Oconee set for next step in turnover of broadband project

BY STEVEN BRADLEY
THE JOURNAL

WALHALLA — Oconee County is set to take the next step in handing over operations of its $14.7 million middle-mile broadband network to a local communications company.

At its 6 p.m. scheduled meeting today, county council will hear first reading in title only of an ordinance to execute a network master agreement between Oconee and Seneca-based OneTone Telecom.


Moulder

County administrator Scott Moulder told The Journal on Monday that the contract has not yet been finalized, as the county is still awaiting "some of OneTone's comments." But Moulder said the county is "hoping" to have the deal finalized by council's next meeting July 19.

"We wanted to have first reading in title only since we only have one meeting in July and one meeting in August," Moulder said. "This would help to speed up the process some."

In April, council approved a recommendation from county staff to allow OneTone to lease and operate the county's 250-plus-mile fiber optic network for up to 20 years, as well as to allow Moulder to negotiate the contract.

The company would be responsible for the complete operations of the broadband project, although the county would have some oversight and technical assistance requirements.

The Fiber Optics Creating Unified Solutions project won two-thirds federal funding in 2010, which still required Oconee to shell out more than $4.9 million to get the network off the ground.

The county has yet to be able to recoup its investment, and as The Journal reported in April, the total net loss for the history of the project is $5,863,456.

Moulder said then that the county will continue accumulating debt until a contract with OneTone Telecom is finalized, at which point he is hopeful it will begin to recoup its loss.

SEE PROJECT, PAGE A5

PROJECT: Budget hearing also set for tonight's meeting

FROM PAGE A1

"The way it's going to be structured is it will be a set price," he said. "We're basically going to tell them, 'Over this 20-year period, you're going to pay back $5.8 million, and you'll make payments every year — at present value — until it's paid off.' So in the end, the county will be made whole of the project."

The county initially sent requests for qualification to 81 firms, only three of which submitted proposals in January. An evaluation committee reviewed and scored the proposals and recommended two firms — OneTone Telecom and WC Fiber of Abbeville — to continue to Phase 2.

After receiving new proposals from the two prequalified firms, the same group scored the proposals and recommended OneTone Telecom for the award.

"Financially, we need a long-term plan to recover what has been invested," Moulder said in April.

Also on tonight's meeting agenda is the second of two public hearings ahead of third and final reading of the county's fiscal year 2017 budget, as well as the budgets for the School District of Oconee County and the Keowee Fire Special Tax District.

sbradley@upstatetoday.com