

MINUTES

Regular Meeting of the Board of Directors of the Eastern Shore of Virginia Broadband Authority

March 29, 2018

Board members in attendance were: Pete Lalor, Elaine Meil, Mike Mason, John Reiter, and Charles Kolakowski.

ESVBA management participating in the meeting who were in attendance: Robert Bridgham and Leah Hoopes (Secretary)

Members of the public attending were:
Mike Zodun

Elaine Meil called the meeting to order at 2:00 pm.

AGENDA ADOPTION

Mr. Reiter moved to amend the agenda to switch items 3 and 8 and add a discussion for the USDA loan under New Business. Mr. Lalor seconded. Motion passed unopposed.

OLD Business

- a. **Review new CTC Draft Strategic Plan-** Tom Asp presented a slide show to the board.

Mr. Lalor asked if Mr. Asp's average cost per connection of \$1000 for one of the models was for only adjacent facilities. Mr. Asp replied that the estimate was for the last drop cost and the drop cost bundled with the CPE cost was around \$1200. This cost is for facilities within 500 ft of the middle mile fiber.

Mr. Mason asked if there were more risks with the 2 options that involved the electric company and google. Mr. Asp stated that it would be a very risky approach for ESVBA.

Mr. Reiter stated that CTC has been very responsive with the committee and the draft is outstanding.

Mr. Mason asked if in general the ESVBAs pricing is still in alignment.

Mr. Asp replied that it was and it should continue to be looked at if there is incentive to encourage buildout in certain areas.

Ms. Meil asked what the effect would be on the models if the lowest residential tier wasn't eliminated.

Mr. Asp explained that a certain percentage of people are going to buy the service based on the reliability and if the bottom tier was eliminated you'd be leaving the ISPs room to operate and going after someone whose looking for that higher reliability.

Mr. Lalor asked about going to a retail model and using contractors to offload some of the responsibility of the staff.

Mr. Asp replied that using leveraging contractors and resources would typically run about \$1.00-\$1.50 a month per subscriber.

Mr. Kolakowski commented that the report was very thorough but he didn't agree with the statement about the lower level service.

Mr. Reiter motioned to accept the report. Mr. Lalor seconded. Motion passed unopposed.

PUBLIC COMMENT

Mr. Zodun asked that the CTC draft be posted on the website.

REVIEW OF MINUTES

Mr. Reiter motioned to approve the minutes. Mr. Mason seconded. Motion passed unopposed.

STATUS REPORT

1. Town Broadband Initiative Program (BIP)- Mr. Bridgham reported that all the programs have been completed except Bloxom, which expires in October 2018.
2. WiFi Hotspots- Mr. Bridgham gave an update that there are currently 11 hotspots in service and provided a WiFi statistics report.
Mr. Mason asked what the process is for requesting hotspots.
Mr. Kolakowski stated that Northampton County is still discussing places that would be appropriate.
3. Residential Broadband- Mr. Bridgham reported that there are 28 customers in service in Harborton, 12 in Bobtown, 7 in Church Neck, 4 in Sanford, 1 on Cobbs Station, 0 on Cheapside, 1 in Townsend, and 3 in Accomac. Atlantic and Wattsville/Horntown were just opened on 3/27.

Mr. Mason thanked Mr. Bridgham for all the charts and info that was provided to the board. He asked that the residential chart show the dates the areas were opened.

4. WISP EVPL Program- Mr. Bridgham informed the BOD that 32 sites are in service and bandwidth upgrades continue.

NEW BUSINESS.

- a. **Marketing review-** Mr. Bridgham presented a packet from Eddy Communications showing different marketing options.
Mr. Kolakowski asked what's being done for marketing in the areas that are opening next.
Mr. Bridgham suggested direct mailing to the houses that will be able eligible for service. He also stated that the website is being updated and will be more informative for residential customers.
Mr. Mason asked if the ESVBA was still using door hangers.
Mr. Bridgham replied that all of the open areas have had door hangers except the 2 most recent.
- b. **Organization Chart-** Mr. Bridgham presented the organization chart to the board and asked that it be used as a tool for the budget.
Mr. Mason asked if there were any outsourced positions on the chart.
Mr. Bridgham replied that the chart only shows internal staff.
Mr. Reiter commented that he believes until the board adopts a strategy, the chart is premature.
Mr. Reiter also asked about the network engineer position.
Mr. Bridgham replied that the network ops manager is also the network engineering director.
- c. **FY2017 Audit Approval-** *Mr. Reiter motioned to approve the FY2017 budget. Mr. Mason seconded. Motion passed unopposed.*
- d. **Verizon Bond Approval-** Mr. Bridgham stated that the ESVBA is required to have a bond in place for any work that's done on Verizon poles. A letter of credit from Shore Bank was being used until the accounts were switched to BB&T.
Mr. Lalor moved to approve the bond. Mr. Reiter seconded. Motion passed unopposed.
- e. **Budget amendment for 10 yr anniversary-**
Mr. Lalor moved to approve a budget amendment of \$2000 for the 10 year anniversary celebration. Mr. Mason seconded. Motion passed unopposed.
- f. **USDA loan-** Ms. Meil asked if a committee would be appropriate.
Mr. Kolakowski suggested that Mr. Bridgham move forward with the loan

process immediately so that the timelines are met.

Mr. Mason suggested reaching out to resources to help out with the grant application process.

CLOSED SESSION

Motion to enter into closed session according to Section 2.2-3711 of the Code of Virginia of 1950, as amended;) Paragraph 1: Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body. Paragraph 34: Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 19 of § 2.2-3705.6 made by Mr. Reiter, seconded by Mr. Lalor. The following board members were present Mr. Kolakowski, Mr. Mason, Mr. Reiter, Ms. Meil, and Mr. Lalor and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Reiter, seconded by Mr. Mason that the Board had entered the closed session for that purpose as set out in Paragraph 1 and 34 of Section 2.2-3711 of the Code of Virginia of 1950, as amended. Roll call vote taken Vote was that no other business discussed than as advised in Paragraph 1 and 34. The following board members were present Mr. Kolakowski, Mr. Reiter, Mr. Mason, Ms. Meil, and Mr. Lalor and voted affirmative.

Motion

Mr. Lalor motioned for the Executive Director to amend contract A to include some of his recommendations. Mr. Mason seconded. Motion passed unopposed.

Motion

Mr. Mason motioned for the ESVBA to schedule and hold a rate hearing at next months meeting. Mr. Reiter seconded. Motion passed unopposed.

Motion

Mr. Kolakowski motioned for the chair to execute an agreement for an employment contract for Mr. Bridgham as the Executive Director of ESVBA. Mr. Reiter seconded. Motion passed unopposed.

Treasurer’s Report- None.

Board Comment

Mr. Reiter asked that discussion on the options that were presented in the CTC report and the next steps be added to the agenda for next month. He added that the ESVBA could complete option 3 by next fiscal year with cash on hand and cover 1/3 of the population of both counties. And with an additional \$10million, another 1/3 of the shore could be covered in 5 years.

Mr. Lalor asked for a chance to read and digest the draft from CTC since he was not on the committee.

Mr. Lalor also thanked both the CTC committee (Ms. Meil, Mr. Reiter, and Mr. Bridgham) and the contract committee (Mr. Reiter and Mr. Kolakowski) for all their time and effort.

ADJOURNMENT

The meeting was adjourned at 4:17pm.

These minutes were approved at the April 26, 2018 meeting of the Board of Directors of ESVBA.

Faine K. D. Meil
Presiding Officer

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Leah Hoopes, Secretary