MINUTES OF THE CC COMMUNICATIONS MANAGEMENT

155 N. Taylor St., Fallon, NV 89406
August 7, 2025

Call to Order:
The regular meeting of the CC Communications was called to order at 11:00 AM on August 7, 2025.

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 August, 2025 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 Myles Getto made a motion to approve the Agenda as submitted. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

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

A- July 3, 2025
Commissioner Eric Blakey made a motion to approve the Minutes of the meeting held on July 3, 2025 as submitted. Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

B- July 16, 2025
Commissioner Eric Blakey made a motion to approve the Minutes of the meeting held on July 16, 2025 as submitted. Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

New Business:

A- Consideration and possible action re: Adoption of Resolution 13-2025, a resolution authorizing the equity transfer of $3,000,000.00 from the CC Communications Telephone Enterprise Fund to the CC Communications CAP Enterprise Fund and other matters related thereto.
Jamie Hyde, CC Communications. The management of CC Communications has determined that since the build-out of Spring Creek and Virginia City has reached at least 50% completion, additional funds are needed to complete these projects. Yerington Grant will need pre-funding to start the project, as it is a reimbursement grant. YPT is under environmental review. After

that, construction will begin in this fiscal year. Te Moak will need pre-funding if that project is approved by the Tribe. This project goes before the Te Moak Tribal Council in August, and thereafter, will go for environmental review. It is anticipated that this construction will be started and completed in this fiscal year.

Yerington Paiute budget is $3,041,000. This requires pre-funding and reimbursement on a rolling basis. This is 100% reimbursable.

Te Moak budget is $2,862,000. This requires pre-funding and reimbursement on a rolling basis. This is 100% reimbursable.
Commissioner Myles Getto made a motion to approve the adoption of resolution 13-2025, a resolution authorizing the equity transfer of $3,000,000.00 from the CC Communications Telephone Enterprise to the CC Communications CAP Enterprise Fund and other matters related thereto. Commissioner Eric Blakey seconded the motion, which carried by unanimous vote.

B- Consideration and possible action authorizing the engagement of Moss Adams/Baker Tilly to assist and represent CC Communications in a NV USF rate case filing with the NV PUC not to exceed $400,000.
Jamie Hyde, CC Communications. State USF requires every telecommunications carrier that provides intrastate telecommunications to contribute, on an equitable and nondiscriminatory basis, in a manner determined by the State to the preservation and advancement of universal service in that State.

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information service, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

Costs for telecommunications providers in rural areas are far greater than those in dense urban areas.

To offset the greater costs, Moss Adams/Baker Tilly estimates CC Communications' can request from NVUSF: $2,100,000 annually over 5 years. Requests are usually reduced by 50% through the rate case process

1. Estimated Fees:
    a. Up to Application Filing: $150,000 ($110,000 Consulting / $40,000 Legal)
    b. From Application through Staff Testimony & Initial Settlement Discussion: $100,000 ($50,000 Consulting / $50,000 Legal)
    c. From Initial Settlement Discussion to PUCN Order: $150,000

These estimates are based on our prior experience, but each case has its own circumstances, which results in fees being higher or lower. Fees depend on factors such as which attorney CC Communications utilizes, the amount of data requests that Staff submits, how open Staff is to settlement discussions, unique/novel theories that Staff incorporates its testimony and

recommendations, whether the case settles or goes to hearings, and other factors that are out of our control.

CC Communications will do our best internally to keep the costs to a minimum.

There is a risk that the ruling may be unfavorable, and no funds are secured.

Mark Feest, CC Communications. I can give you a little background if you don't have questions.

Commissioner Matt Hyde. Go ahead.

Mark Feest, CC Communications. Chief Civil Deputy District Attorney, Joe Sanford, Jamie and I met on a zoom call with the USF staff. There were seven or eight people on the call. The question we wanted to establish is that due to the fact we are not rate regulated by the State PUC, are they going to object to us even applying. Are they going to attempt to gain greater authority over us? Are they going to want us to submit to authority. They said, "No, but they would need to do a rate case as if they were setting the rates in order to determine the delta between our revenue and what's called a revenue requirement." For example, we are required to provide telephone service to every single location that makes a reasonable request in Churchill County. That requires us to purchase a switch, maintain a switch and pay consultants to help us install and migrate that switch. You're not getting a lot of revenue with that service, but you're mandated to hit every location. You may have switch costs that are here, but your revenue opportunities from customers are all the way down here. It's that delta that you're entitled to seek Nevada USF because that is an intrastate, meaning that it stays within the state service. They did not object to the theory that we are allowed to apply even though we are not subject to rate regulation. That is the exact same way as a co-op they are not subject to rate regulations. They recently allowed a co-op to apply for and be awarded Nevada State USF. That's our theory is if they're allowed to, then we should be allowed to apply. They also told us that it's going to be an arduous process. It's difficult to predict how many data requests they will make in addition to the original application. That's why we stated that there is a risk of the ruling may be unfavorable, and no funds are secured, or funds are secured at a much lower rate. Once they do establish a NV USF amount, it's frozen for five years. You get the same amount for five years and as you lead up to that fifth year you can go back and redo that process.

Commissioner Matt Hyde. That answered my questions.

Commissioner Eric Blakey. What do you think the take would be if we were to apply for this and what's the revenue going to generate?

Mark Feest, CC Communications. Moss Adams in their experience has noted that a stipulated agreement is often available to stop the process and stipulate that this is a reasonable amount. That agreement is often times in the neighborhood of 50% of what the accountants on our side believe we are entitled to. That drops to $2.1 that the accountants believe we are entitled to in the neighborhood of $1 million dollars per year over five years, then you owe the $400,000 or whatever that ends up costing us. It's my understanding that Moss Adams has handled every

one of these rate cases for the rural companies in Nevada and one gave up after a long time of increasing costs. The other companies were successful.

Commissioner Eric Blakey. The rate of return is good for everyone that has been involved.

Mark Feest, CC Communications. Other than the company that gave up. I don't have particulars on why they gave up or what the situation was.

Commissioner Eric Blakey. Is this something that you're interested in doing?

Mark Feest, CC Communications. I believe we should move forward. We always knew that there was some delta between what we were able to recover from customers and what our revenue requirement was for intrastate. We had concerns that the PUC would say, if you're going to come collect it, you need to be fully subject to PUC regulations. We never thought that delta was big enough to risk that. The other issue, I think is the delta was never that big, but it just grows over time due to changes in the Federal Universal Service Fund where they eliminate intrastate costs from going into their Universal Service Fund calculations. The numbers are growing, and we now have a unregulated company that has successfully gone through it without any new regulations being mandated. We think this is the time to do it.

Commissioner Eric Blakey. Thank you.

Sherry Wideman, Comptroller. After five years, do you have to go back for a rate change or can you continue to keep receiving it.

Mark Feest, CC Communications. We would not have to go back for a rate change, but you don't keep receiving it. If you want any money after the fifth year, you will have to do another rate case and application. I will note from the rate case perspective, they will say what a reasonable rate is but because they don't rate regulated us, they say reasonable rate is $15.00 for basic dial tone. If we are only charging $10.00, they would impute that $15.00 in our revenue. You will not get the delta plus the $5.00. If they say you should be charging $15.00, then you get the amount they say. That's why they want to do the rate case because they feel they need to establish that we are not undercharging for basic telephone service. From the Federal standpoint for basic telephone service, we are not undercharging. We brought it up to the number that matches what the feds say. I don't know how our state would say it's a different number, but we won't know until we move forward.

Commissioner Matt Hyde. I would assume it's an easier process five years from now, if we've already been approved.

Mark Feest, CC Communications. I would assume the ease of the process depends on the attitude of the staff. In September or October, they were supposed to open a rule making to create rules. They do not have any printed or adopted rules on their process to do this. Our State Legislature passed a law that says we will have State Universal Service, and the PUC will administer it. Not every state has State Universal Service. They have never adopted the rules on how you go about receiving it. In five years, if they actually adopt those rules, then any

provider will know what they have to do to get there, and I know I will be treated the same as someone else. We don't know that right now. That is the potential it won't work out in our favor because we don't have enough information upfront about the process.

Commissioner Matt Hyde. Since there's already been a co-op that made us feel like we can do this.

Commissioner Eric Blakey. I think it's an awesome idea. I think we have the right staff to put it together and move this forward. As mentioned, once you get over the first hurtle it will be easy the rest of the time.

Commissioner Myles Getto. Thank you for bringing this to our attention.

Commissioner Eric Blakey made a motion to authorizing the engagement of Moss Adams/Baker Tilly to assist and represent CC Communications in a NV USF rate case filing with the NV PUC not to exceed $400,000. Commissioner Myles Getto seconded the motion, which carried by unanimous vote.

General Managers Report:

1. Transport Network Update
    a. Migration plan is being implemented
        i. Scheduled August 12-13
    b. Working on Colo agreements for partners in Northern Nevada
    c. Reviewing dark fiber lease options for statewide network
        i. Increase ability for NNI intrastate and interstate
        ii. Increase geographic redundancy as TRIC and surrounding areas buildout data centers
        iii. Increase redundancy for our Internet customers
2. C15
    a. Complete
    b. TNS Contract complete for new Sigtran to replace SS7
        i. Transitioning to Sigtran
        ii. This requires professional services, which is difficult to schedule.
3. Virginia City
    a. About 80% complete with mainline
    b. Splicing and drops continue while the other 20% mainline is placed.
    c. Engineering on VC Highlands in progress
4. YPT
    a. Environmental returned
    b. Ordering equipment
    c. Getting schedules aligned
5. Ruby Vista Apartments (Elko MTU)
    a. Installed

b. I received an email from the Managing Director that expressed how pleased they were and how easy we are to work with.

6. NTIA
    i. Completed draft for extension to completion date for SCA. This is an iterative process with our Program Officer providing input.
    ii. Request will be submitted by Elko County once there are no more questions or clarifications to resolve.
7. NTA
    a. Broadband Tech Conference in Las Vegas
        i. 1 Tech and 1 supervisor will attend
8. HR
    a. New CSR staring 8/11/25
    b. Business Dev/Marketing Manager position open
    c. NOC Supervisor position is open
    d. HR Generalist position posted

9. Vacation planned September 1 -September 12

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 11:24 a.m.

APPROVED: _____
Matt Hyde, Chairman

APPROVED: _____
Eric Blakey, Vice ~~Chairman~~

APPROVED: _____
Myles Getto, Commissioner

Shelly Bunyard
Shelly Bunyard, Administrative Assistant

_____
Mark Feest, General Manager/CEO