



▪ *In-Person Meeting* ▪

AGENDA
SOUTHERN VIRGINIA COMMITTEE
Southwest Virginia Higher Education Center, Grand Hall
1 Partnership Circle, Abingdon, Virginia 24212
Thursday, May 18, 2023
10:00 A.M.

In accordance with §2.2-3708.3 of the Code of Virginia, public access for this meeting is being provided both in person and through electronic communications means. The public may remotely participate in this meeting by utilizing the following meeting link:

<https://virginiatobaccocommission.my.webex.com/virginiatobaccocommission.my/j.php?MTID=m3a2aa37e12f81f1e416e45820a6b6fcc>

If participating by phone, please dial:
1-408-418-9388 (toll) and enter meeting number: **2634 101 1310** and password: **78883269**

If during the meeting electronic transmission fails, the public may alert the Commission by calling 804-894-9652 or emailing jbutler@revitalizeva.org. If alerted to a transmission failure, the Committee shall recess until public access is restored.

Welcome and Call to Order	<i>Mr. Buddy Shelton, Chair</i>
Call of the Roll	<i>Hon. James E. Campos, Acting Executive Director</i>
Approval of the <u>1/4/23</u> Minutes	<i>(published on website)</i>
Public Comment	
Extensions & Modifications	<i>Ms. Sarah Capps, Southern Regional Director</i>
Other Business	<i>Mr. Andy Sorrell, Deputy Director</i>
Public Comment	
Adjournment	

Southern Virginia Committee
May 18, 2023

OTHER BUSINESS:

**Pittsylvania County, *Pittsylvania County - Mecklenburg Electric Cooperative Backbone Fiber Extension (#3533)* – Current End Date June 30, 2023
5th Year Extension Requested**

Staff Comments: The Commission approved a \$375,549 broadband grant in June 2019, to provide broadband fiber-to-the-home along the route of Mecklenburg Electric Cooperatives fiber connections between its Mt. Airy and Grit substations in northeastern Pittsylvania County. The approved project was targeted to serve 174 premises within 1,000 feet of a roadway along the connecting substation fiber route. A fourth-year extension was approved by the Commission's executive director in June 2022. At that time MEC and their subsidiary EMPOWER Broadband indicated that the original project schedule was delayed due to the mainline fiber construction not being completed until 2021, which provided insufficient time to promote the fiber availability to area residents, as well as a slower than expected adoption rate.

EMPOWER is reporting 17 active accounts, three additional addresses in construction and two other applications starting the process representing a growth in drops and in home installations. Neighbor to neighbor referrals are proving to be the most impactful marketing tool. The additional fifth year is requested to allow additional time for Pittsylvania County residents to subscribe to EMPOWER's fiber to the home internet service. While the full \$375,549 balance remains on the TRRC project account, the County is working with MEC on submission of a payment request for \$351,229 of reported expenditures to date. The remaining balance of grant funds will be used towards additional fiber drops to the home and for the home installations.

Staff Recommendation: Staff recommends approval of an extension to June 30, 2024.

April 30, 2023

Sarah King Capps
Southern Regional Director
Tobacco Region Revitalization Commission
50 Claiborne Avenue, Rocky Mount, VA 24151
Office: (540) 483-0179 ext. 2168

Dear Ms. Capps,

As a follow-up to our previous email correspondence, we would like to formally request a final extension for the Pittsylvania County - Mecklenburg Electric Cooperative Backbone Fiber Extension Project (#3533) for a period of 12 months to allow more time for Pittsylvania County residents to subscribe to EMPOWER's fiber to the home internet service. The following is a project summary from Mecklenburg Electric Cooperative's Vice President of Member and Energy Services, David Lipscomb, to illustrate the project's progress to date and EMPOWER's commitment to provide reliable internet service to our County's rural areas.

In 2019, Pittsylvania County was awarded Last Mile Broadband funding in conjunction with EMPOWER Broadband to deliver FTTP (fiber-to-the-premise) service passing 174 premises along Renan and Wards Road in the northeast portion of the County. EMPOWER commenced and completed 9.2 miles of mainline construction, deployed the required service drops, and made its first in-home connections in October of 2021. During our last review, in 2022, connections had risen to 10 accounts. One year later, there are a total of 17 active accounts, three additional addresses in construction, and two other applications just entering the process. As evidenced during last year's extension, a growth in drops and in home installations has continued ... marking this a successful project. However, as in other rural areas of the Commonwealth, the demographics of this area are such that adoption rates for high-speed broadband are lower and linked to increasing the comfortability of residents with the available tools in today's digital world. Accordingly, efforts to reach the desired take rate of 45%, and 78 connected accounts, remains an ongoing effort. EMPOWER has noted similar paced adoption rates in other areas of its system, with similar rural demographics. These areas demonstrated an overall period of three years to attain a take rate of 45%.

The most impactful marketing tool for such areas has been neighbor to neighbor referrals, which inherently takes somewhat longer. We would be remiss if we did not mention that EMPOWER's teams have conducted door-to-door visits and placed sign-up signs along these roadways, on multiple occasions, in a continuing effort to increase take rates. With the exhibited slower adoption rate, EMPOWER and Pittsylvania County request a final 12-month extension to fully utilize the funding allocated for broadband in this rural area.

To date, EMPOWER has expenditures totaling \$351,229 for this Mount Airy to Grit project but has not remitted a reimbursement request. Such requests have been delayed as EMPOWER anticipated the

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Dave Arnold, Assistant County Administrator
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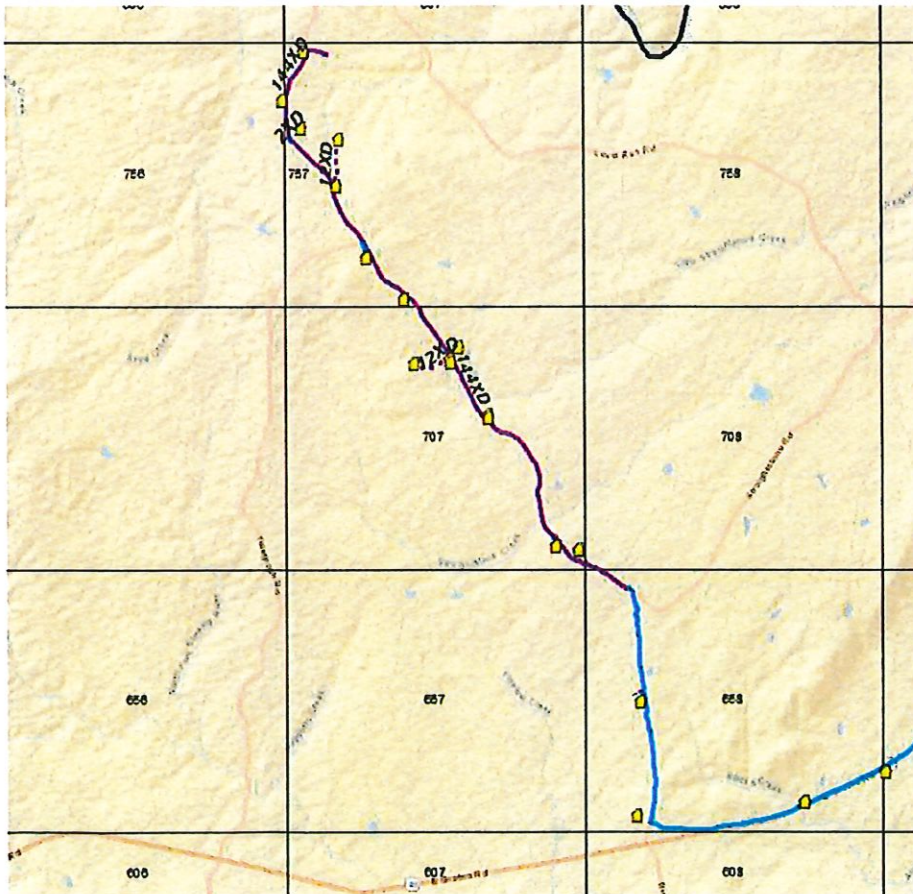
submission of all costs during a single final closeout. However, moving forward, EMPOWER will work with County and TRRC staff to submit its first remittance during May.

Regarding the success of Mecklenburg Electric Cooperative’s affiliate, EMPOWER, it now delivers high-speed fiber fed service to 3,878 accounts within Virginia’s Tobacco Region. These last mile services were all fostered by the support of an initial TRRC grant aiding the construction of a 135-mile fiber backbone across Southside Virginia.

By the Numbers:

- Application Project Cost \$758,061
- TRRC Grant \$375,549
- MEC/EMPOWER Match \$382,512
- 9.2 Miles Completed Fiber
- 174 Passings
- 17 Connected Accounts
- 5 Applications in the Queue for Construction
- Funds spent to date \$351,229
- First Connection October 2021

Figure 1. Mainline Fiber along Renan and Wards Road from Mount Airy to Grit.

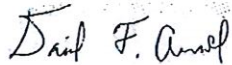


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Dave Arnold, Assistant County Administrator
dave.arnold@pittgov.org

Thank you very much for your time and consideration regarding this request to extend project #3533 for a period of 12 months, and please let me know if you have any questions or need further information related to this request.

Regards,



Dave Arnold
Assistant County Administrator

CC: David Lipscomb, Mecklenburg Electric Cooperative