



Work Session of the Board of Directors of the Eastern Shore Broadband Authority

February 25th, 2020

2:00 p.m. virtually via Zoom

<https://zoom.us/j/98791351459?pwd=STBuWUY5R1Bmc2V6M1g1K3FrMXV0Zz09>

AGENDA

- 1. Call to Order**
- 2. Agenda Adoption**
- 3. Old business**
 - a. Rate hearing**
 - b. Staff Salary Budget**
- 4. New Business**
 - a. FY21 Budget amendments**
 - b. Consider authorization to enter into agreements with counties for County-funded projects.**
- 5. Work Session**
 - a. Discuss remaining funds from bond proceeds**
- 6. Board Comments**
- 7. Closed Session**
- 8. Adjournment**

Next Board Regular Meeting: March 25th, 2021

1 Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; (A) 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.

2 Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; 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.

3 Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; 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 records and trade secrets excluded from this chapter pursuant to subdivision 19 of § 2.2-3705.6.

New Terms for Ethernet Transport
Bandwidth

Term	1Gig	2Gig	5Gig	10Gig
3Y	\$ 3,220	\$ 4,603	\$ 5,678	\$ 8,280
5Y	\$ 2,800	\$ 4,002	\$ 4,938	\$ 7,200
7Y *	\$ 2,520	\$ 3,602	\$ 4,444	\$ 6,480

New Dedicated Internet rates

BW	5Y pricing
10Gb	\$ 10,890
12Gb *	\$ 11,770
14Gb *	\$ 12,650
16GB *	\$ 13,530
18Gb *	\$ 14,410
20Gb *	\$ 15,290



Feb 2021 Budget Amendment Request for FY2021

The staff is requesting three budget amendments to cover unplanned expenses that will be incurred prior to the end of FY21

Item #1: One of the ESVBA Network Technicians was in an accident with our 2013 Chevy Express 1500 van. Although there are no reported injuries, it appears that the Van will be considered totaled by the body shop and insurance. We will receive a payment from insurance however, it is not a full replacement payment. We would like to allocate \$40,000 in funds to purchase a replacement Van to the one that will be titled.

Previously Approved funding: \$0

New line item at: \$40,000

Item #2: We have previously approved funding to build microcommunity projects here on the Eastern Shore. In previous years, the participation was limited and the previously approved funding of \$70,000 was adequate for our normal level of interested however, with COVID-19, the demand for microcommunities has greatly increased. We have spent \$39,633 out of the microcommunity fund and with the Sand Hill & Wise St micros being built we will have expended \$55,360. We would like to ask for an additional \$60,000 in funding to cover our microcommunity projects through to the end of June 2021.

Previously Approved funding: \$70,000

Increase line item to: \$130,000

Item #3: Due to Accomack County's investment in the ESVBA, the ESVBA built a four-mile initial backbone into Captains Cove. The ESVBA has been engaged with the Captains Cove ISP committee to work on remedying the lack of broadband within the Cove. In the regular meeting of the Accomack County Board of Supervisors, the Board approved the County Administrator to work with the ESVBA to formulate a MOU for funding the county is willing to expend to help expand broadband access. The one item the county only partially funded was to pay for the engineering design at Captains Cove. Our estimate is that it is approximately \$75,000 to design the network in Captains Cove to which the County has tentative allocated \$25,000. The County may have additional to move towards this engineering however, we would like to fund the remaining \$50,000 to get a complete engineering package and design as well as a true bill of materials (BOM) for the project and be able to work on laying out a phased approach to the buildout.

Previously Approved funding: \$0

New line item at: \$50,000



Budget impact:

We would like to use the surplus in Payroll Expenses to fund these amendments. By the end of Q2, the Payroll Expenses:Wages & Benefits line item had used \$574,421 and we had budgeted (for the first half of FY21) \$828,904. Transferring \$220,000 from Wages & Benefits to the three aforementioned items will continue to balance our budget, permit us to continue to spend on projects that have grown as well as items that were not predicted prior to the formation of the budget and still leave some surplus in this item for the remainder of FY21.

2. Budget line item: Payroll Expenses:Wages & Benefits

Approved funding for first half of FY21: \$828,904

Decrease line item to: \$ 608,904

The net change to the FY 2021 budget is zero.

County Funded Projects

- On 2/9, the Northampton County Board of Supervisors authorized the County's staff to enter into an agreement with the ESVBA to fund the ESVBA suggested microcommunities and strategic segments presented to the County with in the amount of ~\$312k.
- On 2/17, the Accomack County Board of Supervisors authorized the County's staff to assemble an agreement with the ESVBA to fund the ESVBA suggested microcommunities, strategic segments, high-cost installations for low & moderate-income individuals, provide funding for one targeted community if the VATI grant for that same community is rejected and to fund 1/3 of the engineering for Captains Cove presented to the County with in the amount of ~\$870k.
- Both Counties expressed their opinion that they want to fund the projects as described however, would like the ESVBA to try and identify if any projects already have wired broadband services and to notify them so they can change the targeted projects accordingly.

Request: The Staff needs authority to enter into an agreement with both counties to build out the projects as funded by the Counties. All projects funds, other than drops which are funded via our normal ROI model, would be derived from the Counties.

Janice Williams

From: Charles Kolakowski
Sent: Tuesday, February 09, 2021 4:08 PM
To: Dixon Leatherbury; Betsy Mapp; O Bennett; jcoker@aol.com; D Fauber
Cc: Janice Williams; John Chandler
Subject: FW: Network Extension
Attachments: Network Extension.pdf

Board members:

Attached are worksheets provided by the ESVBA detailing estimated costs for extending broadband service to various areas and streets in Northampton County.

They are divided into two sets of projects. One is the microcommunity program which works with neighborhoods to develop a market plan to finance the fiber extension. The column [Remainder not funded by subs] is the amount of additional subsidy [\$127,001] needed to complete the projects.

The second set of projects are areas which the Authority can extend in a reasonably efficient manner and will bring the system closer to additional areas as well as provide redundancy to the system. Estimated cost: \$184,720.

Total requested amount is \$311, 721. We currently have \$312,675 budgeted in CARES funds for broadband extensions.

We would work with the Authority to avoid duplicating services where possible and use any remaining funds for additional extensions of service.

I request that County staff be authorized to enter into an agreement with the ESVBA to affect these extensions.

Charles Kolakowski
Northampton County Administrator
[757] 678-0440, x515

-----Original Message-----

From: Sandra Esposito <sesposito@co.northampton.va.us>
Sent: Tuesday, February 9, 2021 3:49 PM
To: Charles Kolakowski <ckolakowski@co.northampton.va.us>
Subject: Network Extension

Your message is ready to be sent with the following file or link attachments:

Network Extension

Unpassed Microcommunities

Micro	# of homes in community	Cost of network extension	Remainder not funded by subs	Total incremental passings
Butlers Bluff	16	\$ 39,305	\$ (27,383)	48
Holly Dale Cape Charles	7	\$ 45,751		11
Johnson Point	8	\$ 34,381	\$ (29,068)	46
Kiptopeke Condos	3	\$ 7,177	\$ (5,320)	19
Locust Lawn Dr	4	\$ 10,869	\$ (8,767)	12
Occohannock Blvd	5	\$ 12,466	\$ (9,371)	19
Saltworks	21	\$ 50,813	\$ (39,079)	61
Sunset Way	4	\$ 3,243	\$ (767)	4
Yarmouth Dr	2	\$ 8,945	\$ (7,246)	8
TOTALS	70	\$ 213,130	\$127,001	228

*

Strategic Segments

Name	Distance (ft)	Build Cost	# of passings
Battle Point	4,092	\$ 10,352.39	24
Brickhouse Dr	3,342	\$ 8,507.32	40
Cherrystone Inlet/Wilkins Dr	12,499	\$ 29,664.89	55
Hungars Beach	14,878	\$ 39,120.96	34
Pine Meadows Way	2,941	\$ 18,051.85	25
TB Road	6,948	\$ 16,547.98	26
Trehemerville	9,513	\$ 24,570.47	103
Wellington Neck	15,890	\$ 37,904.20	34
TOTALS:	70,103	<u>\$ 184,720.06</u> *	341



Agenda Item Details

Meeting	Feb 17, 2021 - Board of Supervisors Regular Meeting 5:00 p.m.
Category	12. New Business
Subject	12.1 Consider authorizing development of a memorandum of understanding between the County and Eastern Shore of Virginia Broadband Authority to further expand broadband services in Accomack County
Type	Action
Fiscal Impact	Yes
Dollar Amount	865,531.00
Budgeted	Yes
Recommended Action	Authorize the County Administrator to develop a MOU between the County and ESVBA to further expand broadband services in Accomack County. The scope of this MOU is to include all Phase 2 initiatives as outline below and a draft of the MOU placed on a future Board of Supervisors meeting agenda for consideration.

Key points: On 9/16/2020, the Board approved using up to \$1,160,435 of CARES act funding to increase the proliferation of Broadband on the Eastern Shore. Use of these funds has essentially been divided into two phases. Phase 1 involved erecting public Wi-Fi hot spots in areas that had high densities of ACPs students without internet access. To date, seven different residential locations have received these public Wi-Fis with most being located in impoverished areas. Two more are in the process of being completed. In total, approximately \$98K has been spent to date and close-out of this phase is nearing. The Board has received multiple updates on our progress in Phase 1 and with it coming to a close, the time is ripe to discuss and finalize plans for Phase 2.

What is proposed for Phase 2 is a multilayered approach to broadening fiber-to-the-home (FTTH) opportunities for households in Accomack County. There are essentially five components to this phase.

1. Providing funding to allow communities who have previously applied to the Eastern Shore of Virginia Broadband Authority's (ESVBA) micro-communities program but who failed to qualify for assistance be provided service (\$200,874)

The ESVBA administers a program that allows neighborhoods, subdivisions, or small communities seeking high speed internet access to apply to the ESVBA for service. This program, known as the "micro-communities program" is funded by the ESVBA and requires community build costs to meet certain financial parameters in order to qualify for the program. Other terms and conditions apply. Many communities have benefited from this program, however, some that have applied failed to meet the ESVBA's ROI calculation meaning it was simply too expensive to provide the community with fiber. What is being proposed in Phase 2 is for the County to provide \$200,874 as matching funds for this program which will allow 10 communities who previously applied to the ESVBA for assistance but failed to qualify to receive assistance. The ten communities are shown on the attached map. This action will not only allow 102 homes in these areas to receive service but also 301 homes in total to be passed by fiber as a result of extending service to these areas. One of these communities listed, Doe Crossing, is currently part of the County's 2020 pending Virginia Telecommunications Initiative (VATI) application. Funding would only be needed for this community if the County's VATI grant is unsuccessful.

2. Construct fiber along strategic sections of road that do not have FTTH availability (\$537,391)

The ESVBA has identified 16 different strategic stretches of road, representing 41.7 miles, that do not have FTTH options. These strategic sections are identified on the attached map. There are 1,168 passings in total along these roads and the proposal is for the County to fund the ESVBA's effort to extend fiber along these sections. The Board will recall that Charter Communications is currently expanding its broadband availability on the Shore. The intent of this build-out is to provide FTTH services to unserved or underserved areas. Should it be determined that any of these areas offer Charter's broadband service, the section will be removed from consideration and a substitute area brought back to the Board for consideration.

3. Assist low and moderate-income individuals with gaining access to broadband by setting aside funding to offset installation costs for qualifying low to moderate-income households (\$50,000)

The ESVBA's minimum residential installation fee is \$150. This minimum fee is only applicable if the residence is within 150ft of the existing ESVBA fiber and if the installation is performed aerially. Connection costs for new FTTH customers located beyond 150ft or requiring underground boring can be significant. Accomack County is filled with many farmhouses that sit back from the road making the installation of broadband cost-prohibitive. The proposal is to provide funding to the ESVBA enabling them to initiate an installation cost assistance program for households with incomes that qualify as low to moderate. Exact program terms and conditions would need to be developed, but the goal is to make installation more affordable for those with limited means.

4. Provide funding for one targeted community that was included in the regional VATI application should the County's 2020 VATI application be denied (\$52,266)

As noted above, the community of Doe Crossing previously applied for the ESVBA's micro-communities program but was determined to be not eligible. This subdivision was included in the 2020 VATI grant application and, under this proposal would receive FTTH if the VATI grant is unsuccessful. The community of Red Bank is similar to Doe Crossing in that it is part of the 2020 VATI grant application but dissimilar because it has not applied to the ESVBA micro-community program. This area has been designated a "target community" and funding would only be needed for this location if the current County VATI grant application is not awarded by the Commonwealth.

5. Complete preliminary engineering design for the Captains Cove area as a prerequisite for applying for a 2022 Commonwealth VATI grant. (\$25,000)

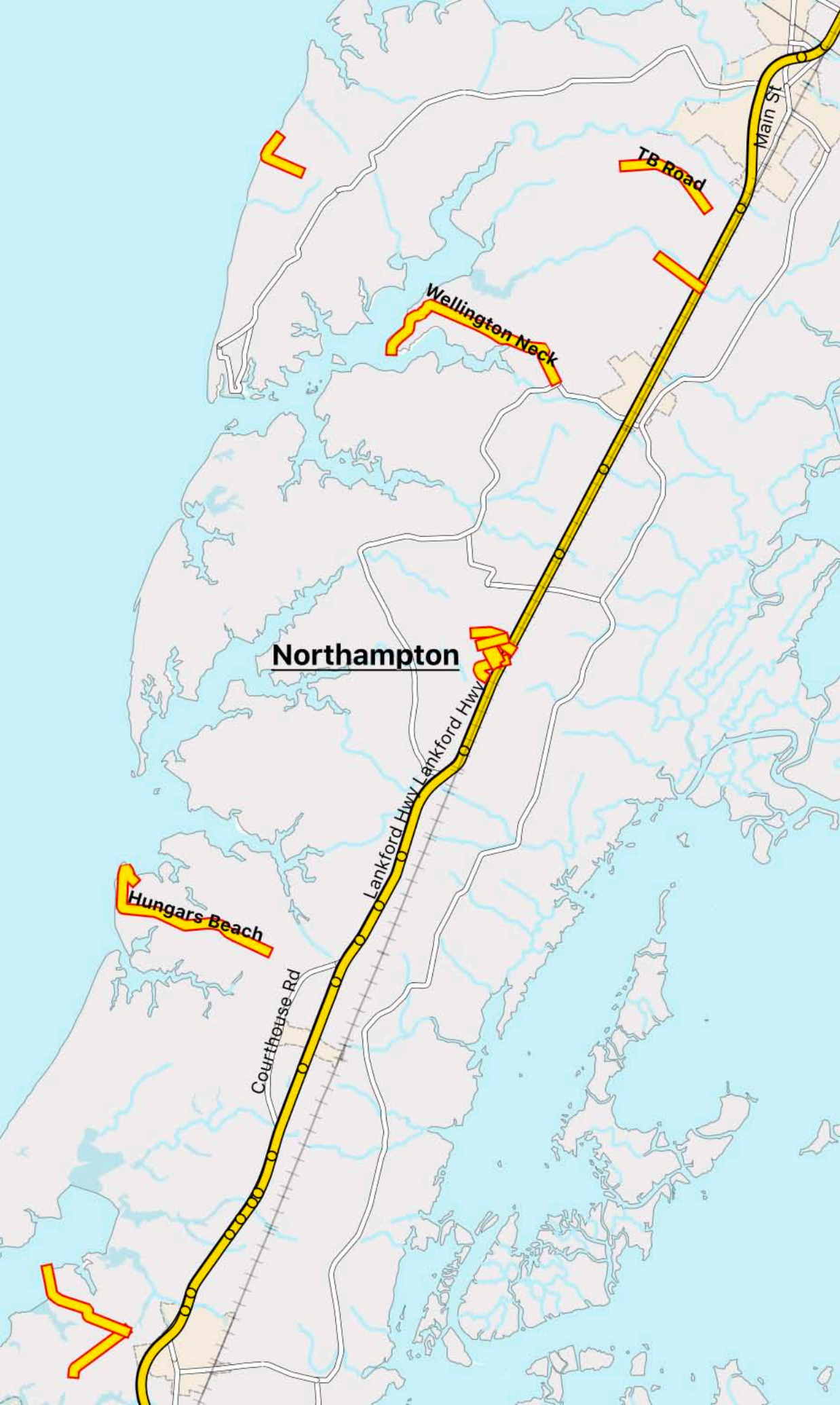
Calendar Year 2022 will mark the first time that local governments can partner with a broadband authority for purposes of receiving VATI funding. The County anticipates such a partnership with the primary request being to provide high-speed internet to Captains Cove. There are over 1,000 passings in this community alone and most of them would require underground boring to receive broadband services. Preliminary engineering estimates will need to be obtained in order to adequately cost the effort and to obtain the necessary information for the grant application.

The County has existing funds derived from the CARES act to pay for this proposal. I use the term "derived" because, technically, we are not using CARES act funds rather other funding that has been made available as a result of receiving CARES act aid. Per guidelines issued by the US Treasury, a locality may use CARES act funds to reimburse itself for payroll cost associated with public safety employees. The County plans to do just that which will free up the funds previously designated for this cost and enabling the initiative before you tonight to be pursued. Separating this initiative from the rules surrounding the CARES Act will enable more liberal uses such as general expansion of broadband in the County.

Staff Contact: Mike Mason, CPA, County Administrator

Number of Attachments & Description: 1-Location Maps of Impacted Areas

 [ESVBA Potential 2021 Projects Maps 20210210.pdf \(4,924 KB\)](#)



Northampton

Lankford Hwy Lankford Hwy

Courthouse Rd

Main St

TB Road

Wellington Neck

Hungars Beach



Additional Segments to consider

	Segment	Descr	Cost	Length	College Students	K-12 Students	Businesses	Previous Customer Requests	# incremental Passings
ACK	Stump Town Rd	Between Saxis Rd and Ross Rd	\$ 30,400	13,491	1	5	0	2	47
	Justisville Rd	Between Hopkins Rd & Maxwell St	\$ 36,919	15,037	1	10	1	7	58
	Parks Rd	Between Rt-13 & Chirley Cir	\$ 10,940	4,634	2	4	0	9	28
	Horntown Rd	Between Rt-13 & Fleming Rd	\$ 48,303	21,461	1	8	2	5	58
	Bloxom Rd	Between Gargatha Landing Rd & the end of Bloxom Rd	\$ 17,275	7,076	2	9	0	2	24
	Holland Rd	Between Withams Rd & Valerie Trailer Park	\$ 41,913	16,325	3	7	0	5	52
NHC	Heron Dr	Between Church Neck Rd & Trout Ln.	\$ 57,844	7,331	0	1	1	2	38
	Culls Dr	Between Bayview Circle & end	\$ 12,486	5,278	0	8	0	0	28
	Ramshorn Rd	Between Rt-13 & end	\$ 15,038	1,668	0	6	0	0	17
	Banks Rd	Off of Seaview Dr	\$ 15,379	4,188	2	5	0	1	30
	Laughing Gull	Off of Bayview Cir	\$ 6,404	2,402	0	14	0	1	32

Status of Remaining segments in ESVBA Bond Buildout

Segment	Description	Original Build Cost	Remaining Costs
Assawoman	There remains a single Rt-13 to complete.	\$ 49,979	\$ 8,392
Cheriton to Exmore	95% of the strand placed, awaiting underground path and fiber/splicing	\$ 331,000	\$ 290,000
Country Club Rd	Project complete except the entrance 1kft of underground	\$ 35,841	\$ 19,950
Belle Haven	There is one underground neighborhood to finish	\$ 27,180	\$ 15,899
Cheriton	There is one underground neighborhood to finish	\$ 60,370	\$ 40,950
Tangier	Materials are procured and awaiting delivery, awaiting final agreements with town & ANEC to initiate construction	\$ 50,033	\$ 50,033
Tangier Logistics	(Microwave/Logistics/Tower) all ordered.	\$ 350,000	\$ 310,000
Chinconteague	Approximately 5 of the 9 miles planned are built, working the remaining 4 miles to complete the major paths on Chincoteague	\$ 222,548	\$ 101,611

Remaining Bond Proceeds as of 2/18/21: \$ 1,186,572

Excess funds remaining: \$ 349,737