

MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406
May 7, 2026

Call to Order:

The regular meeting of the CC Communications was called to order at 11:00 AM on May 7, 2026.

PRESENT: Commissioner Matt Hyde
Commissioner Eric Blakey
Commissioner Myles Getto
General Manager Mark Feest
Chief Financial Officer Jamie Hyde
Administrative Assistant Shelly Bunyard

ABSENT:

Public Comment:

Chair Matt Hyde 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 1st day of May, 2026 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 Minutes of the meeting held on:

A- April 2, 2026

Commissioner Myles Getto made a motion to approve the Minutes of the meeting held on April 2, 2026 as submitted. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: CC Communications 2nd Quarter Write Offs for FY 2024/2025 in the amount of \$8,411.81.

Jamie Hyde, CC Communications. We are asking for approval of the 2nd Quarter Write Offs for FY 2024/2025 as submitted in the amount of \$8,411.81. Do you have any questions?

Commissioner Eric Blakey made a motion to approve the CC Communications 2nd Quarter Write Offs for FY 2024/2025 in the amount of \$8,411.81. Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: next steps in recruiting for Assistant GM. This item may include (1) selection of candidate(s) to be interviewed, (2) direction to staff for further recruitment tactics, (3) modification of recruiting goals, or (4) other matters related to recruiting for assistant GM or GM/CEO position.

Mark Feest, CC Communications. It was determined in our previous meeting that we would have a second meeting in May so that we could get through the applications with their closing date being at the end of April. I put this on the agenda to give you an update of where we are in

the process and to set some expectations. We should have the applications sent out to the pre-screening committee today. We were having an issue this morning with our cyber-security and confidentiality where only certain people are invited to receive access. We are having someone look into this to making sure we don't have a confidentiality issue.

We ended up with thirteen candidates. Three candidates withdrew their applications stating the public nature being the primary reason for their withdrawal. The three that withdrew were the only three candidates that currently have this position at another company. We sent out a brief questionnaire to the remaining candidates with a due date to complete within five days. The questionnaire asked candidates what they knew about Fallon. This was done to get an idea of how many actually looked into Fallon. Another question asked was what interested you about this position. Several of the candidates had multiple career moves in a very short period of time. We noted in the letter that we are looking for someone long term and we want stability. We also asked if you moved around a lot, especially in the last three years, you may want to explain. We also asked whether you had moved around frequently, especially within the last three years, and noted that you may want to explain those circumstances. However, answering that question was not required. Out of the ten that were left at that point, three of the candidates did not respond at all. They have been struck and we currently have seven candidates. I will note that one of those seven candidates is an internal candidate.

We will grade, review and rank those seven candidates unless you want to change direction. We will use those characteristics that were previously presented and if that comes to ten characteristics everyone who reviews those will score a one through ten. We plan to come back to another meeting scheduled for this month and present how many candidates we would recommend for interview.

I added in the agenda item which may include (1) selection of candidate(s) to be interviewed, (2) direction to staff for further recruitment tactics, (3) modification of recruiting goals, or (4) other matters related to recruiting assistant GM or GM/CEO position. I put those in because you may or may not want to go in some other direction.

Two weeks after we published the job description on NTCA's website, someone appeared to have taken our advertisement. They attached a paid recruiter on top of it with the advertisement and basically published for the same exact job which is in Texas I believe. It didn't impact anything, I just thought it was interesting.

This is just an update and to see if you have any concerns or further direction at this time. We will just come back at our next meeting with those ranked seven candidates and recommendations of how many merit and interview.

Commissioner Matt Hyde. Asked if there were any questions from the commissioners.

Commissioner Eric Blakey. The three candidates that didn't respond, were they mandated to respond.

Mark Feest, CC Communications. It was a mandatory response. If they didn't figure that out, we probably don't need to interview them.

Commissioner Eric Blakey. Ok, I just wanted to clarify.

Mark Feest, CC Communications. The questions were straightforward, and in some cases, they were worded so that a response was only required if the question applied to you. The email also clearly included a due date and stated that if you did not respond by the deadline, you would be dropped. As I mentioned, several of the questions specifically indicated that they did not need to be answered if they were not applicable.

Commissioner Eric Blakey. I understand. Just to be clear and let me know if I am wrong but we are going to receive a blind assessment of every application regardless of whether they are qualified or not.

Mark Feest, CC Communications. Three applicants clearly withdrew and three others I feel have not completed the process. We also have an application that wasn't filled out. They just stopped after they received the letter. My understanding was it would be the seven that completed the process of the application. They would be all graded and presented as blind to the board at the next meeting.

Commissioner Eric Blakey. Qualified or not?

Mark Feest, CC Communications. Correct, all seven candidates that completed their application packets will be brought blind to the board.

Commissioner Matt Hyde. I would say regardless of their score.

Mark Feest, CC Communications. Yes, if you complete the packet you'll be brought before the board as a blind applicant.

Commissioner Eric Blakey. Ok. The question I have for the District Attorney regarding the internal candidate there could be issues whether they're qualified or not. When will we address that?

Mark Feest, CC Communications. My thought process is that the candidate has a right to apply. There is a restriction on the board from hiring that person. I don't know if they exercise their right to apply, I should stop it. If I am told that I should stop it and not rank her or evaluate, then I won't do that. To me this is a restriction on the board and not on the applicant. The applicant has applied and I think that my duty is to process that application. If someone tells me not to, then I won't.

Commissioner Eric Blakey. I understand that and I respect those comments. It's my duty to do this properly. That's why I am asking when we address this. Do we address it today or will we address it at the next meeting? What do we do and when do we do it?

Chief Civil Deputy District Attorney, Wade Carner. I think this is a conversation that Mr. Feest and I should have offline.

Commissioner Eric Blakey. Thank you, I have no further comments at this time.
This item was presented for informational purposes only and no action was taken.

C- Consideration and possible action re: Presentation of the 2026 - 2027 Fiscal Year Budget Workshop

Jamie Hyde, CC Communications. We are doing a presentation to the Board of the 2026 - 2027 Budget Workshop, PowerPoint.

1st Slide – CC Communications is made up of four companies: Telephone, Broadband, Long Distance and CAP. We will go over the budget process; challenges and accomplishments; revenue forecasts; financial overview & capital budget; and projects and actions.

2nd Slide – The development of the FY 26-27 budget we used incremental budgeting. The Revenue budget is based on target market characteristics, strategic goals, and changes to the regulatory regime. The projections in the FY 2027 budget are primarily driven by the continued implementation of the Consumer Only Broadband Loop (CBOL) support mechanism, competitive deployments, the evolution of the communications industry, customer preferences, and general economic conditions. Development of the Capital budget consisted of group and individual department collaboration and determine project needs and prioritization consistent with long term strategy of the company. Long term strategy includes identifying end of life assets and determining a replacement schedule.

3rd Slide – The primary challenges are Inflation; it remains sticky across the economy generally. Materials and construction costs have been driven up by the Bead Expenditures. Downward pricing pressure year over year with a 3% decrease in broadband prices. Real BPI-Speed prices decreased 43% over the last decade, according to US Telecom's 2025 Broadband Pricing Index.

4th Slide – Significant factors impacting budget process overall (1): Competition in the CLEC areas; downward pricing pressure and relentless competitor marketing continues to erode profitability; customer preferences; transport network; and grant projects.

5th Slide – Significant factors impacting budget process overall (2): Capital requirements for out of area Broadband projects; Capital spend for Fixed Wireless Solutions; Changes to the regional long-haul landscape; staffing requirements; and cash flow.

Mark Feest, CC Communications. I would like to make a few comments. Our problem is that we continue on this never-ending cycle of our primary product is getting lower and lower cost and more people are getting into the business. I was on a webinar the other day and someone mentioned that we are the only industry that it is a victory for our government to drive our prices down. It came from a comment that FCC Commissioner Carr made at the event that Commissioner Blakey attended. He was patting himself and the administration on the back for a 8 – 9% decrease in broadband costs on prices to the consumer. At that same time, they introduce \$42 billion dollars, which was cut down to \$21 billion plus all the other billions of dollars in the other programs which has driven up the costs of all the materials to build these

networks in excess of just the inflation we experience as a whole. We're in an industry where the government's goal is to drive down prices and then fund massive amounts of construction which drives up costs. Our main product again is something that they're spending to create competitors for us whether it's wireless or satellite and yet the expectation is prices go down. Sometimes, when funding is made available, it comes with the requirement to offer a low-cost service package. It always goes to us whether we get a direct competitor or the low-priced packages in Reno. Everything we are doing in our budget and from a management perspective is trying to figure out where revenue growth comes from. If you look at this budget as a whole, there is not really revenue growth in it. It appears there's revenue growth but that is one time grant money. That is not revenue from a customer that is going to be replicated year over year and accounts for the fact that our costs will go up in materials and as the county knows it goes up in labor. Those two things will continue to go up, and it's reflected in our budget. The only reason the budget doesn't look bad is because we are having revenue growth that is short term that is grant only.

Current staffing requirements indicate that the average cost of salaries and benefits in our industry is approximately 28.8% of total operating expenses. We have gone 33.5%, 33% and 34.2%, which is largely driven by the PERS increases. The County fully understands that and there is no getting around those increases. When comparing our company to others in the industry, it's important to recognize the challenges facing rural ILECs. Revenues continue to decline while operating costs continue to increase. One of the most significant areas of rising costs is employee salaries and benefits.

For the current budget, we have calculated an additional \$445,237 in salary and benefit expenses above the industry average. A significant factor contributing to this difference is our participation in the PERS retirement system, which results in higher employee benefit costs than many comparable companies.

Jamie Hyde, CC Communications. 6th Slide – Significant factors impacting network evolution: competition and Downward pricing pressures; redundancy and reliability; and staffing requirements.

7th Slide – Accomplishments (1) – We are approximately 66% complete with the Spring Creek Association Grant. Construction in Churchill County primarily is completed by internal crews. FTTH in Virginia City deployment is completed. Virginia City Highlands project has started.

8th Slide – Accomplishments (2) – Deployment of Tarana Wireless in two areas. Deployment of C15/Customers migrated. Deployment of Ribbon Transport Gear/Customers migrated.

9th Slide – Benchmarks (1) – Some of the benchmarks we will go over is: EBITDA; EBITDA less USF; Revenue per employee; Payroll as percentage of revenue; Revenue/BB Subscriber; and CAPEX as a percentage of revenue. Those are all on the next slide

10th Slide – Benchmarks (2) – As you can see the benchmark amounts were not from 2025, they were from 2024. Our cost accountants didn't do the study for benchmark in 2025. Do you have any questions on this slide?

Mark Feest, CC Communications. I will note a couple of things. EBITDA less USF is the most important because the USF portion has a lot of factors on how you get to that number that you have little control over. I believe the difference between EBITDA less USF on the benchmark versus ours is that we are using the revenue we earn directly from the customer, whether that customer is another carrier, a small business, or an individual. I think that's the place we have the most control over. It dipped again this year but it's only going to go back up because we are counting the revenue that comes in from the grants in that number. We will probably be more around the 13.5%, which is over 10% better than the average company represented by Moss Adams. It is a downward trend at this point before that grant money.

The revenue per employee will go back up if we hit our budget numbers. It's still strong versus other companies. I do think the long-term nature is to continue to find efficiencies and maybe through AI. I have been on quite a few very interesting AI webinars recently. While the capabilities are impressive, there are still concerns around data security. At the same time, it's easy to see how certain positions may no longer need to be filled if the technology performs as promised.

A lot of the CAPEX percentage of Revenue is being funded through grants. We are not too far out of line with that benchmark.

Jamie Hyde, CC Communications. 11th Slide – Actions (1) – Some of the actions we are going to take is increasing capacity through Capital projects – Redundancy and Reliability. Enhancing the broadband customer experience (CX) – flows from redundancy and reliability. Reducing trouble ticket impact through increasing proactive monitoring and enhancing partner integration.

12th Slide – Actions (2) – We are going to enhance business catalog and sales. Develop and maximize fiber assets outside of Churchill County. We will continue to ebb attrition and seek growth opportunities in other counties such as: Storey County, Yerington Paiute Tribe, Walker River Tribe, and Te Moak Tribe.

13th Slide – Capital Expense this year is estimated for the current Fiscal Year 25/25 for TEL is \$395,699.00; Broadband is \$2,611,226.00; and CAP is \$4,943,473.00. The budgeted Fiscal Year CAPEX for 26/27 for TEL is \$1,680,424.00; Broadband is \$699,777.00; and CAP \$8,419,600.00.

Mark Feest, CC Communications. This changed quite a bit from year to year. Last year, we had many priorities in Broadband and CAP, and it ultimately came down to time constraints — we simply couldn't get to everything as a small company. We also accomplished a great deal in TEL. One major achievement was acquiring a new switch. Because we purchased the CAP network upgrade from the same vendor, they provided the switch at no additional cost.

This year, we'll need to catch up on a few TEL items that were deferred while other priorities took precedence. We are also pricing FTTH for the last couple of locations, along with the Tarana deployment for customers where extending a fiber connection does not make economic sense.

You'll notice Broadband expenses are trending down because we achieved many of those key priorities last year. CAP activity continues to be driven primarily by grant projects, which come with firm deadlines. We have also recently resolved the remaining issues that were delaying work on several additional grant projects. Progress continues to move forward on the Virginia Highlands project, where we have already installed approximately 20,000 to 30,000 feet of cable.

Jamie Hyde, CC Communications. 14th Slide – Capital Projects (1) – Capital projects for Churchill County are fixed wireless, FTTH and buildings and grounds upgrades. The network upgrades for reliability and redundancy are TDM Circuit Emulation, VSP Replacement, and DHCP, IPv4 transition and firewall.

Mark Feest, CC Communications. Commissioner Blakey might have heard at the Washington, DC meeting about the transition IP. There is an ongoing FCC rule making, wanting us to all interchange traffic IP based. It's something we have wanted to do for a long time. When we had issues where you couldn't call 911 on a cell phone, it was because it was going through an old TDM circuit which was the only way we could connect with the carrier next to us and if that fiber was cut there is no redundancy on that. When the switch from the cell company is in Sacramento and a 911 call is made in Fallon, it will go out and doesn't come back. We came up with a workaround that prevented that from happening not as much as it used to. The ultimate workaround is transition of traffic with IP. There will still be carriers that will still use TDM for various reasons. TDM circuit emulation has to be put in place because we have to hand it to an end customer looking like TDM time division multiplexing, but it's really IP every place else. We have to upgrade that equipment for that reliability.

Jamie Hyde, CC Communications. 15th Slide – Capital Projects (2) – Capital project for Storey County – Virginia City was completed in fiscal year 2025/2026. The target annual revenue for that is \$165,000.00. Virginia City Highlands project eta is quarter fiscal year 2026/2028. The target annual revenue for that is \$565,000.00.

Mark Feest, CC Communications. These were the projects that were completely funded by Storey County. We are seeing lower packages being taken in Virginia City. In Virginia City Highlands which we haven't turned on a single customer yet and are still putting up fiber on poles. The pre-orders are skimming towards the high-end packages and there are more people in that area. As Commissioner Hyde knows when we started the Elko project, it's shocking how long it takes to convert a copper customer that has nothing but complaints and how long they wait to schedule a drop. It's amazing. I don't think we're off and I still think it will move more towards \$165,000.00. It's a matter of when you're passing people and if they are not available that day and never make an appointment.

Jamie Hyde, CC Communications. 16th Slide – Capital Projects (3) – Spring Creek Association project is 66% complete. Tract 300 is complete. Tract 200 is in-progress for an ETA of August completion. The target is 1100 to 1400 homes in 2026/2027 and should be 90% completed in 2026/2027.

Mark Feest, CC Communications. That is hoping that there are no significant weather issues. With the target of 1100 to 1400 homes in 2026/2027, we use that number to get our target revenue from the grant because we are getting reimbursed. If something were to keep us from moving at that pace, then that grant revenue gets reimbursed at a smaller pace and will push out to the next year. We are targeting 90% complete by the end of fiscal 2027. The grant is scheduled to be completed by February 28, 2028, and so far, we are on track to meet that date.

Jamie Hyde, CC Communications. 17th Slide – Capital Projects (4) – We have Tarana scheduled in Churchill County which will address the remaining copper locations that are uneconomical to reach with FTTH. Create wireless redundant last mile network. Measure the demand for redundant middle mile network product.

18th Slide – Capital Projects (5) – Tarana Test Bed Deployment in the CLEC. The cost target is \$1,800 per customer, not per location as with fiber. The revenue target is \$105,000.00. The finalized location is dependent upon the tower and back haul in Silver Springs.

Commissioner Eric Blakey. Is the revenue per customer?

Mark Feest, CC Communications. No, that's the revenue target for the customers who are on Tarana in that area of the test deployment. Our goal is to see if we can put Tarana up with the costs and operating costs of what others have done it at and what was advertised. If we can maintain those costs and see how many customers, we get. We would like to do a bigger area with Tarana. Right now, we are doing a smaller area to see if we can meet those numbers.

Jamie Hyde, CC Communications. 19th Slide – Capital Projects (6) – We have the Tribal grants: Yerington Paiute Tribe; Walker River Tribe; Fallon Paiute Shoshone Tribe; and Te Moak.

20th Slide – 2025-2026 Annualized Compared to Budget – Telephone – Then we have the annualized compared to the Budget for Telephone only and for the 2026-2027 budget.

21st Slide – 2025/2026 Annualized Compared to Budget – All Companies.

Mark Feest, CC Communications. Noting that the revenue jumped in 2026/2027, we would only have a slight revenue jumped if it was money we receive from customers and other carriers. The bigger jump is because we received revenue from those grants. We also have the expenses that are tied to it.

Jamie Hyde, CC Communications. The next two slides are graphs for the same items that were shown on the table in the last two slides.

Summary Slide – The action to address downward pricing pressure and market share erosion with reliability and redundancy we have moving forward especially with the Ribbon gear, customer experience and wireless offering. Our focus is on Broadband outside the County in Capital expenditures. We are going to enhance the Business Product Catalog and sales. We will continue to benchmark financial performance and staff utilization. Do you have any questions?

Commissioner Matt Hyde. I don't have any questions. The continued downward pricing pressure is concerning me. We will keep monitoring that to see what we can do. I really follow what the GM, Mr. Feest said, anytime we flood a market with dollars, things will change. When you look at gas and power companies there isn't as much competition for those utilities. I appreciate all the work that's being done.

This item was presented for informational purposes only and no action was taken.

D- Consideration and possible action re: Approval of the 2026 - 2027 Budget for CC Communications - Telephone Fund, CC Communications - Long Distance Fund, CC Communications - Broadband Funds and CC Communications CAP - Servicing Outside Churchill County Fund.

Jamie Hyde, CC Communications. We are asking for approval for the 2026 - 20276 FY Budget as presented in the previous item.

Commissioner Eric Blakey. I will comment that I have reviewed the budget that was provided. Thank you for that and your presentation today aligns with the thoughts that I had. I did also notice the revenue drop and noticed in your report that you're doing what you can to get those numbers where they need to be. I have no other concerns with the budget and am satisfied what's been presented.

Commission Matt Hyde. I was impressed by how close your projections are year to year. That's a lot of data to go through and figure out.

Commissioner Myles Getto made a motion to approve the 2026 - 2027 Budget for CC Communications - Telephone Fund, CC Communications - Long-Distance Fund, CC Communications - Broadband Fund and CC Communications CAP - Servicing Outside Churchill County Fund. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

Reports: General Manager Report:

1. Network Update

a. Transport

i. Phase II engineering consulting SoW (edge routers and core) project planning and resource allocation. - Ongoing

1. Move routers to edge and Increase utilization of Neptune gear (resiliency)
2. Implement NNI's and work on Colo agreements for partners in Nevada
3. Increase redundancy

ii. Reviewing dark fiber expansion options for statewide network - Ongoing

1. Identified existing df and conduit, required construction segments, and partners.
2. Fibers owed to CC Communications under Switch Agreements
 - a. No substantive movement
3. NDOT Conduit Swap opportunities

- a. Identified conduit and NDOT swap needs
 - 4. UPRR addendum
 - a. Draft in hand. Working through language.
 - iii. Overlay. Deployment schedule call set for afternoon May 7, 2026. We anticipate two phases. Phase 1 will overlay TRIC ring. Phase two will create a segment back to Fallon. Expectation is that overlay phase one will be complete June/July timeframe.
- b. Access
 - i. DHCP+ Server upgrades. This is a system by system cutover to a JSI product and support. This is intended to reduce address issues and reduce response time in the event we have an issue.
 - 1. Seeking clarification on schedule to complete
 - ii. C15
 - 1. Training continues
- 2. Storey County
 - a. VC Highlands construction in progress
- 3. YPT
 - a. Awaiting payment on work completed and ITCN next steps.
 - b. Construction has stopped due to ITCN / NTIA accounting issues
- 4. FPST
 - a. On schedule
 - b. Resolving an outstanding RoW issue that arose
- 5. Te Moak
 - a. With ITCN
- 6. WRPT
 - a. Requires re-engineering and resubmittal to NTIA [resubmitted]
 - b. Waiting on update from WRPT and NTIA
- 7. HR
 - a. AI Policy working group
 - b. Continue exploring contract services such as fractional CTO
 - c. Assistant GM Search

Affidavit of Posting:

Public Comment:

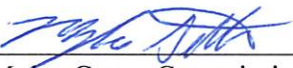
Chair Matt Hyde asked if there was any public comment, but there was none.

Adjournment:

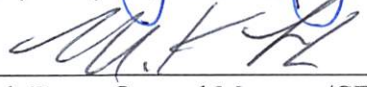
The meeting was adjourned at 11:43 a.m.

APPROVED: 
Matt Hyde, Chairman

APPROVED: 
Eric Blakey, Vice Chairman

APPROVED: 
Myles Getto, Commissioner


Shelly Bunyard, Administrative Assistant


Mark Feest, General Manager/CEO