MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

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

Call to Order:

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

PRESENT:	Commissioner Justin Heath
	Commissioner H. Peter Olsen, Jr.
	General Manager Mark Feest
	Chief Financial Officer Jamie Hyde
	Billing & Collection/Customer Service Supervisor Shonda Standen
	Administrative Assistant Shelly Bunyard
ABSENT:	Commissioner Gregory Koenig

Public Comment:

Commissioner H. Peter Olsen, Jr., 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 27th day of October, 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 H. Peter Olsen, Jr. 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- September 1, 2022

Ccommissioner Justin Heath made a motion to approve the Minutes of the meeting held on September 1, 2022 as submitted. Commissioner H. Peter Olsen, Jr. seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: CC Communications 4th Quarter Write Offs for FY 2021/2022.

Commissioner H. Peter Olsen, Jr. made a motion to approve the CC Communications 4th Quarter Write Offs FY 2021/2022 in the amount of $6,346.95 Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: response to State of Nevada Governor's Office of Science, Innovation, and Technology High Speed NV Initiation Phase 1 RFP

On September 21, 2022, the Governor's Office of Science Innovation & Technology (OSIT) released a statewide RFP to deliver telecommunications products and services to around 1,000 state, local, and school locations. The RFP is designed as 10 separate regions containing various locations and is projected to fund $200 million in construction. The
money being used by the Governor's office is $200 million and then the school locations or local locations could have additional money under special construction. RFP's require that the respondent

bid all locations in a given region. The respondent must provide pricing for leased lit services, four dark fiber threads, and any needed construction costs to deliver the services. This is useful information for this item, the next agenda item and future discussions. I want to explain a couple of things so that we are clear:

For example, Region 5 is Churchill County which has 4 or 5 locations that are located downtown, center of town, along Sheckler Road and by Cold Springs. Every location has to be bid on and the bid must include leased lit services, which means internet is sold at that address. We will also have to bid 4 threads of dark fiber strands that they can put their own electronics on either side. If you don't have 4 threads that reach that location, then you would have to bid the 4 threads plus the construction cost. Once you bid on the construction costs, you have to allocate 36 threads to give to the state and 4 threads that are part of an IRU to the entity at that location. When you bid on the constructions cost, you will receive 100% of the money if they award the construction costs. Theoretically, if you bid on a leased lit service that has no construction costs associated with it, they could choose that. If you build the following:

A. 4 dark threads with no construction charge. They could pick that.
B. If you don't have 4 dark threads available, then you can bid 4 dark threads with a construction charge. If they choose this option, they will pay for the construction, but you can overbuild it to a degree to give them 36 dark fibers. It's actually a good deal, because they are paying 100%, they're purchasing a service from you and the State is getting 36 fibers on that segment.

The state recognizes that the segment is stranded, and through several rounds of federal funding they think they will come together with stranded segments that will get close to creating a statewide network.

I just wanted to explain, that when bidding there are 1,000 locations. You would want to bid on Region 3, which is Elko, Northern Lander and Northern Eureka. That is a very big amount of property that has over 100 locations with it.

At OSIT's webinars they have mentioned that in many cases you will have to partner with other providers, in order to complete the job. In Region 3, you would have to create a bid response that explains what the services cost, 4 dark threads cost and the amount of the construction costs. $200 million will not cover the special construction required for all 10 regions. My guess is that they will do quite a bit of lining out.

Commissioner H. Peter Olsen, Jr. You mean lining them out of the contract.

Mark Feest CC Communications. Correct. You have to bid every location in that region, if you want to bid that region.

Commissioner H. Peter Olsen, Jr. If they don't have enough money, they will choose not to do that location within the region?

Mark Feest, CC Communications. Right. They will have to prioritize what's worth paying for and what isn't.
Commissioner H. Peter Olsen, Jr. Ok.

Mark Feest CC Communications. You have to provide pricing for leased lit services and 4 dark fibers in any needed construction. The RFP, together with the subsequent informational meetings and webinars, expresses OSIT's expectation that providers will need to work together to produce bid responses that economically reach all locations in a given region. For example, in Elko we have a group of four providers that we are working with. Elko is the majority of that region. We would return a bid for more than half of those locations that designate CC Communications as the provider. The other locations would be split up amongst four providers. They do not require matching funds from the providers. When you ask for the money for special construction, you don't have to match the funds. They will either choose that amount and pay 100% of the costs or they will choose Leased lit Services or line out that location all together.

Winning providers will be paid back pursuant to the agreed upon milestones, thus creating cash demand on the winning provider(s) budget. This does create a cash demand, in order to accept it, money will have to be put up in advance for any construction costs.

OSIT anticipates the following timeline and schedule for the RFP process and further anticipates that some or all of these dates may change based on a range of circumstances.

- September 21, 2022: Release of Request for Proposal
- September 30, 2022: In-person Bidder workshop at Governor Sisolak's Infrastructure Summit
- October 6, 2022 10-11AM PT: Virtual Bidder workshop
- October 14, 2022 (1-2PM PT): Virtual Technical Assistance Workshop-- NV Energy to discuss terms of the potential use of NV Energy facilities in proposed solutions
- October 19, 2022: Deadline for questions regarding RFP (Thereafter, Extended until October 30, 2022)
- November 1, 2022, 2022: Answers to RFP questions posted by OSIT
- December 19, 2022: All RFP responses due at 5 PM PT. A lot of people have requested an extension. Questions have been delayed for eleven days. They won't be able to continue this for another eleven days and have the due date be December 30th. If they do decide to extend this deadline, they will have to extend it to January 7th or 10th. They have not shown any indication that they will push this deadline for responses out.

Commissioner H. Peter Olsen, Jr. Are you going to be able to get a responsible bid?

Mark Feest, CC Communications. I think this plays in our favor. We have been meeting with OSIT for a long time. They have met with a lot of people, and it depends on how much you want to participate. They were telegraphing the model they are planning on constructing. This wasn't exclusive only to us. I think the fact that I am on the Nevada Telecommunications Association board and that we have pretty extensive relationships with carriers, due to what we've done with SWITCH. I think we are in a pretty good spot to form coalitions that can create a quality bid response. Despite the fact it's a lot of work in a short amount of time, I prefer that they don't extend. I think it gives some carriers the ability then to form or solidify relations that they did not have previously.

- January 2023: OSIT to interview Bidders if determined necessary
- February 19, 2023: Award date (tentative)

There is a reason why they want to award on that pace. It's because the BEAD grant is right behind the RFP. The BEAD grant is \$42.5 billion, that the federal government has already allocated. They haven't allocated it by state. It depends upon the broadband data collection results and where they determine each state's pro rata share based upon unserved and underserved locations. We are all in the challenge phase. We have all put in our information to create a national map of unserved and underserved. In the first quarter of 2023, the FCC is supposed to be done and locations are designated and then they can pro rata allocate the $42.5 billion.

There are requirements to get that money. The state must establish a broadband office that will distribute the money. OSIT has been accepted as that office. The state must put together a distribution plan. Our state's distribution plan has been accepted. Our state is doing a really great job of being in the front of this.

OSIT is motivated for the February 19, 2023, award date, so that they can roll right into the BEAD grant process and know already who won money for this grant.

Region Break Downs as follows:

1. Washoe County
2. Pershing, Humboldt
3.Elko, N. Lander, N. Eureka
4.White Pine, NE Nye, S. Eureka, S. Lander
5. Churchill
6. Carson City, Storey
7. Douglas, Lyon, Mineral
8. S. Nye, W. Clark, Esmeralda
9. Lincoln
10. Las Vegas Metro, E. Clark

Due to CC Communications' past efforts to establish greater middle mile connectivity, and to reduce dependency on broadband connectivity facilities owned by other carriers, we are in a unique position of possessing fiber assets in 8 of 10 regions, with significant assets in 6 regions. Nevertheless, there are locations in 7 of 8 regions that joint responses with various providers would likely lead to a more cost-effective proposal. We do not plan on making any type of joint proposal in Churchill County. We are trying to keep the constructions costs as low as possible in those regions. For instance, looking at Elko, there is a company in Idaho that can come across the border and serve Jackpot easily with no or limited construction costs. We would like to partner with them on the RFP response. That way our region 3 will look the best and we can win as opposed to trying to win the whole thing alone and losing because it is not as cost effective.

In addition to significant planning, design, and financial terms, the RFP response requires a narrative describing the provider(s) plan(s) for how the bidder proposes to leverage the new construction to serve last mile FTTH, as well as intentions to seek BEAD money to do so. They are looking at this in two ways. Let's say you submit something in the Elko region, and you want to build 30 miles of fiber and want them to pay for it out of the $200 million. You need to prepare a narrative, which is 25% of the evaluation. In that narrative you will state that, "When you pay for the OSIT" we will be passing 900 homes that are unserved or underserved. We will then in the future apply for BEAD money to do the last mile. I will be successful with the BEAD grant because we have been successful in NTIA grants and we have built FTTH in the past.

When we get to the BEAD grant portion, the BEAD is not 100%. The BEAD requires a 25% match from the provider, which will again create demands for cash. Whether that is in retained earnings or in additional loans. If anyone wants to pay you 0.75 on the dollar to build more FTTH, it would be crazy to pass on it. If we are successful here, sometime in the next year with new commissioners, we will be back to discuss how were a going to come up with our 25%.

These two rounds of fundings are the last best chances for CC Communications to create a scale that drives down our per connection network operations costs, employee per connection cost, employees per $1,000.00 of revenue. These are very common metrics used in the industry for your efficiency. Once someone receives 0.75 on the dollar to build FTTH in Winnemucca, that is pretty much it. There is never an opportunity to compete with someone there in our lifetime.

We have been working on this for a couple of months before the grant came out. Everyone had the chance to meet with OSIT to discuss what their plans were. They had talked about another state that did the same process and that partnerships are going to be necessary. With that said, this is a really tight timeline to get together 2-5 providers in a given region. I think it is unrealistic to return to the board for final approval of the bid response. Furthermore, any response brought before the board for approval prior to submission would contain proprietary and competitively sensitive design, planning, narratives, and pricing. Again, this phase does not require matching funds from the provider, however, the provider will incur a demand on cash while awaiting milestone reimbursement. That is all I have on this.

Commissioner H. Peter Olsen, Jr. Justin, do you have any questions.

Commissioner Justin Heath. No, it looks like a good plan to start with right now and then we can go from there with the next commissioners.

Commissioner H. Peter Olsen, Jr. asked if there was any public comment but there was none.

Commissioner H. Peter Olsen, Jr. made a motion authorizing CC Communications management to provide responses to the State of Nevada Governor's Office of Science, Innovation, and Technology High Speed NV Initiative Phase 1 RFP. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: agreement(s) for joint responses to High Speed NV Initiation Phase 1 RFP.

Mark Feest, CC Communications. Crafting RFP responses that account for various provider roles and responsibilities will require disclosure of proprietary information, plans, locations of network assets, etc. Prior to submitting responses, the parties must ensure there is a clear understanding and expectation of the roles and responsibilities in the event the RFF is successful, as well as develop a commitment to the next steps. In each region, while they want and encourage partnerships, only one partner is the lead. They respond to the RFP and ultimately take responsibility if other partners fail. We have multiple regions, and some regions we are looking at being in the lead, like Elko. In other regions we are looking at not being in the lead. The RFP will be returned showing the price for leased lit services, etc., it will show who will be providing the services. Even though the lead might be someone else, it might say CC Communications for this particular location.

In order to protect ourselves, we have created a MOU, a Non-Disclosure Agreement and an Indemnification Agreement which is required in the event that the RFP comes to fruition. If we are in the lead and are ultimately responsible, this covers if provider B has a Leased Lit Service from one of their POPs at a certain cost. If they fail to perform, then they will have to give us access to their POP, so that we don't have a build that is further than what has been awarded. Joe has reviewed the MOU and our Non-Disclosure Agreement.

This motion is asking to authorize CC Communications CEO to sign all necessary agreements for joint response to High Speed NV Initiative Phase 1 RFP subject to District Attorney's Office approval as to form and legal sufficiency.

Commissioner H. Peter Olsen, Jr. asked if there was any public comment but there was none
Commissioner H. Peter Olsen, Jr. made a motion to authorize CC Communications CEO to sign all necessary agreement(s) for joint responses to High Speed NV Initiative Phase 1 RFP subject to District Attorney's Office approval as to form and legal sufficiency. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

D- Update to NTIA BIP Grants.

Mark Feest, CC Communications. This is the National Telecommunications Infrastructure Administration and Broadband Infrastructure Program (BIP).

On February 25, 2022, Elko County and CC Communications were notified that they were awarded $7.35 million to deploy FTTH in Spring Creek, NV. This award 40/60 grant/match that will bring FTTH to approximately 5400 homes in Elko County.

CC Communications immediately engaged Vantage Point Solutions to perform the required Environmental and historical preservation report for submission to Nevada SHPO and NTIA. The initial reports were completed 4/15/22 and submitted to Elko County grants administration.

I just noticed that quite a few dates were cut off from the timeline. A lot of stuff happened after June 28th , and I will try to remember.

On April 19, 2022, NTIA held its initial Grant Recipient's Webinar. This was an open meeting with a lot of people. There were 12 companies that received grants. Only one company received the grant for Nevada.

On April 20, 2022, NTIA provided the name and email for our FPO, for submission of EA's

On May 18, 2022, we were notified of available times for our first meeting with our FPO.

On May 23, 2022, we held our first meeting with our FPO.

On June 28, 2022, the sub-recip grant administration plan.

By June 28, 2022, we were completely held up by the process. I think because the NTIA had to hire 100's of employees to administer this and they were not ready. I am not sure if they have awarded another grant to date, because they have been so far behind.

Between June 28th and today, the only thing that has happened is our six-month plan has been approved. The plan allows us to make purchases of equipment, but we cannot move any dirt. Dirt can not be moved until the SHPO and the Historical Preservation Survey is completed. The SHPO and Historical Preservation Survey have both been accepted by both the State and Federal Government. They will not allow us to hand this to the affected tribes. Even though this is not on tribal property, there are eleven affected tribes designated by the Federal Government. These tribes are allowed input because of the places where we will be digging. They might have migrated across the area at some point in time. The tribes get 45 days to respond which expires on November 7th. The NTIA environmental officer advised that it is common that tribes will not respond. He expects that they will decline to comment on November 7th. On that day he will contact another department and state categorical exception is made. That takes about 3-4 days for them to give us the ok to move dirt. We are permitted and ready to move dirt awaiting the official letter authorizing it.

Commissioner H. Peter Olsen, Jr. Do you think a week to ten days then?

Mark Feest, CC Communications. He said 3-4 days it takes from November 7th. When our FPO sent the letter out on our six-month plan, it took about 3 days to get the official notification from NIST.

Commissioner H. Peter Olsen, Jr. You have ordered the materials.
Mark Feest, CC Communications. Yes, the materials have been ordered. We can move dirt as soon as we can move people over to that job. We are ready to go. They said we can use the material we have in inventory, because there is such a back log on ordering. Originally, they said we can't use material in inventory, it has to be ordered new. The equipment is new, we have just had it for other jobs.

That is my update for you. Hopefully next month the update is, we are moving dirt.

Sherry Wideman, Churchill County Comptroller. You have received any funds yet, have you?

Mark Feest, CC Communications. No. The grant's manager in Elko County can see the money is in the account and we can start turning in invoices for the materials that were in the six-month plan. That is the process we are in. They advised that first time, it will take about 60 days to receive the funds. After that, we will receive the funds within 30 days.

Sherry Wideman, Churchill County Comptroller. Ok. Thank you.

INFORMATIONAL ONLY.

E- Consideration and possible action re: motion to move the Truist Loan Payable from TEL, and cash in the amount of $3,000,000.00, to the CAP fund for continued buildout of FTTH in Elko and Spring Creek.
Mark Feest, CC Communications. We had this item on the agenda a few months ago. We thought we needed a resolution but what we are doing doesn't need a resolution. It wasn't exactly what we had brought forward before is the different.

The proper mechanism for transferring the Truist payable to the CAP Fund, is a simple transfer. We created the CAP Fund, which accounts for construction revenue and operating expenses outside of Churchill County and more specifically in Elko County. We can simply transfer the money

payable to the CAP Fund. That is where we are spending the money, is in the CAP Fund.
The Truist Loan proceeds are primarily intended for use for FTTH activities in Elko. The $3,000,000 cash is associated funds that will be utilized for CAP projects are also then moved to that CAP Fund.

Sherry Widemann, Churchill County Comptroller. So, you created a new fund.

Mark Feest, CC Communications. That fund was already created and effective on 7/1/2022. It is a CAP Fund which basically took out of the Broadband Fund the activities, liabilities and future operating expenses that were for Elko and things outside of Churchill County.

Joseph Sanford, District Attorney. As long as the Fund already existed, it can be moved just by action.

Sherry Widemann, Churchill County Comptroller. When was the new fund created? Where is that documentation? I am just going to need that for taxation.

Mark Feest, CC Communications. It was created in May to be effective July 1, 2022.

Sherry Widemann, Churchill County Comptroller. Ok, I am just going to need a copy for taxation.

Jamie Hyde, Chief Financial Officer. Ok.

Mark Feest, CC Communications. We will just need a motion to approve moving that Truist Loan Payable from TEL, and the cash in the amount of $3,000,00.00, to the CAP fund.

Commissioner H. Peter Olsen, Jr. asked if there was any public comment but there was none
Commissioner H. Peter Olsen, Jr. made a motion to approve moving the Truist Loan Payable from TEL, and cash in the amount of $3,000,000.00, to the CAP fund for continued buildout of FTTH in Elko and Spring Creek. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

<u>Consent Items</u>:

A- Consideration and possible action re: PO#18955 Calix, Inc., $84,564.00 materials for Spring Creek Track 400, CBB 2003, Job #CBB 23-3371. NRS 332.115(1)(a).
Commissioner H. Peter Olsen, Jr. made a motion to approve the consent item as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: PO#18956 Calix, Inc., $79,002.00 materials for Spring Creek Track 400, CBB 2003, Job #CBB 23-3371. NRS 332.115(1)(a).
Commissioner H. Peter Olsen, Jr. made a motion to approve the consent item as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: PO#18966 Jensen Precast, $73,899.75 materials for Spring Creek Tract 400, CAP 2003, Job#CAP 23-3384. NRS 332.115(1)(a).
Commissioner H. Peter Olsen, Jr. made a motion to approve the consent item as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

D- Consideration and possible action re: PO#18972 Power & Telephone Co., $155,733.60 materials for Spring Creek Track 400, CAP 2003, Job#CAP 23-3384. NRS 332.115(1)(a).

Commissioner H. Peter Olsen, Jr. made a motion to approve the consent item as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

E- Consideration and possible action re: PO#18973 Fiber Optic Supply, Inc., $309,320.00 materials for Spring Creek Tract 400, CAP 2003, JOB#CAP 23-2384. NRS 332.115(1)(a).
Commissioner H. Peter Olsen, Jr. made a motion to approve consent item as submitted. Commissioner Justin Heath seconded the motion, which carried by unanimous vote.

<u>Reports: General Manager Report</u>:

1. Grants
    a. SCA
        i. Awarded
            a. Covered in agenda item
    b. Te-Moak Elko Band
        i. Awarded 8/26/2022
        ii. EAS
        iii. 6-month plan
    c. Yerington Paiute
        i. Awarded 8/26/2022
        ii. EAS
        iii. 6-month plan
    d. WRPT
        i. NTIA Tribal round 2
    e. FPST
        1. NTIA Tribal Round 1
    f. Upcoming Grant Opportunities
        i. OSIT RFP (Covered in agenda item)
        ii. BEAD
2. Network
    a. Reno fiber outage
    b. Switch Upgrades (SIGTRAN)
    c. New Links in Elko
    d. New link in Fallon via SLC
3. Churchill County Construction
    a. Trento II
        i. In Progress
    b. Strasdin
        i. In progress
    c. Future
        i. Apartments
        ii. Pioneer/50/Bench
        iii. Schurz Hwy
        iv. Stillwater
4. Meetings
    a. Governors Infrastructure Summit
    b. Nevada Telecom Association
    c. CEDA
    d. Met with Myles Getto

e. NRTC Upcoming

Affidavit of Posting:

Public Comment:

Chairman H. Peter Olsen, Jr., asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 1:47 p.m.

The audio recording file failed to record due to a mechanical failure. The record should reflect that a good faith effort to comply with the provisions of subsections 4 and 5 of NRS 241.035 were made, but the county was prevented from doing so because of factors beyond the county's reasonable control, including, without limitation, a power outage, a mechanical failure, or other unforeseen event, and such failure does not constitute a violation of the provisions of this statute.

APPROVED: ______________________
~~Greg Koenig, Chairman~~

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

APPROVED: ______________________
Justin Heath, Commissioner

Shelly Bunyard, Administrative Assistant

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Mark Feest, General Manager/CEO