

MINUTES

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

May 24, 2018

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

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

Members of the public attending were: Joseph Betit, Jonathan Diley, and Pat Coady

Elaine Meil called the meeting to order at 2:06 pm.

AGENDA ADOPTION

Mr. Lalor moved to approve the agenda. Mr. Kolakowski seconded. Motion passed unopposed.

PUBLIC COMMENT

Jonathan Diley- (resident of Northampton County) Mr. Diley asked if the ESVBA has active contracts with the other service providers on the shore and stated that part of the monetary problem could be addressed by not subsidizing the competition with low rates.

Pat Coady- Mr. Coady presented a handout to the BOD addressing the expansion of the ESVBA (attached). Mr. Coady suggested that ESVBA use a combination of current revenue and a bond in order to build out as much as possible.

Joseph Betit- Mr. Betit had a meeting with a few of the new engineers at A&N who have helped to set up data centers. Mr. Betit is interested in setting up a small data center which requires a minimum of 3 providers to support it.

REVIEW OF MINUTES

Mr. Lalor motioned to approve the Special Meeting Minutes from April.

Mr. Mason seconded. Motion passed.

STATUS REPORT

1. Town Broadband Initiative Program (BIP)- Mr. Ertle stated that Bloxom is the only open BIP and it ends in October.
2. WiFi Hotspots- Mr. Ertle gave an update that there are currently 12 hotspots in service and provided a WiFi statistics report.
3. Residential Broadband- Mr. Ertle reported that there are 33 customers in service in Harborton, 13 in Bobtown, 10 in Church Neck, 8 in Sanford, 1 on Cobbs Station, 0 on Cheapside, 1 in Townsend, 12 in Accomac, and 1 in Greenbackville. Wattsville/Horntown, Oak Hall, and Hallwood were recently opened.
4. WISP EVPL Program- Mr. Ertle informed the BOD that 32 sites are in service and bandwidth upgrades continue.

NEW BUSINESS

- a. **CTC Strategic plan: ESVBA Network Prioritization Phase 1-** Mr. Bridgham put together a spreadsheet showing 36 new areas and metrics to help the board decide on which areas to build out to first. Mr. Mason asked Mr. Bridgham if he could relate the 36 areas and the cost to the capital spending plan for the next 7 years. Mr. Bridgham stated that there are funds from the capital improvement program and there's also a line item in the budget for generic network extension. Mr. Webb asked Mr. Bridgham why he focused on the number of students. Mr. Bridgham replied that this was information he thought he could get from the schools in a reasonable time frame without having to do surveys. Mr. Webb stated that he thinks the board should take into account all the residents of both counties, including the teleworkers and college students, and their need for service. Mr. Mason asked if there were any other readily available data sources that were considered. Mr. Bridgham stated that the number of businesses was considered and it could be added to the metrics. Mr. Mason asked how long it would take to complete all 36 areas. Mr. Bridgham stated at the current budget it would take about 4 years to construct all 36 areas. Ms. Meil asked if there was diversity in the areas, such as both counties and rural vs. towns. Mr. Bridgham stated that the list is based on

pathways rather than towns.

Mr. Kolakowski asked if there were any combinations of the areas that would make more sense to group together. Mr. Bridgham stated that the column "Required P1 complete first" tells if it's contingent upon other areas being built first.

Mr. Bridgham mentioned that he could have included the ratio of average revenue per house and the average cost of install. The board agreed that they would like to see this information.

Mr. Webb asked if the board plans on eventually providing service to everyone including hard reaching areas last or levying some of the finances coming in to cover those areas.

Mr. Kolakowski stated that he doesn't believe that it's the Authority's responsibility to guarantee that fiber gets to everyone.

Mr. Mason asked Mr. Bridgham to look at different models that use bonds in order to speed the process up. He also asked Mr. Bridgham to look at existing cash flow without modeling any new customers and find out what the debt service would be on that cash flow. He explained that he would like to see the projections showing what it would look like if we were to lose some of our bigger commercial clients.

Mr. Bridgham stated that he could have build out cost estimates for 20 towns by the next board meeting.

Ms. Meil suggested changing the ID on the spreadsheet in case towns are added to the list.

- b. **FY2019 Budget-** Mr. Bridgham provided the BOD with the proposed FY2019 Budget.

Mr. Lalor suggested getting informed on what operations could be subcontracted for the retail side, such as 24 hour call centers.

Mr. Mason motioned to amend and approve the budget to relocate the unexpended funds from FY2018. Mr. Kolakowski seconded. Motion passed unopposed.

OLD Business

- a. **Micro Community Policy-** Mr. Bridgham provided a draft copy of the Micro Community Policy to the board.

Mr. Kolakowski asked if there would be a contribution towards the construction.

Mr. Bridgham replied that we should accept funds in order to offset the costs, especially for jobs that have a larger install.

Mr. Kolakowski asked what the revenue of guarantee is.

Mr. Bridgham stated that each customer wanting service would need to

sign a contract.

Mr. Kolakowski asked what the ability to enforce the contract would be.

Mr. Bridgham stated that the ESVBA has the option to involve debt collectors if customers decide not to pay.

Mr. Webb moved to authorize Mr. Bridgham to start trial.

Mr. Lalor seconded.

Mr. Mason asked if the communities that have expressed interest would be contacted. Mr. Bridgham replied that they would be contacted.

Mr. Webb suggested creating a vehicle where people could understand more about it and the process of getting it.

Ms. Meil stated that the trial should start once the contracts and funds are received.

After discussion, motion passed unopposed.

Board Comment

ADJOURNMENT

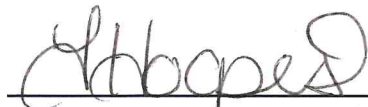
The meeting was adjourned at 3:33pm.

These minutes were approved at the June 28, 2018 meeting of the Board of Directors of ESVBA.



Presiding Officer

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Leah Hoopes, Secretary