

MINUTES

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

June 28, 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 and Leah Hoopes (Secretary)

Members of the public attending were:

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

AGENDA ADOPTION

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

PUBLIC COMMENT

None

REVIEW OF MINUTES

Mr. Lalor motioned to approve the Annual Meeting Minutes and the Regular Meeting Minutes from May.

Mr. Webb seconded. Motion passed.

STATUS REPORT

1. Residential Broadband- Mr. Bridgham reported that there are 34 customers in service in Harborton, 14 in Bobtown, 10 in Church Neck, 13 in Sanford, 1 on Cobbs Station, 0 on Cheapside, 1 in Townsend, 13 in Accomac, 1 in Atlantic, and 2 in Greenbackville. Wattsville/Horntown, Oak Hall, and Hallwood

were recently opened.

Mr. Mason asked about the customer retention rate.

Mr. Bridgham explained that there have been a few customers who have moved and the new tenants have signed contracts in order to replace the old ones.

NEW BUSINESS

- a. **Review Town buildout costs-** Mr. Bridgham put together a spreadsheet showing the cost of buildout to every incorporated town.

Mr. Bridgham also presented a power point showing expansion options and related funding.

Mr. Mason stated that the VRA application is a very light process but it requires moral obligations from both counties.

Mr. Webb asked what's feasible for the Broadband Authority.

Mr. Bridgham stated that most of the work would probably be outsourced aside from the engineering.

Mr. Lalor asked about the counties current debt status and if there have been any other situations where the counties have had moral obligations.

Mr. Mason stated that the small amount of debt that Accomack County has will be coming off within the next few years.

Mr. Kolakowski stated that Northampton County has some debt but handling more debt would be a sensitive subject since the schools need work.

Mr. Mason asked if a smaller scale project such as the town buildouts would need to be outsourced or could it be done in house.

Mr. Bridgham stated that even with the budgeted head count the Authority would not be able to complete that type of project in a year and it would need to be outsourced.

Ms. Meil asked if the roads without customers would still be built out.

Mr. Bridgham stated that there would need to be some risk assessment and if the adoption rates continue to increase then the authority can make assumptions about what roads should and shouldn't be built.

Mr. Kolakowski asked if the town build out just includes building to the poles and how would the ESVBA handle building to houses in addition to the town build.

Mr. Bridgham stated that he's keeping track of the take rate in the areas that are currently being opened and working on projecting the numbers to determine growth pattern.

Mr. Bridgham presented an Extension Summary spreadsheet.

Mr. Kolakowski asked if any of the areas are currently funded.

Mr. Bridgham stated that six of them are funded in this fiscal year budget. *Mr. Lalor moved to approve Robert Bridgham to start discussion with VRA and start the bond application. Mr. Mason seconded. Motion passed unopposed.*

Mr. Webb asked what's the total length of mileage.

Mr. Bridgham commented that the 36 areas are 109 miles and the towns are around 60 miles. Mr. Bridgham also stated that a \$6 million bond should cover both buildouts.

Mr. Mason suggested phasing out the bond since it wouldn't all be used at once.

Mr. Lalor said that in corporate transactions if you're borrowing money over a long period of time you would need to pay a small stand by fee on undrawn amounts instead of interest.

Mr. Kolakowski stated that a 15-year term would overlap when Northampton County's debt starts to go down and would possibly affect other projects.

Mr. Bridgham asked if a 10-year term would be more manageable for the county.

Mr. Mason stated that he's not in favor of going out on a bond for more than 10 years.

Ms. Meil commented that Chincoteague should be included in the list.

Mr. Bridgham asked about the connectivity to Tangier.

Mr. Mason moved to approve no more than \$5 million with a 10-year term for the application. Mr. Lalor seconded. After discussion, motion passed opposed.

OLD Business

a. Rate Hearing with Public Participation-

Mr. Lalor moved to adopt the new rates. Mr. Webb seconded. Motion passed unopposed.

b. Review Network Extension Matrix-Discussed in item 6A.

Board Comment

Mr. Mason asked about the fiber cut in Accomack County and the cost recovery.

Mr. Bridgham stated that the Authority bills the party responsible for the damages when possible.

Ms. Meil asked how much the cost of the outage was.

Mr. Bridgham said that the total cost to date is around \$4K.

ADJOURNMENT

The meeting was adjourned at 3:10pm.

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

Elaine K. Mead
Presiding Officer

Copy teste:

Leah Hoopes
Leah Hoopes, Secretary