

# Clarke County

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## **BROADBAND IMPLEMENTATION COMMITTEE MEETING MINUTES THURSDAY, MAY 3, 2018**



A meeting of the Broadband Implementation Committee was held at the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, May 3, 2018.

\* Clerk's Note – There was no quorum for the meeting until 3:03PM.

### **ATTENDANCE**

**Present:** Robina Bouffault, Mary Daniel, Bev McKay (arrived at 3:03PM)

**Absent:** Scott Kreider

**Staff Present:** Brandon Stidham, Planning Director

**Others Present:** Kevin Manovich (NexGen Broadband); George Condyles (The Atlantic Group, via conference call); David Ash (County Administrator)

### **CALLED TO ORDER**

Mr. Stidham called the meeting to order at 2:16PM. In the absence of a quorum, the members who were present agreed to begin with the appearance by Mr. Manovich. Mr. Stidham noted that George Condyles is also present via conference call to discuss the logistics of the roundtable meeting once Mr. McKay arrives to establish a quorum.

### **Appearance, Kevin Manovich (NexGen Broadband)**

Mr. Stidham introduced Mr. Manovich to discuss a proposal with the Committee. He said that his company is filing five applications for the USDA's Community Connect grant program and he would like to file a grant application for Clarke County as well. He said that he would need a letter of support and funding from the County for the grant application. Ms. Bouffault asked how much funding. Mr. Manovich replied that the grant program requires a 15% match. He said that his company has designed fiber-to-the-home projects for several counties including Mineral County, West Virginia. He added that with \$3 million he could serve 6,000-9,000 homes with fiber-to-the-home service. He asked how many rural homes the County has and Ms. Bouffault replied 8,000 plus. Mr. Manovich said that you cannot do fiber-to-the-home everywhere because of the logistics of some homes but said he would do wireless broadband with 100Mb speeds to the homes. Ms. Daniel asked if we have the specifics on the grant program. Mr. Stidham replied that Staff looked at the program when the project first started but was not aware of a required match. Mr. Manovich said that the grant program did not start out with a match but they later realized that the funds covered all project

expenses except for operating expenses. He added that the match is to cover operating expenses for the life of the build-out. Ms. Daniel said that they want the people receiving the grant to have skin in the game and Mr. Manovich agreed. Mr. Manovich said that the 15% is a starting point and his company is doing 18 counties.

Ms. Bouffault said that in putting her private industry hat on, she wanted to know what they would be building for \$3 million, where it will be located, and how they will do it. She noted that the County has varied terrain and topography and asked whether \$3 million enable the entire County to be served. Mr. Manovich replied no and said that it would probably only do about 80% of the County with fiber. Ms. Bouffault said that she would like to see a map of the County showing where the fiber would be installed. Mr. Manovich replied that his maps are designed to show where the fiber can be located using algorithms with the GIS software pulled into it. He said Mineral County has seven central offices and noted that you have a 13 mile radius from a central office before a signal degrades. He said that you typically want to draw a 10 mile radius around a central office for a service area. Ms. Bouffault asked how far they can go from the main fiber line with feeder cables and could they reach US 50. Mr. Manovich replied no and said they would want to go north from Berryville through the County. Mr. Stidham said that it is about 4 miles from Berryville to the County line and Ms. Bouffault said that the majority of the County is south of Berryville. Mr. Stidham added that it is about 10-12 miles to the southern County line. Mr. Manovich said that in Mineral County, they are starting on the southern end of the County and heading north about 22 miles and this feeds off to the central offices. He said in Clarke he would probably do a lateral feed south to US 50. Mr. Stidham asked whether they would go south along US 340 and Mr. Manovich said yes.

Ms. Bouffault noted that Mr. Manovich had said that they want to cooperate on this effort and she said that Shentel has dark fiber along the US 340 corridor. Mr. Manovich replied that they will not allow them to use it. He added that he has spoken previously to James Funkhouser and was told they could not use Shentel's fiber. He said that he has a memorandum of understanding in place with VDOT to locate their fiber along Route 7. Ms. Bouffault said that Shentel's fiber is located on the power lines. Mr. Manovich replied that they install all of their fiber underground and do not use overhead lines for feeders. He added that VDOT gets access to some of the fiber that they build as part of their agreement.

Ms. Daniel noted that Mr. Manovich uses "we" a lot in describing the fiber backbone installation project and asked who is involved in the construction. Mr. Manovich replied that NexGen Broadband is doing the project and he has contractors involved to spread the liability risk. Ms. Daniel asked if this is just NexGen Broadband's project or if there are other companies involved, and Mr. Manovich replied that it is just his company. Mr. Manovich added that most companies are hyper competitive and do not do co-builds for fiber-to-the-home projects but will do co-builds for backbone projects. Ms. Daniel asked if NexGen Broadband alone or a consortium of companies would be filing the grant applications and Mr. Manovich replied that it would be his company only. Mr. Manovich added that he has all of the applications ready to be filed on Monday and that Richard Jenkins from USDA has indicated that Clarke County is well-suited for the grant project. He said that there is a \$3 million cap per grant application. Ms. Bouffault asked if this includes a \$450,000 match from the County. Mr. Manovich said yes but noted that this is not required but it would be his

preference. Ms. Bouffault asked if he could do the project without a match from the County and Mr. Manovich replied that they would like some money for a match. Ms. Daniel asked for confirmation that they will definitely be building the fiber backbone and that the grant money is needed to provide the fiber-to-the-home service within a reasonable time frame. Mr. Manovich replied correct and said they can do it without the grant funding but it would take longer to complete. He added that it would usually take a 3-5 year time frame but with grant funding it would take about a year to complete. Ms. Bouffault noted that if they are building along US 340, it is a significant distance just to reach US 50 and an even further distance to reach White Post. Mr. Manovich said that it costs his company about \$30-35,000 per mile to install a lateral backbone underground and added that they do not add a margin of 60-70% to this price. He added that the fiber-to-the-home uses overhead lines and his company has pole agreements with Potomac Edison. He also said that Federal law changed recently to create a uniform rate for pole rents across the country to prevent price gouging.

Mr. Stidham noted that the 340 corridor between Berryville and Boyce currently has Comcast and Shentel fiber located along it. He added that it would take up a significant amount of available funding to do this installation and asked where the funding for extensions throughout the County from that point would come from. Mr. Manovich said that fiber-to-the-home is done on overhead lines and it typically costs about \$12,000 per mile. Mr. Stidham asked what they would do along secondary roads that do not have overhead lines and they have to negotiate easement agreements with property owners. Mr. Manovich replied that you go around properties that would be problematic.

Ms. Bouffault asked Mr. Manovich to clarify what he would be requesting from the Board of Supervisors. Mr. Manovich said that his company will provide the grant application, the business model, and the design to USDA for the Community Connect Grant and the County will indicate that there is a need for the project. He said that with this program, his company will provide free internet for two years to all public buildings and school buildings. He noted that Mineral County is working with them quite well and they are providing them with free internet. He said that internet costs nothing to provide and that the only costs are electricity. He also said that his company is looking at it from the business perspective and helping the community, noting that he is offering to provide free internet for life to the City of Keyser, WV. Ms. Daniel replied that chances are very slim that the County would be willing to provide funding for the grant application but they would consider other possibilities depending upon the proposal.

Mr. Stidham asked what the deadline for the grant application is and Mr. Manovich replied May 14. He also said that there will be another round of grant applications solicited later in the year and noted that \$600 million is available for rural broadband nationwide this year. He said that his company asks localities to provide matching funds because some localities have changed their commitments in the past. Ms. Daniel and Ms. Bouffault said that the County should be able to provide a letter of support for the grant application by the May 14 deadline. Mr. Manovich said that they do not need the money but they want some level of commitment from the locality. Ms. Daniel noted that a discussion of a letter of support from the Board of Supervisors could be added to the Board's work session agenda on May 6, and Mr. Stidham asked Mr. Manovich to send him a copy of their letter of support template. Ms. Daniel asked if they could provide a copy of the grant application and Mr. Manovich replied that he could if the County would sign a non-disclosure agreement. Ms. Daniel added that there could be Freedom of Information Act (FOIA) issues with documents given to the

County. Mr. Manovich said that West Virginia has a FOIA exemption for documents containing proprietary information or trade secrets. Ms. Bouffault replied that Virginia law only allows such an exemption when actual contract negotiations are taking place and not for information provided on an informal basis. Mr. Stidham said that the County needs to know what it is they are agreeing to do and Mr. Manovich replied that this is only true if the County puts money into the project. Ms. Daniel said that they need some information on the project in order to provide a letter of support. Mr. Manovich replied that the grant application is to build fiber-to-the-home throughout the County and the letter only needs to say that the County supports the grant application. Ms. Daniel said that if the letter says that the County supports NexGen Broadband's provision of a service that the County needs, there should not be a problem providing the letter.

Mr. Stidham said that he thought the grant program requires the jurisdiction to provide a community center where residents can access the internet for free. Mr. Manovich said that this is usually a public library. Mr. Stidham replied that the County library already provides free internet access and asked if the grant program requires use of the grant funds to establish a community center. Mr. Manovich said that all you need to say is that there is an existing one and NexGen Broadband will provide two years of free internet to it. Ms. Daniel asked whether NexGen Broadband intends to file the grant application and proceed with the fiber-to-the-home project even if the County does not provide a letter of support and Mr. Manovich replied yes. Ms. Daniel also asked if the grant is not awarded, would this prejudice any future County applications to the same program and Mr. Manovich said no. Mr. Manovich also said that he would be happy to share the application package and will provide a copy of the draft letter of support.

Mr. Ash entered the meeting. Ms. Daniel gave a brief introduction and asked Mr. Manovich about the status of the fiber backbone project. Mr. Manovich replied that they have all of their permits and are currently staking locations in advance of construction. Ms. Daniel briefly reviewed Mr. Manovich's request for a letter of support from the Board of Supervisors and noted that the May 14 deadline falls after the Board's worksession but before the Board's regular meeting. Mr. Ash said that taking action on a letter of support at the worksession would fall within the Board's rules. Ms. Daniel said that it would be important to reference the project as being within the goals of the Strategic Plan and Ms. Bouffault added that it conforms to one of the specific items. Mr. Ash indicated that this will be added to the Board's worksession agenda for May 7.

Mr. Manovich noted that Hampshire County, WV is one of the counties he was attempting to work with but they decided to file their own application because they believe that wireless is the best way to serve their residents. He added that if fiber is an option for your county, you let it come in and do not fight it. He noted that with 8,000 homes in Clarke County, his company should be able to serve about 80% with fiber-to-the-home and the rest can be served through wireless.

Mr. Ash left the meeting.

Mr. Manovich reiterated that he did not have a problem with sharing his grant application package. Ms. Daniel noted that she would expect any proprietary information to be redacted. Mr. Manovich said that USDA has awarded significant grant funds to connect small numbers of homes with fiber but his company proposes to connect thousands of homes with fiber. He also noted that large

companies like Shentel do not like to work with his company. He said that internet is free to provide if you know what you are doing and that he can provide internet at a cost of \$59 per gigabit to an individual home. He added that any time a new provider comes to town the large companies drop their prices.

Mr. McKay entered the meeting and a quorum was established.

Mr. Condyles asked Mr. Manovich what the total dollar value of his project he will be doing in Clarke County. Mr. Manovich replied that it would be \$2.87 million with the USDA grant. Mr. Condyles asked if this is for all of the feeder cables and Mr. Manovich replied yes along with access. Mr. Condyles asked if the \$12,000 per mile cost of distribution is included in the total project cost and Mr. Manovich replied yes. Mr. Condyles asked if this would cover the cost of feeder cables along US 340 and east/west along Route 50 and Mr. Manovich replied yes. Mr. Condyles asked what the \$450,000 is for. Mr. Manovich replied that this is the 15% match required by the grant program and said that they will cover this amount but would like the County to contribute some funds so they would have skin in the game. Mr. Condyles asked how much he wants the County to contribute and Mr. Manovich replied whatever the County is comfortable with. Mr. Condyles noted that since the County's budget process is already complete, it would be difficult to provide anything at this point other than a non-binding letter of support. Mr. Manovich said that he understands this. Mr. Condyles said that with his experience, these grant applications take several months to prepare and he asked why Mr. Manovich is approaching the County now for funding with only ten days to spare before the grant application deadline. He added that if this were raised several months earlier it could have been incorporated into the annual budget process. Mr. Manovich replied that they are filing applications for 11 jurisdictions and that Richard Jenkins from USDA advised him the previous week to get letters of support. Mr. Condyles said that his point is that funding commitments need to be made through the budget process. Ms. Bouffault noted that the County has already approved its budget for the upcoming year and that all funds have been tightly scheduled. Mr. Manovich said that his company will work with the counties that want to work with him and he will just push through those counties that do not want to work with him.

Mr. Manovich left the meeting.

### **Continued Discussion, Provider Roundtable Meeting**

Mr. Stidham introduced this item by referencing the draft invitation letter included in the packet and noting that Mr. Condyles would be moderating the meeting. He also said that the Committee had discussed holding the meeting in the evening but after further thought, he recommended an afternoon meeting to facilitate better attendance by invitees during their work day. Mr. McKay said that full participation is important. Members agreed to hold the roundtable meeting at 2:00PM on Wednesday, June 20. Ms. Bouffault asked if we would invite everyone that the Committee has met with to date. Mr. Stidham said that he will invite all of the known WISPs that serve the County including Wave2Net and NOVA Wireless. He also said that he will invite James Funkhouser (Shentel) and Paul Comes (Comcast). Mr. McKay asked about a Verizon contact and Mr. Stidham replied that we do not have one.

Mr. Stidham recommended the Committee use the invitation letter to discuss the meeting format. Ms. Bouffault asked if each member should take the lead on one of the three issues in the letter. Ms. Daniel asked if someone from the IT Department available at the meeting to display and manipulate the County mapping system. She also agreed with Ms. Bouffault's recommendation and agreed to take the first item regarding existing impediments. Ms. Bouffault agreed to take the second item regarding projects, strategies, and emerging technologies the County should be considering. Mr. McKay agreed to take the third item regarding the role the County, citizens, and businesses should play in this process. Mr. Stidham asked Mr. Condyles if the list of issues will suffice for the roundtable discussion. Mr. Condyles replied that these are good items that should generate discussion. He added that for impediments we should be as specific as possible regarding where there is a need for improved services because some vendors will be participating to scout out their next markets. He also said that for the third item, we should reference the County's Telecommunications Infrastructure and Broadband Study including the recommendation to add distribution towers along the bench of the mountain. He noted that the discussion with Mr. Manovich concerned him because the bench route is the location where NexGen Broadband should be looking to run fiber to Route 50 instead of US 340 where Shentel and Verizon currently has fiber. Mr. Stidham said that it seems as though NexGen Broadband has not reviewed the County's Study carefully enough to know this. Ms. Daniel asked how come this has not been mentioned to Mr. Manovich and Mr. Stidham said we pointed this out to him at the first meeting that he attended in January.

Ms. Bouffault said that between Route 7 and Route 50, there are only 340 residences and the succession of ridges along the bench will prevent towers from being able to reach all 340 of those homes and would be limited in what they can do. Mr. Condyles said that he disagreed based on the modeling that was done for the Study and said that the focus should be on the existing and projected assets shown in the Study. Ms. Daniel asked whether we need to have a map that shows where there is a need. Mr. Stidham replied that he did not think we needed to have a map like that because the argument can be made that there is a need almost everywhere outside of the incorporated towns. Mr. Condyles said that the areas outside of the existing fiber routes are unserved. Ms. Bouffault replied that these areas are served by satellite and Mr. Stidham added to some extent wireless on a case-by-case basis. Ms. Bouffault said that current WISP service is provided via existing towers along the ridgeline. Mr. Condyles noted that the Federal broadband standard is 25MB download and that you typically get 8-10MB from satellite service. Ms. Bouffault added that you do not get 25MB download from the current WISP providers. Mr. McKay asked whether an alternate route for fiber could be to go along Old Chapel Road and then bathe the mountainside with signal. Ms. Bouffault said that we need to have the topographic map with roads included in order to answer these questions. Mr. Stidham noted that we are only going to have the providers at the roundtable meeting for a limited time and we more or less want to get them talking amongst themselves and not necessarily giving us feedback. He added that we also need to make a brief presentation on land use in Clarke County so that the providers understand that we do not allow residential subdivisions to develop in the rural areas. He noted that providers may be waiting for new developments to be proposed but they will be waiting forever in Clarke County. Ms. Bouffault said that the mountain is the challenge and Mr. Condyles replied that the providers have the engineers to overcome the mountain challenges.

Mr. Stidham said that he recently spoke with Paul Comes (Comcast) about service in the County and he also asked about where there is a need for broadband. Mr. Stidham advised Mr. Comes that the entire County is underserved and that the RUOnline survey result maps included in the Study would show where there is the greatest demand for service.

Mr. McKay asked if there is equipment available that prevents data throttling that happens with WISPs during peak demands. Mr. Condyles replied that there is but the WISP has to have a wired backhaul to make it work. Mr. McKay and Ms. Bouffault noted that the WISPs list their speeds with disclaimers that the maximum speeds are subject to availability and peak usage. Mr. Condyles said that the topic of bandwidth and actual speeds would be good to have at the roundtable meeting and that competition among providers may help this process. He also said that it would be good to discuss with all of the providers how flexible they can be in their planning. Mr. Stidham asked if we should give them the thought that the County might invest funds in the future and Mr. Condyles replied yes. Mr. Condyles gave the example of another County that will not be providing broadband service but will invest in facilities and backbone. Mr. Stidham said that we do not want to appear to commit to anything specific at this time but should only be speaking general terms about future investment. Mr. Condyles said the providers will most likely say that one of their biggest impediments is not enough vertical real estate and Mr. Stidham replied that we will want to go around the room and have the providers explain how to resolve this impediment. Mr. Condyles added that this is when we point out the areas we have identified for future towers and noted that this is technical work that the providers will not have to do.

Mr. Stidham asked if the members are comfortable with the approach for the meeting and the members said yes. Ms. Daniel asked about the maps and Mr. Stidham said he will try to get one of the IT staff members to attend and display the County GIS for the meeting. Ms. Bouffault said that we need the topographic map to be available. Mr. Condyles suggested having the 3D topographic view available. Mr. McKay noted that the providers have ignored existing vertical assets such as silos and the Millwood water tower. Mr. Condyles noted that the Millwood tower is a good asset and the Sanitary Authority is currently negotiating with a provider. He added that the Boyce tower is at capacity.

Mr. Stidham said that he will send out the invitation letter as soon as possible.

#### **APPROVAL OF MINUTES**

The Committee approved the April 5, 2018 meeting minutes as presented.

**Yes:** Bouffault (moved), Daniel, McKay (seconded)

**No:** none

**Absent:** Kreider

#### **OLD BUSINESS ITEMS**

Mr. Stidham gave a brief update on website viewership and the approval of the budget for the Committee. He also said that Paul Comes is going to try to get a map in some form to show where Comcast service is currently available.

The meeting was adjourned by consensus at 3:47PM.



Brandon Stidham, Planning Director