

OXFORD, NORTH CAROLINA
January 31, 2019

The Members of the Honorable Board of Commissioners of Granville County, North Carolina met in a special meeting on Thursday, January 31, 2019 at 10:30 a.m. in the Auditorium, Granville Expo and Convention Center, 4185 US Highway 15 South, Oxford.

Present were:

Chairman: Zelodis Jay

Owen T. Roberts, Jr. was absent.

County Manager: Michael S. Felts

County Attorney: James C. Wrenn, Jr.

News Reporters: Chris Harris – *Butner-Creedmoor News*

MEETING CALLED TO ORDER

At 10:30 a.m., Chairman Zelodis Jay called the meeting to order and recognized Joe Freddoso, with Mighty River for an update on the Broadband Request for Proposals (RFPs).

REVIEW OF BROADBAND PROPOSALS

Mr. Freddoso stated that the purpose of the meeting was to review the proposals received for broadband enhancement in the three county area. He said Franklin, Vance and Granville Counties have been working with Kerr-Tar Regional Council of Governments and their team to bring better broadband options to all three counties and to focus on areas in these counties that are challenged from a broadband access prospective. He said they have been through a data gathering process, have received proposals from vendors, and have narrowed

down the proposals to bring to the Boards. He thanked County Manager Felts and Broadband Action Committee Chairperson Charla Duncan for their work on this matter. He then spoke from a PowerPoint presentation and made the following points:

- Universal service charges are on phone bills and that money goes to the FCC – used to fund e-rate for public schools, rural hospitals, lifeline subsidy and the Connect America Fund (direct payments to providers to deploy broadband service in rural America where minimalistic broadband service is not available)
- Granville County has 1378 locations considered underserved from a broadband prospective - lacking 10 megabit download/1 megabit upload (mostly northern and western Granville County) with a subsidy of \$355,424 available for incumbent carriers
- In 2015, incumbent carriers accepted all of the funding and by 2021 they have to bring 10 megabit download/1 megabit upload service to all of the underserved locations
- Granville County is ineligible for the grant programs because incumbent carriers have accepted available grant funding
- Broadband service coverage is not regulated at the Federal, State or Local level
- Broadband has been private investment by companies that have fiduciary responsibility to their shareholders to get the best return on their dollars – private investment for rural America has been minimal since there is not enough profit for investment because of low population
- Need to look at new technologies; look at companies that do not have the fiduciary responsibility, but can generate a profit that is sufficient for shareholders; or look at incumbent carriers who have accepted federal funding to serve areas

At this point Board members asked questions. When asked, Mr. Freddoso explained that there are financial penalties if carriers who have accepted funding do not meet certain thresholds. He noted that accountability is weak as the FCC relies on self-reporting from carriers to verify that service is deployed. He said he believed that in 2021 that people would still be complaining that they do not have adequate broadband, even if it is upgraded to 10 megabit download/1 megabit upload as 25 megabit download/3 megabit upload is the new standard. He explained that better home and mobile service is needed; mobile service is not

reliable for some things people do from home; and that the data cap is another issue. He said more vertical assets/towers are needed as well as more fiber feeding the towers and noted that one set of infrastructure can do both – upgrade cell coverage and give you better coverage at home. He said counties have to be aggressive to get companies to upgrade services and that is what this project is all about.

Mr. Freddoso then talked about the planning process and the four proposals that were received as follows:

Survey Results – Granville

Granville County Businesses

- 56% Dissatisfied with current service
- 91% Want to upgrade
- 97.67% Want government to take a role in improving service

Granville County Residential

- 50.1% Dissatisfied with current service
- 744 Respondents



Overall Highlights

- All respondents submitted proposals for **all three counties**
- **Last Mile Service Proposals – North Carolina Broadband Partnership** and **Open Broadband** both propose to invest significantly in the counties to deploy last mile fixed wireless service with some potential for fiber in high density areas.
- **Consulting Proposals**-both propose to consult with the counties on the construction of a middle mile fiber network spanning the three counties. The counties would operate this fiber in an open access manner.
 - Both these proposals would require investment in a fiber build by the counties

4 Proposals
Received

2 Planning to
bid fiber
networks

- **Foresite Group**-Plan to build a \$20 million fiber network throughout 2019 that counties would own. Fiber network would be a 220 mile spine throughout the Counties that would feed last mile services. The \$20 million would be allocated by county by miles. Counties would lease fiber to carriers.
 - **No pricing package.**
 - Cost for consulting is **\$223,288** for Vance, for Granville \$264,555; for Franklin is \$270,423.
 - Consulting would last entire year of 2019
- **Riverstreet Networks** - \$66,000 per county fiber build feasibility study; 211 mile fiber network to feed fiber and mostly wireless last mile. Cost of the Network would be \$15 million allocated per mile to the counties.
 - Lowest price for 25 Mbps/3 Mbps for \$45 MRC after the \$15 million fiber build
- **Feedback from Broadband Action Committees and Managers is that**
 - State law is unclear on legality
 - Not Fiscally Feasible

4 Proposals Received

2 Provided Competitive Broadband Service

- **Open Broadband** – A North Carolina based company incubated in 2015. Serves select rural NC communities with last mile service. Mainly Fixed Wireless with Fiber Backhaul. Proposal also highlights community WiFi hotspots.
- **North Carolina Broadband Partnership (NCBP)** – Private equity and an experienced broadband provider partnered to propose mainly fixed wireless last mile broadband service in the three counties.

Granville County – NCBP

Category	Content	County Investment Other Factors
Technical	Fixed Wireless to all markets Declaration Networks is the provider Wireless and Fixed Wireless Backhaul 8 Towers; 5 Community Masts Unlicensed spectrum 10 to 1 oversubscription on backhaul	\$2.5 Million Starter Proposed \$7.5 Million Investment \$3.5-5 invested by NCBP <i>These fees are proposed and appear negotiable</i>
County responsibilities	Investment in starter fee Consider for County Business Co-marketing	Economic Development allowed by State Law
Service Packages	5 Mbps Symmetrical - \$65 MRC 10 Mbps/5 Mbps-\$85 MRC 25 Mbps/10 Mbps – \$110 MRC \$99 install/\$199 Equipment 24 month contract Business packages 25% higher Add Voice	Can try to work down starter fee with County Business Confirmed packages in Q&A Open to buying down rates



Granville County – Open Broadband

Category	Content	County Investment
Technical	Fixed Wireless with all fiber backhaul No weekend/off hours on-site residential 10G backhaul to start Fiber for high density Hot Spot Zones as listed No fee rack with power Frequencies – Backhaul 24 GHz and 11 GHz Last-mile: 5 GHz and Below (CBRS, LTE)-within 300' of a aggregation tower Non-line of Site: 3.6 GHz Average hops to last mile 2	No direct County investment Free access to towers and rooftops Min Government Revenue-\$3000 MRC Start \$500 MRC to begin service Oxford-6 Hot Spots proposed (3 @ \$500 MRC/\$1250 OTC) (3 @ \$300 MRC/\$750 OTC) Creedmoor – 1 hot spot (1 @ \$500 MRC/\$1250 OTC) Butler – 1 hot spot (1 @ \$500 MRC/\$1250 OTC) Stovall – 1 hot spot (1 @ \$500 MRC/\$1250 OTC)
County responsibilities	Help gain revenue commitments Free tower access	Co-marketing No rent on towers Build \$10K – 120' Rohn Towers
Service Packages	Government 25 Mbps - \$80 MRC (SLA: 99.99% Uptime; Latency; Packet Loss; Jitter TBD) 50 Mbps-\$120 MRC 100 Mbps-\$150 MRC 200 Mbps: \$225 MRC 1000 Mbps: \$575 MRC One time install is \$150/site One time install is \$150/site 60 month contract Residential – No SLA 25 Mbps/3 Mbps - <\$50 MRC (willing to do less than a 60 month contract)	Meet revenue commitments with residential, business or government customers Open to buying down rates



Granville County – Sample Rate Card

Category	Content
Residential	25 Mbps download/3 Mbps upload \$39.99 Per Month and \$99 Installation 25 Mbps symmetrical \$49.99 Per month and \$99 Installation 50 Mbps symmetrical \$59.99 Per Month and \$99 Installation 100 Mbps Symmetrical \$99.99 Per month and \$125 Installation 200 Mbps symmetrical \$139.99 Per Month and \$125 installation 60 Month Contract
Business	25 Mbps - \$80 MRC (SLA: 99.99% Uptime; Latency; Packet Loss; Jitter TBD) 50 Mbps-\$120 MRC 100 Mbps-\$150 MRC One time install is \$150/site 60 month contract
Technical Details	<ul style="list-style-type: none"> • Greenlight (City of Wilson Providers) is 24x7x365 Technical Support • Local marketing, installation and engineering staff • Current deployments in Wayne County, Duplin County, Gaston County, Rutherford County, Stanly County, Mecklenburg County, Lee County, Rowan County, and Orange County.



Mr. Freddoso noted that Open Broadband has agreed to accept incentives to deploy into underserved and/or challenged areas. He explained how Person has used incentives to get broadband in areas. He noted that Franklin and Vance Counties said if we move forward with

Open Broadband, they would be willing to talk to them about offering incentives in the range of \$125,000 to \$200,000 per year for the first three years to deploy to underserved areas. When asked, he talked about census blocks and explained that carriers want commitments from a certain percentage of households (noting that the percentage varies by census block) unless incentives are provided.

Mr. Freddoso said interviews were held December 20th and Open Broadband was determined to be a better fit for all three counties. When asked, he said that monthly rates could be reduced to help with affordability for underserved areas. He then explained about how companies sell service in underserved areas. He said that more than one dish can be put on a tower and they can be pointed in different directions to provide service to more households.

Mr. Freddoso said that for Granville County, hot spots and reduced rate packages would help with underserved areas. He noted that if you have a contract with a company, it will hold them accountable and then talked about contract options. He then asked the Board to consider if they could go back and talk to Open Broadband and North Carolina Broadband Partnership about deploying in underserved areas, potentially buying down the rates, and discuss an incentive package of \$125,000 - \$200,000 per year for three years.

County Manager Felts noted that the incentive mentioned is within the range of what was being considered for broadband when this process was started.

Chairman Jay thanked Mr. Freddoso for the work that he and the Broadband Action Committee had done.

When asked if municipalities would be asked to contribute for the hot spots at some point, Mr. Freddoso explained that at some point they could be asked if they are interested in

participating in a partnership for broadband. He noted that there is some flexibility for the location of hot spots.

BOARD APPROVED MOVING FORWARD WITH NEGOTIATIONS FOR BROADBAND

Commissioner Smith said he would make a motion to accept the same recommendation that Franklin and Vance County agreed upon.

Upon a motion by Commissioner David T. Smith, seconded by Commissioner Tony W. Cozart, and unanimously carried, the Board approved continuing negotiations of \$125,000 - \$200,000 for three years as an incentive for broadband and negotiating buy-down rates for service in underserved areas.

This approval will allow the Regional Partnership Broadband Action Committee to continue negotiations. It was noted that the length of contract and rate would be negotiated and that buy-down rates would be better across the board as it would be hard to monitor a certain population receiving buy-down rates.

COMMISSIONERS ADJOURN

Upon a motion by Commissioner Sue Hinman, seconded by Commissioner David T. Smith, and unanimously carried, the Board adjourned.

Respectfully submitted,
Debra A. Weary, NCCCC, CMC
Clerk to the Board