

Clarke County

BROADBAND IMPLEMENTATION COMMITTEE MEETING MINUTES TUESDAY, MAY 14, 2019



A meeting of the Broadband Implementation Committee was held at the Berryville/Clarke County Government Center, Berryville, Virginia, on Tuesday, May 14, 2019.

ATTENDANCE

Present: Robina Bouffault, Mary Daniel (arrived late), Douglas Kruhm, Bev McKay

Absent: None

Staff Present: Brandon Stidham, Planning Director; Cathy Kuehner, Public Information Director; Len Capelli, Economic Development Director

CALLED TO ORDER

Mr. Stidham called the meeting to order at 2:34PM.

AGENDA

Mr. Stidham stated that Ms. Bouffault wants to provide an update on her discussions with Shentel, and proposed adding this as a new agenda item under Old Business Items. No other items were proposed by the members. The Committee approved the meeting agenda as amended.

Yes: Bouffault, Kruhm (seconded), McKay (moved)

No: none

Absent: Daniel

APPROVAL OF MINUTES

The Committee approved the December 6, 2018 meeting minutes as presented.

Yes: Bouffault (moved), McKay (seconded)

No: none

Absent: Daniel

Abstained: Kruhm

Ms. Daniel joined the meeting at 2:37PM.

NEW BUSINESS

Appearance by Marc Seay Rappahannock Electric Cooperative)

Mr. Stidham introduced Mr. Seay (Manager of Information Technology and Security Services) to give a presentation on Rappahannock Electric Cooperative's (REC) broadband initiatives. Mr. Seay

introduced himself, Shawn McDonough (Project Manager), and Jeff Hinson (Director of Member Services and Community Relations), and provided a brief overview and Powerpoint presentation. He described REC's plan to install a fiber optic network to support their operations with redundant capacity that could be used by third parties to provide broadband internet services. He indicated that REC does not have plans to be a direct provider of broadband but would work with private companies to use the available capacity to provide broadband services to residents and businesses.

Mr. Seay showed a Powerpoint slide listing the proposed fiber optic cable network's anticipated lifespan. Ms. Bouffault asked for confirmation that the cabling lifespan is projected at 30 years. Mr. Seay replied yes but also noted that this lifespan could be even longer because most existing installed fiber optic cabling has not been in use for longer than 30 years. He added that the new fiber optic cabling will be installed in the "power space" high on utility poles and above the "communication space" where third parties are allowed to locate. He said that this will give REC control over repairing their own lines rather than relying on third parties to do the work.

Mr. Seay said that REC's consultant developed two options for their fiber optic network project. The first option would enable fiber-to-the-home for REC customers but at a significant cost and time to develop of \$800 million over ten years. Mr. McKay asked how that project cost compares to REC's current sales and Mr. Seay and Mr. Hinson replied that they did not know the answer. Mr. Seay said that the time and cost of the first option does not meet their current needs so they went with the selected option of a middle-mile fiber optic network to connect all of their critical facilities. He said that this option is \$30.6 million over a 5 ½ year time period and added that they began the design work in January with budget approval by their board and by hiring a design consultant. Mr. Seay then showed a Powerpoint slide listing the proposed network and critical facilities throughout REC's territory. Mr. Kruhm asked for confirmation on their buildout time and Mr. Seay said 5 ½ years with completion at some point in 2024. He said they hope to begin construction by this summer, adding that they will be installing the fiber cabling themselves and will have to train their crews and supplement with contractors where needed.

Ms. Bouffault said that it sounds like their project is to modernize their own system for REC's own personal needs and that this will take until 2024 to complete. Mr. Seay said that this is the first step. Ms. Bouffault added that they recently installed new poles along Route 723 and that REC can allow other providers to install fiber cabling on their poles in the meantime. Mr. Seay said that they currently have a number of pole attachment agreements with providers. Mr. McKay said that the pole attachment costs are too expensive and Mr. Seay replied that he did not think they are too expensive and that the agreements have been in place for some time. Ms. Bouffault said that she knows Comcast and Shentel use REC poles and asked if any others did. Mr. Hinson said that Verizon uses REC poles and Mr. Seay added that there may be others but that REC is open to other providers attaching to their poles.

Mr. McKay said that he is frustrated with REC as a cooperative. He said that in his experience with cooperatives, the one thing that they all want is to be in every home. He added that REC is already in every home and REC talks about giving members what they want, and that right now the members want broadband internet. He said that the REC board should have been planning this years ago instead of doing what management has been telling them to do. Mr. Hinson replied that REC's only

mandate from the State Corporation Commission is to provide reliable electric power to its customers and that providing broadband internet service is a completely different business. Ms. Bouffault said that her report will note that Shentel currently has fiber optic cables on power poles along a significant portion of the County's primary highways but they do not provide residential service. Mr. Seay reiterated that even though they are not providing fiber to the home, they are installing cabling with a significant amount of available capacity for companies to use that want to provide fiber to the home, which could be companies like Shentel or Comcast. He added that REC cannot increase their electric rates in order to subsidize the building of this service.

Mr. McKay asked when REC expects to have fiber installed throughout the County. Mr. Seay replied that they anticipate to have 65 of the 800 total project miles done by the end of 2019, then 100+ miles per year. He also noted that portions of the system can be used as soon as they are completed. Mr. McKay asked if REC has talked with any providers and Mr. Seay replied yes and that REC has several meetings scheduled within the next 30 days. Mr. Seay added that REC's business model is to sell fiber capacity to providers in areas where it would be cost effective for those providers to lease capacity instead of installing their own lines. Mr. McKay said that this is an opportunity for REC to provide their members with a service that they need but do not have. He added that he has heard that the pole attachment fees are too high and that state legislators recently tried to get a bill passed to reduce pole attachment fees. Mr. Seay replied that their fees are in line with everyone else. He also said that they have invested member fees to improve the infrastructure and provide more reliable electric service and that they cannot give away access on their poles to third parties. He added that they will work with providers to come up with a fair attachment agreement. Mr. McKay said that REC should incentivize it as much as possible to make it happen and Mr. Seay said that is what they are trying to do by building excess capacity.

Ms. Bouffault said that the County needs help completing the last mile connectivity to homes and businesses and asked Mr. Seay if REC would provide fiber optic backhaul for communication towers. Mr. Seay replied that REC is amenable to discussing this with potential providers. Mr. Hinson added that REC's infrastructure has to be primarily for the provision of electric power service and that REC could not construct a communication tower primarily for broadband internet access. Mr. McKay asked if REC has contacted any wireless internet service providers (WISPs) and Mr. Seay replied that REC is trying to get the message out to them but have not had direct discussions with any WISPs. He added that REC wants to help expand broadband access in the most cost-effective manner and without having the membership subsidize the efforts, and that they hope to do this through long-term dark fiber leases with service providers. Ms. Bouffault asked Mr. Seay if he could provide information on the pole attachment rates that current companies like Shentel and Comcast are paying and Mr. Seay replied yes. Mr. Seay added that the rates are calculated based on a number of factors including space availability on the poles and age/condition of poles and could also include replacement of existing poles. Mr. Hinson said that REC could provide the dollar amounts of current pole attachment rates but it would be difficult for the Committee to understand the significance of the amount without knowing how it was derived.

Ms. Daniel asked to whom the Committee should send interested providers to speak with at REC and Mr. Seay replied that you can send providers to him. Ms. Daniel also asked whether there are any legislative or regulatory changes that the County could advocate for to help with this effort. Mr. Seay

replied that some utility easements can be too restrictive to allow broadband infrastructure to be installed within them, and that this could be one regulatory issue that could be addressed. He said increasing State funding is also an issue.

Mr. Kruhm said that broadband internet is needed for our businesses, our education system, and for emerging telemedicine services. He added that with the graying of our County's population, telemedicine access is going to become even more important in the future. He also said that these are critical needs that have to be addressed immediately. He noted that the County has made significant changes in our regulations and efforts and have had an underwhelming response from providers.

Mr. Stidham noted to Mr. Seay that the County's Telecommunications Infrastructure and Broadband Study has identified future tower sites around the County for development, and he noted two underserved areas on REC's network map where the County would like to have new towers located. He also asked if REC has discussed internally how this project could be used to help WISPs and Mr. Seay replied no and that they have not talked to any WISPs to date. Mr. Stidham noted that the County could facilitate a meeting between REC and the WISPs that serve the County. He also noted that the best way to reach the WISPs is to offer to present information of value to them in a joint meeting.

Mr. Seay concluded his presentation and the members thanked him and his colleagues for attending.

OLD BUSINESS


Ms. Bouffault provided an update on her recent conversations with Shentel representatives. She distributed a map showing the locations of Shentel's fiber optic lines within the County along with an email from Craig Venable regarding services that they can provide to businesses at Waterloo and Double Tollgate. She said that this information needs to be marketed to assist with economic development efforts.

OTHER BUSINESS; SCHEDULING OF NEXT MEETING

Mr. Stidham suggested scheduling the next meeting on an as-needed basis when there is an issue to be addressed and the members agreed. Ms. Daniel asked if we have done any follow-up with any of the providers with whom the Committee has met. Mr. Stidham replied that Ms. Bouffault is doing a good job maintaining contact with Shentel and the County has been working with Comcast on the VATI grant. He added that ongoing communications with the WISPs is most likely a lost cause unless we want to convene them all for a meeting as was discussed earlier with REC.

Mr. Stidham provided a brief update regarding a new special use permit application in the process of being filed to replace an existing monopole on Mt. Carmel Road.

The meeting was adjourned by consensus at 4:20PM.

A handwritten signature in black ink, appearing to read 'B. Stidham', with a long horizontal flourish extending to the right.

Brandon Stidham, Planning Director