



Board Packet Executive Summary

October 31, 2022

Christine Hallquist, Executive Director

Phone – 802-636-7853

Email – [christine.hallquist@vermont.gov](mailto:christine.hallquist@vermont.gov)

### **VCBB Welcomes New Staff**

Lucy Rogers is joining the staff as Rural Broadband Technical Assistance Specialist. Lucy served two terms in House, including on House Energy and Technology.

### **CUD Finance Program and Consideration of NEK Broadband Request**

At the October 17 Board meeting, the Board authorized staff to finalize and release the Broadband Financing Program RFP and follow-up with the Board with a one-pager on the criteria and decision-making process. We are including the one-pager, which was posted on the VCBB website as part of the RFP. NEK Broadband immediately responded with a request for the Board to approve. We are including that request in this meeting with a recommendation for the Board to approve.

### **Utility Make-ready**

Make-ready responsiveness and cost from the electric utilities is becoming a major issue for the CUDs. WEC and VEC will be present at the meeting. GMP cannot attend, however I will meet with Mike Burke (operations) prior to the Board meeting and present the GMP position. We will treat this as a panel and give the CUDs and the board an opportunity to get their questions answered. The panel will discuss how they are planning to meet the construction plans of the CUDs.

### **Compliance Review Recommendations**

The PSD has put together a memo to explain its role in ensuring compliance and governance of the CUDs. Kristin Brynga will review the memo with the Board and the CUDs and answer questions.

### **Workforce Development Plan**

The VCBB is planning to release the findings of the Workforce Development Team after briefing the Board on the contents of the plan. The Workforce Development team has been meeting weekly for several months and includes the Executive Directors, as well as some Board Members of seven of the nine CUDs, as well as Vermont State College. We reviewed the plan last week with the Agency of Commerce and Community Development and the Vermont Department of Labor,

who have committed additional resources to help. The plan is included in the Board Packet, and I will present an overview of the plan at the Board meeting.

### **Simplified Business Model**

Staff has developed a simplified business model to enable the evaluation of changes to key parameters, such as grant funding, interest rates, take rates, etc. This model is based on information that has been coming in from CUD business plans. Staff will demonstrate the model and show the impact of making changes to some of the key parameters. This model will be used to help educate legislators, the public, and other relevant parties in terms of financial changes and the related impacts. A link to the full spreadsheet was emailed to Board Members.

Here is an example of one of the scenarios –

<b>Impact of Grants on ARPU (5% interest; 25 year finance)</b>			
	60% funded	\$	87.00
	70% funded	\$	77.00
	80% funded	\$	67.00
	90% funded	\$	56.00
	100% funded	\$	46.00

### **Nov 3rd Board Organizational Meeting – Review of Agenda**

Draft Agenda Proposed by Board Chair was included at the end of the Board Packet.

# Vermont Community Broadband Board Meeting

Monday, October 31<sup>th</sup>, 2022 12:00pm – 4:00pm

## AGENDA

Meeting is being held virtually.

[Click here to join the meeting](#)

Join by Phone; [+1 802-828-7667,,494812198#](#)

*Note: there may be additional executive sessions as needed*

- |       |  |
|-------|--|
| 12:00 | 1) Meeting Call to Order, Roll Call, & Approval of Agenda  |
| 12:05 | 2) Approval of October 17 <sup>th</sup> Meeting Minutes  |
| 12:10 | 3) New Staff Intro   |
| 12:15 | 4) CUD Finance Program and Consideration of NEK Broadband Request Executive Session if necessary (Board, Staff, CTC, WCVT)<br><i>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)</i> |
| 1:00  | 5) Utility Make Ready (Q&A with VEC, WEC)  |
| 1:30  | 6) Compliance Review Recommendations   |
| 1:45  | 7) Workforce Development Plan  |
| 2:15  | 8) Simplified Business Model Review  |
| 2:30  | 8) VCUDA Update  |
| 2:45  | 9) Public Comment  |
| 3:00  | 10) Staff Updates <ul style="list-style-type: none"><li>• Press &amp; Announcements</li><li>• Dashboard Review</li><li>• Parking Lot</li></ul>   |
| 3:30  | 11) Nov 3 <sup>rd</sup> Board Organizational Meeting – Review of Agenda  |
| 4:00  | 12) Confirm Next Regular Meeting November 14 <sup>th</sup> ; Motion to Adjourn   |

Press inquiries; please contact Christine Hallquist, [christine.hallquist@vermont.gov](mailto:christine.hallquist@vermont.gov), 802-636-7853

**Vermont Community Broadband Board Draft Meeting Minutes**  
**Meetings are being held virtually.**  
**October 17<sup>th</sup>, 2022**

**I. Call To Order – 12:05pm**

**Roll call completed by Patty Richards**

Patty Richards, Chair (Remote)  
Laura Sibiliala (Remote)  
Dan Nelson (Remote)  
Brian Otley (Absent)  
Holly Groschner (Absent)  
Christine Hallquist - Staff (Remote)  
Robert Fish – Staff (Remote)  
Alissa Matthews – Staff (Remote)  
Stan Macel – Staff (Remote)  
Adam Bornstein – Staff (Remote)  
Herryn Herzog – Staff (Remote)  
Kristin Brynga – PSD Staff (Remote)

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

**II. Approval of the September 19<sup>th</sup> and October 3<sup>rd</sup> Draft Minutes**

The Board discussed the September 19<sup>th</sup>, 2022 draft Board Meeting minutes. Patty Richards made a motion to approve the minutes. Laura Sibiliala seconded, and the motion was unanimously approved.

The Board discussed the October 3<sup>rd</sup>, 2022 draft Board Meeting minutes. Patty Richards made a motion to approve the minutes. Laura Sibiliala seconded, and the motion was unanimously approved.

**III. Staff Updates**

Christine Hallquist introduced the VCBB's new staff,

- Herryn Herzog will be coordinating the VCBB's communication efforts with a strong reporting and legal background. Herryn shared that she is excited to combine many of her past experiences to lead the VCBB's outreach efforts and provide support to the CUDs.
- Adam Bornstein will be leading the creative financing efforts. Adam shared he is looking forward to assisting CUDs as they blend private and public funding pulling from his international and community finance experience.

Christine Hallquist then reviewed the updated VCBB Org Chart, highlighting the new and upcoming hires and the supervision structure. Laura Sibiliala asked about any positions that have not been discussed yet. Christine confirmed that all of the positions and contracts have been previously shared and approved by the Board.

Alissa Matthews provided a brief summary of the Act 71 Funding Dashboard as of October 2022 and the dashboard that will show construction progress and service availability, and explained that the team is also working on collecting metrics related to progress made using the PreConstruction funds to add to the visualizations. Dan Nelson asked whether it would be possible to show progress over time so that in three years we can look back and show where we were compared to where we are. Alissa confirmed that is something that is set up to track in the maps and added that the GIS team is also thinking through options for visualizing future planned progress while still maintaining the confidentiality of these competitive projects. Patty Richards asked that these dashboards be included in all future Board Packets.

Stan Macel provided an overview of the Insurance-Related Best Practices for Broadband Construction Projects Guidance documents released by the Department of Financial Regulation (DFR) and Agency of Natural Resources (ANR). The DFR's guidance is meant to ensure contractors and subcontractors for broadband projects have the correct insurance coverage, including workers comp, employers' liability, general liability, auto coverage, and to ensure adequate coverage for the entire duration of the projects. He also explained that it encourages broadband service providers to contact the landowners of the projects that they're working on, as well as the Agency of Transportation for any right of way permits that they may need. The ANR guidance suggest that providers should remove waste materials from the work sites. The VCBB will be including these documents with paperwork for any grant recipients in the future.

Patty Richards emphasized the importance of this messaging and that we need to demand contractors follow these best practices in the rollout of broadband to avoid another catastrophe. Christine added that she has been meeting with construction companies in the region to have this discussion as part of the workforce development initiative and she called out the disincentive for safety and cleanup when the industry focuses on piece pay and will report back to the Board when she learns more. Patty reiterated the importance of communication and accountability on this issue.

Christine then reviewed the items on the parking lot, which include:

- VCBB's approach to mapping and strategy for challenging the FCC - tentative plan to present strategy at future meeting tentatively November 14<sup>th</sup>.
- Define audit criteria and post award grant reporting and review process for grantees/CUDs - team will finalize high-level plan and share with Board October 31<sup>st</sup> and then will continue working on more comprehensive audit program to share as we head into 2023.
- Invite to the Federal Delegation to future Board Meeting - tentative plan to attend a future meeting after the elections.
- 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>.
- Finalize subsequent overbuild policy and will present plan on October 31<sup>st</sup> or November 14<sup>th</sup>.
- VCBB Organizational meeting to be scheduled for sometime in November.

#### **IV. WCVT-nonCUD Construction Grant Application (Questions & Decision)**

Christine Hallquist shared that she had completed a deep dive into the plan for WCVT- and then realized there were some discrepancies when reviewing the recommendation with the VCBB's consultants at CTC. After meeting with WCVT everything was cleared up and VCBB Staff recommends awarding funds for WCVT's project.

Roger Nishi, Vice President of Industry Relations at Waitsfield Champlain Valley Telecom (WCVT) presented highlights from the company's first phase proposal to serve addresses in towns that are not members of a CUD. He explained that VCBB staff has been working with WCVT to hold off on finalizing the grant agreement for the project approved at the beginning of the summer to serve the town of Bolton and instead treat all of WCVT's service area that are not members of any CUDs as one Universal Service Plan for efficiency purposes.

The entire Universal Service Plan will cover a total of 7,359 addresses, 3,221 that are under and unserved and will cost \$39,297,060 and WCVT is committed to investing \$26,348,817 with anticipated total grant funding of \$12,948,243 including plans to come back to the Board once BEAD funds are available. The current first phase of the project will cost \$14,232,036. The total grant request is for \$8,348,243, which represents the \$421,094 already committed for the Bolton project and an additional \$7,927,149 matched by WCVT's investment of \$5,883,793. This project application is for the entire town of Charlotte including 239 under and unserved addresses, as well as areas with a high percentage of under and unserved locations in the towns of Fayston, Hinesburg, Huntington, Richmond, St. George, Waitsfield, Warren and will include the previously approved project reaching all 271 under and unserved locations in the town of Bolton, reaching a total of 1,200 under and unserved addresses and building out 245 miles of fiber. WCVT will meet the same set of conditions in their non-CUD towns as they are in their Maple Broadband CUD area that also align with what is being required by Consolidated in the SoVT CUD.

Laura Sibilia asked if any of the towns that WCVT is applying to serve with this project are in any other CUDs or could be in the Chittenden County CUD that is being established. Roger explained that all of the towns that that are part of this request have not joined a CUD and through discussions with them they have expressed that they prefer WCVT building out the network. Laura then asked VCBB Staff which towns are looking to form a new CUD in November. Rob Fish clarified that the towns that are voting in November are Shelburne, South Burlington, Essex Junction, Essex, and Williston, and that there are several other towns that are considering joining once it is initially created, but they are not in WCVT's service area.

Laura then asked for more information about WCVT's plan and what was meant regarding some of the funding going towards addresses that WCVT is not clear on yet and asked Roger to restate that. Roger explained that 1,200 addresses were identified as unserved and underserved in this project area and 690 of those are in towns where the plan is to identify the most underserved areas and where the condition of the existing copper is poor and where WCVT can improve service the most and serve those addresses first. Christine interjected that this is WCVT's 24 month plan and the remaining addresses will be served when WCVT returns for additional funding, likely from BEAD funds, for a second phase of build out.

Laura asked in regards to the requirement of collaboration with a CUD or municipality if WCVT provided letters of support from any of the towns that are a part of the project. Roger confirmed that he had letters from most of the towns, except for Waitsfield and Fayston but that WCVT is working closely with those towns, WCVT's main offices are there and they would have no problem

getting those letters.

Laura asked what public entity would be holding WCVT accountable for building out their entire Universal Service Plan since this is one of the more unique applications in Vermont with no coordination with a CUD. Roger explained that this is a conventional grant and as such, the VCBB would be in close communication with WCVT as they build out these towns and WCVT will not receive payment for a town until construction is complete and verified by VCBB Staff and their consultants. Rob confirmed the grant would be entirely reimbursement based.

Patty Richards asked whether these funds going to WCVT would interfere with the amount of funds available to the CUDs. Rob confirmed that these funds available in these towns were calculated through the same formula used statewide and it would not impact the amount available to each CUD.

Dan Nelson asked for confirmation that none of these towns are in Maple Broadband's CUD, and Roger confirmed they are not. Dan then asked if any of this area is interwoven with previous fiber grants like BTOP. Roger confirmed those areas are considered served and not included in this project design but they were able to leverage small areas of fiber built in the past to reach other underserved areas. Dan also asked about the discrepancy in the total cost per mile and per passing and Christine explained it was a mistake on her part because she did her calculations just using the grant funded portion of the cost per mile and cost per passing.

Laura asked VCBB Staff about the two areas of the state where CUDs were not formed, but that we know one is forming in the Chittenden County area and wanted to understand that VCBB Staff have been considering the fact that the VCBB should not take an action that possibly weakens the development of another CUD and the public accountability that would come with that development. Rob explained that the Chittenden County CUD is forming with the understanding that the towns in WCVT's area are satisfied with WCVT's plan for universal service and not interested in joining a CUD.

Laura Sibia made a motion to approve the grant request contingent upon the submission of letters of support from the towns of Waitsfield and Fayston. Patty requested that the motion be amended to include the total amount of \$8,348,243 and to add the contingency that WCVT meet minimum service quality standards similar to SoVT CUD and those be incorporated into the grant agreement, and then seconded the amended motion.

Patty Richards tabled the motion on the table and made an administrative motion to rescind WCVT's previous \$421,094 grant approval for the town of Bolton so that just one grant agreement will be issued for nonCUD towns to be served by WCVT, Laura Sibia seconded, and the motion was unanimously approved.

Patty Richards returned to the previous motion on the floor and with no further discussion the motion as amended with contingencies was unanimously approved.

## **V. Non-ARPA Funded Grant Programs: Process and Potential Review**

Rob Fish shared the proposal for Broadband Construction Financing RFP, a \$1.5M one-time appropriation from State General Funds that will focus on leveraging the VEDA Broadband Infrastructure Program, other USDA loans, or other innovative financing. The language in the appropriation prohibits the funds to be used for matching funds for grant programs, the funds are intended to be used in situations that require cash equity, limited to \$400,000 per CUD.

Rob explained that the second program would be a Public-Private Partnership Challenge Grant, a \$1.2M program that will be a single award from the VCBB's Northern Borders Regional Commission (NBRC) grant.

Patty Richards asked for more information about how these programs would be administered. Rob highlighted some key requirements from the Broadband Financing RFP that the VCBB Staff drafted, including information on the loan application and the specifics around the need for the funding, along with the terms of the loan and a process to hold the CUDs accountable. Rob explained the Community Broadband Public Private Partnership Challenge is a single competitive grant opportunity for the CUDs from the VCBB's NBRC grant, that staff would administer to help further or remove barriers to the completion of a Universal Service Plan and might allow for some innovative partnerships in terms of actually constructing the networks.

Laura Sibilia stated that she would not advocate for the Board to get involved in the fine details of programs like this but asked that the VCBB Staff increase the high-level communication and provide one-pagers that highlight the source of the funds, the purpose, a timeline, and the criteria that will be used by Staff in making decisions, along with an overview of where the funds are committed once the grants are awarded.

Dan Nelson agreed that it would not be effective for the Board to micromanage these smaller programs but agree with Laura and Patty that an overview would be helpful.

Rob asked for the Board to authorize Staff to finalize and release the Broadband Financing Program RFP, with commitment from Staff to provide the Board a program one-pager and follow up with the Board on the decision-making process.

Laura added more context in reflection on the BEAD (Middle Mile) application which required a tremendous amount of coordination and tremendous amount of partners that she was disappointed that the Board Members were not included as coordinating partners prior to that being submitted in terms of the level of specificity that others partners had.

Laura Sibilia made a motion to authorize the staff to finalize and release the Broadband Financing Program RFP and to follow up with a one-pager for the Board on the criteria and decision making process. Dan Nelson seconded, and the motion passed unanimously.

## **VI. Multi-Dwelling Units Policy Presentation & Discussion**

Stan Macel presented an overview of the obstacles to obtaining broadband service in multi-dwelling units (MDUs), including apartment buildings, condos, trailer park groups, ski units, or any sort of building where there are several residents or a building complex, because it involves the owners, the ISP's, and the residents. He shared that in the past there have been some specific anti-competitive practices that MDU owners enter into with the ISPs, including revenue sharing agreements, exclusive wiring agreements, and exclusive marketing agreements, some at rates above the going market rate, they limit choices for the residents to obtain broadband service, and MDUs often don't have conduit or other infrastructure that allows broadband to be delivered easily to the residents.

He shared ways a few states have addressed the broadband access issue for MDUs based on the common practice for deals made between developers and large ISPs:

Connecticut enacted legislation in 2021 that any ISP would have the same right of access to an



occupied building afforded to any telecom service provider and it also requires new MDU's of three units or more to have minimum infrastructure requirement to support broadband access.

- Illinois enacted a law in 2021 that prohibits interference from an MDU owner with the rights of a resident to receive broadband service, restrictions exist – they can require payment and require coming at certain hours, but they cannot prohibit an ISP from entering into a unit.

Stan explained that these actions from other states give guidance for Vermont to consider in any sort of legislative action that Vermont may want to take. The VCBB Staff recommends that the legislature consider including language around prohibiting anticompetitive activity, ensuring rights of access to MDU use for competing ISPs, and requiring broadband infrastructure to be included in new MDU construction.

Laura Sibilia asked if this is an issue impacting Vermont CUDs. Christine confirmed that yes CUDs have raised this concern. Laura reiterated that it would be great to have presentations like this brought forward by the CUDs themselves, or at least with confirmed full support from all of the CUDs.

A discussion around the difference in opinion on the interpretation of the goals of Act 71 emerged between Staff and the Board and Patty Richards requested the discussion be moved to the organizational meeting to coalesce around a directive of Act 71 that is understood and agreed upon by all.

Patty Richards asked for clarity on the scale of the issue. Stan responded that this is neither a minor nor a major issue but does exist in various areas in different ways.

Patty asked if the situation can work the other way where there is an advantage to tenants where the landlord negotiated to have a reduced rate. Stan confirmed that is possible and the Staff does not recommend getting involved in those situations. Patty and Dan both asked for more information to understand the issues more thoroughly before continuing the discussion. Laura added that it is imperative for legislative requests to have a sense of the plan CUD's have for moving this and other legislative issues forward in the State House.

## **VII. VCUDA Update**

Rob Vietzke provided an update for VCUDA. Rob shared that VCUDA is still working on their annual budget and that there may be opportunities to leverage resources as a group versus doing everything individually and they are trying to decide whether the current model of a minimalist subscription fee is still appropriate or if CUDs want to expand that. He shared that Equal Access to Broadband (EAB) presented to all of the CUDs and they discussed the importance of that to the rest of the work everyone is doing. Rob shared that VCUDA's legislation and policy working group that is exploring a list of items education and policy items where clarification is needed. He reported that there are only a few key legislative issues and the committee will coordinate with the VCBB on those. He also shared that a robust conversation about the timeliness of make-ready, licensing and permitting has evolved in addition to the pole availability issue.

Laura Sibilia encouraged the VCUDA working groups communicate regularly with VCBB Staff on any legislative requests.

### **VIII. Public Comment**

There were no public comments provided.

### **IX. Schedule & Structure of Board Organizational Meeting for November**

Patty Richards explained the intention is for an opportunity to check-in and focus on what is working and not working, frequency of Board Meetings, structural improvements, and the addition of the VCBB's interpretation for 'universal service' and ensuring alignment of VCBB goals with what was intended in Act 71 legislation. She requested it be a concise 2-hour agenda that is mostly administrative housekeeping in nature and there should be a plan to address other goals and policy work at a future Board meeting.

Staff committed to work on a doodle poll to schedule and continue the conversation between Board Members and Staff to help plan out the agenda.

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

Patty Richards confirmed the next meeting will be October 31<sup>st</sup> and made a motion to adjourn. Laura Sabilia seconded, the motion was unanimously approved, and the meeting was adjourned at 2:29pm.

DRAFT



Broadband Financing Program One-pager  
October 31, 2022  
Christine Hallquist, Executive Director  
Phone – 802-636-7853  
Email – [christine.hallquist@vermont.gov](mailto:christine.hallquist@vermont.gov)

In 2020, the General Assembly appropriated \$1,500,000 in General Funds for the purpose of supporting the efforts of the Communications Union Districts (CUDs) to secure the financing necessary to advance broadband projects. (*Sec. B.11100 FY 2021 One-Time General Fund*). VCBB invites proposals from CUDs for state grants of up to \$400,000 to be used as cash equity to secure loans or reduce the cost of securing loans to finance broadband projects.

**Requirements:**

- Applicants must be a CUD or group of CUDs with a board-approved Act 71 compliant business plan for providing every address within its district access to broadband service capable of speeds of at least 100/100Mbps.
- Applicants must be in compliance with all conditions and reporting requirements enumerated in previous grant agreements with the VCBB.
- Applicant must be actively pursuing a specific program to finance for an Act 71 compliant project that requires additional non-federal support.
- Applicants are subject to transparency and reporting requirements including, but not limited to, reporting, tracking, and documentation of incurred costs, and access to records in accordance with the State of Vermont Agency of Administration’s Bulletin No. 5, available at [https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin\\_5\\_eff12-26-14.pdf](https://aoa.vermont.gov/sites/aoa/files/Bulletins/Bulletin_5_eff12-26-14.pdf).

**Decision-making criteria and process:**

- Is the use of this funding source necessary to ensure the financing is obtained?
- Will obtaining this funding lower the cost of financing the network?
- Will this funding allow the Applicant to leverage additional financing?
- Is this the best funding source to pursue at this time? What else was considered?
- Determinations will be made based on need, impact, and the best interests of the State of Vermont.
- Staff may conduct additional research into the applicant and the source of financing before making a decision and/or work with applicants to revise proposals to better achieve the goals of the state.
- Staff will review applications within five business days on a first come, first served basis and award grants until funds are exhausted.



# NEK Broadband Response to VCBB Broadband Financing Program RFP

## **Applicant Information:**

Christa Shute, Executive Director

NEK Community Broadband

PO Box 4012

Saint Johnsbury, 05819

802-793-7077

[director@nekbroadband.org](mailto:director@nekbroadband.org)

UEI: Z5EAK6ESNMF5

Construction Grant Approval Date: 04/25/2022

*Requested amount:* \$400,000

*Deadline for decision:* Prior to October 28th would have been preferred, October 31, 2022 is sufficient. The application deadline for ReConnect 4 is November 2nd. We must have all documentation uploaded to our contractors portal by the end of the day on the 31st. We would respectfully request that you anticipate the VCBB Board approval of this request and draft the award letter to be ready for signature on the 31st so that we can supply proof of commitment as part of our application. The VEDA loan committee is reviewing the loan application on October 28th and providing (assuming approval) a written letter of commitment by the end of the day on the 31st. If permitted by VCBB, I will supply a draft copy of the commitment letter upon receipt.

## **FINANCING INFORMATION**

1. *Name and contact information of the program and/or financial institution the CUD is applying to for financing.*

**Sam Buckley** | (P) 802.828.5605 (M) 802.595.9503

Sr. Commercial Loan Officer | Vermont Economic Development Authority

2. *Total amount of amount to be financed and the terms of the financing.*

\$5 million over 10 years with no payments for three years, capitalization of interest at the start of year 4. Application submitted and in review process by VEDA.

3. *Planned use of funds.*

As non-federal match for USDA ReConnect Loan.

4. *How will this grant reduce the overall cost of borrowing or allow the CUD to leverage an unexpected opportunity?*

NEK Broadband learned that the points it qualifies for under the USDA ReConnect program should be sufficient for the 100% grant (which requires a 25% match) if we can show we have the funds for the project and we can deconflict the RDOF areas. VEDA is processing a loan to us of \$5 million - \$4 million of which is from the Broadband Loan Expansion Program which includes terms such as no interest or principal payments for



five years. We recently learned that we need to spend the \$5 million matching funds first, then we can draw down the grant. Because of this the collateral anticipated in the VCBB loan doesn't actually exist until after the loan has been fully used. Therefore, the \$400,000 equity provides a needed guarantee for the VEDA loan. In addition, after sufficient collateral has been realized in ReConnect for VEDA, then we will be able to leverage the \$400,000 as a match for the remaining USDA ReConnect, or for BEAD, or to pay down the VEDA interest before it capitalizes in year three. Because of the secondary way in which we will be able to use the \$400,000, the \$400k also allows us to borrow less from VEDA. The \$400,000 grant will enable NEK Broadband to borrow only \$5 million from VEDA which enables us to take advantage of an SBIC program lowering our interest rate from an anticipated 6.8% to 4.8% saving \$300,000 in interest over 5 years.

5. *What alternatives were explored and why this financing is the preferred option?*

This financing has no principal or interest payments for three years and the financing is available.

6. *Impact if the financing is not secured.*

A scramble to replace that financing amount for the November 2nd ReConnect 4 \$24 million grant application, which could create a change in interest rates increasing the cost of the project. It could also jeopardize the overall \$24 million application to ReConnect if I am not able to provide proof that we have secured the requisite funds for the complete build.

**Request:** \$400,000 - NEK Broadband is seeking the maximum amount of funds available to a CUD under this request for proposal. that will leverage a \$5 million VEDA loan that will in turn provide almost all remaining non-federal match funds required for a \$24 million grant application to USDA ReConnect 4 due on November 2nd. The project will cover the most rural portion of our district in northern Essex county and eastern Caledonia and eastern Orleans county. The population in the proposed funded service area is less than 5 people per square mile.

**Eligibility:** NEK Broadband is a communications union district with 51 members located in the Northeast Kingdom of Vermont and Wolcott. The VCBB has previously approved the district's universal service plan and Act 71 compliant business plan. The project these funds would support is an Act 71 compliant project that requires support.

**Project:** The funds will serve two purposes. First, the funds will be used as the cash equity to secure a \$5 million loan from VEDA (\$4 million of which is financing through the Broadband Expansion Loan Program). Second, by the second half of the ReConnect build, sufficient infrastructure will be built to fully secure the VEDA loans freeing up the \$400,000 being requested under this RFP to be used toward the remaining \$950,000 in non-federal match funds required to meet the 25% match for the \$24M application to ReConnect.



**Background:** NEK Broadband applied and was rejected for a ReConnect grant/loan combination application in Round 3. USDA representatives indicated that for NEK Broadband to have a viable application in Round 4, the CUD needs to demonstrate the funding support for the project and address the RDOF overlap areas through either deconflicting the areas or an affiliate agreement.

On 10/1 NEK Broadband updated its VEDA loan application requesting \$5 million for a \$20 million ReConnect project. \$20 million project is the maximum that the VEDA loan program will support in order to leverage a 4.8% interest rate instead of a 6.8% rate for the first five years.

On 10/3 the VCBB voted to approve a letter of support sufficiently indicating the commitment toward the grant funds necessary for the non USDA portion of the project.

On 10/13 the NEK Broadband Executive Committee approved the affiliate agreement terms for submission to the FCC and to USDA which met the other requirement of the USDA ReConnect project.

On 10/16 the design and budget for the total ReConnect project was completed for a total of nearly \$24 million. That means that NEK Broadband needs to secure nearly an additional \$1 million in non-federal matching grant funds. The \$400k in addition to serving as equity will be able to be used later in the project as matching funds for the grant. NEK Broadband will also leverage the funds from the town of Holland of \$123,833. The remaining \$386,905 in non-federal match will either be supplied by a letter of credit or a loan from Community National Bank.

**Project Prioritization:** We believe this project epitomizes the intention of the legislature in 2020 in the Sec. B.1100 one-time general fund appropriation.

- (A) *Necessity of the Financing:* The money is needed as equity for a \$5 million loan from VEDA, most of which is with the Broadband Loan Expansion program and then as critical non-federal match in our \$24M grant application to USDA ReConnect 4.
- (B) *Ability of the Funds to Lower Overall Borrowing Costs:* The funds will lower our cost of borrowing because it will enable us to stay inside the \$20M max project for VEDA for which they can supply the \$5 million in match. This means an anticipated reduction from 6.8% to 4.8%. Over 5 years on a \$5 million loan this is a savings in interest of \$300,000. Being able to reuse the \$400,000 later will prevent borrowing of an additional \$400k resulting in further savings.
- (C) *Funds Leveraged:* The \$400,000 leverages \$5 million in VEDA loans which in turn leverages nearly \$18 million in USDA ReConnect grant funds.

Respectfully submitted,  
Christa Shute

A handwritten signature in blue ink that reads "Christa Shute".

Executive Director  
NEK Broadband

Oct 25, 2022

# Memo

**To:** Vermont Community Broadband Board

**From:** Kristin Brynga, PSD Contracts and Grants Administrator

**Date:** October 27, 2022

**Re:** Regulatory Compliance and Governance Review Recommendation for VCBB Grantees

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The Department's Granting Plan requires a combination of desk and on-site monitoring for high-risk grantees. It is recommended that all high-risk grantees have a review performed as soon as practicable once significant grant agreements have been fully executed, pursuant to PSD staff availability. The reviews for any grantees not deemed high risk will be at the discretion of PSD/VCBB once the number of low and moderate risk grantees is known. The most current risk assessments for each grantee will be used to determine review timing and necessity. Once an initial review has been conducted it is recommended that an annual attestation be required for each grantee to ensure any changes to documents or procedures that have been previously reviewed are identified so that additional follow-up can be done if deemed necessary.

The review framework will be developed by Kristin Brynga, PSD Contracts and Grants Administrator, with collaboration from other PSD staff, VCBB staff, Department of Finance & Management staff and insight from other existing State of Vermont agency audit teams (i.e AOT, AHS, etc) as deemed necessary. Kristin Brynga is a Vermont licensed Certified Public Accountant with over ten years of regulatory compliance and financial auditing experience with the State of Vermont. The proposed review framework will be conducted for regulatory compliance and governance purposes only.

Procedures typically conducted as part of a financial audit are outside of the scope of the proposed review. The noted financial audits will be conducted as applicable for each grantee by an outside audit firm annually once each grantee is deemed operational and these audits will be relied upon by PSD with follow-up on any noted deficiencies as necessary. Additionally, all grantees are required to have a Single Audit performed by an outside audit firm once Federal grant expenditures have exceeded \$750,000. A single audit is more comprehensive than a standard financial audit and includes additional procedures within its scope to evaluate internal control processes related to compliance with federal grant requirements.

Some of the areas of focus for the proposed Regulatory Compliance and Governance Reviews conducted by PSD may include but are not limited to:

- Compliance with Title 30, Chapter 082: Communication Union Districts
  - Examples of procedures to perform could include:
    - Review of governing board composition and competency
    - Review of governing board meeting minutes
    - Review of bylaws
    - Interviews with a selected delegates
- Compliance with 2 CFR 200: Uniform Administrative Requirements
  - Examples of procedures to perform could include:
    - Review of Conflict of Interest Policies
    - Review of Procurement Policies
    - Review of Cost Allocation Methodology
    - Internal control process review

Overall, the Regulatory Compliance and Governance Reviews will ensure that adequate transparency, accountability and oversight are maintained over the grants awarded to facilitate broadband infrastructure construction.

# Meeting the Broadband Workforce Challenge



VERMONT COMMUNITY BROADBAND BOARD



## 1. Executive Summary

The Vermont Legislature recognized the importance of broadband access for all Vermonters prior to the COVID crisis. It became clear that due to the low density of rural Vermont, there simply will not be a business case to enable the existing private telecommunications providers to connect these rural addresses. In 2015, the Vermont Legislature authorized the formation of Communications Union Districts (CUD), enabling two or more towns to join together to provide communication infrastructure to residents. Much like a water and sewer or solid waste district, CUDs allow towns to aggregate demand for a service and find efficiency by sharing the operation of the district. The enabling legislation allows communities to aggregate their demand resulting in a better business case.

When COVID hit in early 2020, schools were closed, and many businesses went virtual. This resulted in a crisis for rural Vermonters. Lacking connectivity, Vermonters were forced to sit in their cars outside schools and libraries to continue their education and work. These Vermonters were not able to participate in social activities, the economy, education, or the healthcare system. Unemployment and school delinquencies soared, and educational performance sagged.

Recognizing this crisis during the 2020 session, The Temporary Broadband Subsidy Program was established. This provides eligible Vermont households with a credit to assist with internet service subscriptions. Residents who suffered an economic hardship due to COVID-19 and require high-speed internet services for a qualifying need may receive a temporary credit of up to \$40 per month toward an internet service subscription. The legislature also set aside \$17 million to extend broadband infrastructure using this federal CARES money.

In the 2021 session, Vermont established the Vermont Community Broadband Board (VCBB) under Act 71 and allocated \$150 million toward getting under and unserved Vermonters connected. Act 71 strives to provide universal high-speed, affordable fiber-optic broadband to all unserved and underserved areas of the state. The legislation created the VCBB to oversee this work and disperse grants to regional Communications Union Districts (CUDs) to build-out broadband infrastructure throughout the state over the next several years. Act 71 stipulates that any funds must be committed to networks that are capable of synchronous 100 Mbps, which only a fiber optic infrastructure can do.

Meanwhile, the Infrastructure Investment and Jobs Act (IIJA), enacted by the 117th United States Congress and signed into law by President Joe Biden on November 15, 2021, committed \$62.5 billion toward building broadband infrastructure through the Broadband Equity Access and Deployment (BEAD) program administered through the National Information and Information Administration (NTIA). This program provides Vermont with a minimum of \$100 million in additional funds. In the 2022 session, Vermont committed an additional \$95 million to the VCBB for construction of broadband networks. The total funding of \$345 million is projected to be adequate to provide up to 60% of the funds necessary to enable the CUDs to build business plans to get all Vermonters connected to reliable, high-speed broadband. Making the most of this historic funding will require an unprecedented number of telecommunications workers.

Even before COVID, Vermont was experiencing worker shortages. The fact that turnover in the fiber construction industry is high adds to the challenge. According to the 2021 Bureau of Labor Statistics, average turnover for construction was 56.9% and utilities was 54.9%. With the large influx of infrastructure funds, the demand for skilled labor will severely exacerbate the existing problem.

In response to this challenge, the Vermont Community Broadband Board had developed this Workforce Development Plan that outlines the framework and roadmap to address six major areas –

- [Increase industry awareness and involvement in the opportunity created by these programs](#)
- [Adequate capacity of education and training programs to develop the talent pipeline](#)
- [Promote, target and recruit participants in Vermont](#)

- [Support for the industry to create sustainable employment opportunities](#)
- [A roadmap of career possibilities for participants in the Workforce Development Programs](#)

## 2. Introduction

Vermont currently has nine Communication Union Districts. Currently there are 208 of Vermont's 252 towns that are members of CUDs. Greater than 92% of Vermont's under and unserved addresses are served by a CUD. Six towns are voting to join a tenth district that will serve Chittenden County. As of this writing, close to \$100 million has been allocated to CUDs and towns to develop designs and plans. Construction has started in some of the CUDs.

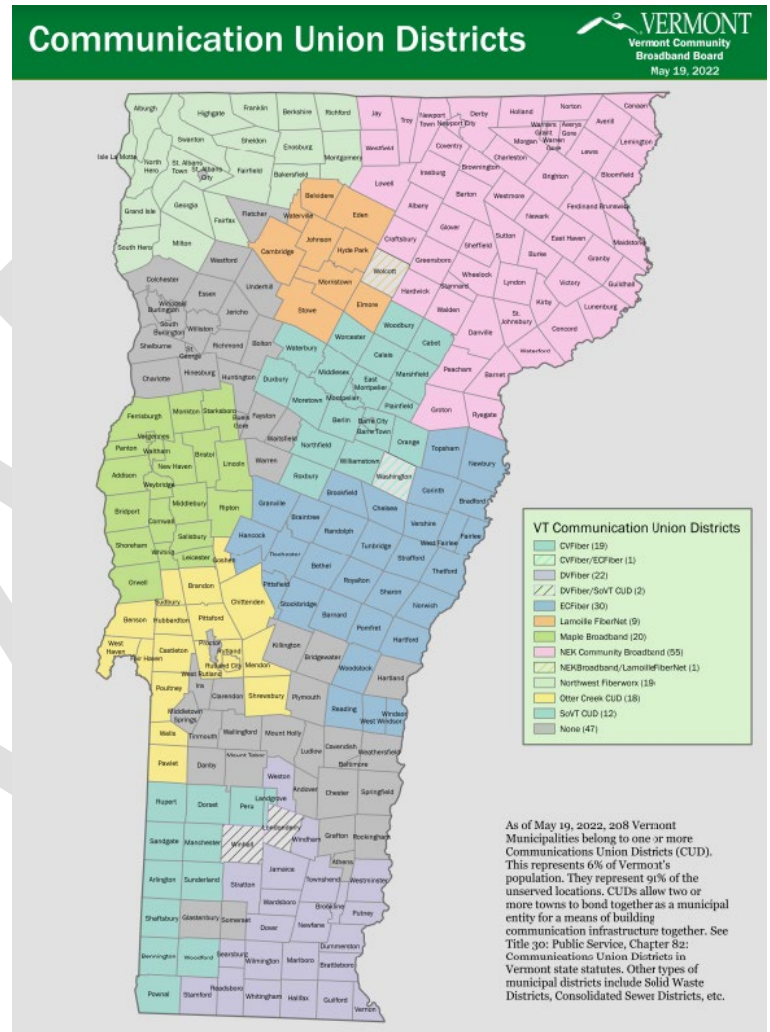
The VCBB, working with the Vermont Department of Labor, surveyed telecommunications companies in December 2021. The results of those surveys showed that companies were not aware of the amount of construction that Vermont was planning, nor were these companies prepared for the increased demand that would be placed on their workforce. The exception was Consolidated Communications, who already had 30 unfilled openings.

The VCBB then reached out to the Communications Workers of America (CWA). While the CWA did not offer any Vermont-specific programs, they did offer to help recruit qualified technicians who may be willing to re-enter the workforce. The CWA also offered help in developing and recruiting for training programs.

The VCBB and NEK Broadband Communications Union district began working with Vermont Technical College to develop a training program for existing telecommunication workers. This was well attended, with a total of 35 participants in three classes. However, this training was for existing workers and did not add to the workforce.

Recognizing the challenge, the 2022 Vermont Legislature provided grant funding to the Vermont Department of Labor and Vermont Technical College to develop and implement a Fiber Optic Broadband Apprenticeship program.<sup>1</sup> Leadership on the grant is provided by Vermont Technical College, who is working with the Fiber Broadband Association and the Vermont Community Broadband Board.

The VCBB has allocated additional funds for training and incentives. Building a workforce that will ensure closing the digital divide as quickly as possible, along with meeting the required milestones of the federal grants is a top priority.



<sup>1</sup> Attachment A to this document - VTC Broadband Apprenticeship and Scope of Work

These programs offer an opportunity to create long-term economic stability and new career paths for struggling Vermonters. With the tight labor market, we need every able-bodied person to be in the workforce. In each aspect of the program, the VCBB Workforce Development Team will consider how to support a more inclusive and diverse workforce. Workforce programs that build coordination of service and support delivery will proactively mitigate barriers that limit workforce participation, such as physical, financial and child-care.

### 3. The Challenge

The state of Vermont, through [Act 71](#), signed into law on June 8, 2021, set a goal and provided funding to get every Vermont address connected to reliable broadband. In this Act, the definition of broadband is 100 Mbps synchronous. This will require the construction of an approximately 8,000-mile fiber optic network over a five year period. This will create additional demand for over 200<sup>2</sup> fiber optic technicians, as well as interrelated jobs, such as tree-trimmers to prepare rights-of-way as well as electric utility lineworkers to perform the make-ready work that is necessary to enable the fiber optic cable to be placed on the utility poles.

The state of Vermont currently has challenges finding qualified employees in all sectors of the economy. Today, [Vermont's unemployment rate is 2.1%](#), which puts Vermont in the lowest five states for unemployment (top five for employment). The COVID pandemic exacerbated a worker shortage that already existed in the telecommunications industry. Even without the new construction to meet the requirements of Act 71, there are many openings for fiber optic workers.

The telecommunications industry also suffers from high turnover. The average for 2021 was 54.6%<sup>3</sup>. This means that a company will have to train and hire two people for every opening. Broadband infrastructure talent often moves to more lucrative positions in the electric utility industry and related subcontracting because those industries offer a higher rate of pay. Often employees will move to other companies within the industry to obtain higher wage rates. In some cases, subcontractors require the companies they are contracting with to sign non-compete clauses. The Communication Union Districts and the VCBB will not allow non-compete clauses. The VCBB would like to see a greater focus on the quality of their work environment and not rely on anti-competitive restrictions.



<sup>2</sup> An overhead crew of four can construct 2,000 feet per day roadside; 1,000 feet per day cross-country. An underground crew of three can pull 2,400 feet of fiber per day. An excavator with one operator can dig 1,250 feet of trench per day.

<sup>3</sup> US Bureau of Labor statistics - <https://www.bls.gov/data/>

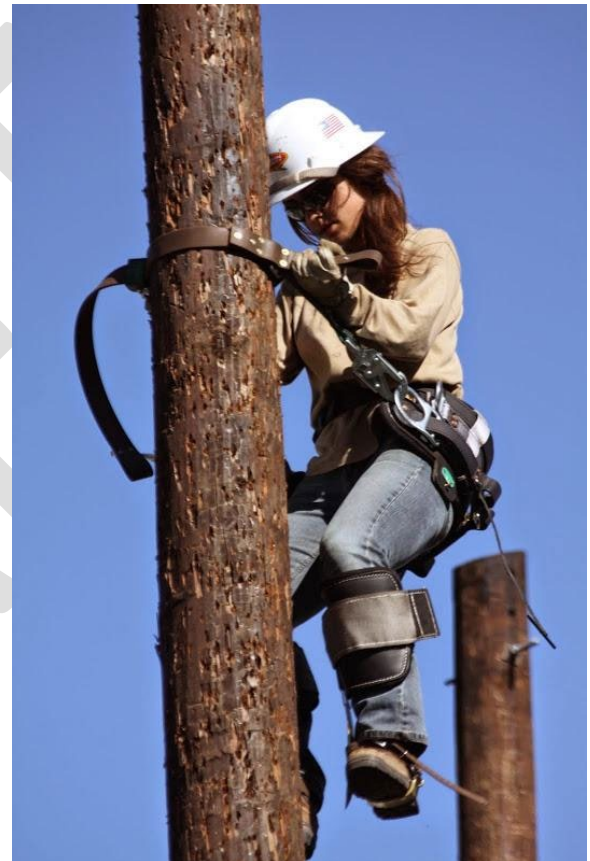
#### 4. Background

Upon formation in August 2021, the VCBB began working with NEK Broadband, the largest CUD to evaluate the workforce requirements to meet Vermont's goal to get every address served by high speed reliable broadband. The Vermont Legislature required that any construction that is supported by grant programs be a minimum of 100 Mbps synchronous bandwidth which meant that this could only be accomplished through a fiber optic network. In order to meet the goals, it would require 1,800 miles of additional fiber construction per year for a period of five years. With pre-existing 30 openings for fiber technicians in the largest telecom provider, it was clear that the human resources needed to carry out the goals were not available.

A Workforce Survey was conducted with the Vermont Department of Labor in December 2021.<sup>4</sup> The survey results indicated that the industry believed they had adequate capacity. The telecommunications industry was largely unaware of the tsunami of broadband funding that was coming. The survey also showed that there is not an industry focus on retention. The industry has been very competitive and keeping labor costs low is a key strategy. In some cases pay structures focused solely on the number of feet that can be constructed in a day. This narrow focus on production did not consider other factors that should be included in workforce planning and performance measures, such as quality of work as well as the fact that there is a lot of variability in how much fiber can be pulled in a day. For example, mountainous terrain is much slower than open farmland. This also did not consider the importance of safety practices and employee development. The survey covered companies throughout New England, as well as New York State. This region is where Vermont will be competing for the resources needed to construct the fiber-to-the-premise network.

The VCBB and NEK Broadband immediately started working with the Vermont Technical College<sup>5</sup>, which set up a fiber technician program to train existing telecommunication workers on how to splice fiber and started delivering those courses. The VCBB Workforce Development program then expanded to include other Communication Union Districts to engage with stakeholders across the region to communicate plans and needs, as well as to determine how to meet the construction timelines. Those stakeholders include:

- telecommunication providers
- construction companies,
- industry associations,
- trade groups (including the Fiber Broadband Association),
- rural cooperatives,
- municipal associations,
- vocational non-profits,
- the Communication Workers of America,
- the International Brotherhood of Electrical Workers and



<sup>4</sup> See attachment B - Act 71 Sec 16 Workforce Report

<sup>5</sup> Vermont Tech is merging with Castleton University and Northern Vermont University in July 2023 to become Vermont State University.

- Building the Network with Vermont’s Career Technical Education<sup>6</sup> centers. Process oversight will be provided by representatives from the Communication Union Districts, the Vermont Department of Labor and Vermont Technical College.

The goals of this effort include:

- Facilitate the establishment and scaling of education and training programs,
- focus on local residents,
- provide Vermonters with opportunities for better-paying jobs,
- provide job and career opportunities for the marginally employed,
- create career paths, and
- improve employee retention.

## 5. Program Elements

### a. Building the Network

Creating the appropriate training and apprenticeship programs to ensure that the workforce is in place to meet Vermont’s fiber network construction goals will require cooperation between the program funders, designers, deliverers and employers. Even prior to the COVID crisis, employers recognized that they had a serious problem with recruitment and retention. Addressing the labor shortages will require active involvement and flexibility from everyone involved. In today’s tight labor market there are a number of key challenges that will require solutions. Those include:

- Lack of standards regarding industry credentialing* - This lack of standardization has led to workers with very specific skill sets. This leads to problems in designing broader and more effective programs as well as limiting the flexibility to move workers around to meet the challenges of scheduling. For example, there are four different accreditations in the industry for fiber splicers:
  - ETA Fiber Optics Technician-Outside Plant (FOT-OSP) Certification
  - BICSI Continuing Education Credits
  - Light Brigade Certificate of Completion
  - Fiber Optic Association accreditation

The VCBB Workforce Development Team will work with the stakeholders to develop a training and certification program that meets all the requirements of the different certifications. This provides both the workers and the employers with greater flexibility.

- Lack of employer-based apprenticeship programs* - The telecommunications industry has not embraced the need for and importance of investing in apprenticeship programs and cross-training. Production quotas and piece rate pay discourage companies and employees from putting effort into developing new employees. The material supply chain problems that have resulted from COVID have exacerbated the problem due to the fact that workers have a narrow scope of skills. For example, outside plant technicians do not cross-train to do customer premise installations. Therefore, the imbalance of work skills combined with the material shortages leads to delays in construction timelines. The construction industry has recognized this problem and has introduced legislation to Congress ([S.3768](#)) to create additional programs in that industry. The VCBB Workforce Development Team is working with the Communication Workers of

<sup>6</sup> Career technical education is provided statewide through 15 service regions. Each service region is served by a technical center(s) and/or comprehensive high school(s). School districts and independent high schools are assigned to a technical education service region.

America, the Fiber Broadband Association and industry stakeholders to create more apprenticeship programs and opportunities.

iii. *Addressing the entire human resource supply chain* - there are many key jobs along the construction timeline, any shortage can impact the delivery schedule. The Workforce Development Team will address those needs, which include:

- Staking engineers and technicians - including field verification of design, filing make-ready applications and participating in make-ready ride-outs.
- Make-ready line workers - these are the First-Class Line workers that will prepare the poles and related infrastructure for fiber construction. These line workers require training and a four-year apprenticeship program to be able to work in the high-voltage electrical space.
- Outside Fiber Technicians - These are the people who will be stringing and splicing the fiber. These employees need to be able to work from heights as well as be trained in bucket rescue.
- Inside Fiber Technicians. - These are the people who will be providing the drops and connecting the premise, including commissioning the customer.
- Heavy equipment operators - The people who will run the equipment to build and bury the conduit
- Customer support technicians - Provide customers with support and problem-solving
- Customer care representatives - Provide billing and account support
- Trainers, including train-the-trainer programs for retired experts in the field

iv. *Work with employers to improve recruitment retention* - The VCBB Workforce Development team will work with employers to identify best practices for reducing turnover in the workforce as well as how to attract new employees. The competition for workers is intense and retention cannot rely on pay alone. The data shows that the telecommunications industry is hiring two employees for every one that becomes productive. The first step in this process is to help identify what the cost of turnover is for the regional companies. With these costs known, the VCBB Workforce Development team can then work with the companies to develop budgets and plans for how to effectively recruit new employees as well as measure and improve retention rates. Strategies include:

- Supervisory and management training
- Individual employee career paths to match personal goals
- Pay structures that enhance collaboration
- Apprenticeship programs
- Measuring and improving workplace culture



b. *Connect with Employers* - The VCBB Workforce Development Team will reach out to a list of companies that provide construction and maintenance services to Vermont telecommunication companies. These are companies

that are in Greater New England and New York State. The goal of this outreach is to obtain information about the following:

- Existing workforce openings
- Turnover rates
- Future workforce needs
- Training and apprenticeship programs
- Interest level - participation agreements
- Career paths
- Individual transition plans - from recruitment to training to employment
- How to make it easier for the smaller employers - how get trainees totally ready for the work so as not totake away from existing productivity within a company
- Strategies to reduce risk and liability
- Strategies to create more human resources. Those include:
  - a. prison programs,
  - b. attracting workers from out of state,
  - c. immigration - support for work visas - proof of need (such as demonstrating lack of availability - data),
  - d. centralized resource for sourcing workers, and
  - e. housing support

The outreach will include the following organizations:

- Eustis Cable
- Crossbow Communications
- Consolidated Communications
- Waitsfield Champlain Valley Telecom
- GWI/ValleyNet
- Engineers Construction Incorporated
- construction companies in surrounding states such as Sertek, Level Eight, Syracuse Utilities, and others)

c. *Pay-it-Forward* - The Vermont Community Broadband Board is exploring the feasibility of a “Pay-It-Forward” fund to meet Vermont’s broadband workforce needs.

The Pay-It Forward program would seek to grow the broadband workforce with Career Impact Bonds, a student-friendly financing model that relies on investors to provide catalytic capital that covers upfront training costs and critical support services for learners that is then repaid after job placement through four phases by:

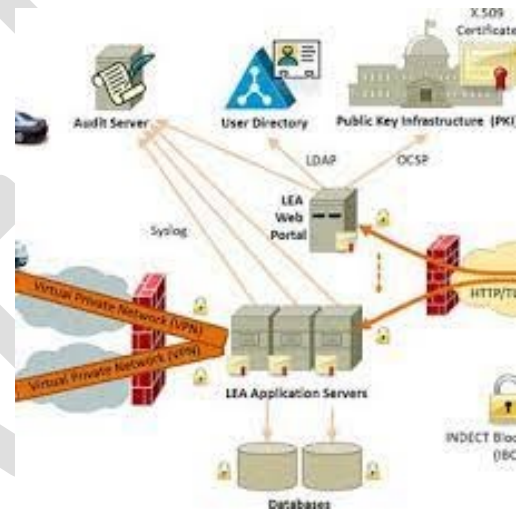
- i. Focusing on recruitment of economically underserved individuals and communities to increase awareness of available, high-quality broadband jobs.
- ii. Helping pay for trainees to attend job training programs through the Vermont Technical College.
- iii. Placing graduated trainees into jobs with employer partners.
- iv. Collecting repayment from placed graduates through an income-share agreement.



Through this structure of recycling capital, [Social Finance](#)<sup>7</sup> estimates that the training program would be able to increase the number of professionals in Vermont’s broadband workforce by over 200% compared to a traditional grant program.

v. *Promote, target and recruit participants in Vermont Career path programs* - The VCBB Workforce Development Team is working with other partners to provide career growth opportunities beyond the needs of getting all Vermonters connected to fiber-optic broadband. As part of this plan, the VCBB Workforce Development Team will work with employers and potential candidates to understand each employee's career options and goals. This will be an important element of recruitment and retention for the industry. The VCBB Workforce Development Team will work with industry partners, such as Efficiency Vermont, solar developers, electric utilities and others to identify jobs across the sector that motivated employees can prepare for. This preparation will include industry certifications, training and college courses that support the individual employee’s career plan. Starting as a fiber technician, potential career paths could include -

- Smart grid technology
- Information technology
- Cyber-Security
- Electrical Line Work
- Automation
- Fiber network design
- Supervisory and Management
- Customer support
- GIS services
- Project Management
- Electrical engineering



## 6. Next Steps

**OBJECTIVE:** The VCBB Workforce Development Team will immediately reach out to key industry partners to create an industry action team to implement this plan. As part of this outreach, the VCBB will recruit industry partners and develop an Advisory Board to provide oversight and guidance.

### *Initial Timeline*

- October through November 2022 - Collect information from industry partners and employers
- Q4, 2022
  - Finalize training core curriculum,
  - Create an Industry Advisory Board
  - Create a Training Advisory Board
  - Work with Vermont Department of Labor to develop proposed legislation for a state-wide, cross-sector Pay-it-Forward program
  - Engage with Vermont’s Career Technical Education program
  - Finalize the targeted professions in the human resource supply chain,
  - Develop success measures
  - Recruit trainers

<sup>7</sup> Social Finance is a national impact finance and advisory nonprofit that works with the public, private, and social sectors to create partnerships and investments that measurably improve lives.



- Source, fund and deploy training resources
- Q1, 2023
  - Propose legislation for a state-wide, cross-sector Pay-it-Forward program,
  - Further develop curriculum for targeted professions,
  - identify/develop management training programs with industry partners,
  - Develop agreements on Pay-It-Forward programs
  - develop and formalize career path partnerships with industry partners,
  - Develop Career Technical Education programs
  - Recruit and train.
- Q2, 2023
  - Pass legislation for a state-wide, cross-sector Pay-it-Forward program\*,
  - Commence program delivery
  - Finalize agreements with industry partners
  - Implement reporting based on success measures
  - Establish Career Technical Education programs
  - Implement Pay-it-forward programs
  - Recruit and train.
- Q3, 2023
  - Commence Career Technical Education programs

*For further information contact Christine Hallquist, Vermont Community Broadband Board - [christine.hallquist@vermont.gov](mailto:christine.hallquist@vermont.gov)*

## Really Simple CUD Business Case Analysis

<b>Total Mileage</b>	9000					
<b>Pre-construction costs</b>	\$5,000	<b>Red indicates user input</b>				
<b>Make-ready cost</b>	\$15,000					
<b>Underground Construction Cost</b>	\$100,000					
<b>Overhead Construction Cost</b>	\$45,000					
<b>Underground Percentage</b>	7%					
<b>Cost per Mile</b>	\$67,800					
<b>Total Cost</b>	\$610,200,000					
<b>Grant Funding</b>	\$345,000,000					
<b>Financed amount</b>	\$265,200,000					
<b>Interest</b>	5%					
					<b>Monthly Required Average Revenue/Customer</b>	
<b>Payback period (years)</b>	25				<b>Debt service cost per customer</b>	\$45
<b>Monthly Debt Service Cost</b>	-\$1,550,333				<b>Customer Care Cost</b>	\$28
					<b>Operations and Maintenance Costs</b>	\$18
					<b>ARPU Requirement</b>	\$91
<b>Number of Underserved</b>	64000					
<b>Overbuild Percentage</b>	20%					
<b>Total passings</b>	76800					
<b>Take -rate (end of year 4)</b>	45%					
<b>Total Paying Customers</b>	34560				<b>Impact of Grants on ARPU (5% interest; 25 year finance)</b>	
					60% funded	\$ 87.00
					70% funded	\$ 77.00
					80% funded	\$ 67.00
					90% funded	\$ 56.00
					100% funded	\$ 46.00

#	Priority	Item	Date entered	Assigned to	Resolution and date
22	3	VCBB's approach to mapping and strategy for challenging the FCC.	6/14/22	CH	Update Oct. 31 <sup>st</sup> . Tentative plan to present strategy at future meeting before end of 2022
23	1	Define audit criteria and post award grant reporting and review process for grantees/CUDs	8/8/22	CH	Compliance Recommendation Memo and overview of reporting process and metrics presented October 31 <sup>st</sup>
24	1	Invite to the Federal Delegation to future Board Meeting	8/8/22	CH	Tentative plan to attend a future meeting before end of 2022
25	2	Host workshop for the CUDs on Uniform Guidance	8/8/22	CH	Scheduled for December 7th
26	1	Establish policy to address issue of enforceability with any of the partners and the CUDs.	8/22/22	CH	Team will finalize plan and share with Board
18	1	Signature Authority of Executive Director	03/28/22	CH	Closed. Approved in July.
19	1	Policy around hiring staff	03/28/22	CH	Closed. Approved in July.
21	1	Invite to Doug Farnum to future Board Meeting	6/14/22	CH	Attended August 8 <sup>th</sup> 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 its 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.

## Draft Agenda Proposed by Board Chair

1. Call to order, roll call, approval of agenda
2. What is working? What can we do better?
  - a. Time Board Members Investing in VCBB (check in on how much time we are spending)
  - b. Board Packet Content and Structure
    - i. Agenda Structure
    - ii. Regular budget updates
    - iii. Dashboard of CUD loans and build out status
    - iv. Parking Lot
    - v. Other regular material for packet desired?
  - c. Teams Links
  - d. When and How Involve PSD & Staff
  - e. Regular Check ins with other Key Government Stakeholders
    - i. Governor's office
    - ii. State Legislative Leaders
    - iii. Federal Legislative Leaders
    - iv. PSD Commissioner
    - v. Auditors Office
    - vi. Others
  - f. Board Meeting Frequency
  - g. Staff Updates & Reports
  - h. Allow Time for Policy Level Discussion During Board Meetings
    - i. Goals and Purpose of Act 71
    - ii. List of other Policies Board would like to tackle
3. ED Review
  - a. VCBB Board Input to ED's Performance
4. Board Performance & Review
  - a. How are we doing as a Board

### STAFF Suggestions for Additions

Process for reviewing policies, programs, etc

Board Responsibilities

Board Attendance

Board Policies