

Clarke County

BROADBAND IMPLEMENTATION COMMITTEE MEETING MINUTES MONDAY, JANUARY 22, 2018



A meeting of the Broadband Implementation Committee was held at the Berryville/Clarke County Government Center, Berryville, Virginia, on Monday, January 22, 2018.

ATTENDANCE

Present: Robina Bouffault, Mary Daniel, Scott Kreider, Bev McKay (arrived late)

Absent: None

Staff Present: Brandon Stidham, Planning Director

Others Present: Jim Henry (resident); Kevin Manovich (NexGen Broadband); George Condyles (Atlantic Group); Cathy Kuehner (Winchester Star)

CALLED TO ORDER

Mr. Stidham called the meeting to order at 2:15PM.

AGENDA

The Committee approved the agenda as presented by Staff.

Yes: Bouffault (moved), Daniel, Kreider (seconded)

No: none

Absent: McKay

APPROVAL OF MINUTES

Ms. Bouffault noted on Page 5 of 17, third paragraph, last line, the word "tower" should be plural. The Committee approved the October 16, 2017 meeting minutes with the requested amendments.

Yes: Bouffault (moved), Daniel, Kreider (seconded)

No: none

Absent: McKay

Mr. Stidham noted that there was no quorum for the November 27, 2017 meeting so a summary of the discussion is provided in lieu of minutes. Members had no questions about the meeting summary.

Appearance, George Condyles (Atlantic Group)

Mr. Stidham introduced Mr. Condyles and Kevin Manovich (NexGen Broadband). He noted that this is a good time in Committee's work schedule to have Mr. Condyles provide updates on broadband activities, comment on the Committee's efforts to date, and answer any questions that the members

may have. Mr. Condyles said that he has follow-up meetings with localities a year after work is completed on a telecommunications study or project. He noted that over the past year he has been working with the Sanitary Authority on water tank leases for internet service providers and has kept in contact with Mr. Stidham on broadband issues of interest. He said that he wants counties to understand that broadband is an evolutionary process involving a wide range of industry representatives from fiber companies to tower builders to service providers. He said that unlike an infrastructure project such as constructing a new library, broadband implementation does not have an end point and localities will typically work continuously on the effort one or two steps at a time. He noted that he has been advising the providers that he deals with of Clarke's interest and efforts in broadband deployment. He also noted that Warren County is considering a new broadband study for their underserved areas and they may be interested in partnering with Clarke if the opportunities arises. He said that his company is developing a new broadband plan for Bedford County and they are researching TV White Space as a new technology for wireless broadband. He added that nearby Halifax County is working with a company called Adaptrum on a pilot project for TV White Space and Mr. Stidham noted that he previously emailed the Committee members a link to Adaptrum's website. He concluded by saying that he is here to help with any questions and is interested in learning more about NexGen Broadband's project.

Appearance, Kevin Manovich (NexGen Broadband)

Mr. Manovich introduced himself and outlined his company's project to construct an underground fiber optic backbone from Ashburn to Columbus, Ohio with a portion of the project to be built along Rt. 7 in Clarke. He noted that his company is also doing fiber to the home projects along the project corridor and added that this helps to lower the overall costs of underground installation. He said that you cannot serve all homes with fiber but it is cost-effective to do so in areas with a density of at least 15 homes per square mile. Densities lower than that would have to rely on wireless internet access.

Mr. Manovich said that his company will be installing points of presence (POPs) every 35-40 miles along the fiber backbone that is being constructed by their partner, Quanta Telecom. He said that in this area, a POP will be constructed in Winchester but "splice-outs" can also be established in key points along the segment in Clarke to serve as access points. Ms. Daniel asked when construction will begin and Mr. Manovich replied next month weather permitting. Ms. Daniel asked which company is building the backbone and Mr. Manovich said that NexGen Broadband is building and funding the project. Mr. Manovich added that they will begin construction in Mineral County, WV and expect to complete the project by the end of 2018. Ms. Bouffault asked whether they could run fiber to a silo located near their build corridor and Mr. Manovich described how fiber laterals can be extended from the backbone. He added that "splice-outs" can be placed roughly every 2500 feet to enable laterals to be extended to other areas. Mr. Stidham asked for clarification that the backbone route will only extend along Route 7 in Clarke and not Route 50 and Mr. Manovich replied yes.

Mr. McKay entered the meeting at 2:33PM.

Mr. Manovich noted that his company can provide broadband to WISP companies for as low as \$0.25 per MB. Ms. Daniel asked how he would decide what infrastructure to place in Clarke. Mr. Manovich replied that he wants to provide fiber to the home along the corridor. He added that for pricing, they offer 100MB service for \$45 per month and gigabit service for \$75 per month. Small

business pricing is twice those rates and they also provide telephone service. He noted that many providers charge significantly higher rates for the same service, especially for business access. Ms. Daniel asked whether we should be putting potential customers in direct contact with his company. Mr. Manovich replied that his company is properly registered and noted that Frederick County recently issued an RFP to serve their schools with dark fiber and his company is submitting a response. He also noted that Loudoun County has a lot of fiber optic services in place so they would not look at fiber to the home there. Mr. Stidham asked whether they would avoid areas in Clarke where fiber is already located. Mr. Manovich said that they avoid competing with companies like Comcast because they will lower the prices if a new competitor comes in as a way of retaining customers. He added that they prefer to serve areas that currently do not have fiber optic services available.

Mr. Condyles asked Mr. Manovich what the name of the fiber to the home product is and he replied NexGen Broadband. Mr. Manovich added that his company has a public-private partnership with the town of Keyser and will operate the residential service as Mineral Broadband. Mr. Condyles asked where the funding for the backbone project is coming from. Mr. Manovich replied that they are a private company not publicly-traded and they have already sold a portion of the project to be built which will pay for the balance of the project costs. He noted that the entire 416-mile project will cost \$50 million to lay 1800 strands of fiber optic cabling. He said that some dark fiber companies charge \$1 million for usage of two strands of cabling. Mr. Condyles asked if most of the investors are overseas and Mr. Manovich replied that they are mostly U.S. investors. Mr. Condyles asked what their deployment plan is and when work will be done in Clarke. Mr. Manovich said that they are starting in Keyser, WV and can provide service during construction. He said that the build from Ashburn through Clarke can begin as early as April when VDOT finishes their projects along the corridor. He added that the construction contractors will be able to lay about 5 miles of cabling per day.

Ms. Daniel asked whether he has spoken with any area WISP companies. Mr. Manovich replied that he has not but that this is one of the reasons he wanted to meet with the County. Mr. Stidham noted that WISPs do not want the reoccurring cost of renting fiber optic service at their broadcast points and he asked whether it would be more cost effective for a WISP to use NexGen Broadband. Mr. Manovich replied that his company can provide gigabit service to a WISP tower for 30-40 homes for around \$500 per month. Mr. Stidham asked Mr. Manovich if the County wanted NexGen Broadband to run laterals off Route 7 to different location, what steps would we have to follow to accomplish this and would we have to find people to invest in the project. Mr. Manovich replied that the town of Keyser did not have any investors but they were able to tell his company what the town needed. He added that this is a 3-5 year build out model and he already has 1500 customers signed up for service at a cost of about \$500 per home to connect. Ms. Daniel asked what the County's role should be to facilitate this type of business with potential customers. Mr. Manovich said that in Frederick County, their upcoming project would connect all of their schools with dark fiber which then could be extended to serve nearby residents. He asked if the County has an RFP for a similar project and the members noted that the County already has a dark fiber agreement in place with Shentel. Mr. Manovich said that interest in broadband projects can be generated among resort operations that need capacity for meetings and guests, health care operations, and grass roots efforts by residents. He noted that his company does not require annual contracts for customers. Mr. Condyles asked Mr.

Manovich what else a County RFP issuance could be used for if the County and Schools already has a dark fiber contract and the NexGen Broadband backbone is an open access network. Mr. Manovich said that his company has already analyzed the County market and that all the County needs to do is continue talking with his company to see how they can provide improved service. Mr. Condyles asked whether his website could have a form that County residents could fill out to indicate interest in fiber to the home. Mr. Manovich said that his website currently has this feature and they will add Clarke County to it. Mr. Stidham recommended that Mr. Manovich look at the County's broadband website (clarkeconnect.org) noting that it includes the County's Telecommunications Infrastructure and Broadband Study and can be used in the future for outreach to citizens on new service options. Mr. Manovich said that he has not looked at the website but would do so.

Mr. Stidham produced the County towers map from the Telecommunications Study and noted to Mr. Manovich the areas where future tower sites have been identified as well as where there are particularly underserved areas. Mr. Condyles said that ideally he would like to see Mr. Manovich's project run fiber down Route 7, south along the bench route, then west to US 50 to make a loop system in Winchester. Mr. Manovich asked if the County has looked into the USDA grant programs. Mr. Stidham replied that they looked into the Community Connect grant program but they were not ready to apply at the time. He added that the program requires the creation of an open community access point. Mr. Manovich noted that grants are very difficult to obtain and some like the Connect America grant are difficult to apply because they are paid out over a period of ten years. He asked about an approximate number of homes located between Route 7 and Route 50 along the bench and Ms. Bouffault replied about 340. Mr. Manovich said that he looked at USDA grants that were approved last year noting that some were approved in Virginia with one grant of \$2.8 million to connect 176 homes. Ms. Bouffault noted that there are some existing towers on the ridgeline that serve areas along the bench and below.

Mr. Manovich suggested that the Committee could help get him in touch with WISP providers to determine if his company can help them expand services. Mr. Stidham noted that the Committee plans to convene a meeting of all County WISP providers to have an open discussion about partnership opportunities and other ways that service can be improved. He added that Mr. Manovich may want to participate in this meeting. Mr. McKay noted that there are many areas of the County in which anything above dialup access would be an improvement. Mr. Manovich noted that many service providers do not know how to source their equipment and end up paying way more than they have to because they did not find the best pricing. He added that his company has expertise in sourcing the best equipment and the best prices.

Mr. Condyles asked Mr. Manovich what the County needs to do next and he replied just continue talking to him and his company. Mr. Condyles asked if they were aware of local permitting requirements for the backbone project and Mr. Stidham noted that they will be working within the State right of way and would only need to work with State agencies. Ms. Bouffault suggested that we add NexGen Broadband's information to the County broadband website so that people will know that it is a possible option. Mr. Stidham asked whether the County needs to tell Mr. Manovich where we want his company to place laterals along Route 7. Mr. McKay added that they would need to know where areas of population concentration are located and Mr. Manovich replied that he can get this information from the County GIS. Mr. Condyles suggested that Mr. Manovich attend a meeting in

the next few months to update the Committee on his progress and discuss how to promote his fiber to the home project to County residents and businesses.

Mr. Stidham asked if the members had any questions for Mr. Condyles, in particular regarding the recent meetings with WISPs. He specifically noted that one provider suggested that the County offer space for WISP antennas on the water towers for free if they were serious about expanding broadband availability, and another statement was made that the County should further relax their tower regulations to allow smaller WISP antennas similar in design to ham radio towers to be constructed by right. Mr. Condyles gave an overview of the Sanitary Authority's recent negotiations with WISPs on water tower leasing. He noted that the one RFP respondent wanted exclusivity on the County's water towers and declined a counter offer to enable them to rent out the other two potential spaces for WISP antennas. He added that if you want exclusivity, you have to pay for it. Mr. McKay asked whether tower builders try to price WISPs out of being able to locate on a tower. Mr. Condyles said no but they want to ensure that WISP equipment will not cause interference with the other providers and this can cause more vertical space to be taken up to avoid interference problems. He noted that he recently met with a tower developer that plans for space on their towers to accommodate WISPs and other types of provider equipment. Ms. Bouffault noted that she recently spoke with the Alexanders about a potential tower site on their property and they have not heard any new information from SBA Communications on their project. Mr. Stidham noted that he has established a process with Steven Baier at SBA Communications to connect his company with landowners in Clarke that are interested in hosting a tower site. He added that he is making sure that all parties involved understand that by helping make the connection, he is in no way indicating that such a tower will receive zoning approval.

Regarding the WISP meeting, Mr. Stidham suggested that it might be a good idea to invite representatives from Shentel in addition to Mr. Manovich. Mr. Kreider noted that it might be good to have NexGen Broadband in areas like Shenandoah Retreat to provide competition for Comcast. Ms. Bouffault added that it would be easy to add a lateral on the fiber backbone for the Retreat. Mr. Condyles recommended looking at the GIS mapping of the Route 7 corridor to identify locations for laterals to serve clusters of residences. Mr. Stidham noted that Wildcat Hollow is a very important area to provide broadband.

OLD BUSINESS ITEMS

Discussion, Broadband Website

Mr. Stidham noted the activity report for the broadband website and stated that the service provider list is now the most popular page on the website.

The Committee reviewed the draft Frequently Asked Questions (FAQ) page to go on the website. Ms. Bouffault asked whether it is clear that the County cannot force providers to expand service, and Mr. Stidham replied that it is in the first sentence of the fourth bullet. Ms. Bouffault asked if this should be listed first and Mr. Stidham replied that he listed the questions in the order he thought would be more relevant to site visitors. Ms. Daniel and Ms. Bouffault recommended repeating the first sentence of the fourth bullet as the first sentence in the first bullet. Mr. Stidham said that he would make this change and provide the draft to IT staff to include on the website.

NEW BUSINESS ITEMS

Mr. Stidham provided an update on House Bill 1258 regarding local regulation of telecommunications towers, noting that it is being actively opposed by the Virginia Association of Counties (VACo). He reviewed a list of several concerns with the legislation and noted that it would have similar adverse impacts to local zoning authority as last year's proposed legislation. Mr. McKay said that it appears the bill would encourage tower construction and discourage WISP access to the towers. Mr. Manovich noted that U.S. Cellular has a WISP co-location program that is so costly (around \$80,000) and time consuming (9 month process) that it discourages WISP providers from applying. He added that open access is important to ensure competition. Ms. Daniel stated that Wendy Gooditis submitted a substitute bill (HB 1597) in response to HB 1258.

Scheduling of Next Meeting

The members agreed to schedule the next meeting for Wednesday, March 7 at 2:00PM.

The meeting was adjourned by consensus at 3:52PM.



Brandon Stidham, Planning Director