

Meeting Notes
City of Lucas, Grayson Collin Electric Cooperative (GCEC), and Grayson Collin Communications (GCC)
Monday, August 10, 2020
9:30 am

- David McGinnis (GCEC Chief Executive Officer/General Manager) provided the history of COOPs in Texas and explained how GCEC was started in 1937 and now serves from areas of Southfork to Blue Ridge as well as north of the lake extending to Grayson County and Cooke County.
- GCEC ultimately bought a Van Alstyne company to deliver some internet services and then became a self-funded internet/telecom company (GCC).
- The fiber came from Sherman and went through FM 1417 to Van Alstyne and Celina, primarily serving greenfield developments and is a combination of underground and aerial.
- GCC has approximately 3,000 internet customers and 200 miles of fiber lines running from Weston to Celina to Prosper.
- GCEC/GCC started their pilot rural fiber project six months ago to loop their COOP facilities and electrical substations by connecting data back to the primary facility. The pilot project would also install enough fiber in rural neighborhoods to connect 1,500 customers. The pilot project consists of 105 miles of fiber to connect substations and provide service to some rural neighborhoods.
- The closest GCEC/GCC facility to Lucas is near the Melissa High School.
- Grande Communications bought out CoServ subsidiaries when they went bankrupt in 2001.
- A question was raised if it was feasible to run lines from Melissa to Lucas. GCEC stated that they would have to run approximately 10 to 15 miles of dedicated fiber to reach Lucas. A of that run would require leasing space on infrastructure not owned by GCEC.
- Additionally space on existing poles is somewhat limited for aerial fiber due to the pole occupancy of many ISPs (Internet Service Providers) such as Frontier, Suddenlink, and Grande.
- GCEC/GCC uses an aerial innerduct conduit over lashed on coax fiber to pull the fiber to rural areas.
- The current GCC rates for internet service are 1 Gig for \$89.95, 500 Mbps for \$64.95, and 70 Mbps for \$49.95.
- GCEC/GCC would need their Board's directive to get into more rural areas and pursue other opportunities. There are no current plans to overbuild and GCEC/GCC does not want to overbuild or compete with other ISPs. Any potential projects would be low priority and GCEC/GCC cannot commit to any projects until the pilot project runs. GCEC plans for a 70-75% estimated take rate for the pilot project and is expected to be done by mid year 2022.
- The pilot project is divided into three zones with the first zone being 500 homes which includes 200 already confirmed. The pilot project would pass 1,500 homes including three subdivisions in the buildout.
- GCEC/GCC participates in "The Buy American Act" where they only purchase American made products such as fiber.
- Senate Bill 14 allows co-ops to use easements for co-op owned fiber.

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- GCEC sees a need to bring fiber to isolated areas and focus on the rural areas where no one serves. It is a business and Board decision with no motion to stay rural. The projects do not extend to where it will financially hurt. GCEC needs to loop substations for their needs to monitor communication and focus on the needs of their current members. There is no current plan to go south of the Melissa High School. GCEC/GCC would have to look at their financial position, funding, and costs.
- GCEC/GCC would mostly install aerial fiber and currently maintains five employees for installations. There is a concern regarding the pole capacity since there are a lot of ISPs on the poles. If there is no available pole space, the 40-foot pole would need to be replaced with a 45-foot pole.
- If existing power poles needed to be expanded, GCEC/GCC would recover the pole replacement costs from requesters and ISPs. GCEC stated that pole contact fees will never pay for the headache of the pole contacts during replacements.
- It was indicated that GCEC provides electric service to 90% of Lucas. However, it was stated by GCEC, that the cost of bringing in and building fiber would probably not be the most economical project to undertake for GCEC/GCC. As a general comment David McGinnis stated that in his opinion GCEC would probably not be in the internet business knowing what they know now.
- GCEC/GCC had originally planned to work with Celina on their fiber project. The Celina Fiber Project was initially to begin with Internet 360 but then was switched to Fujitsu. Ultimately, the partnerships and project did not succeed.
- Mr. McGinnis did state that GCEC struggles with finding qualified fiber technicians and to review the proposed salary ranges in the study.
- GCEC/GCC repeated stated that they were not saying “no” regarding any possible partnerships with Lucas but would probably not give any formal consideration until they completed their pilot project.