

Vermont Community Broadband Board Draft Meeting Minutes
Meetings are being held virtually.
July 1st, 2022

I. Call To Order – 12:12pm

Roll call completed by Brian Otley

Brian Otley (Remote)
Holly Groschner (Remote)
Laura Sibiliala (Remote)
Patty Richards, Chair (Absent)
Dan Nelson (Absent)
Christine Hallquist - Staff (Remote)
Stan Macel – Staff (Remote)
Robert Fish – Staff (Remote)
Alissa Matthews – Staff (Remote)

Laura Sibiliala made a motion to approve the agenda, Holly Groschner seconded, and the motion was unanimously approved.

Laura Sibiliala clarified with the rest of the Board Members present that today's presentations from CUDs are informational, and decisions will be reserved for the July 11th meeting.

II. Approval of the June 14, 2022 draft minutes

The Board discussed the June 14th, 2022 draft Board Meeting minutes. Laura Sibiliala made a motion to approve the minutes. Holly Groschner seconded, and the motion was unanimously approved.

III. CVFiber Construction Grant Application Presentation

Jerry Diamantides, Chair of CVFiber presented an overview of their application for phase one which will cover approximately 400 miles and 3000 eligible locations. Jerry provided some background on the CUD, its leadership, the hiring of Jennille Smith, DVFiber's Executive Director, additional plans to hire more staff, along with administrative support from Central Vermont Regional Planning Commission. Jerry also mentioned qualifications of their consultants and contracts with NRTC, Mission Broadband, and KGP, and the value of the professional skills of their volunteers.

Jerry explained that CVFiber have excluded highly served areas to avoid significant overbuild and target the unserved and underserved addresses within the CUD using the ARPA funds.

Holly Groschner asked Jerry to confirm that the project will address the concept of universal service which requires the CUD to have a plan to serve all locations and the map accounts for 100% coverage, if it were to be built out. Jerry clarified that the high-level design map was showing where CVFiber is going to spend ARPA funds, but the design includes the potential for 100% build out to the entire population.

Jerry explained that CVFiber is continuing outreach for town ARPA match funds along with working with NRTC and other partners to seek additional grant funds to ensure affordability of subscription fees. He also mentioned their strong partnership with WCVT, WEC, VELCO, and VCUDA, especially ECFiber and NEK Broadband to share strategies and leverage resources.

Jerry highlighted that CVFiber has already pre-purchased 302 miles of fiber, 400 miles of materials, make-ready for over 2,000 poles, and they completed their entire high-level design, along with detailed design for 5 of their 24 distribution areas that will be constructed by next spring.

Christine Hallquist shared that the staff review found the proposal to be sound, their take-rates are conservative and the cost per passing and cost per customers is about half of the state average.

Brian Otley asked for Jerry to walk through the Universal Service Plan again. Jerry used a donut-hole analogy to describe the areas of Montpelier, Barre, Barre City, and a separate smaller area of Northfield that already have fiber. The design includes capacity to extend into those areas since they are member towns, but construction deployment using ARPA funds will be focused on the unserved and underserved areas first.

Laura Sibilía asked how realistic winter build plans were. Jerry explained that they don't plan to build much in the winter, they will build as long as they can this year and will be able to do installations through the winter. Laura then asked what CVFiber's process for getting commitment with member towns for participation and what have the challenges been. Jerry responded that attendance at Board meetings have been great, but really the surveys they have done are telling of how much interest and need exists for this service. Laura also asked if CVFiber is tracking volunteer time. Jerry confirmed there aren't direct logbooks, but they would be able to provide documentation of how much time has been spent as volunteers if needed.

Laura asked how communications will be managed around outages and if CVFiber has had discussions about those issues with their operator and specifically who will be responsible. Jerry confirmed that their operator's emergency response team would contact with Jerry and Jennille immediately upon an outage and CVFiber would be included in addressing the problems and finding solutions. Jennille Smith added that CVFiber is also designing to prevent outages by adding robust backup generators and they have already started thinking about requirements for a maintenance RFP to be issued to supplement what exists with WCVT because the reliability of the network is very important.

Laura Sibilía noted that CVFiber's application stated that their operator will hold the customer data in confidence and can only use it for the purposes of providing service, and asked if there had been any discussion about what type of entities that would be shared with in terms of providing service and if CVFiber would be notified in the event of any kind of breach of or loss of data. Jerry responded that notices of and responses to breaches is part of their contract and that there's no selling of the customer data or leveraging of customer information and WCVT does that internally for themselves now and CVFiber has been adamant about that same level of confidentiality.

Holly Groschner highlighted how it seems CVFiber is taking on operational roles and asked if that is correct. Jerry explained that there is no intention of it being a turnkey operation, they have an extremely active executive committee, and their Board wants to ensure control of decisions as stewards of this resource. Holly then acknowledged the thoughtfulness CVFiber has brought to scoping the various roles and the commitment of the volunteers and asked if Jerry was still a paid consultant because the activism that it takes to monitor these contracts going forward may not be suitable for volunteer work. Jerry said he was paid when he managed the pole inventories in 2021 but since becoming Chair he has not and disagreed because he feels it depends on the level of oversight and they have consultants designing the network and managing construction, and Jennille, the Executive Director will have direct oversight over all of the contracts. He continued that it really are the procedures that the Board have put in place to keep things moving. Ray Pelletier added that there are no shortcuts to the process and there is intent to hire an operations manager to oversee the contracts with WCVT and ensure performance standards and provide service but they are not running the operation. He added that the statute allows for the officers to be paid, and even though CVFiber's Chairs have not been yet, he

would be in support of it.

Teles Fremin from CTC asked about some discrepancies between the business model and the financial spreadsheet. Jerry explained both are living documents and will continually shift until there are as-builts and a subscriber list. Teles shared that after reviewing the proposal, CTC sent questions and the responses provided by CVFiber answered all of their remaining questions.

Holly Groschner stated that with the clarification on the universal Service Plan, her remaining question would be related to overbuild and may make sense to revisit at the July 11th meeting. Laura Sibia added a question of how CVFiber is addressing the amount of construction activity that's going on in the state right now. David Healy responded that they used the most current data provided by the Public Service Department and they are paying attention to where fiber is being run and have deliberately put some of the distribution areas later in the pipeline. Jerry added that all the designs are field checked and if there is new information there they use it.

Brian Otley confirmed that no Executive Session was needed.

IV. DVFiber Construction Grant Application Presentation

Steven John, Chair of DVFiber introduced the team and provided a brief history of the organization, sharing that David Jones has been consulting as the project manager, they are recruiting an Executive Director, they currently have contracts for professional services from RISI and are relying on Brattleboro Development Credit Corporation for administrative assistance, grants management and accounting.

Steven shared an overview of DVFiber's policies for procurement and financial management and the CUD's priorities of affordability, net neutrality and cyber security, as well as reliability and resiliency. He continued by highlighting Act 71 qualifications including their partnership with GWI and cooperation with Green Mountain Power, Jacksonville Electric, VPPSA, and CCI to accomplish make-ready, and shared their progress to date with a complete high-level design and efforts to build an inventory of fiber and equipment.

Steven confirmed that DVFiber is building to VCBBS established Outside Plant Design Standards to assure capacity and can provide eNNI connectivity to third-party providers to reach any customer location, along with the ability to lease middle mile dark fiber to commercial and carrier customers, when it improved financial sustainability and is beneficial to DVFiber customers.

Steven then shared DVFiber's Act 71 compliant business plan updates including additional towns, broadband availability statistics, and restructured the financial model to reflect planned construction sequence and improve revenue and cost assumptions after incorporating anticipated grant funding.

Steven explained that GWI can average 30 miles per month for construction, so DVFiber hopes to exceed 600 miles of construction over the 24-month project period and will build the backbone first and then the laterals for security and redundancy purposes.

Holly Groschner asked for clarification on the business plan and whether the grant request will carry DVFiber through the 24 months, or how the pieces will all come together. Steven shared that the plan is to connect customers as the construction goes and they anticipate that there's going to be some other funding available through the broadband infrastructure bill. Holly raised concern about the timing and the amount of funding available through IJA, and recognized they hadn't shared any maps that illustrate the complete plan for the District. Steven said they would share

more about the business plan and high-level design maps in Executive Session. Steven also addressed the fact that Winhall and Londonderry are also in Southern Vermont CUD and shared they do have a design to reach those areas but it will come down to who will get there first, and more affordably.

Christine Hallquist commented on the fact that DVFiber needs over \$34 million to complete this plan and only has access to around \$21 million currently and VCBB will work with the CUDs to pace construction but a bridge loan may be necessary based on timing. Rob Fish added that VCBB are also encouraging CUDs to try to access the bond market sooner and will soon have consultants to assist with other creative financing options.

Laura Sibilila asked about what the CUD has discussed in terms of outages and data breaches and communications in response. Steven shared that they have metrics in their Statement of Work to measure and hold GWI accountable regarding operations and customer service. David Jones added that GWI is committed to customer data privacy, and GWI has been a leader in establishing customer data privacy laws in Maine where they are based.

Laura Sibilila reminded the group that there is not the ability to regulate Internet Service Providers and the CUD model and the agreements that the CUD's are making with these operators are really critical in terms of things like privacy, understanding how citizens and customers will become aware that there is an outage, how long the outage might last, or that there has been some sort of loss of data.

Christine Hallquist requested that the Board go into Executive Session to discuss additional details. Holly Groschner made a motion to go into Executive Session, inviting DVFiber leadership and their partners from GWI, CTC and VCBB Staff. Brian Otley seconded, the motion was unanimously approved and the Board entered into Executive Session.

Brian Otley confirmed that no action was made in Executive Session.

V. NEK Broadband Construction Grant Amendment Presentation

Christa Shute presented an overview of NEK Broadband's request for an Act 71 Construction Grant Amendment.

Grant Amendment Request Overview

Construction Grant Allocation: \$30,958,003

Town ARPA Matching Fund Allocation: \$4,953,280

Construction Grant Awarded: \$15,899,089

Grant Amendment Request: \$4,966,800

Additional Miles of Construction: 100

Premises Passed: 877 (634 eligible)

Additional Funding: Town ARPA Funds from 4 towns

Christa explained that the purpose of the amendment was to include the contributions of town ARPA funds from Peacham, Groton, Ryegate, Walden, and supplemental spurs that secures sufficient labor from GMP to address capacity constraints from the smaller utilities, by prioritizing additional areas in GMP territory including portions of Danville, Peacham, Groton,

Waterford, Concord, Lunenburg, Lyndonville, and St. Johnsbury, and will be served off of the backbone being built through Lyndon.

Holly Groschner asked for Christa to confirm whether this is a change to the plan and what the ask is for the amendment. Christa reiterated that the request is for an additional \$5 million in grant funds for the additional mileage and drops in these areas, but the business plan has not changed, just the amount out of their total allocation and priority build during this portion of the project, and the acknowledgement of the additional town ARPA matching funds to supplement builds in those areas. Holly then asked how NEK has dealt with what has seemed like unwillingness from towns to fund spurs and drops where the household may not need assistance. Christa confirmed that their presentation to the towns outlined the build plan, and how the match program can assist in towns getting service faster, and did not focus on the funds contributing to drops but rather contributing to the routes through those towns.

VI. Legal Analysis of Act 71 Issues – Executive Session

VCBB Board decided to move this discussion to the end of the agenda, during item X.

VII. Staff Updates

Christine Hallquist shared that VCBB Staff are going to aggressively pursue the Middle Mile Program from IJA. CTC, with their familiarity of the CUD structure and current projects will be helping to plan for that statewide design and application.

Rob Fish provided an update that two consultants are being considered focused on the creative financing initiative to assist CUDs in accessing additional resources. He also shared that unfortunately the person the VCBB made an offer to for the Broadband Project Developer position has withdrawn from consideration and the team is going back to the drawing board to fill that capacity gap.

Rob also mentioned that Chittenden County is organizing to form a Communications Union District and VCBB Staff have met with and will continue to meet with other towns so they can use the tools at their disposal and prepare for voting in their towns this coming November.

Laura Sibilias asked who is leading the CUD effort in the Chittenden County area and Rob confirmed that the Regional Planning Commission is leading the effort he is assisting in the process.

VIII. VCUDA Update

F.X. Flinn provided an update from VCUDA. He shared that he has been working to reconcile the fiber deliveries and payments and expressed how important enabling that process and making that deal last fall because even with delays in the initial deliveries Vermont is still going to have everything ordered by the end of the year which should put CUDs out in front of other entities just getting started.

He shared that there hasn't been much success in trying to put something together in terms of collective auditing services or collective financial advisor services, one reason being because the CUDs are all at very different stages of maturity and are taking different approaches to how their economic model is going to work.

Laura Sibilias asked FX if the State could do anything to help, referrals from the Treasures Office

or something like that. F.X. responded that he has not pursued that but would be willing to join a call to see what options might be.

F. X. reported that VCUDA is actively looking to hire a new program coordinator and the Board is waiting to hear back from a couple of expressions of interest but is concerned with the amount of capacity needs across the State, VCUDA, and within the CUDs.

IX. Public Comment

There were no comments from the public.

X. Legal Analysis of Act 71 Issues – Executive Session

Brian Otley called the Board into the Executive Session to discuss confidential attorney-client communications made for the purposes of providing professional legal services to the Board (Presentation by General Counsel). 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).

The meeting lost quorum at 4:01pm and the meeting was adjourned.