

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

**155 N. Taylor St., Fallon, NV 89406
November 7, 2024**

Call to Order:

The regular meeting of the CC Communications was called to order at 1:45 PM on November 7, 2024.

PRESENT: Commissioner Myles Getto
Commissioner Harry Scharmann
Commissioner Justin Heath
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chairman Myles Getto asked if there was any public comment but there was none.

Verification of Posting of Agenda:

It was verified by Shelly Bunyard, Administrative Assistant, that the Agenda for this meeting was posted on the 1st day of November, 2024 between the hours of 1 pm and 5 pm at all of the locations listed on the Agenda, in accordance with NRS 241.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Commissioner Harry Scharmann made a motion to approve the Agenda as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Minutes of the meeting held on:

A- August 1, 2024

Commissioner Justin Heath made a motion to approve the Minutes of the meeting held on August 1, 2024 as submitted. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

B- September 12, 2024

Commissioner Justin Heath made a motion to approve the Minutes of the meeting held on September 12, 2024 as submitted. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: determination of whether CC Communications should maintain its WTA membership and seek reinstatement of Board seat.

Mark Feest, CC Communications. We primarily participate in two national telecom trade associations, one is WTA, which used to stand for Western Telecommunications Alliance but after the dissolution of the other national organization, they changed their name to just WTA and started inviting people east of the Mississippi. There's currently around 280-290 members in WTA. We also participate in NTCA which used to stand for National Telecommunications Cooperative Association. Now they just call themselves NTCA. For a while now, they have allowed companies in that are not cooperative. NTCA currently has around 750 to 800 members. We pay membership dues in both associations. NTCA membership is about \$20,000.00 per year plus any attendance of events you might want. WTA membership is about \$10,000.00 plus attendance to events. I had been a board member on WTA for a long time. WTA likes you to attend the two events they have every year. When we first joined their events were in places like Salt Lake City, Coeur d'Alene and places out west. They have changed over the years, especially due to those members who are back east. They ask the board members to attend one DC board trip per year and semi-annual meetings. One of the meetings is the official annual board meeting that a non-profit organization has to have. I used to go to about every other meeting which is once a year and I also went on the DC trip. Around the time of COVID a lot of things were cancelled. Since then, I never got back into going afterwards. I reached out to WTA requesting to give up my seat on the board and have Jamie Hyde to be elected to the board. They informed us that they don't want us as a board member, if we don't commit to attending both meetings every year and the DC trip. There's an upcoming meeting in Hawaii. Honestly, I didn't want to commit to saying we would go, because we were not going to go on the Hawaii trip. We were going to try to have one person go to every other meeting. It gave me pause, after receiving notification that they want us to attend all these meetings. I wanted to at least have the board notified, because I think there is potential at time to time of people coming back and asking why are you going to Hawaii. If they are telling me we can only have the board seat, if we commit to going to the meetings, I thought I'd bring this before the board for discussion.

Commissioner Harry Scharmann. What is your opinion? Do you think we should discontinue membership?

Mark Feest, CC Communications. We would probably need to become more active in NTCA. We don't plan to discontinue the NTCA membership. NTCA has never reached out stating we have to come to the meetings. It's much harder to get a board seat with NTCA due to them having much more members. I think that both associations duplicate each other in many ways as far as advocacy in front of the FCC and Congress. I think it's ok to not maintain our WTA membership. It's most beneficial to have a board seat if we keep the WTA membership. If folks are uncomfortable with us fulfilling the commitments WTA is asking us to fulfill for a board seat, then I don't think we should remain in the association.

Chairman Myles Getto asked if there was any public comment but there was none.

Commissioner Justin Heath made a motion to direct CC Communications to discontinue membership in WTA membership during the next membership dues cycle. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: negotiations of service terms for BEAD locations that received zero bidders.

Mark Feest, CC Communications. The BEAD program is a \$42.5 billion dollar program. The money was passed through to the States. The States had to create their own plan for distributing the money and it had to be approved by NTIA prior to them going forward. Nevada is one of the first states that went out and have actually completed their first go around of asking people to apply. After that round, OSIT states that they have 78% of serviceable locations in Nevada and they have their applications. Those applications requested nearly \$500 million dollars. It's actually about only 18% of the locations. If you look at the map, only those pieces in dark grey have applications. Some of those locations got one and some got two. I don't believe any got three, but it's possible. 78% is calculated by OSIT. That's because there were a lot of locations in Las Vegas proper, which you can see it's more than 18% of the geography. If you're in one of the rural areas, you are in a higher cost per location. OSIT then sent out a email to all providers in the state. They asked if we would like to schedule a phone conference to discuss how to apply for all the empty spots. I intentionally did not reply to the email. After the deadline for replying, I received an email requesting we talk with them about applying. When I reviewed these, there's a 25% match. Many of the locations left and even at a 25% match, you can't build an honest business model that will make money. It isn't required in the application and I'm not the reviewer of the applications, but we've been doing this a long time. I tell people we have done more Fiber to the Home in rural Nevada than anyone. We started before anyone and we are not confused about what it costs, what you can charge people and what take rates are. OSIT says this is a great deal because these locations are a 25% match, but many of the locations are in areas that I would suggest are going to have 25% or lower take rates. You're paying 100% of the cost for the actual customers you reach. Some locations are \$16,000 and some are \$11,000. Let's say you pay \$11,000 for four locations but you only capture 1 customer. That's \$11,000 that we need to recoup from that customer. I could not produce a pro forma that says if we have to match 25%, it's going to make sense. That's why we didn't apply.

The red dots map showing Churchill County represents a place they say can't get 100 Mbps internet. We have always disagreed with the map and especially those people who are provided service in a given territory.

Commissioner Myles Getto. How do they come up with that?

Mark Feest, CC Communications. It is data from reports that is about three years old. The way it's reported isn't exactly lining up. The data will tell you there is 1,092 locations in all of the RPA that can't get 100 Mbps connections. Some of those locations are mobile home parks or apartment complexes that we have fiber to the curb but the property owners will not let us wrap the building or won't allow us to dig in their street.

We didn't apply in Churchill County because we don't believe any of these residents are really unserved if they are legitimately a potential customer. We didn't want to take on obligations of the BEAD program, to spend money that isn't going to result in a change of revenue. We didn't want to spend the 25% match.

I had a meeting with OSIT last Friday. They advised that they are required to allocate money to somebody for every red dot on this map. The company the money is allocated to and OSIT can then sit down and determine if that red dot really represents something. We know that there are dots on this map that represent abandoned houses and old building out in the desert. There are dots on the map that have no commercial power. You can't take fiber to a no commercial power area. The opportunity to sit down with OSIT and discuss the red dot locations, only occurs if you are given a Notice of Intent to Award. Nobody applied in Churchill County. We don't want to put a 25% match down on locations that will have horrible take rates and in some cases don't exist. OSIT advised that if we submit an application we can use existing plant to offset that 25% and it is no problem in that RPA in Churchill County. It's actually that RPA that's in the center, the RPA above it and the one to the right which is Stillwaters. We can probably do an application with 25% match using existing facilities. We still have a great desire to remove the locations that are not legitimate on the map. I worry about being stuck with a not legitimate location and not being able to close out the grant unless we build to it. They also advised if we were able to build to the edge of the apartment complex, we count it as built. We would then have to add a note at the location advising the complex will not allow building to be wrapped.

I asked OSIT how they are going to give someone else the money for something that we have already done. They advised the relocation will hit the allocated and awarded funds. I'm not sure if I understand that because by their own admission, they are over the amount of money that's been allocated to the state. They still have 22% of the locations and 80% of the geography. I have concerns that they will move forward and award someone something on top of us, if we are unable to get an application in and negotiate some terms. It was explained, that if we applied, we would still have the opportunity to negotiation the final terms of that application. I think it must be held open because if they don't negotiate final terms, they will run out of money.

We have identified three RPAs on the map in Churchill County but not the one by Lahontan Reservoir. There is no possible way that can be built. It doesn't have commercial power and there is no way to make money with that build going forward.

In the upper left corner of the map is Lyon County. That build can be done as a possible application I would like to negotiate with them. I would like to build that with the Tarana wireless equipment. We have a propagation map for putting up wireless that at 100 Mbps. That location is the only one that might have a 25% match. That is about \$722,000.00 if you fully matched that with 25%. It wouldn't be fully matched because a wireless proposal costs will come it much lower.

Any negotiation in Churchill County, would be subject to them acknowledging that the existing infrastructure covers the 25% match. We have something coming up in Storey County that will address that. I would like to negotiate the remaining Storey county locations with them. I don't want someone else getting the award on top of us.

There is a small piece in Washoe County that you would think is Storey County. We would include in our application 16 of those locations in Washoe County.

Since we are already putting equipment in Storey County, we are subject to the 25% match being noted that it's in infrastructure not in cash.

The location in Elko County, would be a wireless situation and only subject to them accepting the 25% match as existing back haul infrastructure that would serve that area.

I am asking for a motion to approve negotiations of service terms for BEAD locations in Lyon, Elko, Storey, Washoe and Churchill Counties. Lyon County is the only one that is subject to the 25% match in cash. That would still come back before that board. This is just for negotiation purposes. The final agreement with them will have to be approved by the board.

Commissioner Harry Scharmann made a motion to approve negotiations of service terms for BEAD locations that received zero bidders. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: approval of the Phase II Service Provider Agreement and MoU with Storey County in the amount of \$6,900,000.

Mark Feest, CC Communications. I am going to turn this over to Joe Sanford. It's really just additional areas in Storey County. Joe handled the contract on the first phase. The amount is \$6,700,000.00 not 6,900,00.00.

Chief Civil Deputy District Attorney, Joe Sanford. That is correct. That is a drafting error, the amount is \$6,700,000.00. In this case, the agreement covers the remainder of Storey County to pieces that are connected to the power grid. It won't have all of the locations that you would have seen on the map but it will have the majority of them. It's an extension of what were doing before. It will be additional funds, in addition of the \$1,500,000.00 that was provided earlier this year. The terms are the same. We're agreeing to provide service in the same fashion as we have in other communities through out the state.

Mark Feest, CC Communications. I will point out, in the first agreement we identified locations in a geographic area. This agreement is only if they are on commercial power. We are using those power poles, so they have to have commercial power dropped to them. We will follow that same exact line. If someone else wants service we can give them a quote, for extending it from the closest pole. The pricing is the same and our estimates and costs are covered 100% by Storey County.

Commissioner Justin Heath made a motion to approve the Phase II Service Provider Agreement and MoU with Storey County in the amount of \$6,700,000. Commissioner Harry Scharmann seconded the motion, which carried by unanimous vote.

Reports:

- A. Progress Reports
 - a. Transport Network Upgrade
 - A. Phase I is physically deployed and configured.
 - A. Tested

- B. In process of fully configuring
 - C. Next will be new circuit and migration
- B. Phase II is physically deployed
 - A. Working on testing
 - B. Next will be configuration and migration
- b. Switch Upgrade
 - A. This project utilizes the same internal resources as the transport equipment upgrade, however, it is less of a priority. Thus, it is worked on as time permits.
 - B. Physically installed and configured
 - C. Migration of records is in progress
 - A. Training
 - B. VM platform migration in progress
- c. Storey County Project
 - A. Official ground breaking occurred
 - B. Initial permits are cleared
 - C. Cabinet is set
 - D. Existing cable removed from poles
 - E. New cable in progress
- d. Tribal Grants
 - A. FPST
 - A. Contractual Issues
 - B. No progress in resolving contractual issues raised by FPST
 - B. YPT
 - A. Environmental requirements and permitting in progress
 - C. WRPT
 - A. Environmental requirements and permitting in progress
 - B. WRPT has an ongoing sewer project that we need to wait on completion before we start our deployment
 - D. Te-Moak Elko Band
 - A. Has not resolved internal dispute regarding whether the Band or Tribe has authority
 - B. We are not engaging until ITCN gives the go ahead
- e. SCA Grant
 - A. Work continues in Tract 400 with ETA end of November/ early December
 - B. Move to Pleasant Valley/Tract 300 (weather permitting)
 - C. Together with Elko County, we will submit an extension request in Fall
 - A. Fully expect we will be approved, as our project is furthest along of the NTIA BIP funded projects
- B. VoIP Issue
 - a. Configuration changes were made that appear to have resolved issue
 - b. Engaging JSI consultants to determine best course of action to prevent recurring need to make configuration changes/ id need before issue arises.
- C. HR
 - a. We have filled HR Generalist position

Affidavit of Posting:

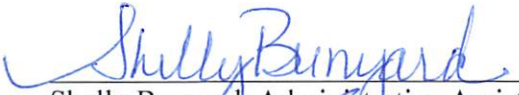
Public Comment:

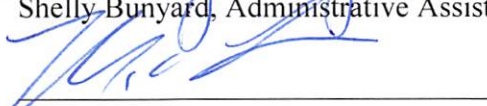
Chairman Myles Getto asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 2:15 p.m.

APPROVED: 
Myles Getto, Chairman


Shelly Bunyard, Administrative Assistant


Mark Feest, General Manager/CEO