

Vermont Community Broadband Board Meeting

May 16, 1:00pm – 4:30pm

AGENDA

Meetings are being held virtually.
Join by video <https://bit.ly/3L8LIZs>
Join by Phone; +1 802-828-7667,,389833626#

Note: there may be additional executive sessions as needed

- 1:00 1) Meeting call to order and roll call
- 1:05 2) Approval of the April 25, 2022 draft minutes
- 1:10 3) Eligibility Screening Appeal Review – GoNetSpeed (Otelco), *Maple Broadband, Staff, CTC (invited)*
- Part 1: Presentation by Otelco (15 minutes)
 - Part IA: Possible executive session regarding , if requested
 - Part 2: Presentation by Maple Broadband (15 minutes)
 - Part 2A: Possible executive session, if requested
 - Part 3: Executive Session of the Board, if requested
 - Part 4: Possible presentation by CTC
 - Part 5: Board Review and next steps
- Executive Session: Premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)1)*
- 2:30 4) Construction Grant Review – *Maple Broadband, Staff*
- Executive Session: Premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)1)*
- 3:30 5) Staff updates
- Legislative
 - Legal/Policy
 - Grant Programs
- 3:50 7) VCUDA update
- 4:05 8) Public Input
- 4:20 9) Parking Lot & Upcoming Agenda Items
- 4:30 10) Motion to adjourn

Press inquiries; please contact Rob Fish, Robert.fish@vermont.gov 802-522-2617

Vermont Community Broadband Board Draft Meeting Minutes
Meetings are being held virtually.
April 25th, 2022

I. Call To Order – 12:03pm

Roll call completed by Patty Richards

Patty Richards, Chair (Remote)
Dan Nelson (Remote)
Brian Otley (Remote)
Laura Sibilila (Remote)
Holly Groschner (Remote, joined at 12:05pm)
Christine Hallquist - Staff (Remote)
Robert Fish – Staff (Remote)
Stan Macel – Staff (Remote)
Alissa Matthews – Staff (Remote)

II. Review of Agenda

Patty Richards made a motion to approve the amended agenda. Brian Otley seconded, and the motion was unanimously approved.

III. Approval of Meeting Minutes

The Board discussed the April 11th, 2022 draft Board Meeting minutes. Patty Richards made a motion to approve the minutes. Brian Otley seconded, and the motion was unanimously approved.

IV. GIS Platform Presentation –

VCBB Staff & Stone Environmental presented updates on the status of VCBB's GIS platform. Alissa Matthews provided an overview of the progress that has been made, including:

- over 60 layers of data loaded into the Online GIS Atlas so that we can create maps & dashboards for planning, analysis, and reporting
- published a map of the eligible location data and available funding per town and CUD online for public view
- CUDs were given ESRI accounts to track their broadband construction progress and will be able to interact with the VCBB GIS Atlas and dashboards
- Stone Environmental began hosting webinars for VCUDA and the CUDs to assist in getting everyone set up with their new accounts and to provide training around data sharing and online navigation tips

Nick Floersch & Paige Gebhardt from Stone Environmental presented background on the process of setting up the VCBB Hub and tools and shared some of the challenges the team has faced while trying to set up data transfer and develop definition and reporting standards since CUDs and ISPs are all using different mapping systems, operations management systems, and engineering consultants.

Holly Groschner asked if the team has a sense of the additional cost or the potential lack of reliability of data that comes from having multiple sources overlaid into this integrated system 2

versus having all of the CUDs and grantees using the same system. Nick responded that the team has been looking at that closely and explained that it's the main reasoning behind building an application programming interface (API) to get the data into our system automatically and reduce user error. He added that the larger question right now is how to ensure we share the most up to date data for the CUD's systems to use since some of it is private which complicates the process quite a bit and we know that any point where there's a manual step or somebody has to click something to make it happen that adds a real risk so the team is trying to avoid that through sharing data as services that are consumed by other systems when possible. He continued that once the team works with ADS to adjust the scope it will be easier to compare costs, but everything has been moving fast on the CUD planning side so the GIS team is still evaluating solutions and trying to respond in the most efficient way. Christine Hallquist added that the VCBB had originally allocated two different budget line items for this project but decided overall it would be less expensive to expand the scope of this project with Stone Environmental and staff are anticipating a cost savings compared to what was originally budgeted for. Brian Otley commented that it would have been wonderful to leave the dock with all the CUD's in data conformity to a standard but that ship left the dock long ago and is comforted by having Stone Environmental with their expertise and their track record doing the necessary data aggregation from whatever source it is available rather than trying to make the CUDs go back and adjust the systems they have implemented to plan and manage their projects. Holly and Brian agreed that going forward CUDs should be encouraged to pick up a consistent data plan and consult with Stone Environmental to make sure data structures and tracking are in compliance with the system being set up.

Holly then asked whether the process being developed will allow the VCBB Board to keep track of unchanged baseline data for unserved or underserved addresses to be able to compare availability from a point in time to another point in time to track progress. Nick confirmed that the baseline data will stay the same as a layer and the apps and widgets and templates will be tracking the progress and changes over time.

Dan Nelson emphasized the importance of being forward thinking while setting these standards now in terms of maximizing the analytical capabilities while ensuring anything backwards continues to translate and is hard wired for data flows and expressed excitement for reviewing these metrics in action as construction and service starts. Holly asked if the Public Service Department (PSD) data is integrated into this platform and Christine confirmed that the baseline data starts with the PSD data.

Patty Richards asked how the VCBB Board can best interact with the system and provide input on additional data that might be helpful or that the Board would like to see. Alissa responded that she would facilitate sharing login information to view the maps and data and also will share the spreadsheets of data layers and questions and metrics that the team is working to set up queries, apps and dashboards to track.

V. Construction Grant Review – NEK Broadband

Christine Hallquist introduced the application submitted by NEK Broadband and explained the checklist that the VCBB is using to review proposals.

Patty Richards raised a process concern moving forward to ensure the Board is aware of the amount of materials that need reviewed prior to the Board Meeting. Holly Groschner expressed how important review from Board members with technical expertise will be to consider agreement with the staff assessment and Patty added that everyone will glean different things in each review.

Stan Macel provided the list of criteria that Act 71 §8086 (b) lays out that the Board should give priority to in evaluating grants.

Christa Shute, NEK Broadband's Executive Director, presented an overview of the proposed project and background on NEK Broadband's process and included the following highlights:

- NEK Broadband has 51 member towns consisting of all of the Northeast Kingdom communities plus Wolcott and have a total of 39,735 E911 addresses in the District.
- The District has already constructed 21 miles passing 342 premises and they own or lease up to 170 miles of backbone.
- 44% of the addresses are either unserved or underserved, 1/3 of the statewide addresses that are considered unserved in their district
- They also have some of the least populated counties and the lowest per capita income in those counties with a shrinking population.
- NEK Broadband currently has one full time staff and have hired a Community Relations Manager who is currently part time and will become full time in May and have a part-time grant manager and treasurer.
- NEK Broadband has been working to leverage private resources and working with distribution utilities in the district.
- There are three RDOF award winners in the area that they are hoping to work closely with in assisting in any build out and have tried to accommodate that into their design.
- She described the amount of work over the last quarter on the high-level design including span miles and fiber distribution routes along with the purchase of 1000 miles of fiber and 250 miles of other materials with a 16 week or higher lead time.
- The NEK Broadband Governing Board have passed net neutrality and consumer protection policies.
- NEK Broadband takes affordability extremely seriously and they have already been approved as a provider under the affordable connectivity program and also formed an affordability group with 5 governing board members explore creative opportunities strengthen their business plan by increasing take rates through affordability initiatives.
- In terms of promoting geographic diversity of funds rather than building out a specific area in total NEK Broadband is focusing on building out their backbone and spurs that get to unserved priority addresses identified by the state.

Patty Richards asked Christa to elaborate about the challenges NEK Broadband is experiencing in terms of working with utilities. Christa explained that some of the smaller cooperatives and municipalities are realizing the impact that this is going to have both from the amount of poles that are already out of compliance and therefore are not the CUD's responsibility to replace and the capacity of being able to get the make ready work completed in the time frame necessary with increasingly limited resources available. Patty asked if they had already applied for the make ready and Christa responded that NEK Broadband has applied for 6,000 poles for make-ready so far.

Patty asked about the 1 and 10 Gig performance tiers they will offer and Christa explained that those tiers are waiting until they have more redundancy in place and additional backhaul

capacity. Patty asked if the top tier has added cost to the network and Christa explained that they don't expect it to create added costs but it won't be added unless they have plenty of capacity to allow for it without jeopardizing the speeds of other customers.

Holly Groschner complemented the very comprehensive portrayal of NEK Broadband's construction project. She noted that the take-rate is interesting and asked how they got to the differential for those households with income under \$50k. Christa explained there are numerous factors that their take-rate is based on including the number of premises per mile based on the particular spans, if particular spans in a work packet primarily pass through cable or primarily pass through unserved areas, as well as addressing the affordability issue in a rural area with high-cost of living and 3 of the 4 lowest income averages in the state on a county wide basis.

Dan Nelson asked if the ratio of permanent residence to camp or seasonal residents was determined out of familiarity with the area or if it is based on a tax allocator or something similar. Christa responded that they were based on the E911 premise data.

Christine Hallquist introduced the Fiber Optic Engineer Consultant CTC Technology & Energy and explained that they are providing a 3rd party review of the grant applications and providing a professional overview of the business plans and will also be providing the review of the detailed designs as they are submitted from an engineering standpoint. CTC consultant, Teles Fremin then went over the questions they had posed that required more explanation of confidential business information that would need to be discussed in Executive Session.

Patty Richards made a motion enter into an Executive Session and invited the VCBB Staff, NEK Broadband's Executive Director and Executive Committee Board Members and Teles Fremin from CTC Technology & Energy to discuss confidential details of the NEK Broadband's application, where premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. 313). Holly Groschner seconded, the motion was unanimously approved, and the meeting went into Executive Session at 1:38pm.

The meeting returned to public session at 2:21pm and Patty Richards confirmed that no action was taken in Executive Session.

Christine Hallquist provided a high-level summary of NEK Broadband's project:

Universal Service Plan

- Total Estimated Cost of Universal Service Plan: \$185M
- Total Miles Required: 2760
- Total # of eligible addresses: 15,368
- Public Ownership: Yes

Current Project

- Cost of proposed project (amount of grant): \$15,899,089
- Miles to be constructed: 214.5
- Total # of eligible addresses: 1479
- Total Addresses passed: 2101
- Towns with addresses to be served this phase: Newark, Sutton, Burke, Lyndon, Kirby, Concord, Waterford, Barnet, Wheelock and East Haven

Christine and the VCBB Staff recommended the Board approve NEK Broadband's project as proposed. Holly Groschner made a motion to approve NEK Broadband's request for \$15,899,089. Laura Sibilgia seconded, and the motion was unanimously approved.

The VCBB Board took a break at 2:23pm and reconvened at 2:30pm.

VI. Construction Grant Review – Bolton/WCVT

Christine Hallquist introduced the application submitted by Waitsfield and Champlain Valley Telecom (WCVT) for a \$421,093.69 grant to build out their Universal Service Plan in the Town of Bolton. She mentioned that the request is for 22% of the total project cost, making the cost per address to the taxpayer for 271 addresses about \$1,700 which is relatively low.

Roger Nichi, WCVT's Vice President of Industry Relations, presented an overview of the proposed project for Bolton and included the following highlights:

- The town has committed \$200,000 of ARPA funding in match for the project. We are going to finish building to each and every subscriber this year, we're doing, it in 4 areas.
- The town has committed \$200,000 of ARPA funding in match for the project.
- WCVT will finish building to each and every subscriber this year in 4 main areas.
- There are 271 unserved and underserved customers and WCVT will also build to another 400 that are currently served at 25/3 or more but will get improved service even though they are not in the category that can be funded by the VCBB.
- There's a small portion of Bolton that is part of the Waterbury Exchange that is just slightly over the border into Bolton. There are 4 or 5 CCI customers that are also part of an RDOF Grant and with CCI receiving money and committing to build to those addresses, that did make the towns Universal Service plan a whole.

Laura Sibilgia and Holly Groschner commended WCVT for their effort in using the tools available to pull together a workable project and getting the Town's support.

Holly Groschner asked how WCVT addressed the ACT 71 criteria in terms of any incidental overbuild and whether or not there is an affordability component. Roger responded that there isn't any overbuild because WCVT's plan for now is to replace current customers and lines that go to current customers so there is zero overbuild in this instance. Later, where there is another carrier WCVT will not request funding for the areas where it would be considered an overbuild because the customers are already considered served. He added that in terms of affordability WCVT participated in the EBB program and will be participating in the ACP program to get \$30 to the customers that sign up and are eligible and added that if the customer has voice services they may be able to get approved for the federal lifeline program and some funding out of the state program.

Holly asked for clarity in WCVT's additional business plan information where it references that approximately 54% of the customers are considered unserved or underserved, but under take-rate assumptions the proposal says that 81% of the locations served subscribe to

broadband, Roger explained that WCVT serves 81% of the homes in Bolton, and of those 54% are unserved or underserved based on VCBB eligibility.

Christine Hallquist provided a high-level summary of WCVT's Bolton project:

Plan

- Total Estimated Cost of Universal Service Plan: \$1,918,897
- Total Miles Required: 12.45
- Total # of eligible addresses: 271
- Public Ownership: No

Project

- Cost of proposed project (amount of grant): \$421,093.69
- Miles to be constructed: 8.14 miles aerial, 4.31 buried. 12.45 Total.
- Total # of eligible addresses: 271
- Total Addresses passed: 498
- Towns with addresses to be served this phase: Bolton

Christine and the VCBB Staff recommended the Board approve WCVT's Bolton project as proposed. Laura Sibilia made a motion to approve \$421,093 for WCVT's project in Bolton. Patty Richards seconded, and the motion was unanimously approved.

VII. Staff Updates

- Christine shared that the budget process through the Legislature seems on track and we expect it to be finalized within the next couple weeks and then VCBB staff will make any minor adjustments to the FY23 proposed budget to recommend to the board for approval.
- Staff and VCUDA attended the regional fiber broadband conference last week and after meeting with vendors for field management software that will assist with monitoring and reporting and had several conversations with suppliers that helped Will Anderson and Christine feel more comfortable with their plan for sourcing materials.
- Legislative
 - VCBB staff provided testimony to the Senate Finance Committee in regards to the receivership language in H.738 and the Committee had questions and Legislative Counsel is now working to add in some language to address those questions which staff think will get us to the place we need to be.
 - Staff are closely watching the budget bills, H.738 H.739 and H.740.
 - There are hearings this week on H. 703, the workforce development bill that Christine will hopefully have the opportunity to testify on.
 - Continuing to work on the material default and the signature authority policy
- Rob Fish provided updates on grants & CUDs
 - Shrewsbury became the latest town to join Otter Creek CUD, and there might be a few additional towns joining other CUDs in the next few weeks.
 - The process for the pre-purchase of materials is moving forward with DV Fiber Maple Broadband, and NEK Broadband submitting and getting their requests approved by staff.
 - Maple Broadband submitted an updated application that is ready to be reviewed by the Board and will need the review scheduled.
 - The VCBB received a pre-proposal eligibility screening from Otelco for several of the towns that are also served by the Maple Broadband application. Staff will

review and make a determination and will update the Board accordingly.

Patty Richards suggested waiting to review Maple Broadband's application until the next regularly scheduled Board Meeting on May 9th, 2022.

VIII. VCUDA Update

Will Anderson provided an update for VCUDA. He expressed appreciation for the Board authorizing the NEK Broadband Construction grant and shared that it will encourage the rest of the CUDs in regards to the process. He commented that VCUDA is also appreciative that WCVT's proposal was approved even though they are not a CUD they are close partners for many CUDS and in setting up the consortium for materials.

He shared that DVFiber and CVFiber received their first deliveries of fiber optic cable last week and it seems that invoicing will allow more time than they had anticipated. Additionally, VCUDA is making progress on finding suppliers for many of the materials with long lead times and they hope to solidify plans in the near future.

Along with the fact that things are looking ok for the budget in the State Legislature, Will agreed with Christa that labor will be the next real problem but is encouraged by the work that Christa and Christine have done in relation to workforce development.

Will also noted a discrepancy in the minutes from the last Board meeting in regard to comments that Christa and Will made related to affordability initiatives and requested adding the clarification that VCUDA advocated for and is in strong support of the VCBB Board to specifically attempt to uplift the efforts of the Equal Access to Broadband organization and building its capacity in order to help CUD's provide affordable service to their constituents via subsidies and other programs.

Will responded to prior requests from the Board to consider how VCUDA could scale up marketing across the state and because each CUD is faced with such a different situation and timeline he doesn't have suggestions on an immediate pathway to scale up marketing as much as that might be a cost saving effort and beneficial to the CUDs in terms of the potential to improve take rate and instead suggested the Board explore ways to use EAB's efforts to combine the marketing and affordability efforts across the CUD 's to simultaneously target both those that can and cannot afford access.

Will closed by announcing that he is leaving his current role at VCUDA in mid-May but anticipates staying involved and attempting to be a volunteer for the CUDs and the movement and will be working over the next few weeks on finding a replacement and making sure the association is left in good hands.

IX. Public Input

Public input, yeah, yeah, let me before we get started public input. I just want to make a just want to reiterate the rules for public input before we go into it, which is a you know, we're going to give 3 minutes per per participant. But I also wanted to stand to read read what the what the public meeting law has to say about it.

Yeah, I just wanted to remind everyone that the Vermont statutes say that at an open meeting. The public shall be given reasonable opportunity to express its opinion on matters considered by the public body as long as order is maintained so just wanted to remind everyone of that fact thank you.

Patty Richards confirmed that we will stick to the three-minute limit.

Three members of the public provided input:

- Steve Huffaker expressed concern that the GIS platform has progressed so far and wants to ensure that Maple Broadband is participating as needed and make sure it is clear how MapCom will be applied in the environment in which we're all working right now.
- Irv Thomae reiterated the support from the CUDs perspective for Equal Access to Broadband.
- Christa Shute raised appreciation for the countless volunteers that provide the technical, financial, marketing and other support that supports her work and makes the work of the CUDs manageable and a huge part of being able to bring forth a successful application.

X. Parking Lot Review & Agenda for Next Meeting

Parking Lot Review

Christine Hallquist reviewed the five open topics in the parking lot:

- The VCBB needs to develop policy around signature authority and the policy on whether the Board can hire staff without Legislative or State approval to be proposed at the May 9th, 2022 meeting
- The affordability and digital equity conversation is ongoing
- Stan Macel confirmed he should be able to provide an update at the next Board meeting on the material default policy.
- The GIS Platform presentation took place today and can come off the list

The Board expressed additional appreciation and praise for all of the work it has taken at so many levels to get to this point.

Patty Richards made a motion to adjourn. Laura Sibilgia seconded, the motion was unanimously approved and the meeting was adjourned at 3:50pm.

Memo

To: Vermont Community Broadband Board (“VCBB”) Members
From: Stan Macel, General Counsel
Date: May 12, 2022
Re: Otelco Eligibility Screening Appeal Overview

On May 2, 2022, the VCBB staff denied the Eligibility Screening Pre-Proposal of Otelco, Inc. d/b/a GoNetspeed (“Otelco”) pursuant to the VCBB’s Broadband Construction Grant Program (the “Program”). Otelco has appealed the Staff’s denial to the VCBB Board. At the Open Meeting on May 9, 2022, the Board is scheduled to hear Otelco’s appeal.

Background

Otelco proposed a Universal Service Plan for the towns of Cornwall, Orwell, Shoreham and Whiting. These towns are members of Addison County Communications Union District d/b/a Maple Broadband (the “CUD”). Act 71, § 8086(e) states that

the Board shall not award a grant to an eligible provider who is not a communications union district unless the Board determines that the provider’s universal service plan¹ does not conflict with or undermine the universal service plan of an existing communications union district.

Further, the RFP for the Program states that, if the Applicant has no formal relationship with the Communications Union District, it is the responsibility of the Applicant to convince the Board that a full proposal should be invited.² The RFP also states that Staff shall make the decision whether the Applicant complies with this requirement of Act 71 § 8086(e).

¹ Act 71 defines “**universal service plan**” as “a plan for providing each unserved and underserved location in a communications union district or in a municipality that was not part of a communications union district prior to June 1, 2021 access to broadband service capable of speeds of at least 100 Mbps download and 100 Mbps upload.” 30 V.S.A. 8082(12).

² The RFP provides: An Applicant seeking funding for a project in a Communications Union District should provide the following information at a minimum: 1. Whether the town a) was a member of the Communications Union District as of June 1, 2021; b) became a member of the Communications Union District after June 1, 2021; or c) is not a member of the Communications Union District. 2. An overview of the Applicant’s relationship with the Communications Union District. The Board will consider whether the Applicant replied to RFPs and/or made a substantial attempt to forge a partnership, and any reasons why a partnership was not formed. 3. Why the proposed project will not conflict or undermine the business plan of the Communications Union District. 4. Why it is in the best interest of the State to consider a full proposal. The Staff will advise each CUD of the contents of any proposal to provide service within the CUDs’ municipal borders and will rely on written testimony from each affected CUD regarding the likely impact of the Applicant’s proposal on the CUD’s business plan.

Otelco noted in its Eligibility Screening application that it does not have a formal relationship with the CUD. There is insufficient information from the materials submitted as to whether Otelco made a substantial attempt to forge a partnership, or any reasons why a partnership was not formed. The CUD submitted a letter stating that Otelco's Universal Service Plan would conflict with the CUD's Universal Service Plan, and the CUD's Universal Service Plan would be undermined by Otelco's plan. Thus, the VCBB staff concluded that Otelco did not demonstrate that its universal service plan will not conflict with or undermine the CUD's Universal Service Plan.

Otelco's Appeal to VCBB Board and Next Steps

On May 2, 2022, Otelco notified VCBB Staff that it wishes to appeal the Staff's decision to not permit it to make a full application for the Program. The RFP for the Program notes that a potential Applicant not invited to submit a full proposal because of Section 8086(e) may appeal this determination to the VCBB Board. On May 2, 2022, VCBB Staff notified Otelco and the CUD that the Board will hear Otelco's appeal at the May 9, 2022 Open Meeting.

VCBB staff proposes the following outline of the process:

Part 1: Presentation by Otelco regarding its Eligibility Screening, including its universal service plan (15 minutes)

Part IA: Possible executive session, if requested by Otelco or the Board, to discuss any issues regarding the Eligibility Screening that premature general public knowledge would clearly place the public body or a person involved at a substantial disadvantage.

Part 2: Response from the CUD

Part 2A: Possible executive session, if requested by the CUD or the Board, to discuss any issues regarding the Response that premature general public knowledge would clearly place the public body or a person involved at a substantial disadvantage.

Part 3: Executive Session of the Board, if requested by the Board, to discuss any any issues that premature general public knowledge would clearly place the public body or a person involved at a substantial disadvantage.

Part 4: Possible presentation by CTC, an independent third party retained by the VCBB, to present analysis of data provided by Otelco and/or the CUD regarding the appeal.

Part 5: The Board will decide next steps, which may include:

- requesting additional information from Otelco, the CUD or others
- requesting or requiring additional analysis
- scheduling additional time to discuss the matter with Otelco, the CUD, or others
- adopting additional rules or procedures to assist in making its determination pursuant to Act 71, § 8086(e).



Maple Broadband Construction Grant Request

May 16, 2022

Christine Hallquist, Executive Director

Phone – 802-636-7853

Email – christine.hallquist@vermont.gov

Staff and CTC reviewed materials submitted by Maple Broadband for a Phase One Construction Grant Request for \$9,727,000. We have found the Business Plan and the materials submitted for the application to be complete and comprehensive, including the details of the Universal Service Plan. Additional details can be found in the checklist included in this board packet.

The Maple Broadband Universal Service Plan consists of a publicly owned network that will provide the opportunity for 3020 under and unserved addresses to connect along with a privately owned, WCVT network that will provide the opportunity for 2877 under and unserved addresses to connect. This is a good example of public/private partnership.

The Phase One construction request is only for the Maple Broadband publicly-owned portion of the network. The Business Plan covers three phases of the construction, provides a Universal Service Plan for the entire Maple Broadband CUD, and includes the addresses and coverage areas for WCVT.

A complicating factor to this application is that the VCBB has received a competing application from Otelco. This application will need to be resolved before the Maple Broadband Construction Grant request is considered. The Board attorney, Stan Macel, has provided the Board with guidance on how to proceed with this conflict. The VCBB staff is unable to give a clean recommendation to approve the Phase One Construction Grant until this issue is resolved.

VCBB staff recommends that the Board request Maple Broadband and Otelco attempt to come up with a compromise through a negotiation. VCBB staff would be happy to facilitate and attend a negotiation between Maple Broadband and Otelco, if requested.

ACT 71 Construction Grant Review Sheet – Maple Broadband

SUMMARY SHEET

PLAN

Total Estimated Cost of Universal Service Plan: \$59,200,000

Total Miles Required: ?

Total # of eligible addresses: 5898

PROJECT

Cost of proposed project (amount of grant): \$9,727,000

Miles to be constructed: 200.8

Total # of eligible addresses: 1206

Total Addresses passed: 2074

**Towns with addresses to be served this phase: Shoreham, Orwell,
Whiting, Cornwall, Leicester, Salisbury, Middlebury,**

Public Ownership: Partial

Business Plan

Note: The business plan is a stand-alone document. Do not refer to documents elsewhere.

Is the Plan Act 71 Compliant? (PASS/FAIL)

Does the business plan include a Universal Service Plan? Yes No

Does the business plan include the following?

High-level design plans Yes No Conversion of Existing Network (WCVT area)

Market analysis Yes No N/A Existing ISP

Take-rate assumptions Yes No

Cash flow positive date (as relevant) Yes No Not Applicable

Expected loan payoff date(s) Yes No Not Applicable

Financing models Yes No Not Applicable (fully funded)

Pro forma financial projections Yes No Not applicable
Estimated construction costs Yes No
Ideal operational models Yes No Existing Model

Does the Business Plan evaluate the following risks:

Labor needs and availability Yes No
Supply-chain contingencies for equipment and materials Yes No
Make-ready work Yes No
Additional other relevant capital and operational expenses. Yes No
Contract management including safety/house-keeping Yes No Existing Record

What is expected for a HLD? A high-level design consists of a route map. Addresses passed and interconnection points for backhaul. The HLD should also show the planned phases of construction. We understand that these phases may adjust over time.

High Level Design Route Map

The WCVT owned area does not have a map because WCVT is replacing its copper infrastructure and extending its lines to reach the underserved.

- Proposed Construction Phases
- OLT/Distribution Areas (DA)
- Span Routes
 - o Backbone Route (that can be part of the span route)
- Passings by Type – (underserved or served/ not on grid)
 - o ESite ID, E911 Address, Current level of Service, Phase
- Interconnection Points for Backhaul
 - o Location

What is necessary for the spreadsheet: All addresses in the plan with the current level of service. Must include ESite ID, E911 address, Phase

Overview:

Provided an estimated cost for Universal Service Plan: Yes No
Provided cost breakdown for proposal project within that plan: Yes No
Community Match: Yes No How much? \$335K
Ratio of VCBB funding to other funding (Goal – minimum 60/40 for private) unknown until WCVT plan is available _____
Cost per address to be constructed or upgraded: \$3418 _____
Certification of Acceptance of Conditions: Yes No
Provided list of subcontracts: Yes No Not applicable
Act 71 Compliant Business Plan: Yes No

Universal Service Plan: (PASS/FAIL)

Demographics of community: Yes No

Map showing the phases of the universal service plan: Yes No

Who owns the infrastructure public private This is a mix – WCVT existing footprint will continue to be privately owned

Does the applicant account for all underserved addresses? Yes No

Will they serve them all directly? Yes No This is a mix – WCVT existing footprint will continue to be privately owned

If not, did they include letters of commitment or other supporting materials for the remaining addresses? Yes No

Will all addresses in a community be served via this proposal? Yes No

Are there other funding sources? Town Bonds Applicant contribution

Evidence of Community Engagement and Support? Yes No

Project Description

Narrative and map showing the project proposed for funding. The map should show the route and current level of wireline service at each address (showing cable lines or fiber lines is acceptable) to be served in the phase to be funded with this grant proposal.

Retail Price: _____ \$90 for 100/100 _____ Concerns? None _____

Reasonably detailed budget: Yes No

Plan for monitoring the network: Yes No

Spreadsheet detailing all locations (ESite ID, E911 Address, Current level of Service, Phase (if applicable), and overbuild rationale for any addresses currently served. Yes No (Attachment)

Act 71 Criteria

Evidence of collaboration? Yes No

Steps to address resiliency and ensure redundancy? Yes No

Is the project designed to provide service to unserved and underserved? Incidental overbuild is at or under 20% and the proposal passes the overbuild “tests” - Yes No

Sustainability – If more than a single phase, does the business plan support achieving universal service? Yes No

Affordability – Has the applicant certified it is participating in the Affordable Connectivity Program or the equivalent? Yes No

Technical and Security Approach Yes No

Attachments:

Act 71 Compliant Business Plan Yes No

Letters of Support Yes No (required for nonCUD)

Documentation of Community Match Yes No Not applicable

Response to Service Quality Complaints: Yes No Not applicable

Operating agreements: Yes No Not applicable

Maps, Spreadsheets and High-Level Network Design: Yes No

#	Priority	Item	Date entered	Assigned to	Resolution and date
18	1	Signature Authority of Executive Director	03/28/22	CH	Will present policy to Board on 05/23 meeting
19	1	Policy around hiring staff	03/28/22	CH	Will present policy to Board on 05/23 meeting
20	3	Recommendation for designation of an entity for Digital Equity & Affordability Office	03/28/22	CH	Closed. This is being addressed by the Governor's office per a directive from the NTIA. This falls into the responsibility of the VCBB as a subset of the IJA program.
8	2	Policy on "Material Default" see §8086(c)(2)	11/1/21	board	Closed. Issue has been resolved through legislation.
5	3	VCBB Dashboard – to be shared monthly to show progress. What are the milestones?	11/1/21	CH	Closed. Stone Environmental has presented it's proposal and the software platform meets the needs.
16	1	Provide Board with impact of Commitment letter	02/14/22	CH	Closed with material pre-purchasing proposal.
17	2	Statewide marketing collaboration with VCUDA	02/14/22	CH	Closed. VCUDA is not interested.
15	2	Provide Benchmarks for what telecom companies spend on Marketing	02/14/22	CH	Will research and present back on 3/14/22 Board meeting
1	1	Budget	10/18/21	CH	Completed. 2021 budget approved. 2022 will be presented in March.
2	1	Overbuild – what is the standard (20% of total served?)	11/1/21	CH	Completed. See Construction RFP Definition
3	2	Business Plans – what is the scope? Will they be updated before construction grants?	11/1/21	CH	Completed. The updated business plans will be included in the Construction RFP responses.
6	3	Fiber purchase – VCBB involvement? authorization? Status?	11/1/21	CH	Completed
7	1	Make Ready Construction – policy: part of §8085 grants or not?	11/1/21	board	Policy established. Make ready construction will be part of the construction grant program.

9	2	Revisiting timeline for VCBB – construction RFP & reporting timelines	11/22/21	RF	Completed. Part of the construction RFP. RFP approved by the Board on 01/03/22
10	2	Sequence assumptions for preconstruction and construction & reporting timelines	11/22/21	CH	Completed. Part of the Construction RFP. RFP approved by the Board on 01/03/22
11	2	DPS 2021 Map – Unserved	11/1/21	CH& board (LS)	Completed
12	1	Confidentiality. Grant Agreement Art 5 (state standard). Is the product of a grant a “public document” – e.g. will we post construction plans?	11/1/21	CH/Legal	The RFP and construction schedules will be public.
13	2	USP & contiguous CUD construction-policy	11/22/21	Board LS/HG	Completed. Addressed in the Construction RFP.
14		Legislative Consideration – Purchase of consolidated services/goods	11/29/21		Not needed.