

## MINUTES

### Special Rate Hearing & Regular Meeting of the Board of Directors of the Eastern Shore of Virginia Broadband Authority

March, 2015

Board members in attendance were: Steve Miner, Pete Lalor, Elaine Meil and John Reiter.

ESVBA management participating in the meeting who were in attendance: Nicholas Pascaretti and Leah Hoopes (Secretary)

Members of the public attending were:  
Judy Morgan, Bill Parr, Keith Montgomery, and Mike Zodun

Steve Miner called the meeting to order at 2:03 pm.

#### **AGENDA ADOPTION**

*Ms. Meil moved to adopt the agenda. Mr. Reiter seconded.  
Motion passed unopposed.*

#### **PUBLIC COMMENT**

Mike Zodun (Eastern Shore Rural Health Systems): stated his appreciation for the gift from ESVBA.

Bill Parr (Eastern Shore Communications): Bill stated he was informed that Declaration Networks has an agreement with ESVBA and that they have access to points of connection through the system. Mr. Pascaretti explained that they do not have any kind of agreement with Declaration Networks.

Judy Morgan (Eastern Shore Communications): commented that she is encouraged to see the price reduction moving forward. Secondly, there have been customers requesting service from Bloxom tower. Also, Judy Morgan asked for consideration in providing credits, based on a provider's total monthly charges, to offset constructions costs for network extensions by the ESVBA. She stated that these charges can be a prohibiting factor.

Keith Montgomery (Declaration Networks): interested in outcome of price reduction.

## **REVIEW OF MINUTES**

*Mr. Reiter moved to approve the Regular Meeting Minutes from January.  
Mr. Lalor seconded. Motion passed unopposed.*

## **STATUS REPORT**

1. Bloxom Tower- Mr. Pascaretti provided an update stating that Mr. Norman Pitt advised ESVBA how to deduce impact to be under storm water runoff requirements. The engineer is redesigning the work prints for the site. When that's available, it will be ready for bid.
2. Town Broadband Initiative Program (BIP)- Mr. Pascaretti reported Hallwood is now open and available. Judy Morgan stated that the holdup for ESC is an insurance issue. Mr. Pascaretti stated that Exmore's program ends March 31<sup>st</sup> and Belle Haven's ends September 30<sup>th</sup>. Mr. Lalor asked about Chincoteague and Onancock BIP status, and Mr. Pascaretti informed him that the incentives have expired.
3. Wi-Fi Hotspots- VDOT is reviewing the proposal for Accomack Visitor's Center. All the other Wi-Fi Hotspots are up and running.
4. VDOT Road Jobs- Mr. Pascaretti stated that nothing is new on Horntown Rd. and that Phase 1 of Church road has been completed.
5. Service Level Metrics- Mr. Pascaretti had no new updates.
6. WISP EVPL Program- Mr. Pascaretti had no new updates.

## **NEW BUSINESS**

- a. FY14 Audit- The Audit was emailed to the Board of Directors.  
*Mr. Reiter motioned to accept the FY14 Audit. Mr. Lalor seconded. Motion passed unopposed.*
- b. Service Charge- Mr. Pascaretti explained that there have been some issues with dispatching on service calls which end up being caused by the end user. Mr. Pascaretti suggested that there should be a charge in the event that the end user/customer is the cause of the service issue.  
Ms. Meil asked Mr. Pascaretti if the ESVBA needed to establish a fee schedule. Mr. Pascaretti stated no, because it is not a service rate. Ms.

Meil asked that a written policy be presented to the BOD.

- c. **ESVBA Price Reduction-** Mr. Pascaretti provided the BOD with a model for ESVBA's Ethernet transport and internet pricing that would align, and in most cases be less, than Mid-Atlantic Broadband and Maryland Broadband. Mr. Reiter asked what the effect would be on revenue, and Mr. Pascaretti stated that the worst case scenario would be approximately 14% reduction in revenues, but some customers take an increase in services. Mr. Miner asked what was reduction was anticipated and if it would stimulate new customers to the network. Mr. Pascaretti stated that he thought the lowered rates would make ESVBA's services more affordable to smaller customers. Mr. Reiter asked what the basis for the reductions was, and Mr. Pascaretti stated that they were based on competitive market pricing for similar services. Mr. Lalor stated that he felt the analysis was sound and the presentation good. Ms. Meil asked if there was enough capacity on the network, and Mr. Pascaretti stated that although the ESVBA was okay for now, it can present a problem in the future which is why funds must be accrued to reinforce the network in the future. Mr. Miner asked if this proposed price reduction is in line with ideas presented by service providers to increase broadband expansion. Mr. Pascaretti stated that he felt this reduction in addition to the WISP EVPL model does and that further incentives can be added to existing programs without violating the ESVBA's "open access" policy. He also stated that incentives like the "County BIP" program will also help all service providers and end users.

*Mr. Lalor motioned to move to Public Hearing. Mr. Reiter seconded. Motion passed unopposed.*

## **OLD BUSINESS**

- a. **County BIP Program-** Mr. Pascaretti explained he has met with Ms. Nunez briefly, but details need to be worked out. Mr. Miner asked what role the ESVBA would play in this program and formal input from service providers. Mr. Pascaretti stated that the ESVBA's role would primarily be to extend its network and provide the services discounted or free for a period of time. Mr. Pascaretti also stated that he felt that someone other than the ESVBA should select service provider and that he has approached service providers where they would want ESVBA to extend its network, but none have formally responded.
- b. **WISP EVPL Pricing Model-** Mr. Pascaretti stated that he would like to make an adjustment to the model and it will not apply to cellular/mobile providers.

*Mr. Lalor moved that a line be added to the WISP EVPL Pricing Model stating that it does not apply to cellular/mobile services (CDMA, GSM, LTE, EV-DO, etc.). Mr. Reiter seconded. Motion passed unopposed.*

### **CLOSED SESSION**

Motion to enter into closed session according to Section 2.2-3711 of the Code of Virginia of 1950, as amended; ) 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. Paragraph 34: 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 made by Mr. Lalor, seconded by Mr. Reiter. The following board members were present Mr. Lalor, Mr. Miner, Ms. Meil and Mr. Reiter and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Lalor, seconded by Ms. Meil that the Board had entered the closed session for that purpose as set out in Paragraph 1 and Paragraph 34 of Section 2.2-3711 of the Code of Virginia of 1950, as amended. Roll call vote taken Vote was that no other business discussed than as advised in Paragraph 1 and 34. The following board members were present Mr. Lalor, Mr. Miner, Ms. Meil, and Mr. Reiter and voted affirmative.

### **MOTION**

*Mr. Lalor moved that the incentive compensation plan in the form discussed today between the incentive compensation committee and Nick Pascaretti be approved. Mr. Reiter seconded. Motion passed unopposed.*

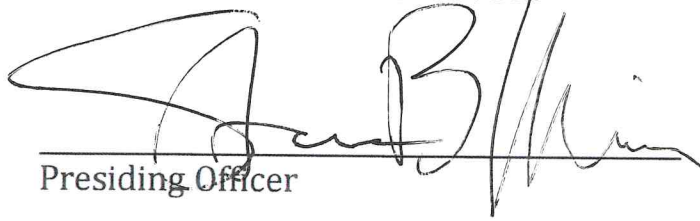
### **MOTION**

*Mr. Lalor moved that the Non-Recurring Charge is for 24 months and done by Service Order and customer specific and the information be placed on the website. Ms. Meil seconded. Motion passed unopposed.*


**ADJOURNMENT**

*Mr. Reiter moved to adjourn the meeting at 3:53pm. Mr. Lalor Seconded.  
Motion passed unopposed.*

These minutes were approved at the May 21st meeting of  
the Board of Directors of ESVBA.

  
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Presiding Officer

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Leah Hoopes, Secretary