

**Vermont Community Broadband Board Meeting**  
**Monday, April 10<sup>th</sup>, 2023, 12:00pm – 4:00pm**  
**Approved Minutes**

**1. Meeting Call to Order, Roll Call, & Approval of Agenda**

Patty Richards called the meeting to order at 12:04 and completed roll call.

- Patty Richards, Chair (Remote)
- Laura Sibia (Absent)
- Brian Otley (Remote)
- Holly Groschner (Remote)
- Dan Nelson (Remote)
- Christine Hallquist - Staff (Remote)
- Robert Fish – Staff (Remote)
- Toni Clithero – Staff (Remote)
- Alissa Matthews – Staff (Absent)
- Lucy Rogers – Staff (Absent)
- Kristin Brynga – Staff (Remote)
- Heryn Herzog – Staff (Remote)

Patty Richards made a motion to approve the agenda as posted. Dan Nelson seconded, and it was unanimously approved.

**2) Approval of March 13 and April 10 Meeting Minutes**

Patty Richards made a motion to approve both the March and April minutes, Holly Groschner seconded, and the motion passed unanimously. Dan Nelson abstained because he was absent for one of the meetings.

**3) Introduction to and Framework of Confidential Legal Issues – Toni Clithero – Executive Session - *Confidential attorney-client communications made for the purpose of providing professional legal services. 1 V.S.A. § 313(a)(1)(F)***

Toni Clithero greeted the Board and explained what she will do in executive session: explain her role as attorney to the Board and what the confines are, and make sure they're all on the same page in terms of the use of executive session.

Holly Groschner commented that what Toni Clithero is going to tell them should be on the record, not in executive session, unless the advice refers to a specific instance.

Patty Richards seconded Holly Groschner's comment and added that she wants to be as transparent as possible. She would prefer to stay in public session if they can.

Toni Clithero said she feels as their attorney she needs to speak to them in executive session but is not trying to prevent transparency. She is trying to bolster the attorney/client communications.

Holly Groschner moved they adjourn to executive session. Patty Richards seconded and moved into executive session at 12:12. They came out of executive session at 12:34. Patty Richards reported no action was taken in executive session.

#### **4) Discussion: Investigative Report from Auditor's Office – *Patty Richards***

Patty Richards introduced the Board Response to the Auditor's Report. She read the intro to the report (included in the Board Packet). Patty Richards said this is a good time to take a pause and a breath. She said they haven't had the time to develop policies and procedures. They have already covered a lot of it verbally, but this is an opportunity to develop the policies. Her goal is to tee them up in a process. Then staff can help come up with policies and bring them to the Board. Patty Richards would like to talk about at least three of the items per meeting and identify what policies need to be made. Staff, specifically Toni Clithero, will come up with policies, and then Board members can hash it out. And they will also collaborate with the CUDs.

Patty Richards read Laura Sibilias email she sent the Board: "Re Auditor's report on funding gaps: I am concerned that we are not actively and visibly working on financing measures. There are myriad ways we could do that. If there is not a working group with VCUDA exploring different financing approaches, I'd like to see us establish one ASAP with VCUDA."

Holly Groschner thanked Patty Richards for her memo. She made the point that they didn't hurry to hurry in any of the actions they've taken, but that it was necessary to get real objectives met in real time. They did not choose speed over prudence.

Christine Hallquist said they met with VCUDA before the meeting. Staff and VCUDA positions recognize we are in a different place than we were a year and a half ago. We look forward to stepping back and looking at our policies.

The goal of today is to identify policies and procedures, not write them all.

Risk 1: possible funding gap. Staff's response is listed including Middle Mile and other funding sources. It is followed in the memo by the Board response, which is staff should determine which CUDs face gaps and measure how much is needed and establish gap funds using grants noted by staff.

Holly Groschner said that makes sense but if we're qualifying the gap, what kind of gap is it, materials, personnel? Not all the grants are good for all of the different kinds of

gaps. Are the gaps sometimes intended to be funded by taking the cost out of one grant and putting it into another? We need to know what kind of gaps we have and validate they can be funded by specific kinds of grants. Holly Groschner says she's not convinced all the grants are sources we can use but leaves that to staff.

Brian Otley said they knew there were funding gaps. Part of the CUDs' job is to come up with strategies. Do we have an inventory of strategies from the CUDs?

Christine Hallquist said she'd like to hear from Rob Vietzke. She also said there are risks we face with BEAD funding. We can't pay back federal funds with BEAD funding. Also BEAD rules haven't been clarified yet.

There is a tension between universal service and building strong financial plans.

Rob Vietzke says that's right. Each CUD has a different scenario. We're trying to make sure construction continues at pace. We need to have a confidential discussion with each one. They can explain where they are with grant funds, where they have gaps, and make sure they stay on pace delivering to unserved homes.

Holly Groschner said conversations leading up to grant funding are confidential. Knowing what funding is out there is a service VCBB should be providing. There are policies that are interlocking. She would like to know that the business is viable before we invest further funds. There are other means of accountability, affordability for example. It shouldn't be financial only.

Patty Richards added to the Board's response that they will review business plans in terms of how it relates to the gap and affordability.

Holly Groschner says it's prudent for the VCBB to come back with requirements for accountability that will extend to future funding.

Dan Nelson suggested a policy on general construction metrics and project management metrics to stay informed and keep the public informed, such as cost per mile, take rates, policy around base metrics. Not sure if it goes here or with risk #8.

CUDs must demonstrate accountability with respect to use of past funds. Driver of that is the Auditor's report. Check that before they get more money.

Patty Richards wants to get words on paper today, then hear from VCUDA how they feel about it and make sure they're on the same page.

Patty Richards said she does not want an update from staff on what they are already doing. Patty Richards said this is future looking.

Risk #2: CUDs may struggle to access needed construction materials.

Patty Richards said she asked what can VCBB do, can we develop a joint purchase policy?

Rob Vietzke commented this is great. He'd like to start with a procurement strategy rather than policy because there are materials we need to be concerned about, but that will change over time. Fiber and materials availability will decrease as BEAD money is coming out.

Christine Hallquist added we should include logistics, how do we store and deliver materials.

Holly Groschner said the policy should address if it's drawing from unallocated funds or where it's coming from.

### Risk #3: lack of workers

Board response: Leverage skills and staffing available in Vermont (assess what resources currently exist in this space, talk to leaders with these resources to determine if sharing of workers is possible, time construction with electric work to streamline and minimize expense)

- Policy Implications (identify policies needed as a result of this risk)
  - Develop Workforce Development Policy and coordinate with current plans pertaining to this topic.

Holly Groschner said ten risks are a lot, and Christine Hallquist has led the way on this issue. She thinks they should outsource this problem to the Dept. of Labor and VT Colleges system. Maybe we should continue to monitor the availability of workers.

Dan Nelson said they should focus on high-risk areas, the market will address this one.

Risk 4: Tensions between VCBB staff supporting CUDs and ensuring they are viable risks allowing any weaknesses in CUD business plans to persist and deepen.

Holly Groschner said this risk is real. Two things are useful: one is to develop a standard for business plan review or business plans generally. We've created an environment where the CUDs are all unique. But fiber is pretty standard and there should be a publicized version of what business requirements are. (standard business plan) She thinks they should be reviewing take rates and measuring them against grants spent.

We haven't talked about retail rates. That's inherent in the business plan and central to an affordability plan.

Rob Vietzke says this is overstated in the Auditor's report. The confidential conversations are collaborative. We are all aligned. There is great collaboration trying to meet the mission.

Holly Groschner said they are trying to set some objective standards they can point to to say they've addressed issues. It would be bad if CUDs couldn't come to VCBB and get advice for problems. We want to have some objective standard to make sure we're doing our job.

Rob Vietzke said the tension is about the hard work, not between the parties. Christine Hallquist said they've had a lot of meetings with CUDs about their finances, and the CUDs have been very open about all the numbers.

Patty Richards said Christine Hallquist reminded them that we have a business scoring matrix.

Risk 5: Reliance Upon CUDs with Varying Levels of Expertise and Capacity May Delay Broadband Service to Some Vermonters, Lead to Increased Spending, and Establish Inequitable Policies and Access

Reminder: Staff and Board responses are listed in the Memo that is included in the Board Packet.

Holly Groschner mentioned some of these items are addressed in other risks. There is very little other than applying for the ACP that is an objective requirement. There is a program of how to address the public and be inclusive in outreach to make opportunities available to low-income households. CUDs can be more proactive from the start.

Patty Richards suggested we need to be more prescriptive of what affordability means.

Holly Groschner and Laura Sibilgia are going to do a memo on affordability and accountability. There is not a one size fits all price for service. What is affordable needs to be addressed.

Patty Groschner said the Board should define affordability and have the CUDs respond to that and figure out how they work around affordability and carry out the definition.

Christine Hallquist asked if she wants staff to come up with a proposal or if the Board will? Holly Groschner said staff will have a lot to say about it, but they need some toehold bigger than what we have now.

Holly Groschner is concerned about the quote that \$50 million in grant intake equals a \$10/month saving for consumers. Patty Richards says she interprets that statement as a rule of thumb. Christine Hallquist said it's a general statement. She can defend the math.

Holly Groschner says it sounds like a statement of fact and we should say the more grant money we have, the lower the cost to consumers.

Dan Nelson said we should include in the policy that sometimes a public/private partnership will get people served faster. He doesn't see wireless as a long term solution, but maybe for the interim until broadband is built.

Rob Vietzke said the CUDs have done a lot of work to consider this. There have been investments in the past that have failed when they have gone completely private. How do we make sure we can deliver for the next 20 years and beyond?

Risk 6: CUDs have not been partnering for procurement of goods and services, risking higher costs.

Patty Richards said she doesn't agree with everything in the report on this. Some things can be shared but not everything.

Rob Vietzke said there is a ton of communication and collaboration between the CUDs and VCBB. He's impressed with all the work put into it. There is positive behavior and practice that could be turned into strategy. But sometimes it is better to do it on a one-off basis.

Christine Hallquist said there is also a shared services part of this with the NBRC grant: shared services in the financial space and junior program coordinator. There are lots of opportunities, and we can formalize a lot of the behaviors that are already happening.

Holly Groschner had a question for Rob Vietzke: What role can the operator organizations that are in the business play? Rob Vietzke said, yes, the CUDs in construction have several different models. Those organizations play a role in procurement and efficiencies. So it might not make sense to have one policy because they work in different ways.

Christine Hallquist said last year lead times were longer; now they are shorter. We need to consider what will happen when \$42 billion hits the economy. The policy should say when VCBB believes it's appropriate to get a waiver from the Buy American policy.

Risk 7: Confidentiality provision

Patty Richards asked Toni Clithero to give us a policy on this.

Risk 8: lack of affordability. Laura Sibilgia and Holly Groschner will tackle this with staff. Christine Hallquist said we'll include CUDs as well. Patty Richards said all of this should be vetted by CUDs too.

Risk 9: conflict of interest issue. Patty Richards says we should establish a policy. Staff's response to this was appropriate.

Risk 10: letter of credit requirement is not designed for new entities. Staff has a good response. Holly Groschner said this is a fact of life problem. The federal standards are

skewed for large operators. She wonders if the federal delegation could do something about this. Christine Hallquist said we've been meeting with the federal delegation on this. An informed Board position would be good on this. Patty Richards will make a Board statement around this issue.

Rob Vietzke complimented Rob Fish and Christine Hallquist on what they've been doing. He called it very creative work across state government and said it would be worth executive session to talk about it.

Patty Richards said an additional policy that we should come up with is a customer service standard policy. Holly Groschner asked if that would be part of the accountability piece? Patty Richards said, yes, it could be.

Patty Richards would like to prioritize the list and put Toni Clithero in charge of collaborating and drafting it.

Took a break at 1:53. Back at 1:58.

#### **5) BEAD/Digital Equity: Vernonburg Introduction, Overview, and Timeline – *Christine Hallquist***

Christine Hallquist reviewed the RFP, review, and selection process and introduced Paul Garnett with Vernonburg.

Paul Garnett said they are honored to be doing the work. They were in Montpelier last week to kick off the project with the VCBB staff.

Introduction: They are a consulting group that works on the digital divide. Paul Garnett discussed his background of 30 years of experience. They work half in the US and half in emerging markets. Their work falls into two categories: broadband policy and small network operators. They also work with new tech companies.

Introduced his team and mentioned a couple people from their team are from Vermont. Breese McIlvaine introduced herself as the project manager. Alex Jeffrey introduced himself as stakeholder engagement manager. Caroline Hauser introduced herself as another person who will focus on stakeholder engagement.

Paul Garnett explained there are a few subcontractors to help with PR, accessibility, and mapping/data.

Breese McIlvaine explained the timeline. BEAD 5-year action plan is due the end of August. Initial proposal for BEAD. Volume one – challenge process, rest of initial proposal – end of September. Then 20% of funding becomes available after those are approved. Digital equity plan will be submitted in December. We welcome input throughout this process.

Holly Groschner asked if they will educate the Board on what their definitions of equity and diversity are? Will they explain what stakeholder engagement means? What will be your process to get documents and plans in front of the Board for review prior to deployment?

Paul Garnett said this is an iterative process that involved leadership from the VCBB. There are eight covered populations that we're required to account for and get feedback from in digital equity planning. We can add in our own local groups if we think we should. We love to be data driven. A lot of times these adoption challenges are down to the individual, so we'll go as local as we can.

Alex Jeffrey talked about how stakeholder engagement is going to look. It will drive the production of a lot of the plans. We discussed how to most effectively engage during our kickoff meeting. We'll balance between respecting people's time with getting the information that will drive the plan to be successful. Our approach includes different engagement. Heavy touch events- VCBB events, which are in-person events across the state. We'll try to focus those on areas with underserved people. That will include a short presentation and then listening to people's comments. Light-touch events – events already taking place in the community, we'll collect comments at those. We will coordinate with outreach that is ongoing, for example NEKCA's ACP outreach. We'll set up an email address to collect responses. We'll also have active social media to reach people and monitor them to collect responses.

Paul Garnett added there will be a public comment period. We will also have some virtual events for people who are immunocompromised.

Plans will be brought to the Board as drafts before they go out for public comment.

Holly Groschner commented that she is grateful they are focused on really engaging with Vermonters.

Patty Richards said transparency and collaboration are really important with VCUDA and that CUDs should review them too. Paul Garnett said they had already met with Ellie de Villiers.

Alex Jeffrey encouraged members of the Board to attend public meetings if possible.

## **6) Budget – *Christine Hallquist***

Christine Hallquist said her goal is to introduce Board members to the budget process they will be using, not to get approval now. We have been working on this for a year and many people helped in the process. Christine Hallquist said they are confident with the numbers even though there is some uncertainty with how much federal money we will get.

Christine Hallquist suggested a special meeting to review the budget.



There will be a quarterly update. She asked for feedback on the format. Holly Groschner said it's a huge improvement. Patty Richards said it's fine as long as they can dig into any specifics.

Christine Hallquist said she did not include personnel costs in the Board Packet but will include them in the minutes:

VCBB Personnel Budget								
	Annual Cost	SFY 23	SFY 24	SFY 25	SFY 26	SFY 27	SFY 28	
Staff Position	SFY 23 Rates	Ends June 2023	Ends June 2024	Ends June 2025	Ends June 2026	Ends June 2027	Ends June 2028	Funding Stream
Executive Director – Salary	\$125,881.60	\$125,881.60	\$129,658.05	\$133,547.79	\$137,554.22	\$141,680.85	\$145,931.28	100% USF
Executive Director – Fringe	\$45,011.46	\$45,011.46	\$74,877.52	\$77,123.85	\$79,437.56	\$81,820.69	\$84,275.31	100% USF
Deputy Director – Salary	\$102,258.00	\$102,258.00	\$105,325.74	\$108,485.51	\$111,740.08	\$115,092.28	\$118,545.05	75% USF and 25% BEAD
Deputy Director – Fringe	\$37,020.10	\$37,020.10	\$60,825.61	\$62,650.38	\$64,529.89	\$66,465.79	\$68,459.77	75% USF and 25% BEAD
General Counsel – Salary	\$108,596.00	\$81,447.00	\$111,853.88	\$115,209.50	\$118,665.78	\$122,225.75	\$125,892.53	10% BEAD 90% USF
General Counsel – Fringe	\$62,714.19	\$47,035.64	\$64,595.62	\$66,533.48	\$68,529.49	\$70,585.37	\$72,702.93	10% BEAD 90% USF
Rural Broadband Technical Specialist - Salary	\$68,992.60	\$68,992.60	\$71,062.38	\$73,194.25	\$75,390.08	\$77,651.78	\$79,981.33	50% BEAD 50% USF
Rural Broadband Technical Specialist - Fringe	\$39,843.80	\$39,843.80	\$41,038.52	\$42,269.68	\$43,537.77	\$44,843.90	\$46,189.22	50% BEAD 50% USF
Special Projects Manager – Salary	\$73,320.00	\$73,320.00	\$75,519.60	\$77,785.19	\$80,118.74	\$82,522.31	\$84,997.98	50% USF 50% BEAD
Special Projects Manager – Fringe	\$42,342.30	\$42,342.30	\$43,612.57	\$44,920.95	\$46,268.57	\$47,656.63	\$49,086.33	50% USF 50% BEAD
Admin Services Manager III – Salary	\$73,320.00	\$24,440.00	\$73,320.00	\$75,519.60	\$77,785.19	\$80,118.74	\$82,522.31	100% ARPA AOA
Admin Services Manager III – Fringe	\$42,342.30	\$14,114.10	\$42,342.30	\$43,612.57	\$44,920.95	\$46,268.57	\$47,656.63	100% ARPA AOA
Regulatory Compliance – Salary	\$84,589.40	\$21,147.35	\$84,589.40	\$87,127.08	\$89,740.89	\$92,433.12	\$95,206.11	50% BEAD 50% USF
Regulatory Compliance – Fringe	\$48,850.38	\$12,212.59	\$48,850.38	\$50,315.89	\$51,825.37	\$53,380.13	\$54,981.53	50% BEAD 50% USF
Broadband Project Developer -Salary	\$78,213.20	\$39,106.60	\$80,559.60	\$82,976.38	\$85,465.68	\$88,029.65	\$90,670.54	100% NBRC GRF
Broadband Project Developer -Fringe	\$27,294.28	\$13,647.14	\$46,523.17	\$47,918.86	\$49,356.43	\$50,837.12	\$52,362.23	100% NBRC GRF
Public Outreach Manager - Salary	\$84,589.40	\$14,098.23	\$84,589.40	\$87,127.08	\$89,740.89	\$92,433.12	\$95,206.11	100% NBRC GBVT
Public Outreach Manager - Fringe	\$48,850.38	\$8,141.73	\$48,850.38	\$50,315.89	\$51,825.37	\$53,380.13	\$54,981.53	100% NBRC GBVT
Public Outreach Manager (Temp/PSD) -Salary	\$41,792.96	\$41,792.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	50% USF 50% BEAD
Public Outreach Manager (Temp/PSD) -Fringe	\$3,185.26	\$3,185.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	50% USF 50% BEAD
Grants and Contracts Admin - Salary	\$72,176.00	\$54,132.00	\$74,341.28	\$76,571.52	\$78,868.66	\$81,234.72	\$83,671.77	50% USF 50% BEAD
Grants and Contracts Admin - Fringe	\$24,744.46	\$18,558.35	\$42,932.09	\$44,220.05	\$45,546.65	\$46,913.05	\$48,320.44	50% USF 50% BEAD
Digital Equity Officer-Salary	\$75,160.00	\$8,351.21	\$75,160.80					100 % Digital Equity
Digital Equity Officer-Fringe	\$43,405.00	\$4,822.82	\$43,405.36					100 % Digital Equity
<b>Total Personnel</b>	<b>\$1,454,493.06</b>	<b>\$940,902.84</b>	<b>\$1,523,833.64</b>	<b>\$1,447,425.50</b>	<b>\$1,490,848.27</b>	<b>\$1,535,573.71</b>	<b>\$1,581,640.93</b>	
<b>Total Salary</b>	<b>\$988,889.16</b>	<b>\$654,967.55</b>	<b>\$965,980.12</b>					
<b>Total Fringe</b>	<b>\$465,603.91</b>	<b>\$285,935.29</b>	<b>\$557,853.52</b>					

The biggest drivers are contractual and personnel. Contractual – where the contract is, the budgeted amount, the funding stream so you can see where the money is coming from.

Holly Groschner asked if the total budgeted amount is the total amount or just the amount for this year? Kristin Brynga said the budgeted amount is the total for the contract. Vernonburg contract is split between two sources.

Christine Hallquist said the FCC challenge process is a critical part. The FCC map is missing many addresses in VT. If they're not on the FCC map, we can't fund them.

Holly Groschner asked why are we paying NEKCA more to do outreach when they just got a \$500,000 grant to do that? Christine Hallquist said she will get an answer to that question.

Christine Hallquist said Stone Environmental has done a good job, they maintain our maps, CTC Engineering do the review of the CUD engineering plans.

There is the NBRC funding stream and funding stream from USF, and with proposed legislation going through it will be higher.

Personnel section is projected over five years, but we will have the Board vote on the annual budget. Christine Hallquist reviewed all personnel positions, who is currently in them, and which we're hiring for.

Christine Hallquist will bring the Board quarterly budget reports. Patty Richards said that's a good place to start.

## **7) Staff Updates**

- General VCBB Updates – *Rob Fish* – We are currently hiring for three positions, hopefully we'll have candidates for the next Board meeting. We're working through the FCC challenge process. Most providers are open to compromise, some not. We have won 5316 challenges so far. Each is worth \$3500-\$5000 depending on how much the rest of the country gets. Working with the CUDs as more are in the process of getting ready for construction grants. Engaging with legislature, contractors, and CUDs. Making progress and making it happen.
- Communications & Media – *Herryn Herzog*-All recent media articles are linked on our website in the VCBB In the News section. Julie Raboin from the PSD is working with us on social media and has set up a VCBB Facebook page.

## **8) VCUDA Updates – Rob Vietzke**

Rob Vietzke shared slides to talk about accountability, which are posted with Board materials for the May 8, 2023, meeting. Rob Vietzke thanked Patty Richards for the opportunity to collaborate. CUD leaders have discussed the complexity of accountability. They are mostly aligned that what we all care about is protecting the interests of Vermonters. Rob Vietzke wants to be discreet about problem statements and solve them one by one. He proposed having a series of workshops to work on this.

Holly Groschner thanked him for the slides and said there is work to be done on understanding what the public interest is.

Rob Vietzke gave an update on the make ready issue and said they are having trouble with one of the companies. CUDs are being asked to pay to replace some very old poles. They are talking with the utility to hopefully work with them on that.

**9) Public Comment** – Rob Vietzke commented that Christa Shute is going to send an email weighing in on accountability to the Board and the public.

There were no other public comments.

## **10) Parking Lot – Christine Hallquist**

A number of issues will be included in the next Board meeting after the minutes and recording are reviewed.

Patty Richards changed her item from report to the next step – policies to form.

**11) Confirm Next Regular Meeting 6/12 & Motion to Adjourn**

Patty Richards moved to adjourn, seconded by Dan Nelson, unanimous approval.  
Adjourned at 3:18.

Press inquiries: please contact Heryn Herzog, [heryn.herzog@vermont.gov](mailto:heryn.herzog@vermont.gov) (802) 522-3396.