

**Vermont Community Broadband Board Draft Meeting Minutes**  
**Meetings are being held virtually.**  
**October 3<sup>rd</sup>, 2022**

**I. Call To Order – 12:02pm**

**Roll call completed by Patty Richards**

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

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

**II. Approval of the September 19<sup>th</sup> Draft Minutes**

The Board Packet did not include the September 19<sup>th</sup>, 2022 draft Board Meeting minutes so the item was postponed to the next meeting.

**III. NTIA BEAD Planning, Digital Equity Planning, & Middle Mile Grants Update & Timeline**

Christine Hallquist provided an overview of the status of Vermont's NTIA grant applications and timelines. Staff and CTC finalized the application for the Middle-Mile grant and submitted Friday September 30<sup>th</sup>. The Middle Mile application was a major effort coordinating between the CUDs and private telecom providers for a \$114M statewide network \$67M requested in federal funds matched by a combination of private and public cash and in-kind funding totaling approximately \$47M. Christine shared that regardless of the outcome of the application the VCBB sees the design as a worthwhile effort for all of the partners to continue working towards.

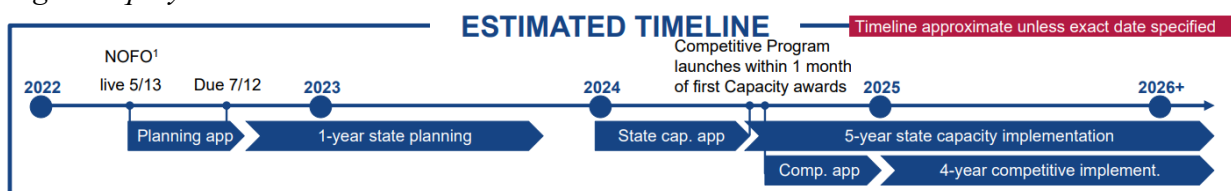
Holly Groschner asked if there are criteria for providers to participate and for elaboration on how the special purpose vehicle will work. Christine responded that more work on the specific terms are needed to be determined over the next few months but the basis is that the resulting network will be managed by a new Special Purpose Vehicle (SPV). Patty Richards asked for further clarification as more details are figured out so everyone can be at the same level of understanding.

Laura Sibia asked who would own the assets if the application is successful. Christine responded that the SPV would own the assets, a separate legal entity with a board made up of members with one member one vote or ownership share for the purpose of constructing, owning, and operating the network composed of the CUDs and private partners providing Indefeasible

Rights of Use (IRUs) to their networks. There are more CUDs than private companies participating, meaning there will be majority public ownership.

Christine shared that the Digital Equity Planning Grant had been announced and the VCBB is still awaiting the official award letter which will start the clock on the 1 year the state has to develop a 5-year plan that will be used to apply for Digital Equity Capacity Grant for program implementation likely to start in 2024. The NTIA will open a competitive program for partners and non-government entities for 4-year implementation projects around that same time.

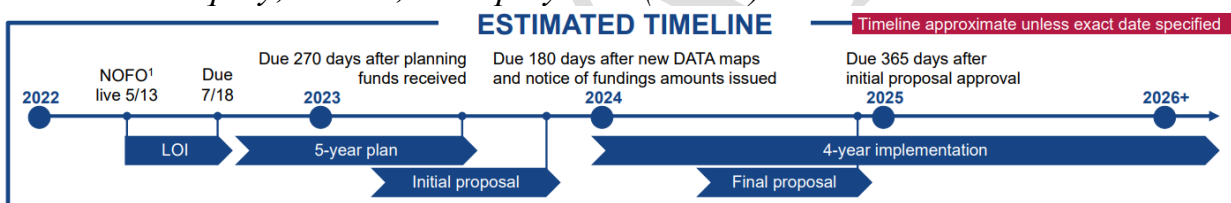
*Digital Equity*



Christine explained that the planning process will be a major public facing statewide effort with cross-sector engagement and will include a detailed analysis of what is holding people back from connectivity that will need to tie into the FCC’s challenge process.

Christine then discussed the status of the infrastructure program which also starts with a 5-year plan once awarded and the VCBB already has a good start based on the 10-year telecommunications plan and all of the planning work the CUDs have been doing.

*Broadband Equity, Access, & Deployment (BEAD)*



Patty Richards asked given all of this additional work what the plan is for getting everything done. Christine explained that there are approved positions that have been a struggle to get in place based on the state’s hiring process and so the VCBB will rely on consultant efforts to get us started and bring additional staff up to speed once those positions are finalized. Holly Groschner asked to see an updated org chart in addition to the budget at the next meeting.

**IV. NEK ReConnect Letter of Support**

Christa Shute shared that NEK Broadband applied for a \$21.5 million ReConnect Round 3 50% grant and 50% loan to serve an area where there are less than 6 people per square mile. That application was rejected but after feedback from USDA-RD Staff, the CUD has been encouraged to reapply during ReConnect’s Round 4 grant period for which applications are due November 2<sup>nd</sup>. One of the necessary items needed is a Letter of Support from the VCBB that confirms there is an allocation of funding available to the NEK to complete the rest of the full project. They will be reapplying for a 100% grant, using a 25% loan from VEDA for the required match. The application window is very short and closes November 2<sup>nd</sup>.

Patty Richards confirmed with Christine Hallquist that all of the numbers contained in the letter

match up to what the VCBB has record of. Patty also asked Christa to update the language from unserved road milage to account for underserved and unserved addresses, and also to spell out the ACP acronym.

Holly Groschner asked if the VCBB Staff had reviewed the priorities of the ReConnect program against those of the VCBB's grant programs to make sure there's no misalignment between the funding obligations. Christine responded that the only difference was the ability to fund RDOF areas, and Christa elaborated that the areas are going to be kept separate and that in the RDOF areas where ReConnect can't fund, NEK will deconflict it or create affiliate agreements dependent on the final negotiations that occur.

Holly Groschner made a motion to authorize the VCBB Chair, Patty Richards, and the VCBB Executive Director, Christine Hallquist, to sign the letter of support for the NEK Broadband ReConnect 4 application as presented with modification to the amount in the final sentence to reflect the final application number, and to reflect the minor edits stated earlier by Patty. Laura Sibilia seconded and the motion was unanimously approved.

## **V. Leverage Local ARPA Match Program Proposal**

Rob Fish shared an overview of the proposed plan that would leverage additional Town ARPA contributions to broadband projects, celebrating the fact that over \$2M in Town ARPA funds have already been committed. He shared that this program would not impact current allocations to CUDs and explained that match funds would come from both re-allocation of unused dollars from towns with no plans by the deadline originally set by the VCBB and from the VCBB Staff seeking additional private and philanthropic funding in order to encourage those with projects moving forward to contribute additional funds.

Rob shared that there are very few areas of the state without a plan at this point, announcing that five towns in Chittenden County are undergoing a business plan right now and are voting to create a new CUD in November to put more areas of the state with some public oversight, TDS has shared plans for their areas in Ludlow and their territory in southern Windsor County, and ECFiber is also interested in areas not served by TDS, other funding has come from NBRC for the town of Fletcher, and then there's scattered areas that still have funding where according to the maps 100% are served by Vtel.

Rob commented that he has shared the proposal with the CUDs and most are in support. He noted that ECFiber has some challenges leveraging the funds since so much of the territory is built out already but mentioned the ARPA funds can also be used to address affordability, not just infrastructure.

Rob reemphasized that the original \$16M that had been set aside for match by September 30<sup>th</sup> had already been allocated back out to the CUDs and that this would be additional funds and making use of some of the ARPA money that potentially won't be used before the federal deadline.

Patty Richards asked if VCBB Staff had reached out to the remaining individual towns to ensure they were aware of the VCBB's programs and the possibility of losing funds if they don't act. Rob confirmed he hasn't yet but agreed to communicate with them to make sure there is clarity around participation.

Laura Sibilgia asked for clarification on her understanding that VCBB allocated and held funding in anticipation for towns to participate in the Act 71 grant programs, and any of those towns that have not joined a CUD or started working with a provider for a universal service plan by a certain date will be reallocated to match funds that are contributed by other towns. She suggested the deadline being pushed to the end of the year or as late as possible.

Holly Groschner asked for further clarification beyond what Laura stated and questioned what the original September 30<sup>th</sup> deadline was, and why that passing doesn't mean the opportunity is done. Rob stated that September 30<sup>th</sup> was the original deadline from the matching program and the program isn't done because more funds are needed and this would be an opportunity to leverage remaining ARPA funds from the towns. Holly asked to see a visual of the whole picture of the money that has been allocated and what portion of the pie that this reallocation and the possible matching funding represents. She also asked what the total amount the VCBB would be looking to set aside for this proposed match program. Rob answered that there was \$2M that had already been contributed we would be looking to match and we expect about \$2.3M in funds to be reallocated and the VCBB would raise an additional \$2M to encourage more town contributions so the total available for the proposed plan would be \$4-\$5M.

Holly Groschner asked the VCBB Staff to make sure that if this program moves forward that there are checks in place and that the use of the matching funds are reviewed by the VCBB. Rob confirmed that we would document how they are spent and make sure they align with Treasury guidelines.

Patty Richards asked how much funding the Board would be reallocated. Rob restated that we would be matching current and future Town ARPA contributions to broadband infrastructure from a reallocation after a deadline has been clearly communicated with those towns, the second source would be private or philanthropic funds raised by the VCBB, and the final option would be to match up to \$2M with BEAD funding, so if a cap was set now it would be \$4.3M. Holly Groschner suggested saying it is up to \$5M based on qualifications.

Patty Richards made a motion for the VCBB to set aside up to \$5M to match Town ARPA funds that are spent on broadband contingent on the 16 towns with unused funds get getting written confirmation or written notice of the opportunity and the deadline for when the funds will be reallocated. Holly added an amendment that the projects are consistent with Act 71 guidelines and then seconded and the amended motion was unanimously approved.

Rob added the clarification that the \$100,000 cap mentioned in the proposal would be looking forward, not applicable to what was already contributed.

Holly asked that the dashboard of what has been awarded be added to the next agenda.

## **VI. Legislation Policy Proposals (initial discussion)**

Christine Hallquist explained that the VCBB Staff have been working closely with the Department of Public Service to come up with a revised budget format for the FY23 budget and the proposed FY24 budget that will be submitted to the Administration according to the state's timeline of October 11<sup>th</sup> and then those will be presented to the Board in November.

Additionally, Rob and Christine asked the Board to provide input in terms of policy

recommendations to address during the next legislative session for VCBB Staff to communicate to the Administration. Christine shared that one of the issues that VCBB Staff have been discussing which have been shared in weekly updates is in relationship to multi-dwelling units and Stan Macel had worked on a policy related to that. Another is to adjust the underserved speed requirements to align with BEAD to 100/20.

Laura Sibilia stated she is uncertain about changing the definition of underserved but also reiterated her concern over the status of the Vermont Universal Service Fund, and encouraged the VCBB to confirm the amount currently allocated to the VCBB and what is needed and to keep an eye on that discussion and communicating the impact of any movement of those funds.

Holly Groschner asked how adjusting the definition of underserved impacts the program and the business plans that the CUDs have been working on and the VCBB has already approved. Rob and Christine clarified that the number will already be adjusting when the new PSD maps coming out this month and that the maps will need to be analyzed more closely but the VCBB would not plan to change the funding allocation. Patty Richards expressed concern that changing the definition would increase the number of addresses the CUDs would need to serve by over 1,000 or 1,300 addresses. Holly expressed concern over changing the standards before we have been able to get a full picture of the level of success based on the original standards and data. Laura asked that if the VCBB wants to address a change in the definition of underserved that Staff come with a clear outline of who it would benefit and how. Rob added that the VCBB would want an official position from VCUDA as well.

Patty recommended if anything gets proposed to the legislature that it's very narrowly defined and straightforward and to focus most of the energy around defending what currently exists.

## **VII. Staff Updates & Parking Lot**

Christine Hallquist noted that updates were mostly covered in other discussion and in the weekly updates to the Board.

Christine reviewed the five items from the parking lot:

- VCBB's approach to mapping and strategy for challenging the FCC - tentative plan to present strategy at future meeting tentatively October 31<sup>st</sup> or possibly November
- Define audit criteria and post award grant reporting and review process for grantees/CUDs - team will finalize plan and share with Board October 17<sup>th</sup>
- Invite to the Federal Delegation to future Board Meeting - tentative plan to attend a future meeting in October
- Host workshop for the CUDs on Uniform Guidance - team will finalize plan and share with Board in November
- Establish policy to address issue of enforceability with any of the partners and the CUDs - team will finalize plan and share with Board on October 31<sup>st</sup>

Holly asked that the discussion on the subsequent overbuild policy be added to the parking lot. Patty added that she would also like to have an organizational meeting in November and would like that added to the parking lot.

## **VIII. VCUDA Update**

Rob Vietzke provided an update for VCUDA. The Association has moved their bi-weekly meeting to Tuesday so that it doesn't conflict with the VCBB meetings. He noted that he will work with the members to formalize an opinion on the underserved definition. He shared that the VCUDA annual meeting would be held in November and they are working on an updated budget and will be interested in how VCUDA and VCBB can collaborate and they will have officer meetings. He also shared that many of the CUDs are starting to make a lot of progress and have been more active on social media. Lastly, he mentioned some growing concern over pole availability and that it is impacting make-ready schedules.

Laura Sibilia made a point to welcome Rob and remind VCUDA that the VCBB is there to support the CUDs and to be sure to communicate needs and shared congratulations on progress.

## **IX. Public Comment**

There were no public comments provided.

## **X. Confirm Next Meeting & Motion to Adjourn**

Patty Richards confirmed the next meeting will be October 17<sup>th</sup> and made a motion to adjourn. Holly Groschner seconded, the motion was unanimously approved, and the meeting was adjourned at 1:41pm.