MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406
February 3, 2022

Call to Order:

The regular meeting of the CC Communications was called to order at 1:45 PM on February 3, 2022.

PRESENT: Commissioner H. Peter Olsen, Jr.
Commissioner Justin Heath
Commissioner Gregory Koenig
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chairman Gregory Koenig 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 28th day of January, 2022 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 Justin Heath made a motion to approve the Agenda as submitted Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

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

A- December 2, 2021

Commissioner Justin Heath made a motion to approve the Minutes of the meeting held on December 2, 2021 as submitted. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: discussion of remaining copper locations in Churchill County

Mark Feest, CC Communications. This item doesn't necessarily need a board action. I wouldn't anticipate one unless you have strong feelings on the direction prior to the upcoming budget year. We are currently completing Lone Tree and Lazy Heart FTTH Systems that are copper locations which are included in the fiscal year 2021/2022. In the upcoming 2022/2023 budget, we have a few remaining systems left that are copper which makes up 6% of all locations in all of Churchill County. When Lone Tree and Lazy Heart are completed, 94% of all locations in the county will be passed with fiber. The remaining 6% are passed with copper. To go from 94% to 96% will be to the areas that are so far out there, it would cost approximately $2,000,000.00. It would result in approximately 16.66 years to break even, without respect to time value of money.

My position for the future investment in Churchill County and FTTH infrastructure may target the remaining copper locations along the Reno Hwy., to Pioneer Lane. New Millennium is across the street from Pioneer Lane, and they are on fiber. It's only the southside of the highway out by Leeteville Junction. I think it might be valuable to do FTTH in that area, because there are businesses out there and it is zoned to allows businesses along the highway. We can build a little further out and be ready in case someone sells some commercial property in that area. There is existing FTTH that is adjacent to Ara Lane, Pioneer and then a few other locations. There are few spots in the county where we have FTTH on three sides of a neighborhood, but those homes are on 5 to 20 acre lots.

There maybe very little FTTH listed in the upcoming budget cycle. We will have to leave the 6% of people on copper as we look for some other additional funding mechanism to those very sparsely located and populated with large lots.

Just wanted to give you an update on that and see if you had any comments or concerns.

Commissioner Justin Heath. Is there anything in the infrastructure that will allow us to get grants?

Mark Feest, CC Communications. We look at all of those and we are about a year and half out from being awarded. I've been told at the earliest, they will have the rules listed in September. We certainly look at that as an option to defray that cost so that it doesn't take 16.6 years to earn back your investment. Yes, we will continue to look at that.

Commissioner Gregory Koenig asked if there were any other questions or public comments, but there was none.

Informational Only.

B- Consideration and possible action re: service rates for outlying locations

Mark Feest, CC Communications. As with all outlying locations there is differential capital both in cost and for maintenance and repair of those systems. I would like to point out the attachment with this item named Nevada Rural ILEC Pricing and Speeds. ILEC stands for Independent Local Exchange Carrier. It is a comparison of prices for incumbent carriers, meaning the ones who have the obligation of last resort. LCTS is in Lincoln County, and you can see their prices. They have listed for 100 Mb; the cost is $327.00. Reliance is in Mesquite and their prices are substantially similar to ours as they have a competitive cable company in the city. MVTel is in Moapa Valley, and you can see again, the prices substantially higher than ours.
There is Humbolt who has substantially higher prices. TrueLeap which is in Jackpot has substantially lower speeds with fair prices. I am giving this to you for comparison, because a lot of people worry about the prices. Our prices are not bad for rural areas, when they are compared to other rural carriers. The areas we have to serve, and the cable company serves, are the areas I'm talking about that this rate schedule would refer to as outlying areas. I would like to have a new rate schedule adopted and spread the cost to those higher cost areas.

Commissioner Justin Heath. The 150 Mbps for us, is that the most common package.

Mark Feest, CC Communications. Yes, that is the tier that we are selling the most of.

Commissioner Gregory Koenig asked if there were any other questions or public comments, but there was none.

Commissioner Justin Heath made a motion to approve the service rates for outlying locations. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: addressing remaining issues with New Building and Remodel construction project.

Mark Feest, CC Communications. I have provided you the list as you notice the list goes 1, 3, 4, 5, 6, and 9. There used to be some other items listed, but those items have been resolved. The items listed that are highlighted are the only items I will comment on.

The reception counter is not built correctly and doesn't support itself as it's supposed to. The resolution that that was agreed to, is that at no cost to us they can put up a fasad. The architects came up with a design that would be a less intrusive to fix and they said that K-7 said those are considered upgrades and we will have to participate in those costs. We are not spending anymore money on that. We chose the one that will take longer. It will take 2-3 months to get the materials and then scheduling of labor that will work over the weekend.

K7 put in the wrong size water heater and the wrong size power that goes to that water heater. The option was for them to put in the correct power that would support the right size water heater and a larger water heater. In consultation with the architect, he said he feels that he oversized the water heater in the first place. We don't have any showers in the building. He thinks the only time it might be an issue, is when the janitors filled up multiple mop buckets with hot water, then you may need about four hours to get back to full capacity. The janitors clean the building in the middle of the night. We have decided that we will not have anything changed on that. K7 will credit us the difference of what the cost was to put in the correct water heater and the down graded water heater and power.

They put in the wrong sized garbage cans. They had tiled the area and built the wrong size hole for the garbage can. When the garbage can arrive, they had to tear out tile. Then they went to order more tile and now it's not available. They had to put up a fasad piece there. The tile is supposed to arrive on 2/11/2022 and will be installed on 2/18/2022.

The wood veneer in the training room was not placed correctly. In the prints, it states you must place plywood on the wall and then attach the veneer to the plywood. They never attached the plywood, and the veneer won't stick to the wall. At K7's cost, the veneer will be taken down and plywood will be attached. Right now, we are just waiting on materials and availability of people to install the plywood and veneer.

Those are my updates on the building. We have slowly started moving people in. One problem is we don't have a conference room. We will be seeking both credits as well as liquidated damages.

Commissioner Gregory Koenig asked if there were any other questions or public comments, but there was none.

Informational Only.

D- Consideration and possible action re: Reconnect Grant application.

Mark Feest, CC Communications. The Reconnect Grant is from the United States Department of Agriculture. The grant application is due February 24, 2022. This morning during a conference call we determined our area that we will be making application for. This application will be zero match, so it's 100% of the cost. We turn in our engineered drawings and the locations passed, service that will be established, FirstNet Towers that will be impacted and then they will make a decision. We will put in our cost and if we receive this grant, it will pay 100%.

I wanted to get your formal motion, saying that management is approved to submit a Reconnect Grant Application on our final selected area based on a zero-match grant.

Commissioner Gregory Koenig asked if there were any other questions or public comments, but there was none.

Commissioner Justin Heath made a motion to approve management to submit ReConnect Grant Application for management's final selected area based on a zero match grant Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

E- Consideration and possible action re: the adoption of Resolution 3-2022 authorizing an equity transfer of $1,000,000.00 from the CC Communications Long Distance Enterprise Fund and $500,00.00 from the CC Communications Telephone Enterprise Fund to the CC Communications Broadband Enterprise Fund and other matters related thereto.

Mark Feest, CC Communications. Anything we do in Elko, is paid out of the broadband fund, which historically doesn't hold cash in it. This resolution is to move within one fund because they are actually separate.

Commissioner Gregory Koenig asked if there were any other questions or public comments, but there was none.

Commissioner Justin Heath made a motion to approve Resolution No. 3-22, a resolution authorizing an equity transfer of $1,000,000.00 from the CC Communications Long Distance Enterprise Fund and $500,000.00 from the CC Communications Telephone Enterprise Fund to the CC Communications Broadband Enterprise Fund and other matters related thereto. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

Reports: General Manager Report:

1. Ongoing review of non – core services and whether they align with future plans for CC Communications.
2. Switch Update evaluation:

   a. Engaged VP Solutions

      i. SS7 services have been quoted and we are evaluating

      ii. Narrowed review to soft switch and received 3 quotes
3. Continue evaluation of OTT options
4. HR

   a. COO search continues. Second applicant was offered position and rejected it.

   b. Starting search for senior sales engineer
5. New BLDG

   a. Reviewed Big ticket items:

      i. Reception counter will be replaced February 19th – 21st

      ii. Bathroom tile is on backorder

      iii. Wood veneer in training room must be fixed

Closed Session to Discuss Labor Negotiations Pursuant to N.R.S. 288.220:

Public Comment:
Chairman Gregory Koenig asked if there was any public comment but there was none.

Adjournment:
The meeting was adjourned at 2:11 p.m.

APPROVED: ______________________
Greg Koenig, Chairman

APPROVED: ______________________
H. Peter Olsen, Jr., Vice-Chairman

APPROVED: ______________________
Justin Heath, Commissioner

Shelly Bunyard

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Shelly Bunyard, Administrative Assistant

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Mark Feest, General Manager/CEO