



## NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION

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### North Central Board Meeting

Wednesday, November 17, 2021 – 9:30 AM

#### Members – In Person or via Zoom

Cliff Clark	Cameron County
Dennis McKimm	Cameron County
Jodi Brennan	Clearfield County
Kristy Smith	Clearfield County
Matt Quesenberry	Elk County
Tracy Gerber	Elk County
Padraic McGrath	Elk County
Eric Wolfe	Elk County
Jamie Lefever	Jefferson County
Jill Martin-Rend	Jefferson County
Jim Sleigh	Jefferson County
Carol Duffy	McKean County
Tom Kreiner	McKean County
Richard Fry	McKean County
Susan Zook Wilson	McKean County
Carolyn Newhouse	McKean County
Doug Morley	Potter County

#### Staff – In Person or via Zoom

Jim Chorney  
Amy Kessler  
Julie Kasmierski  
Samantha Mitchell  
Jennifer Hibbard  
Ed Matts  
Mary Lou Jessop

#### Guests – via Zoom

Michael Ferritto	Governor's NW Regional Office
Jeanne Shearer	VP State Government Affairs, Windstream Communications

Chair Carol Duffy called the meeting to order at 9:30 AM with the pledge to the flag.

#### **QUORUM/INTRODUCTIONS**

Roll call was taken to make sure everyone on the meeting was captured. There was a quorum for the meeting.

#### **PRESENTATION**

Jim introduced Jeanne Shearer, VP State Government Affairs, Windstream Communications, who will talk about what Windstream is doing in relationship to Broadband and some of the expansion activities they

currently have going on, as well as the potential opportunities they have to possibly work with each of our counties.

Jeanne gave a power point presentation regarding Windstream and Broadband services offered in our counties. Even before the Coronavirus pandemic which highlighted the digital divide between rural areas and urban areas that have access, people living in areas, where access is limited, were probably feeling the pinch more than they even realized they were.

When the pandemic hit, people in all areas realized their broadband and internet were not efficient for their children to do home schooling, parents to be able to work remotely or even order groceries for pick up.

Now those who were paying attention before are really paying attention now and do realize how critical it is to have efficient broadband and internet in all areas.

Windstream has been doing this for a long time. They have been paying attention and were upgrading their network before the pandemic hit. They have been deploying fiber to upgrade the network to provide faster speeds across their service footprint. And importantly, they are a rural provider.

Windstream stands apart from their peers. Windstream doesn't have a wireless arm. Their vested interest is connecting customers and the businesses they serve, whether at the end of a dirt road with one house or sitting in the middle of Brockway. Rural broadband deployment is what Windstream does. Jeanne believes all the investments they have made over the years, and with their shared interest in getting broadband to everyone, that Windstream and North Central can do a lot together. We can provide an attractive solution to you if you are considering investing in broadband and making sure that everyone in your counties have access. Your constituents are Windstream's customers and they want to serve them and serve them well.

Bridging the Digital Divide with Broadband which is basically the haves and have nots, and mostly in the rural areas you are seeing they do not have access to adequate broadband.

Windstream provides services to residents and businesses and operates across the United States providing managed communications, Cloud computing, software innovation, all that big-ticket stuff. When they are talking about broadband in rural communities, it is their Kinetic arm of their business that is extremely important. And that is why Kinetic Business's mission is being rolled out here in the North Central region.

In Pennsylvania Windstream covers 102 communities, 31 counties, employing over 550 employees. Their employees work and live in our communities. It is important to support the communities because they want to provide the services their customers need as well as supporting their employees.

Windstream has a fiber-rich network across the state with over 7,000 miles of fiber and that is growing and has been over the last couple of years.

Jeanne had maps of our counties showing where Windstream is. There is only a very small part of McKean and Potter that Windstream is in. However, they have a very strong footprint in Cameron, Clearfield, Elk and Jefferson counties. They have invested over \$4 million in the last 2-1/2 years to support their

broadband network and customers. To show that they are local, they have retail stores across the state so there is a local contact, people who know the area.

As far as construction and engineering crews, they are bringing their crews in-house. They work a lot with engineering and contracting firms for construction. As they have been rolling out fiber in leaps and bounds, they wanted to have more control over timelines, quality of service and have local people. And Jeanne said Windstream is hiring.

More than 231 miles of fiber have been deployed in our region alone in the last 2-1/2 years. They have 833 plus miles of fiber and much more is on the way.

In the urban areas where there is plenty to competition, it will cost about \$400/household. In the rural area where service is needed, providers won't come out if there isn't the density to support the business case. In that case the cost is going to substantially increase to over \$3,000/household, if not more to support getting fiber or even increased speeds to an area.

Windstream deploys three primary last mile technologies. Their technology of choice today is fiber. They do fiber to the home and do fixed wireless, as well as DSL. DSL has served Windstream well over the years and that is what they were doing prior to this last two-year period. The distance from your home to the fiber is what is important. With DSL technology Windstream was able to push fiber deeper by placing nodes deeper into their network bringing customers closer to the fiber. And they are getting 100 megabytes/200 megabytes service which is the current speed goal the FCC is going for. The speeds which they define broadband have changed over the years. It went from program supporting 4 megabytes, to 10 megabytes and we are now at 25 megabytes and this next round is 100 megabytes. It is only going up, so Windstream has been upgrading their network along the way to support the faster speeds and fiber, which is their choice of technology today because it is going to serve them for a very long time.

One point of interest that Jeanne mentioned was how many things in the homes today are powered by the Internet and they are all competing with each other for bandwidth, which demands more speed. For example, a smart doorbell requires 2 mbps, a smart watch 8 kbps, phones on Wi-Fi 1 mbps. People need to understand that these devices are using up their bandwidth which means slower connections.

Why are they using fiber? Fiber provides future proof connections which can meet all your growth plans. It is providing gigabyte access to your communities and will increase home values. The benefits of fiber are endless. Fiber is ultra-fast, is future proof. Fiber technology is the only technology that you are not going to have to put a significant investment down to the line. Windstream would update the electronics on the end to meet future needs. Fiber is the way to go. It's future proof meaning it is enabling speeds that are going to meet your needs of today and well into the future.

Jeanne told of a situation in another part of the state where they just invested building towers for fixed wireless. They just showed Windstream the coordinates and Windstream has fiber to the prem almost completely covering four out of their five projects. Why would you invest in a fixed wireless network that has limited and some issues with line of sight and all that comes up with fixed wireless, where if there had been some collaboration, Windstream will sit down and talking about where they have their fiber. Windstream wants people to know where they are going so people can plan accordingly.

Jeanne showed maps of the future and in areas where they don't serve, i.e. two townships in Jefferson County, and the bright green splotches are the Rural Digital Opportunity Fund (RDOF) areas. Windstream is going to be providing gigabyte access inside and more importantly to counties like McKean and outside. Windstream will have to get their fiber from their territory to that splotch. And in between they are going to serve the customers along the way. They can go further than that as there is a lot of opportunity.

There will be 1,288 new locations in Elk County because of the RDOF program, gigabyte access everywhere. Jefferson will have 1,684 new locations. McKean, Windstream wasn't in McKean except for a tiny little area, and they will now be serving lots in McKean. They can expand further in Cameron County with a good business case because of RDOF, as well as in Clearfield County, where there is substantial opportunity because of the RDOF program.

Windstream has made great progress but there is more to do. Jeanne would be happy to sit down with each of the counties to see, from Windstream's network perspective, what each location in your network are able to get from Windstream today and meet your unique goals. Do you want fiber to the prem, are you happy with 25 megabytes which is going to meet the needs of some of your constituents for a very long time?

Private/Public Partnerships are going to help Windstream stretch their capital dollars. They want their customers to have faster speeds and so Private/Public Partnerships help them spread their capital. As a rural provider that is important.

There are Federal, state and local programs that have been put in place thanks to the pandemic. They are standing up and supporting broadband infrastructure through these programs. This is what Windstream brings to the table. They have the backbone network, a strong transport middle-mile fiber network. If you would talk to Jeanne about a project, Windstream has already made that investment so you will not be starting from scratch with Windstream. They will be able to leverage the investments they have already made.

There is one partnership Jeanne is very proud of because she has been working with the Greene County Commissioners for a long time. With their CARES Act dollars, they decided to go with Windstream and it worked because Windstream was already planning to deploy fiber, it just takes a while to get there. Eighty-three hundred homes and businesses were served through the CARES Act dollars. It was a \$3.5 million project and Greene County invested \$1.28 million. Windstream has a vested interest in getting fiber out. This partnership helped Windstream go further with that additional \$1.28 million. They are entering into another partnership with them. They received some ARC funding and it is the same story. That is a \$5.2 million project. They are bringing \$2.5 million and Windstream as a \$2.7 million investment as part of that project. The people who benefit are the consumers and businesses in rural Greene County.

The reasons why Windstream makes a good partner is they have the experience and have been doing this since the early 2000s. The telephone company made a commitment with the state that everybody would have a minimum of 1.544. That doesn't meet the needs today and Windstream didn't stop at 1.544 download speeds. They are offering gigabyte service in large portions of their territory. They have an existing network across their entire service footprint. They are not just serving the town, they are servicing the dirt road and Mrs. Smith at the end of it. They have a fiber-rich network to leverage so you are not

paying for the fiber. If she is going to one of those RDOF areas, she is already committed to that project. You're paying for the incremental or helping Windstream pay for the incremental to expand that reach.

Regarding the RDOF program, Windstream has all the agreements in place inside of their footprint, right-of-way access, full attachment agreements. That is already done when you are working with a broadband provider such as Windstream. They also have more than one solution. If you didn't want fiber, which is the way to go and what Windstream recommends, they could do fixed wireless. They could do fiber to the node and use their copper to get the 100 megabytes/200 megabytes. They have a lot of tools up their sleeve and can meet whatever need you wanted.

Jeanne does think that sharing information is extremely important and Windstream has been happy to do so. They might ask you to sign a NDA, Non-Disclosure Agreement, depending on what type of information you want. It is very competitive, sensitive information where their fiber is and they don't necessarily want their competitors to know what they are doing. Windstream is here to work with you and help you plan, help navigate these programs.

When asked what the timetable for the RDOF roll out, Jeanne stated that the RDOF program currently provides six years to get it done. A lot of places can't wait that long and Windstream is aiming to get this done very quickly. Pennsylvania is one of their bigger states with RDOF and they have to have 40% done in three years and then she thinks it goes to 60%, 80% and 100%. The areas outside of their service footprint will be the ones that edge closer to three years and beyond, probably because they have a lot of work to do. But it is a six-year program.

One benefit, if there was a partnership, the partnership can look anyway you want but it has a tendency, if you want a project that is at the end of an RDOF bill, they will obviously have to do the RDOF build quicker. Everything gets juggled all the time depending on partnerships. If Windstream has a commitment to get a job done in 18 months- two years, all those RDOF projects in your county get pulled in as well. That is a natural benefit to do that.

Richard Fry said one of the problems they have in McKean is how expensive it is to run fiber. As well, a lot of the different providers have population pockets where they have to have a certain number to be able to justify to run the fiber out to those residents. A lot of the bills coming out are to serve those underserved area. A lot of populations in towns have internet, which may not be the highest speeds, but they have internet and they are trying to reach those citizens that aren't able to get any type of internet service. Richard wondered what Windstream's population pocket density has to be for you to be able to justify to run those services out to the different individuals.

Jeanne responded that Windstream, being the incumbent phone provider, where they have a footprint which they don't have in McKean, Windstream customers are all of those customers, so Windstream aims to get everyone served so they don't have a rule like that. Some of their peers/competitors do that, like cable companies do have target numbers. For Windstream it is a matter of coming from their central offices, which happen to be the most densely populated areas, but that is only so they can continue to expand their broadband out to where they can finally get to Mrs. Smith at the end of the dirt road. It's not that they are only serving populated areas, it is just where, with their fiber overbuild, they have to start from their hubs that are central offices. In McKean specifically, Windstream is committed, under that RDOF program, to get to those areas you saw on the map. They are going to get there and those areas that are

actually in the bright green are areas that currently have nothing, supposedly no providers offering 25/3 megabytes today. They are your hardest to reach areas which is what the RDOF program targets. Once you have the fiber there, you just keep bleeding out.

ED said Windstream doesn't have defined targets like a Comcast or Atlantic Broadband would have. Most of those people are set on at least 30 homes per mile and then they have a percentage of a take rate so that fits their model. If it is less than that they don't want to build it out on their own money because they think they are pretty sure they will never get their money back. Windstream is looking at it a little differently. They are using grant money and other monies to get that buildout done. So, they don't have the specific targets that the cable providers would have.

Jeanne said the goal is the same to get broadband everywhere. In areas where they need help, they participate in every single program possible to help them reach all their customers.

Richard asked if the fiber to the prem guarantees the 100 meg? How does it break out to determine which customers are going to be up to that one gig speed versus something less?

Jeanne said Windstream's fiber to the node product, which again was they have pieces of equipment in the field, and they came up with trying to figure out how can they reach their rural customers as quickly as possible. They are putting in abbreviated D slams which is a smaller piece of equipment that is mounted on poles, doesn't need a big slab, doesn't need commercial power, all ways to cut down. That is a fiber to the node and then it uses copper. That is where you are getting your 100 megabytes, 200 megabytes. If you are sitting on top of that node, even 300 megabytes with that technology.

If it is fiber to the prem, you are getting gigabyte, you are getting up/down speeds of gigabyte service. If the fiber is at your house you're golden. If the fiber is to the node, it depends on how close you are to that fiber and that dictates your speed.

A customer can buy up to a gigabyte but you don't have to. Windstream's gigabyte pricing today, and they are trying to get customers to understand that it is available, is very competitive; but there will still be people who can't afford it. She believes the price is between \$67 to \$87 a month for their 50 megabytes offering up to the gigabyte services about \$90 a month and that is without promotions. Right now, their promotion to get people to try this because you will never go back it \$37/month for gigabyte service, fiber to the prem technology. For those that can't afford it, there are Lifeline programs. Windstream, as a telephone company and eligible telecommunications carrier, the Lifeline program gives a \$9.25 discount off their bill and it would come off your broadband service. There is also the Emergency Broadband Benefit program and that is \$50 off a month and there is money to continue that program for low income individuals.

Carol thanked Jeanne for the presentation which was very informative. And she looks forward to Windstream coming to McKean County.

### **MINUTES – September 22 and October 27 Board Meetings**

There was one correction to the October minutes. Jill Martin-Rend was in attendance but not captured in the minutes as being present.

With no other corrections or amendments to the September 22 and October 27 Board minutes, Doug Morley moved to accept the minutes as presented, seconded by Richard Fry. Motion unanimously passed.

## **NEW BUSINESS**

### Financial Reports

With no questions or concerns to the September 2021 Financial Statements, Chair Duffy called for a motion to approve the Financial Reports as presented.

Jim Sleight moved to accept the September 2021 Financial Reports as presented, seconded by Kristy Smith. Motion unanimously passed.

### A 95s

There were no A-95s for the month.

### Correspondence

There was no Correspondence for the month.

### Purchases

There were no Purchases for the month.

### Resolutions

Resolution No. 21-11-3055 was presented wherein North Central can enter into contracts with the Pennsylvania Department of Transportation, and that North Central authorizes the Executive Director, and in his inability to do so for any reason, the Community Development/Regional Planning Director to execute an MOU with PennDOT, sign all routine contracts, continuations and amendments on the Commission's behalf. In the past, the resolution has named specific persons to sign all routine contracts, etc.

It was noted there was one change made to the resolution and that was the Director of Finance been changed to the Community Development/Regional Planning Director, if for any reason the Executive Director is unable to.

This change is not only for this resolution but within the State's Single Application process because PennDOT is moving to their single application website which has been utilized by some of our other programs.

Richard Fry moved to adopt Resolution No. 21-11-3055, seconded by Tracy Gerber. Motion unanimously passed.

Amy also added that if the board has any special transportation studies they wish to have done, please let Amy know by the end of the month. There is a 20% local match and 80% free money is you have a

transportation-related study you wish to have done. Amy has been asking the county planners since September to identify any studies they may wish to have done.

### Loans

Jenn presented the following loan for approval:

Sprague Family Barn, LLC, DuBois, Clearfield County, has requested a loan in the amount of \$187,500 from the Appalachian Regional Commission Revolving Loan Fund for 15 years at the rate of 2.5% for the purchase of real estate. The purchase is for an existing 3,600 sq. ft. building located at 110-112 McCracken Run Road in DuBois. The building will be owned by Sprague Family Barn, LLC which is an entity formed by Jeff Sprague and Kim McDonald for the purpose of leasing to their businesses: JRS Communications, Inc. and Kim McDonald Agency (State Farm Insurance). North Central's collateral will be second mortgage on real estate to be acquired subject to the first mortgage of Marion Center Bank, assignment of leases and rents, as well as the personal guarantees of the two owners and JRS Communications, Inc. Seven full-time jobs will be retained and two full-time jobs will be created within the next three years.

Chair Duffy called for a motion to approve the loan to Sprague Family Barn, LLC.

Kristy Smith moved to approve the loan to Sprague Family Barn, LLC, seconded by Jodi Brennan. Motion unanimously passed.

### Broadband

Ed reported he is busy trying to purchase equipment and the vendors are saying it will get worse before it gets better trying to purchase equipment. We are trying to get tower approvals and with everyone working remotely what usually takes three-four months is taking about a year. We are in a holding pattern right now and that is why we have been entertaining Windstream and others to see what they have going on. We are just waiting for equipment and approvals.

### Governance Committee Update

Jim reported the meeting wasn't held as there were not enough people to have the meeting and will be rescheduled prior to the December 15 board meeting. The main purpose of the meeting was to discuss the slate of officers for the upcoming year as well as talk about At-large members. Currently our Board structure allows for up to six At-large members and we currently have three. There is no requirement that they all have to be filled but we are going to take a look at that to make sure that we have all the appropriate industries being represented on the Board.

We also have to talk about the rotation. Every year one of the groups that make up the Board, i.e. county commissioners, planning representatives and the county commissioner designee (industry representative) will be up for re-nomination/confirmation as well as at least one At-large designee. However, we didn't establish a system as far as how we are going to re-nominating the At-large so we have to nominate one of the three existing position and then establish some sort of a schedule for that.

Jim also mentioned in the mailing we did supply a list of Board members and committees the individuals



are on. If anyone is interested in participating on one of the committees, to please reach out to Jim; and we will do what we can to get you on those committees.

Jim reminded the counties the planning position for each county is up for re-nomination so if we could get a letter from each county confirming who that person will be. The term is for three years.

The next Board meeting will be held on Wednesday, December 15, 2021, at 9:30 AM via Zoom to approve loans, if required.

Otherwise the next board meeting will be Wednesday, January 26, 2022, at 9:30 AM in person and via Zoom.

Carol asked that members of the Executive Committee stay after this meeting is adjourned to go through Jim's evaluation process and Samantha Mitchell will be leading the meeting.

**ADJOURN**

With no other business, Chair Duffy called for a motion to adjourn the meeting. Doug Morley moved to adjourn the meeting, seconded by Jim Sleigh. The meeting adjourned at 10:30 AM

Respectfully submitted,

Padraic McGrath, CPA  
Secretary/Treasurer