

MINUTES

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

May 23, 2019

Board members in attendance were: Charles Kolakowski, Mike Mason, Elaine Meil, 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:
Ed Stetar, Larry Breech, Glen Salmon,

Ms. Meil called the meeting to order at 2:11 pm.

AGENDA ADOPTION

Mr. Kolakowski moved to adopt the agenda. Mr. Webb seconded. Motion passed unopposed.

PUBLIC COMMENT

Mr. Salmon asked for the Authority to notify the public about which areas are being built out first.

Mr. Mason asked that Mr. Bridgham give a brief update under item 8.

REVIEW OF MINUTES

Mr. Mason moved to approve the Regular Meeting Minutes from March. Mr. Webb seconded. Motion passed unopposed.

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 5: Discussion concerning a prospective business or industry or

the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. Paragraph 33: 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 information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6, made by Mr. Webb, seconded by Mr. Kolakowski. The following board members were present: Mr. Kolakowski, Mr. Webb, Mr. Mason, and Ms. Meil and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Kolakowski, seconded by Mr. Webb that the Board had entered the closed session for that purpose as set out in Paragraph 1, 5, and 33 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, 5, and 33. The following board members were present: Mr. Kolakowski, Mr. Webb, Mr. Mason, and Ms. Meil, and voted affirmative.

MOTION

Mr. Webb moved to resend the agenda adoption and add an additional Closed Session after Item 9. Kolakowski seconded. Motion passed unopposed.

STATUS REPORT

1. WiFi Hotspots- Mr. Bridgham gave an update that there are currently 12 hotspots in service.
Mr. Kolakowski asked if the Authority could place a sign at the Visitor's Center stating that the Wi-Fi is provided by ESVBA.
2. Residential Broadband- Mr. Bridgham reported that there are 42 customers in service in Harborton, 20 in Bobtown, 12 in Church Neck, 23 in Sanford, 2 on Cheapside, 2 on Cobbs Station, 35 in Accomac, 2 in Townsend, 7 in Greenbackville, 7 in Atlantic, 6 in Wattsville/Horntown, 10 in Oak Hall, 10 in Hallwood, 2 in Painter/Quinby, 16 in Eastville, 4 in Nassawadox, 2 in Oyster, 19 in Exmore, 7 in Belle Haven, 3 in Cheriton, 4 in Wachapreague, 21 in Onancock, 11 in Cape Charles, and Parksley and Nocks Landing have recently been opened. Chincoteague will be opening soon.

Mr. Bridgham stated that there are 4 signed customers in Nocks Landing that are waiting to be installed.

3. WISP EVPL Program- Mr. Bridgham informed the BOD that 52 sites are in service, 2 that are under contract, and bandwidth upgrades continue.
4. Microcommunity Program- Mr. Bridgham stated that all the legal contracts have been completed and the construction has started for the first community in Watts Bay. Nasa is working with ESVBA to resolve the issue crossing Atlantic Rd. Mr. Webb suggested building underground conduit pathways when new subdivisions are being built in the counties. Ms. Meil stated that there was a request for a subdivision in Accomack County and Mr. Bridgham should speak with the planning directors.

Mr. Ertle presented the new WiFi Reports to the board.

NEW BUSINESS.

- a. **FY2020 Budget-** Mr. Bridgham presented the board with the FY2020 Budget along with some notes.
Mr. Bridgham stated that one of the ESVBA's large carriers has declared Chapter 11 Bankruptcy, which could affect the revenue source. The Authority plans on adding up to 2 full time and 2 part time employees in the next year. The Authority also plans on purchasing another company vehicle.
Mr. Bridgham added the payment for the lease on the CBBT as well as the payment for the Bond with BB&T to the budget.
Mr. Mason motioned to approve the FY2020 Budget. Mr. Kolakowski seconded. Motion passed unopposed.
- b. **Consideration of the ESVBA Dark Fiber Policy-**Mr. Bridgham explained that the Authority has been approached about leasing dark fiber in the past and he has contacted the attorneys and provided them with a draft. Mr. Mason asked how much capacity would the Authority have if all 14 strands were leased.
Mr. Bridgham stated that if it's transiting the Eastern Shore, most of the backbone would be at 40% but some areas would need rerouting. Mr. Webb asked how much revenue could they expect from leasing the 14 strands.
Mr. Bridgham stated that it could potentially be around \$8 million.

Ms. Meil suggested adding another item to the policy stating that each individual deal needs to be approved by the board.

Mr. Bridgham explained that companies would probably buy only one or two pairs of strand at a time and would almost never purchase single strands.

Mr. Webb asked how old the current backbone is.

Mr. Bridgham replied that the backbone is 10 years old and has a life expectancy of about 25 years.

The board asked that Mr. Bridgham bring back the revised Policy at the July Meeting (August).

OLD BUSINESS

- a. **Award IFB for CPE & Splicing-** Mr. Bridgham stated that there were two responses to the IFB and only one vendor bid on all four sections. He explained that the vendor's response to all sections was substantially over the amount that the ESVBA pays to its current contractors. He suggested moving forward with existing contracts and selecting a vendor for splicing and CPE.

Mr. Webb asked about the current contracts and when they expire.

Mr. Bridgham stated that the vendor's contract is for the original build but they plan on continuing to honor the contract.

Mr. Webb moved to award both splicing and CPE to Coastal Contracting. Mr. Kolakowski seconded. After discussion, motion passed unopposed.

- b. **Rescheduling of Rate Hearing-** Mr. Bridgham reminded everyone that there was a Rate Hearing scheduled for April which was not held due to lack of quorum.

Mr. Mason moved to schedule a Rate Hearing for August 8th, 2019 and have the rates advertised. Mr. Kolakowski seconded. Motion passed unopposed.

Mr. Webb motioned to reschedule the Regular Meeting in July to August 8th, 2019. Mr. Mason seconded. Motion passed unopposed.

- c. **Buildout Status Update-** Mr. Bridgham provided the board with a summary and gave a brief update on the buildout. He stated that they are in the process of building out the towns but also working on the extensions if they make sense at the time. Nassawadox, Saxis, Keller, Onley, and Painter have been fully engineered and are waiting on permits. Mr. Bridgham announced that once the Authority is able to catch up on customer installs, they will begin to do more advertising. They have also created pamphlets and have started advertising for commercial businesses.

Mr. Kolakowski asked what the Authority's capacity is for residential customers.

Mr. Bridgham stated that currently, they are turning up about 30 customers per month but Coastal Contracting's goal is to have 100 customers installed monthly.

Mr. Kolakowski asked how do they get above 100 customers per month and cut back on the time frame of 10 to 12 years.

Mr. Bridgham stated that the original projection was about 100-120 residential customers per month. Also, the ESVBA had planned to do all of the customer installs and leave the construction to the contractors. However, it is easier for the contractors to scale up when needed so now the contractors are taking on the customer installs while the Authority handles the construction.

Mr. Bridgham also explained that if the customer install rate gets much higher, the Authority will have a cash flow issue and will need additional funding.

Mr. Webb spoke about the additional income they could make from leasing dark fiber and how that could help speed up the process.

Ms. Meil stated that after 2022 there is potential to add another contractor.

Mr. Kolakowski requested Mr. Bridgham to talk with the contractors and see if they would be able to handle more than 100 installs per month.

Mr. Webb suggested waiting about 3 to 6 months in order to get a better idea of what kind of resources are needed.

Ms. Meil stated that it's important to keep the Authority lean so that splicers aren't getting laid off after a couple years.

BOARD COMMENT

Mr. Kolakowski would like to have the Closed Sessions at the end of the meetings. Mr. Bridgham is going to check the By-laws and bring the subject back at the next meeting.

CLOSED SESSION

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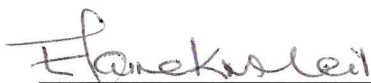
Paragraph 33: Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6, made by Mr. Kolakowski, seconded by Mr. Mason. The following board members were present: Mr. Kolakowski, Mr. Webb, Mr. Mason, and Ms. Meil and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Kolakowski, seconded by Mr. Webb that the Board had entered the closed session for that purpose as set out in Paragraph 5 and 33 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, 5, and 33. The following board members were present: Mr. Kolakowski, Mr. Webb, Mr. Mason, and Ms. Meil, and voted affirmative.

ADJOURNMENT

The meeting was adjourned at 5:18 pm.

These minutes were approved at the Aug. 8, 2019 meeting of the Board of Directors of ESVBA.



Presiding Officer

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Leah Hoopes, Secretary