

Vermont Community Broadband Board Meeting Minutes
112 State Street, 3rd Floor,
Giga Conference Room
Montpelier, VT
September 28, 2021

I. Call to order

Holly Groschner moved to approve the agenda as is and Patty Richards seconded. Motion passed.

II. Roll call completed by Dan Nelson.

Patty Richards, Chair (In-person)
Holly Groschner (In-person) _
Dan Nelson (In-person)
Brian Otley (Arrived at 1:12 pm)
Laura Sibilila (Remote)
Christine Hallquist (In-person)
Robert Fish (In-person)

III. Approval of minutes

Holly Groschner moved to approve the minutes of August 26, 2021, and September 16, 2021, and Patty Richards seconded. Motion passed.

IV. Maple Broadband Preconstruction Grant Application

In-depth discussion between Board Members, Steve Huffaker, Chair of Maple Broadband and Roger Nishi, VP of Industry Relations at Waitsfield, and Champlain Valley Telecom concerning the Universal Service Plan and transferability within the Pre-construction Grant Application.

- The two parts of the District would be divided as the first being served by Waitsfield Telecom and the other by the District. The Operating Agreement only pertains to the part that will be served by the District or known as the Maple Broadband area.
- Section 6.17 of the Operating Agreement states that Waitsfield Telecom must serve the underserved and unserved at a rate of at least 90% addressed by the District. There is also no enforceable provision in the agreement.
- Section 6.9 states Maple Broadband has no right to ask Waitsfield for data regarding their part of the District, only data for the CUD's part of the District. Other than an "intention" this Board has not received a Universal Service Plan and the pre-construction grants are based on a Universal Service Plan.

- These concerns led to the suggestion by Holly Groschner that the applicants come back with a more robust provision for ensuring the operator does deliver on Universal Service in their section of the territory as well as an obligation to deliver on the Universal Service Plan.

Discussion regarding how Universal would be achieved thru this application.

- Steve Huffaker provided testimony that the intent in the agreements writing, and execution was to recognize that two separate entities engaged in construction in two separate territories are not going to build out at an identical pace. Not feasible due to the nature of construction and challenges that occur.
- Roger Nishi provided testimony stating Waitsfield Telecom will be ahead to start but they are building out over the entire company. Goal is fiber to the homes of every customer Waitsfield serves today. The FCC has said some areas are too costly to serve and do not need to be a part of the Plan. Roger stated they will need to find another form of service such as satellite.
- Responding to Roger Nishi's testimony and for the purpose of correcting the record, Laura Sibilia quoted Section 8085(a), "The purpose of the program is to provide grants to Communication Union Districts for pre-construction costs." Laura Sibilia stated in Vermont Universal Service is 100% of addresses that have electricity and requested the Board be informed of these locations at the start of pre-construction and not later. Christine Hallquist seconded the thought.

The Board agreed an enforceable provision in the ten-year contract between the two companies should be added. This would make Waitsfield accountable to Maple Broadband. Steve Huffaker asked that the Board create the language for he and Roger Nishi to review. Holly Groschner and Brian Otley offered to craft the language.

Discussion regarding transferability.

- Magna Dodge of the Maple Executive Committee explained Maple would own all of its own assets at the end of the 30-year term. If Waitsfield was no longer available, Maple would need to find another operator.
- Brian Otley asked Maple Broadband and Waitsfield Telecom to amend their pre-construction application with language that defines their initial goal of locations covered and the work being done to refine that goal with the pre-construction funding and then turn the initial goal into an actual target at the time of the construction grant.
- Staff recommendation was in support of Board's decision to add an enforceable provision to contract.

- Holly Groschner moved for a conditional approval of 2.39 million dollars subject to the conditions that the applicant agreed to certain terms proposed by the Board that address the Universal Service Plan and accountability for such plan and that the applicant agree to modify the operating agreement to reflect Universal Service terms and the statutory requirement of transferability in the event of an assignment to the State. (Amount corrected to \$2,399,200.)
- Steve Huffaker expressed concern that the transferability question could have consequences in relation to Act 71 and the municipal bond market. Suggested separating the two conditions, making transferability a part of the construction grant rather than the pre-construction grant.
- Holly agreed the conditions can be separated however it is a condition of Section 8086(c)3 of the Construction grant program

Brian Otley made a motion to give approval to Maple Broadband with the condition to include Board's suggested language be included to cover the Universal coverage commitment for review and potential revision by the Maple. Timeframe for creating language was one week. All were in favor; motion passed.

The working group will send their developed language to the other Board members and present to the entire group during the October 4, 2021 meeting of the Board.

V. Staffing and Contracting Update

- General counsel position is posted and one application has been received.
- The Grant Administrator and Administrative Assistant are union positions and are in Human Resources being evaluated for their classification.
- There is a serious need for an engineer for fiber engineering support.
- Budget discussion as it relates to staffing.

VI. VCUDA Update

- Will Anderson, Program Coordinator for the Vermont Communications Union District Association expressed gratitude for the work being done.
- Bulk purchasing process continues to improve, and they are investigating each CUD's individual perspective right now on what they would like to get done in this initial bulk purchase for 2022 construction.

VII. American Rescue Plan Act (ARPA)

- VCBB can do a pre-purchase of materials as a grant and fits within the ARPA guidelines. Does not necessarily need to be a competitive grant. Suggestion was made to have Doug Farnham present to the Board at the next meeting however the response was for the staff to meet with Doug and then report back to the Board as a whole.

- Staff were assigned to find out how the VCBP participate in the “Capital Projects” and present to the Board at the October 4th meeting.

VIII. Pre-purchasing Materials

May be permissible. VCUDA and staff will work together on this. The Board will need staff to provide a plan with list of options and present to the Board.

IX. Public Comment(s)

Will Anderson, Program Coordinator for the Vermont Communications Union District Association, continued conversation on pre-purchasing and what it might entail considering the possible new option of going thru Finance and Management to obtain money from the State.

X. Motion to enter Executive Session by Patty Richards. Holly Groschner seconded.

No Action Taken

XI. Adjournment

Motion to adjourn made by Holly Groschner. Brian Otley seconded. Meeting adjourned at 3:57 pm.

Minutes submitted by: Audrey Fargo, Executive Assistant