entire County. For that reason, giving up the opportunity to have a stronger application when we have a comprehensive plan might be a trade off. Also, we noted that the proposed plan from ABB would install copper wire rather than fiber, and this is not optimal as an investment for the long term.

At the conclusion of the discussion, it was clear that many variables and details are unknown and that several items require further attention: 1) the application process is opaque, and it is not clear whether the Authority or the County would be the party to apply; 2) it is not known whether homeowners in the enlarged service area would commit to participate; and 3) it is not known whether ABB is really committed to participating for 54 or at what level. Items 1) and 3) are appropriate for the Authority to continue to explore, and item 2) is up to the Eagle Landing representatives to pursue.

We thanked Chuck Rusinak and Wally Dawson for their input and continued interest in moving ahead on this matter.

B. Outreach

Cassie reported that she had attended a Rotary Club meeting, where David Pere was also in attendance. She provided copies of our slides and the members were interested and impressed. She will make an appearance at the Lancaster by the Bay Chamber of Commerce breakfast meeting on September 11 at 8:30 a.m. Dennis Burchill from the radio station was also

at the Rotary gathering, and he is anxious to help. Cassie thanked him and told him that she would be in touch.

Bob encouraged us to follow through with Visions, which is attempting to create a climate for change. Jimmie Carter and Paul Sciachitano are the responsible people in this organizations. Gary reported that we have already made contact with Paul.

C. Open Meeting Requirements

In response to questions about requirements, Margie reviewed the basics of the Virginia Code on the matter of open meetings. The time and place for meetings must be announced at least 72 hours in advanced, they must be open to the public, and minutes must be taken. A meeting is any gathering for the transaction of business (whether or not votes are taken) where three or more members are present in person or by video/teleconference. Committee meetings must be open also if more than two members participate, although minutes are not required. There are only limited exceptions for contract negotiations, discussions of proprietary data, and personnel related matters. The closure of a meeting or a part of the meeting must be documented in accordance with the statute.

3. Old Business:

David raised the question whether our Articles of Incorporation have been filed. Many other actions depend on our official status being recognized. Margie reported that we directed they be filed but their acceptance has not yet been listed on the State Corporation Commission website. Kevin also observed that the County is not going to support email and that our website can't be assigned a domain name until our status is firmed up. Banking is another function that won't be supported and will require status.

Kevin reported that we have not received the map from Bill Newborg, despite having advised him that we need it two weeks in advance of ABB's September 11 meeting with the County. David also asked about the status of the "kitchen table map," which Joe Urban was going to follow up on.

4. Pending Actions and Tasks:

Policy/Legal

Margie will call Don Gill again to check on a) whether the Articles of Incorporation have been filed, b) when our meeting times will start to be posted in the Rappahannock Record Calendar section, c) whether we can consult with Jim Cornwell about various matters and what are the procedures for doing that, and d) whether he has used his access to the CAMS accounting system and whether we will be able to piggyback on that.

She will continue to follow up on submitting our comments on the RUS Notice and the drafting of By Laws.

Finance

All members need to be documenting their probable expenses, so we can put together a budget request and a grant request to the Economic Development Authority.

4. Continued New Business: Interview with Jean Plymale of CIT

Following a brief adjournment for lunch, the meeting reconvened at 1 p.m. to get information from Jean Plymale from CIT. David, Gary, Cassie and Margie were on the call. Jean advised that there was no impediment to our participating in a VATI grant on behalf of Eagle Landing. We don't need to participate financially to submit an application, although it would probably enhance the chances of a grant being approved. VATI will publish instructions on how to apply in mid September and these should answer the process questions about who can apply and other specifics that are not yet clear. The downside of getting a VATI grant this year would be that it would be highly unlikely we would get another the next year (however, a grant application with a different partner would possibly be considered). Jean confirmed that we wouldn't need to have a P3 resolution in place to apply for or to accept a grant. P3 applies to contracts.

Jean strongly recommended that we be certain that ABB and the Homeowners are firmly committed before we move forward with anything.

We also talked about the pros and cons applying for planning funds from the CDBG pilot program. According to Jean, King George got planning funds from the CDBG, and has experienced some delays and frustrations in connection with some of the specific hoops that they were asked to jump through. However, Jean also believes that the process is a valuable one and that potential grantees who have followed it may have an advantage in other grant processes. Seeking CDGBG funds come with lots of planning requirements that could delay our timeline.

On the question of timelines, Jean reported that the many changes that are taking place at CIT are affecting their ability to fulfil their commitments with regard to the survey release. She still hopes we will be able to have our first draft in mid-September as originally promised, but it could be later. She also reiterated that it will be up to us to harvest the data in the survey.

We thanked Jean for the information and for her patience.

5. Schedule Next Meeting(s) and Adjourn. The next meeting would normally take place on the 31st, but that is the Friday before Labor Day weekend, so Cassie polled the Board to determine who will be able to attend. Everyone except David can come, so we will go ahead at 9:30 as usual. The meeting adjourned at 2:25 p.m.

Respectfully submitted,



Margie Armen,

| Proposed project | VATI (\$000) | ABB (\$ 000) | Association (\$000) | LCBBA (\$000) | Total (\$000) | Comments | Parcels (total) | Miles | 911 Parcels/ mile | Eagles Landing | Iberis Rd | Merry Point | MP 2 | West Point Rd | Right-town Rd | Brown's Ln east | Buzzards Neck & River Ridge Rd | IBERIS Rd 2 | Brown's Ln west | Hoe-cake Rd & Glen-mount Rd | Kelly Neck Rd & Indian Path Rd |
|------------------|--------------|--------------|---------------------|---------------|---------------|---|-----------------|-------|-------------------|----------------|-----------|-------------|------|---------------|---------------|-----------------|--------------------------------|-------------|-----------------|-----------------------------|--------------------------------|
| As received | \$ 159.25 | \$ 51.45 | \$ 17.15 | \$ 17.15 | \$ 245.00 | 65-35 match, 7 miles | 54 | 7 | 7.71 | 26 | 9 | 19 | | | | | | | | | |
| Scenario 1 | \$ 183.75 | \$ 35.25 | \$ 26.00 | \$ - | \$ 245.00 | 75-25 match, 7 miles, 1K/house from EL | 54 | 7 | 7.71 | 26 | 9 | 19 | | | | | | | | | |
| Scenario 2 | \$ 367.50 | \$ 96.50 | \$ 26.00 | \$ - | \$ 490.00 | 75-25 match, 1K/house from EL, doubling to 14 miles | 173 | 14 | 12.36 | 26 | 9 | 19 | 40 | 5 | 10 | 20 | 34 | 10 | | | |
| Scenario 3 | \$ 446.51 | \$ 122.84 | \$ 26.00 | \$ - | \$ 595.35 | 75-25 match, 1K/house from EL, 2.4x to 17 miles | 199 | 17 | 11.71 | 26 | 9 | 19 | 40 | 5 | 10 | 20 | 34 | 10 | 3 | 10 | 13 |

