

**Vermont Community Broadband Board Meeting Minutes**  
**Meetings are being held virtually.**  
**June 14<sup>th</sup>, 2022**

**I. Call To Order – 8:05am**

**Roll call completed by Patty Richards**

Patty Richards, Chair (Remote)  
Holly Groschner (Remote, left meeting at 10:18am)  
Brian Otley (Remote, left meeting at 10:30am and rejoined at 11:02am)  
Laura Sibilila (Remote)  
Dan Nelson (Remote, joined at 8:41am)  
Christine Hallquist - Staff (Remote)  
Stan Macel – Staff (Remote)  
Robert Fish – Staff (Remote)  
Alissa Matthews – Staff (Remote)

Patty Richards made a motion to move Board review of negotiations to later in the agenda until Dan Nelson is present. The Board proceeded to start with the review of the FY23 budget and staff updates before returning to the planned agenda.

**I. FY23 Budget Discussion**

Christine Hallquist shared a review of the draft Capital and Operations Budgets for FY23, beginning July 1<sup>st</sup> 2022 through June 30<sup>th</sup>, 2023. Christine highlighted the changes to personnel, based on the need to expand capacity of the VCBB Staff as additional federal funding is acquired. The additional positions were approved by the legislature so that Vermont can access as much of the IJJA funding as possible to have continued funding available for the CUDs following the current round of funds.

She explained the VCBB Staff's most immediate need is for Administrative Services to supplement the financial systems in place and the assistance provided by the Public Service Department and ensure invoices are paid on a reasonable timeline and funds obligated and spent are monitored and reported more efficiently considering the pace and amount of this level of funding. She also explained that Digital Equity Officer will be responsible for managing the new Digital Equity funding, the Rural Broadband Technical Specialist will supplement the efforts of VCUDA and provide additional support to CUDs as the construction projects begin, and the Director of Regulatory Compliance and Risk Management will manage the federal reporting process and ensure the current grant programs and future grant programs align with any new regulations and federal guidelines. Laura Sibilila and Patty Richards emphasized the importance of VCUDA replacing the coordinator position that was recently vacated by Will Anderson. Holly Groschner asked if the VCBB provides supplements to ensure the pay and benefits package is sufficient. Laura Sibilila also mentioned that contract services could be a way to continue the support services role for the CUDs.

Christine then provided an overview of the current consultant contracts and anticipated contracted services that the VCBB plans to bring on to help supplement the team's capacity and provide assistance in specialized areas. Christine also reviewed the Training and Education budget that will cover Staff and CUD attendance at conferences and workshops, and also will contribute to the workforce development programs that are being established to train fiber optic technicians. Christine also noted that Board expenses have been minimal.

Patty Richards made a motion to approve a capital expense budget of \$219,050,000 and an operating expense budget \$3,635,163 for FY23. Holly Groschner seconded, and the motion was unanimously approved.

## **II. Staff Updates**

Christine Hallquist shared the update that the Administration assigned Doug Farnum to lead Vermont's BEAD Program initiatives and VCBB Staff have now been given access to move forward with planning for the BEAD funding opportunities. Rob Fish added that Doug Farnum will be primarily providing high level support with the NTIA. Laura Sibia stated that she would like to ensure the board is apprised of any policy decisions. Patty Richards restated that it would be useful to bring Doug Farnum to participate in a future Board Meeting.

Christine also mentioned that VCBB Staff are concerned about the FCC mapping and challenge process and that Christine is reaching out to other leading states that are working on these political issues to push back against the FCC for favoring the telecom companies. Holly Groschner asked if Christine could write up an overview of our mapping strategy and our approach for using PSD maps along with our own GIS services. Rob Fish followed up that an overview of the upcoming challenge process would also be useful and to include that in our presentation of the plans to address some of these issues. Christine added the need for the strategy of the coalition, our plans for mapping and an overview of the challenge process to the parking lot. Laura Sibia asked that since there are several complicated aspects and the specifics of the federal grant programs are still evolving that the VCBB invite members of the Federal Delegation's Office to the meeting when Doug Farnum is present to go over some of the specifics of these programs and any controversial issues.

## **III. Board Review of Negotiations**

The Board discussed the status of negotiations between Maple Broadband and GoNetspeed (Otelco).

Laura Sibia shared concerns over going into Executive Sessions to discuss the negotiations considering the following Agenda item to review the Appeal Process. Laura stated that she doesn't believe the process being used reflects an accurate interpretation of Act 71's definition of an Appeal and a Universal Service Plan. She shared that the Vermont Legislature was very intentional to not allow for situations like this and that her interpretation is that individual ISP's that are not working with a CUD as part of a Universal Service Plan are simple not eligible to apply for these funds.

Holly Groschner agreed and added that 8086(c)6 suggests that the VCBB might set a policy and standard grant terms and conditions that allow a grant applicant to seek reconsideration of an adverse Board decision, so if any mediation is required the Board must pass it as a policy.

Patty Richards asked that those thoughts get saved for the discussion when the Board addresses item VI on the agenda, the Review and Evaluation of Appeals Process.

Patty Richards made a motion for the Board to go into executive session to discuss the negotiations as 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). Holly Groschner seconded.

Laura asked that the Board hear an overview from Dan Nelson in the open session prior to entering into Executive Session. Holly Groschner clarified that the Board would be hearing the details of the negotiations that could impact grant decisions and not deliberating on the grant decision.

Christine Hallquist introduced the background of the negotiations, that GoNetspeed made some offers that were not accepted by Maple Broadband because they still want to provide service directly in those four towns. Dan Nelson added that there were considerations of different levels of compensation that could help out the balance sheet for the lost territory for the CUD, but FCC rules complicate those options so that was a nonstarter and there's not a lot of flexibility. Holly Groschner asked if it was possible for a private entity to make a tax-deductible donation to a CUD as a municipality non-profit organization. Dan clarified that the idea that was discussed was a contribution on a reoccurring basis and that seemed to be an issue with the SEC rules, but that likely a one-time contribution could be made. Brian Otley asked Dan if he felt there was any area of common ground that could be leveraged into some sort of solution. The Board decided that discussion would need to be discussed in Executive Session. Holly Groschner noted that there is a tension between territories that are served, we have small carrier that is an eligible provider under law, and a gap between what's served and the meaning of a Universal Service Plan. She continued that when we come back to discuss the grant the Board needs to look at whether what is planned will reach 100/100Mbps service, and asked Dan if negotiations focused on how to get the Universal Service Plan objective of 100/100Mbps service part of the discussion. Dan confirmed that the plan from both parties was to use fiber to meet that definition.

After discussion, the Board confirmed that there would be three Executive Sessions and the Board would return to open session in between each session. The motion to enter into Executive Session was unanimously approved.

#### **IV. GoNetspeed (Otelco) Appeal & Negotiations Update**

Patty Richards made a motion for the Board, inviting VCBB Staff and leadership from GoNetspeed to go into executive session as 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). Laura Sibilia seconded, and the motion was unanimously approved.

Patty Richards confirmed that the Board tabled the decision on the GoNetspeed (Otelco) appeal pending additional information and negotiations.

#### **V. Maple Broadband Negotiations Update**

Patty Richards made a motion for the Board, inviting VCBB Staff, the Fiber Optics Engineering consultant from CTC, and leadership from Maple Broadband to go into executive session as 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). Dan Nelson seconded, and the motion was unanimously approved.

Patty Richards confirmed that no actions were taken in the Executive Session.

## **VI. Review and Evaluation of Appeals Process**

The Board decided to postpone the discussion on the review and evaluation of the appeals process.

## **VII. Staff Updates (continued)**

Rob Fish spoke briefly about the applications expected from DVFiber and CVFiber and their plans to begin construction this year. He also noted that there will be additional applications from WCVT for individual towns, and the VCBB is expecting applications from SoVT NWFX, Lamoille, and an amendment request from NEK broadband that will need to be evaluated. He also mentioned that the VCBB has received an Appeal on the decision from VCBB Staff to deny Tilson eligibility to apply that will be addressed later this summer.

Laura Sibia requested that WCVT bring town representatives with them to present new applications. Patty Richards asked if that would apply to Tilson and Laura agreed it should, if it is determined they are eligible to move forward with a full application.

Rob Fish mentioned the importance of scheduling out Board Meetings based on anticipated vacation schedules.

## **VIII. VCBB Board Meeting Schedule for Summer 2022**

The Board discussed the tentative schedule provided in the Board Meeting Packet and decided that there would be working sessions when not all Board Members would be present so that applications can be presented and then decisions can be made on July 11<sup>th</sup>, July 25<sup>th</sup>, August 8<sup>th</sup>.

June 20<sup>th</sup> – canceled

July 1<sup>st</sup> – working session, no decisions made

July 4<sup>th</sup> – canceled

July 11<sup>th</sup> – all Board in attendance, decisions to be made on applications

July 18<sup>th</sup> – hold for working session, no decisions made or cancel

July 25<sup>th</sup> – hold for working session, no decisions made or cancel

August 1<sup>st</sup> – hold for working session, no decisions made or cancel

August 8<sup>th</sup> – all Board in attendance, decisions to be made on applications

August 15<sup>th</sup> – hold for working session, no decisions made or cancel

August 22<sup>nd</sup> – hold for working session, no decisions made or cancel

Rob Fish concluded that a few Special Meetings may need to be scheduled to address everything that we are anticipating coming in from CUDs.

## **IX. VCUDA Update**

F.X. Flinn was not present and no updates were provided from VCUDA.

## **X. Public Comment**

Two members of the public provided input:

- Steve Huffaker spoke on behalf of Maple Broadband and shared that Maple Broadband plans to submit a revised application well before the July 11<sup>th</sup> meeting and would appreciate it being reviewed prior to other new applications that may be submitted.
- Christa Shute shared her perspective to support the discussion around the definition of Universal Service Plan, and prefaced that with the fact that NEK Broadband, from its

founding, has taken a collaborative approach on ensuring member towns have adequate broadband and they have intentionally used the term ensure when working with providers throughout the district and when private providers were willing to make that investment they supported that. She continued by stating that they have followed the path that Act 71 mapped out and asked the Board to consider her interpretation of a Universal Service Plan defined as a plan in the Communications Union district or in a municipality that was not part of the Communications Union District prior to June 1, 2021, and the fact that when NEK Broadband's construction grant was approved and an agreement was signed that NEK made a commitment to that Universal Service Plan. She emphasized the fact that there is a plan in a Communications Union District that has been put forward and so there is a difference to be considered when the Board thinks about this moving forward between what is the purview of the District and what is the statutory purview of the VCBB as it's been laid out by the legislature.

Christa Shute brought an additional item to the attention to the Board and Staff that will be relevant to the CUDs of the question around Davis Bacon and prevailing wage and asked the Board to consider the potential impact and the ways they can work together to assist their contractors by working with the Department of Labor to create prevailing wage documentation that could enable us to use something that is relevant to our market rather than the urban prevailing wages and the very difficult process that exists because the State of Vermont does not have prevailing wages in this area.

## **XI. Approval of Meeting Minutes**

The Board returned to the discussion of the May 23<sup>rd</sup>, 2022 draft Board Meeting minutes. Patty Richards made a motion to approve the minutes. Dan Nelson seconded, Laura Sibilia abstained, Holly Groschner was not present, and the motion was approved by three votes from Patty Richards, Brian Otley and Dan Nelson.

## **XII. Parking Lot**

Christine Hallquist revisited two remaining items in the Parking Lot: Signature Authority of Executive Director and the policy around hiring staff and confirmed that those will be addressed at a future meeting. Christine also noted that additional items added include an invite to Doug Farnum and the Federal Delegation and the VCBB's approach to mapping and strategy for challenging the FCC.

Rob Fish also added that Staff have been interviewing for the Project Developer Position and reviewing responses to the Creative Financing RFP and a decision should be made before the next Board Meeting on both of those.

Patty Richards confirmed the next meeting is July 1<sup>st</sup> but not all of the Board will be in attendance and made a motion to adjourn. Laura Sibilia seconded, the motion was unanimously approved, and the meeting was adjourned at 11:48am.