

August 31, 2021

Clarke County Board of Supervisors
Special Meeting
Main Meeting Room

4:30 pm

At a special meeting of the Board of Supervisors of Clarke County, Virginia, held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia, conducted on Tuesday, August 31, 2021, at 4:30 pm.

Board Members

Present: Matthew E. Bass – Berryville District; Doug Lawrence – Russell District; David S. Weiss – Buckmarsh / Blue Ridge District; Terri T. Catlett - Millwood / Pine Grove District; Bev B. McKay – White Post District

Absent: None

County Staff Present

Brenda Bennett, Chris Boies, Felicia Hart, Cathy Kuehner, Gordon Russell, Brianna Taylor

Constitutional / State Offices / Other Agencies

Barbara Bosserman, Sheriff Anthony 'Tony' Roper

Press

Mickey Powell – The Winchester Star

Others Present

Jimmy Carr, Robert Johnson, Tom Innes, Mary Lewis, Carol Skodje Westervelt, and other citizens

1) Call to Order

Chair Weiss called the meeting to order at 4:30 pm.

2) Adoption of Agenda

Vice-Chair McKay moved to adopt the agenda as presented. The motion carried by the following vote:

Matthew E. Bass	-	Aye
Terri T. Catlett	-	Aye
Doug M. Lawrence	-	Aye
Beverly B. McKay	-	Aye
David S. Weiss	-	Aye

3) Discussion with All Points Broadband concerning the VATI grant application

Chris Boies explained:

- A month ago, the Northern Shenandoah Valley Regional Commission (NSVRC) contacted Clarke County and invited us to be a part of a regional Virginia Telecommunication Initiative (VATI) project to provide broadband to the home.
- Today’s presentation will explain all of the details of this project; this was a regional commission initiated conversation; we have since had several conversations about the details and are now at the point where we are ready to present to the Board.
- The initial step of this project was the Board agreeing for staff to have discussions with All Points Broadband.
- If the Board decides to take action today, the second step would be to authorize an application for the VATI grant; the Board would then have one more time to look at this in December.

Chris Boies introduced Jimmy Carr, Chief Executive Officer of All Points Broadband, to present the project to the Board.

Jimmy Carr, Chief Executive Officer of All Points Broadband, presented the following:

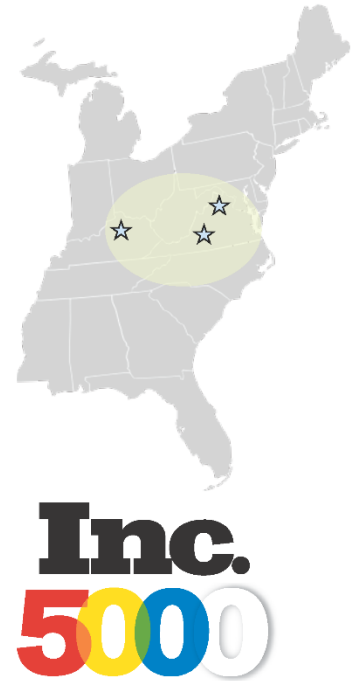
- Presenting the outcome of the work we have done in Clarke County on behalf of this regional initiative. Honestly believe this is a once-in-a-generation opportunity to leverage a significant amount of state and federal funding; to achieve universal fiber-to-the-home broadband for all of the county's unserved areas.

Agenda

- Overview
- 2022 VATI Application Strategy

About All Points Broadband

- All Points is a Virginia-based rural broadband company operating in VA, WV, MD and KY
- In each of 2018, 2019, 2020 and 2021, All Points was named to the *Inc. 5000* list of America's fastest growing, privately-held companies
- In 2021, All Points has received more than \$51 million in state and federal grants and electric utility co-investment for projects in our partner jurisdictions
- In the 2021 VATI cycle, All Points successfully partnered with a regional PDC and two electric utilities to design and fund a VATI-supported, regional, 5-county, universal broadband initiative which is currently under construction
- All Points' lead sponsor is Searchlight Capital Partners, *America's #4 builder of fiber-to-the-home projects*



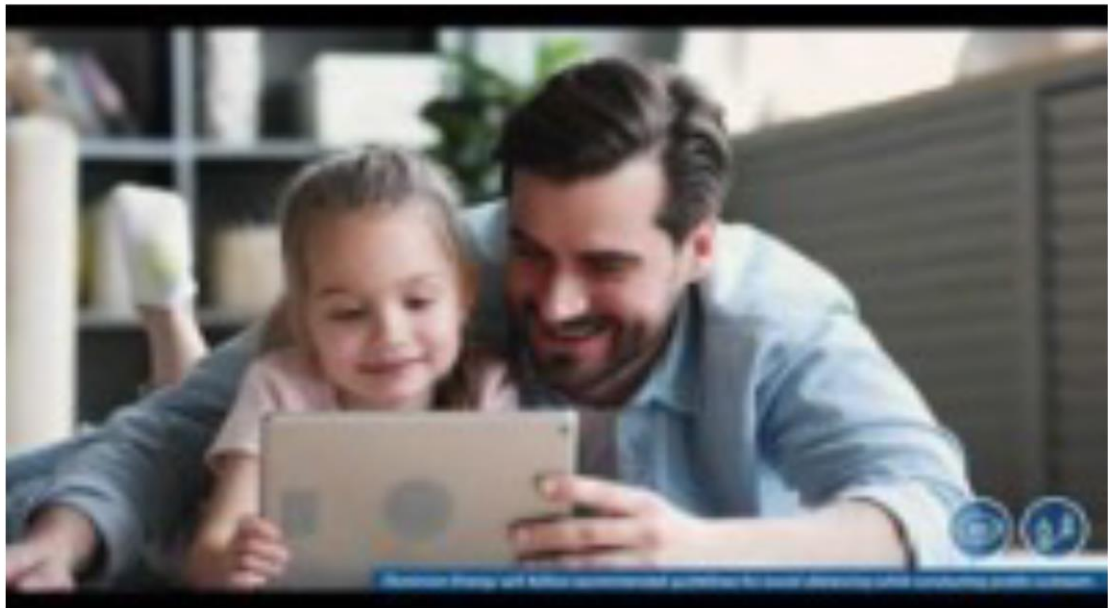
- Searchlight did more than \$1.25 billion in fiber-to-the-home infrastructure in America, making them the number one (1) investor in fiber-to-the-home infrastructure in the United States.

Overview

- Clarke has joined a regional initiative to develop and execute a strategy to achieve universal, fiber-to-the-home broadband for all unserved locations in the County through a regional grant application to the Virginia Telecommunications Initiative (VATI)
- This regional initiative includes All Points, Dominion Energy Virginia ("Dominion"), Shenandoah Valley Electric Cooperative ("SVEC"), Rappahannock Electric Cooperative and seven participating Counties
- The partners have completed high level design for a universal, fiber-to-the-home broadband network to serve the 3,300 locations in Clarke that are not served by wired, gigabit-capable broadband today
- All Points' network and partnerships are specifically designed to secure VATI grant funding in the current application cycle, and to be an eligible use of ARPA funds

- Today we are seeking the Board's approval to include the County in the regional VATI project and the recommended local match component, contingent on grant award
- Of the seven (7) participating counties, two (2) have reached the stage of the process where we are at tonight on whether to proceed with the VATI application. Augusta County and Rockingham County voted to authorize moving forward as a part of the regional application and are committing \$8.4 and \$8.9 million in local match to this project.
- This project, the way it is put together, and the partnerships that are together are tailored from the onset to be very competitive and score well through the VATI program. All Points Broadband has a lot of experience with the VATI program and pays a lot of attention to the rules, and we have scoped and designed this project to be competitive and win.

Leveraging Electric Utility Middle Mile to Make Last-Mile FTTH Feasible



- Dominion has very little electric service territory in Clarke County, but Dominion is a part of this regional initiative and has put together an excellent overview; that explains the importance of working with electric utilities to drive down costs.
- Electric grids have many devices on them; for example, switches, reclosers, substations; when the electric company manages its grid much more efficiently, the better connected all of those devices are to the control center.
- If you have fiber optic connectivity between a substation and the operation center and a recloser down the line, if a tree falls on the line, when you can rapidly control

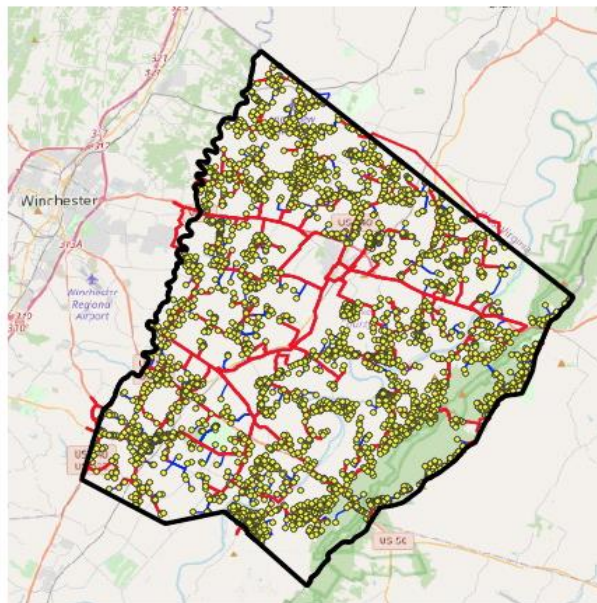
and shut off the recloser, means that you may lose power to 100 houses for an hour instead of 2,000 homes for twelve (12) hours.

- There are a lot of operational benefits that electric utilities receive from deploying fiber on their networks.
- All Points Broadband and the state's approach recognizes that these electric utilities are making investments to harden and modernize their grids by deploying fiber.
- Since this may be the last middle-mile fiber that goes into these places for a very long time, let's work with the electric utilities, and instead of putting in 96 or 144 count fiber, put in 288 count fiber. So hence, there is more fiber, and we will share the cost of doing that with the electric utility, and then the electric utility grid will benefit. It will also be done to make it more affordable to get last-mile broadband to people who are currently unserved.

Vice-Chair McKay asked, and Jimmy Carr answered that the fiber would either be owned by All Points Broadband or one or more of the electric utilities, depending on where in the network it is.

Project Overview

- The project includes ~290 miles of fiber infrastructure to extend to all remaining unserved areas
- Overall project cost will require ~\$23.5M in funding
- All Points would secure \$9.6M (41%) of total project cost
- VATI application would provide \$8.6M (36%)
- County contribution would be \$5.4M (23%) and eligible for ARPA funding



- All Point Broadband teams drove on every single road in Clarke County and determined with their eyes the presence or absence of wireline infrastructure capable of delivering 25/3 broadband service or better.

- The best available maps for broadband are the Federal Communications Commission (FCC) maps, which are not any good. If any location in a census tract is served by broadband technology, they assume that the technology serves everyone in that census tract.
- All Points Broadband method; is to take teams with GPS-enabled devices to drive and catalog all streets. This process is not always 100% accurate because human error can occur, but this is the best data gathering approach. It is the best-in-class process, and the state has a couple of checkpoints throughout its grantmaking programs where there are challenges, and we can make sure that we have included everyone.
- There are two (2) requirements for the ARPA funding: the project must have partnerships, and you must provide at least 100 down / 100 up broadband.

Supervisor Catlett asked, and Jimmy Carr answered that All Points Broadband identified 3,300 locations that are unserved for the relevant program. Chris Boies clarified that there are approximately 6,300-6,500 households in Clarke total, including the Town of Berryville and the Town of Boyce.

Supervisor Lawrence asked, and Jimmy Carr clarified that the location is served if it passed by wireline infrastructure capable of delivering 25 down / 3 up for this program. Added that by definition, anywhere that does not fall into that is unserved.

Supervisor Lawrence asked for the definition of middle-mile. Jimmy Carr explained that the middle-mile is the entire capacity distribution architecture shown where the bold red routes are on the map. He then clarified that the last mile includes some distribution infrastructure, so usually would use 48 or 72 count fiber on those routes instead of the 144 count fiber. There are also service drops to the terminal on the pole to deliver to the home.

Project Outcome

- Fiber-to-the-home broadband available to 100% of currently unserved locations
- Network based on XGS-PON architecture which is scalable to symmetrical 10 Gbps to each location
- Standard installation fee of \$199:
 - All customer premises equipment
 - 500-foot service drop included
 - Long drop charges waived for 12 months

- Residential service offerings:
 - 50 x 50: \$59.99 (fixed)
 - 100 x 100: \$79.99
 - 500 x 500: \$99.99
 - 1000 x 1000: \$109.99

- All Points Broadband views this project as a once-in-a-century opportunity to provide an essential utility that needs to be done the right way, including everyone in it.
- XGS-PON: X stands for ten, and the G stands for Giga, designed to provide ten thousand down / ten thousand up service. This is the gold standard in broadband infrastructure; there is no better way of designing technology and these networks. Plus, we are doing it in partnership with electric utilities for whom this is mission-critical infrastructure.
- In terms of reliability and capacity, there is no better way to do it than the way we are proposing.
- Interested customers would pay a standard one-time installation fee of \$199.
- At All Points Broadband, our standard approach to fiber-to-the-home deployments is that your standard installation includes the equipment and the first 500-foot service drop. Generally, after the 500-foot service drop, there is a fee per foot. But to maximize our competitiveness for the VATI program, for the first year, after there is a lite terminal that All Points Broadband can connect the home to, regardless of your drop service length, customers will only pay \$199.
- This is being done for two (2) reasons; first is to get a lot of people on the service quickly, and second is that this is the way that All Points Broadband maximizes the VATI scoring for this project.
- There is no better way to say you are doing universal fiber-to-the-home and declaring for the first year; it does not matter how long the drop service is; you will be getting the service for \$199.
- If you look at most cable companies, the typically included drop service is 200 to 250 feet. So even All Points Broadband standard without the 12-month benefit is twice as much as those.
- The 50 X 50: \$59.99 (fixed) means that if Clarke participates in this program and the grant is funded, All Points Broadband will commit, legally binding, to provide a 50 X 50 at that price for the life of the project.
- The only time that rate would change would be with inflation, so offer it at \$59.99 with a Consumer Price Index (CPI) Escalation on it.

- The 50 X 50 is 50 megabits per second; you need five (5) megabits per second to stream an HD video. So that means that at the most basic plan, you can stream 10 HD videos simultaneously with no buffering.

Vice-Chair McKay asked where the drops start from on the existing poles. Jimmy Carr explained that it begins at the nearest terminal, usually less than 1,000 feet on average; depending on the architecture, we follow the electric infrastructure. If you have an aerial drop for your electric service, nine (9) times out of ten (10), we follow that same route and attach to the same poles that your electric drop is on. Jimmy Carr added that All Points Broadband will design the red infrastructure (indicated on the map) to have enough terminals that no location will be beyond the manufacturer's spec for a drop.

Supervisor Catlett questioned what will happen if you have an electric line that is buried. Jimmy Carr confirmed that most likely, you would have a buried drop, but this is a case-by-case inquiry.

Supervisor Bass asked, and Jimmy Carr stated that he was not sure how many people would take advantage of the first-year deal because this is the first-time it is being offered; he added that he believes it will be popular. Supervisor Bass conveyed that he cannot see all 3,300 households wanting the service, but a large majority will. Jimmy Carr expressed that 50-75% of locations will take the service eventually if you look at national averages. Supervisor Lawrence conveyed that approximately 50% of the households were interested in joining the service when the VATI project was done in White Post.

Supervisor Lawrence asked, and Jimmy Carr responded that the commercial rates will be higher; the vast majority of the locations in Clarke are residential, so that is why those pricing rates are included in this presentation. Jimmy Carr added that there will be a standard rate for commercial service and wholesale access service offerings.

Supervisor Lawrence asked if there would be a cap on the data that can be used. Jimmy Carr confirmed that there is no data cap unless there are complaints from neighbors.

Timeline for Completion

- Clarke's local match would be contingent on receipt of VATI grant award and execution of an agreement with All Points regarding the project
 - Grant application to be submitted September 14th as part of regional application through NSVRC
 - After submission, APB will manage the challenge processes and adjust project scope consistent with program rules
 - VATI awards to be announced in December
 - Clarke and All Points would have ~90 days after grant award to enter into an agreement reflecting the VATI grant application and to formally accept the grant award
 - Project would be substantially complete within 24 months of VATI grant award and completion of Dominion and REC routes
 - Clarke is well positioned:
 - High quality network and design, optimized for VATI scoring
 - Strong partnerships in place
 - Whole-of-Jurisdiction solution for regional initiative
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- The General Assembly accepted the Governor's recommendation to take \$700 million of the state's share of the ARPA funding and put it in the state broadband grant program.
 - We believe that the County and this project are very well positioned to win; we have designed it from inception to score well in the VATI grant and be an ARPA eligible use of funds.
 - This project also has strong partners in place. When you look at the VATI grant scoring, there is a category called Commonwealth Priorities. That category asks if you are partnering with electric utilities to take advantage of every tool to get fiber to places, are you building a high-quality network, and are you partnering as part of a large regional project. This project checks all of those boxes.
 - The most critical question to score well on the VATI grant is if this is a universal solution meaning you bring broadband to the entire area. So not only do we have a universal project in Clarke, but this is a universal project on a regional level.
 - A little over a year ago, there were five (5) counties in the position that Clarke County is in today. At the time, legislation and the programming with Dominion was a pilot program. In January of this year, our projects with Dominion and other

projects they have underway; the General Assembly overwhelmingly voted to make that program permanent.

- What we are doing is different; it is not new; we have done it before; it is another way of thinking about solving an old problem. It is the best way to do it, and it is the most future-proof technology there is. This is a once-in-a-generation opportunity to provide the level of telecom infrastructure you will need now and thirty (30) years from now.

Supervisor Lawrence asked, and Jimmy Carr explained that investor-owned utilities and cooperative electric utilities are subject to different rules and regulations, so we have a well-established working relationship with Dominion from these projects. He added that electric cooperatives are a little less standardized with their grid modernization, and so we work very closely with Rappahannock Electric Cooperative (REC) and Shenandoah Valley Electric Cooperative (SVEC). We tailor our partnership model based on what the cooperative is interested in and their grid modernization plans.

Supervisor Lawrence questioned, and Jimmy Carr confirmed that the overwhelming majority in Clarke County middle-mileage will be built by All Points Broadband.

Supervisor Lawrence asked about wholesale access. Jimmy Carr explained that All Points Broadband provides wholesale access to other carriers on what is known as a neutral and nondiscriminatory basis, so there is a standard price for another carrier. If you meet the definition of a carrier, then that is the price you get. We work with the electric utility to ensure that their build will include what we need over the long term.

Jimmy Carr and Chris Boies explained that neither could speak for Rappahannock Electric Cooperative (REC). Still, we have had conversations with them and understand that this project will complement their plans. Jimmy Carr added that there are many requirements to make this project possible, and the strong support and participation of Rappahannock Electric Cooperative (REC) is definitely one of them.

Chair Weiss asked for clarification on the financial commitment from the County. Jimmy Carr explained that when we win the grant and next March /April when it is time to accept the funds formally, that is the point at which the liabilities incur. The VATI grant program is a reimbursable program, so there is a process. He gave the example that All Points Broadband spends \$100, that invoice goes to the regional commission, they then submit the invoice to the state, and then the state will send All Points Broadband back \$36 then an invoice would come to the county for \$23. That process would happen when the construction in Clarke is underway. He added that the funding needs to be committed because the liabilities incur when we enter into the agreement, but in practice, it can be funded over a several-year period.

Jimmy Carr conveyed that All Points Broadband has been focused on the ARPA funding; there is talk about additional infrastructure funding available; the county would know if this or another source of funding is available before entering into this project.

Chair Weiss questioned, and Jimmy Carr confirmed that the 12-month period to subscribe to service to be able to get the drop service fee waived begins when it is physically possible for All Points Broadband to provide your location service.

Vice-Chair McKay asked if it will be available as the project gets to you or will all have to wait until the entire project is done before using it is available? Jimmy Carr stated that the goal is to have it available as soon as that location is ready, but we have to abide by what the electric utilities want to do also. Jimmy Carr added that the order of construction is not based on prioritizing any specific area or county but on the most logical construction sequence to complete the entire project in the shortest amount of time.

Chair Weiss stated that even though we may be the smallest county, we may not be the last county that is done.

Supervisor Catlett questioned the timeframe for the entire project to have it available throughout Clarke County. Jimmy Carr stated that All Points Broadband believes that the most important thing in rural broadband is to not over promise and underdeliver because people have heard this for a decade or two now. All Points Broadband has no reason to believe that the electric utility routes affecting Clarke County will not be complete on a schedule that will enable us to complete our last mile within 24-months of the grant award. This is out of my direct control; I can promise and commit what All Points Broadband can do but with the partnerships, we are also relying on them to help with the construction of this project. I will tell you if you look at what else is out there, participating in this grant this year with these partners will be the fastest way anyone can get fiber to the home to the unserved areas. Chris Boies stated that Rappahannock Electric Cooperative (REC) has a regional project that they are working on that will be into Clarke in the future, but that does not mean it will provide for every location shown on this project map. Chris Boies added that we need to be careful about managing those expectations, but they are currently working on a project getting them to Clarke now.

Supervisor Bass asked if Jimmy Carr was aware of any other similar projects in the VATI application process that would be competitive with this particular proposal? According to what has been publicly filed, Jimmy Carr stated that there will be approximately sixty (60) counties seeking state money in this program. He added that that is why All Points Broadband has designed this project this way. We are not asking

the state to put up 80% of the project funds, and we are not picking the easiest and cheapest locations; we are going for all unserved locations throughout the County. Jimmy Carr further explained that this project is not being done exclusively by All Points Broadband. We are not insisting that we have to own everything; we are partnering with three (3) electric utilities which will make it more cost-effective, and we're doing this across seven (7) counties. All Points Broadband believes this is a great project based on the program rules and the presented package; I hope the grant readers think so too. He then added that he believes there will be a lot of competition for this program, and All Points Broadband designed the best package we can to try to be as competitive as possible.

Supervisor Bass questioned, and Jimmy Carr confirmed that All Points Broadband has been keeping an eye on all proposed projects throughout the state.

Supervisor Lawrence asked if there was a known overall cost for the entire region; Jimmy Carr conveyed that there is an idea but waiting for the other county Board of Supervisors to see their proposals before releasing that information.

Chair Weiss asked, and Jimmy Carr explained that the state has \$50 million a year in state general funds typically in this program every year. They have now taken \$700 million of the ARPA funding and running it through the VATI program but are subject to the ARPA rules. He added that he believes it is unlikely that all \$700 million will be allocated this year, but that is up to the state. Have heard publicly that all projects will be funded this year, conveyed that the state broadband team has been working hard on this, and they have the best intentions. Still, it is a process subject to objective scoring criteria, so no one knows what will happen until all of those applications are in.

Supervisor Lawrence explained that VATI representatives, a few months ago, said to think big; this is what is proposed in this project.

Chris Boies put forth the following points:

- The Board designated this as a top priority several years ago.
- Staff and the Broadband Implementation Committee have spent a lot of time working on this.
- Tried to look at every aspect of this and looked at fixed wire-less projects, and we talked about this being the best solution available. Unfortunately, it was not affordable in the past because, as Jimmy Carr mentioned, this is a \$23 million project.
- Everything changed when the federal money got infused into the state program, allowing big projects to be done.

- Staff’s priority has been to court an ISP that we could work with, who could deliver a project like this, which is happening through this regional process.
- An ISP has come forward and said that this project could be done.
- The staff has vetted All Points Broadband; we have called the Governor's office to discuss other projects that they have done. In addition, we have called some of the counties in the Northern Neck to verify that those projects, although they just broke ground, all of the planning and preparation work went as it should; all indicated that All Points Broadband was a great company to work with.
- The financial contribution has been reviewed; \$ 5.4 million is a significant amount; as you know, the county has \$2.8 million in ARPA funding, and staff has developed some different scenarios for the Board to consider this fall as we prepare for the news in December.
- Staff feels confident that that can be done without the issuance of debt at this point.
- Some of the scenarios are contingent on how the last fiscal year numbers turn out; the accrual process is from about right now back to June 30; money and expenses that come in after July 1 but should be in the previous year.
- Emphasized that this is the type of project that staff has been trying to find. Staff feels that this is as good as it is going to get for us. This offers universal coverage, fiber-to-the-home, and at a time where there is lots of money at the state level from the federal government to fund this project.

Supervisor Lawrence asked, and Jimmy Carr explained that typically the VATI program has worked, is that they do not fund 100% of the applications, but they fund 100% of the winning applications for the year. So anticipate that they will take the same approach this year.

Supervisor Bass asked if there was any upfront cost for the action proposed tonight to authorize and apply for the grant. Chris Boies confirmed that the county is not obligated to funds other than staff time and is not obligating any funds by today's action. Further explained that that would come in December once the final numbers are known.

Chris Boies expressed that the next step is to find what the VATI award program awards. He added that at that point, the proposed project will have gone through the challenge process and will be able to nail down what is underserved so we could talk to people about their streets, but right now, it is all subject to a challenge process. Know people will call in asking if they will be covered; we cannot answer those questions yet, but that next benchmark is December, and then those can be open to

the public. At that point, the Board would likely do a budget amendment which could require a public hearing.

Vice-Chair McKay put forth that this is a once-in-a-lifetime opportunity, believe that at the house I live in which my grandfather got electricity into it in 1921 was the first house on the road with electricity, broadband has been a long time coming to it. So think we need to move forward with this because I do not believe it will be any cheaper in the future.

Supervisor Bass expressed that he believes that he does not have a problem, especially with no cost to the county at this point to move forward.

Supervisor Lawrence stated that some of his constituents served by Shenandoah Valley Electric Cooperative (SVEC) were concerned after reading the Winchester Star article by Mickey Powell because SVEC was not mentioned; this project includes SVEC just need to get that message out to those constituents because they will be in this project

Supervisor Lawrence stated that he thinks it would be an excellent win-win if it were structured so that Rappahannock Electric Cooperative (REC) had more control over the fiber, not just between their substations, but down the road since REC is a cooperative owned by the citizens. This can be discussed by All Points Broadband and REC when that agreement is made.

Chair Weiss asked, and Chris Boies confirmed that the county could say no in December even if the Board takes the proposed action today. Chair Weiss expressed that he asked this question, not in a way that he is not in favor of the project because I also believe this is a once-in-a-lifetime chance and believe that the county is on the verge of being able to do something that we could not do otherwise, without this type of project. I simply want to see the finances a little more accurately to determine the weight; he added that it would not be a bad thing to have to take out debt on, I would support that, but I just wanted to know if there was a second chance to talk and decide based on finances.

Supervisor Catlett stated that it is nice to have the money coming from different sources, not just the county taxpayer money. She added that this is a great opportunity.

Supervisor Lawrence moved to approve submitting a VATI grant through the regional commission with All Points Broadband, including a local match of \$5.4 million. The motion carried by the following vote:

Matthew E. Bass - Aye

Terri T. Catlett - Aye
Doug M. Lawrence - Aye
Beverly B. McKay - Aye
David S. Weiss - Aye

Chair Weiss thanked staff for all of the work that has been done, thank All Points Broadband for their leadership on this, and asked that Jimmy Carr passes on the Boards thanks to Rappahannock Electric Cooperative, Dominion, and Shenandoah Valley Electric Cooperative. It is a great partnership, and the Board is looking forward to how it turns out, and we will be waiting and watching.

The Board acknowledged a citizen in the audience to comment. Mary Lewis, Paris, stated that she lives on Paris Heights Lane on Route 601; we have Dominion power in that area, but a quarter mile down the road is Rappahannock Electric Cooperative. She asked that whoever makes these final decisions please ensure that that stretch of Route 601, which Dominion controls, is included. She then added that Verizon may need to be included because that area is still on the cooper line that runs up Route 601 to a battery box; these are two (2) national companies that need to be included in these discussions. Chair Weiss confirmed that from what was presented tonight, the partners would be included.

4) Adjournment

At 5:31 pm, Chair Weiss adjourned the meeting.

5) Next Regular Meeting Date

The next regular meeting of the Board of Supervisors is set for Tuesday, September 21, 2021, at 1:00 pm in the Berryville Clarke County Government Center, Main Meeting Room, 101 Chalmers Court, Berryville, Virginia.

ATTEST: August 31, 2021

David S. Weiss, Chair

Chris Boies, County Administrator

Recorded and Transcribed by Brianna R. Taylor, Deputy Clerk to the Board of Supervisors