



Board Packet Executive Summary

April 10, 2023

Christine Hallquist, Executive Director

Phone – 802-636-7853

Email – christine.hallquist@vermont.gov

CVFiber Construction Amendment

CVFiber requests a Construction Grant amendment to award its remaining amount of \$1,910,845. VCBB staff held meetings with CVFiber to evaluate a gap in funding at the end of 2023 due to delays in the BEAD program and has concluded that this gap exists. The award of this amendment will provide the necessary funding to keep the administration in place, as well as prepare designs and make-ready and pre-order long lead-time materials for the next phase of the project. This funding was anticipated to come from a Construction request from the BEAD program. Staff has met with CVFiber to review the costs and finds those costs to be reasonable and in line with their current operational expenses. Staff recommends the Board approve this amendment.

Status Update on the Digital Equity and Infrastructure RFP

Staff will present the RFP process and decision-making process to the Board. Specific details about specific applicants will need to be discussed in Executive Session due to the confidential nature of the RFP responses. The VCBB staff has received 12 responses to the RFP. Most of these are strong applications which makes the review difficult and a lot of work. Staff developed a decision matrix that is being used independently by each reviewer to evaluate individual applications. These are then pulled into a central location through a polling tool. The team will complete the work by the end of today (Tuesday, April 4) and then meet to resolve differences and make a collective decision. The review team consists of -

- Christine
- Lucy
- Alissa
- Tracy
- Julie Abrahamson – Vermont Department of Disabilities, Aging and Independent Living

Policy Discussion – CUD Contract Scenarios

The Staff and Board have been making individual decisions for each Construction Grant application based on each Business Case. Staff has not recommended the Board develop specific and rigid policies for these decisions as each case is unique. The preference is for public ownership. However, the first thing to consider is the sustainability of the business case. Some areas and some CUDs' business cases are more challenging than others, due to the nature of the unregulated telecommunications industry. Additionally, the upcoming BEAD program will likely

require changes in how the VCBB structures the grant application and review process. There are also three CUDs remaining that will apply under the existing program. Public ownership may not be possible in some cases. Staff met with the CUDs to discuss a policy and could not get consensus on how to proceed. Staff has prepared a chart to provide information to the Board regarding different scenarios in each CUD to help with the Board policy discussion. The staff recommendation is to continue to look at each application on its own merit in relation to each business case.

Report from the Auditor's office

The report from the Auditor's Office has been released. Overall, the staff agrees with many of the recommendations, and the Board will not be surprised by those recommendations. There are a few items that needed correction. Overall, this report has been received well. Staff presented to the Senate Finance Committee last Friday, March 31. The committee was quite supportive. The press coverage has been minimal with mostly favorable responses. Included in the packet is the staff response to the report. This is included as an agenda item to provide the Board an opportunity for input and feedback to staff.

Vermont Community Broadband Board Meeting
Monday, April 10, 2023, 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 executive sessions as needed

- 12:00 1) Meeting Call to Order, Roll Call, Approval of Agenda
- 12:05 2) Approval of March 13 Meeting Minutes
- 12:15 3) Staff Updates
- General VCBB Updates – *Rob Fish*
 - CUD Progress Updates – *Lucy Rogers*
 - Dashboard Review – *Alissa Matthews*
- 12:40 4) VCUDA Updates – *Rob Vietzke*
- 1:10 5) CVFiber Construction Grant Amendment – *Christine Hallquist*
- 1:30 6) Status Update on BEAD & Digital Equity RFP -
Potential Executive Session - *Premature general public knowledge would clearly place the public body, or a person involved at a substantial disadvantage (1 V.S.A. § 313(a)1)*
- 1:45 7) Policy Discussion regarding CUD ownership and operating models -
Lucy Rogers
- 3:00 8) Discussion: Investigative Report from Auditor's Office - *Christine Hallquist, Rob Fish, Kristin Brynga*
- 3:30 9) Public Comment
- 3:45 10) Parking Lot – *Christine Hallquist*
- 3:55 11) Confirm Next Regular Meeting 5/08 & Motion to Adjourn

Press inquiries: please contact Herryng Herzog, herryng.herzog@vermont.gov (802) 522-3396.



Construction Grant Fund Amendment Request

Grant # 02240-FY22-Act71Const-03

01 April 2023

Dear Rob Fish,

CVFiber requests an award amendment for its remaining Act 71 Construction Grant Funds in the amount of \$1,910,845¹. CVFiber's total allocation of Act 71 Construction Grants funds is \$19,789,932, based on CVFiber's proportion of road mileage with no fiber or cable.

CVFiber has been awarded \$17,879,087 in Act 71 Construction Grant Funds, including \$12,289,273 in award #02240-FY22-Act71Const-03 and a materials fund transfer of \$5,589,814.

This amendment to award # 02240-FY22-Act71Const-03 adds CVFiber's remaining \$1,910,845 to the award amount for a total award equal to CVFiber's Act 71 Construction Grant allocation of \$19,789,932.

The \$1,910,845 in grand amendment funds will support implementation of CVFiber's Universal Service Plan for CVFiber's District consistent with CVFiber's Business Plan that was previously submitted in our construction grant application. These funds, which will make our construction grant award equal to our construction grant allocation, will support CVFiber's continuing construction program that includes adaptations to changes in the funding, make ready, and materials procurement environments. These changes include:

- Uncertainty in the amount and timing of future federal grants,
- Extremely high make-ready costs in some areas within our District, and
- High costs and extremely long lead times for necessary equipment.

¹ Email from Rob Fish to CUDs dated 29Dec22. Subject: VCBB Annual Report – Pls review your construction and preconstruction grant award write ups.

This grant amendment request supports CVFiber’s adaption to federal funding uncertainty by providing \$518,750 for Administrative Functions, specifically, (i) all-in costs for three employees (Executive Director, Operations Manager, Community Relations Manager) for one year (\$), (ii) the cost of the single audit for 2023 expenditure of federal grant funds (\$), and (iii) municipal advisory and underwriting services in preparation to access funds from the bond market (\$). If future federal funding were more certain and the grant gap unlikely, those future federal funds would be allocated to the items listed above. Unfortunately, the uncertainty associated with future federal funds requires CVFiber to “harbor” existing federal funds for the purpose of fulfilling existing and known future obligations well into 2024 (Attachment 1 Redacted).

Our experience in implementing Phase 1 construction indicates that efficient and effective deployment of construction crews requires that design, materials procurement, and make-ready need to be performed well in advance of actual construction. When future construction funds become available, CVFiber needs to be shovel-ready, i.e., ready to construct (or as near ready as we can be). Future construction readiness requires that CVFiber expend funds to initiate design of some Phase 2 areas, purchase long lead time materials, and perform make ready in advance of construction.

Most design work of the Phase 1 construction areas (areas # 1,2, and 9 in Attachment 2 Redacted) has been completed and the design funds for Phase 1 are nearly exhausted. Design of the initial areas to be constructed in Phase 2 need to be performed in advance of make ready and construction. The requested grant amendment funds (\$) will support design of the Phase 2 construction associated with the XX OLT areas (areas #X and X in Attachment 2 Redacted).

The requested grant amendment funds will also be used to purchase Optical Line Terminal cabinets, electronics, and warranties for the XX design areas (areas #X and X in Attachment 2 Redacted). The estimated all-in procurement cost (materials, shipping, and insurance) for these Phase 2 areas is \$. These X OLTs have the capacity to serve 2,421 existing residences and future growth.

CVFiber has already spent more than half of its projected make-ready costs for Phase 1 construction and is incurring an increase in average make ready costs in areas where poles tend to have multiple existing services attached. CVFiber’s additional attachment to these poles often initiates a pole replacement to accommodate our fiber and maintain the required clearances. Make-ready costs upwards of \$per application are not uncommon in some areas of our District. It is unlikely that make ready funds associated with Phase 1 construction would be available for Phase 2 and it may be, should the recently experienced increases in make ready costs be indicative of a trend, that Phase 1 funds are insufficient to cover the full cost of Phase 1’s make ready expenses. Therefore, \$in make ready funds are included in this amendment request.

The \$1,910,845 in grand amendment funds will be used to prepare CVFiber for execution of the next round of construction that has not been funded by the Act 71 Construction Grant Funds awarded to date. CVFiber will use these amendment funds to purchase critical and long-lead time materials, perform design and make-ready tasks, and procure OLT cabinets and electronic hardware in preparation for the next round of construction. In addition, CVFiber will use a portion of these grant amendment funds to perform necessary administrative functions including financial audits, financial consulting, and staff compensation. The proposed allocation of grant amendment funds is presented in Table 1.

Table 1: CVFiber Grant Amendment Funds Allocation

OLT Cabinets & Electronics	\$655,000
Administrative Functions	\$518,750
Design	\$237,095
Make-Ready	\$500,000
Total	\$1,910,845

Please take the appropriate action to amend CVFiber’s Grant # 02240-FY22-Act71Const-03 with CVFiber’s remaining construction grant funds in the amount of \$1,910,845.

Sincerely,

Jerry Diamantides

Chair, CVFiber

Notes

- This will be discussed in public session – care has been taken not to mention specific CUDs or their specific contract agreements / discussions.
- The scope of this discussion is for contracts and partnerships for Act 71 construction grants moving forward. Any decisions made by the board will not impact past grant awards, nor should it be taken to indicate a decision about future grant programs, such as BEAD grants.
- Because this discussion only pertains to currently unawarded Act 71 construction grants, there is an obligation to take into consideration precedence and consistency with already awarded grants.
- Act 71 emphasizes “accountability” and “public accountability.” There is no specific reference to public ownership; public ownership becomes relevant to the extent that VCBB uses it as a tool for accountability.
- Looking at Act 71 holistically, “accountability” is a priority along with universal broadband availability, increasing reliability of the electric grid and equal access to clean energy services among electric ratepayers, and protecting Vermonters’ privacy and unrestricted access to the Internet,

Act 71 Accountability Requirements Framework:

Findings:

- (13) Communications union districts (CUDs) were created by the State to coordinate and implement creative and innovative solutions in their respective territories, particularly where existing providers are not providing adequate service that meets the needs of their residents and businesses while **ensuring public accountability**. and,
- (14) CUDs are thus positioned to be the unofficial “provider of last resort” for broadband and **ensure public accountability** for serving all Vermonters within their respective service territories.

Intent:

- This act is intended to **protect the public interest** by...
- (2) **ensuring public accountability** for maintaining and upgrading critical broadband infrastructure;
- (6) directing public resources to the development of **public broadband assets** intended to provide universal access;

Broadband PreConstruction Grant Program:

- (c) To ensure an equitable distribution of funds under this Program and to encourage collaborative work among communications union districts, grant awards shall be scalable and shall be commensurate with the size of a broadband project as determined by the project’s service area, road mileage, the number of unserved or underserved locations, or any other metric deemed appropriate by the Board. In addition, the Board may develop standards for the disbursement of grant funds in a manner that both supports the efficient and timely use of funds and also **ensures accountability**.

Broadband Construction Grant Program:

- (c) The Board shall establish policies and standard grant terms and conditions that:
- (1) reflect payment schedules that **ensure maximum accountability**;

From Broadband Construction Grant Program RFP

The Applicant will have the option to decide between two paths. The first “Conventional” Path is a bid for service where payment is provided upon completion of the project. The second option, “Phased Approach” is for applicants that desire a more collaborative approach with additional oversight in exchange for performance payments.

Conventional	Phased
Open to All Eligible Applicants	Open to Eligible Applicants Constructing Publicly Owned Infrastructure
Requires “Not to Exceed” Price	Requires “Estimated” Cost
Payment once the network is certified as complete. Payment shall not exceed the “Not to Exceed” Price.	Performance payments in exchange for additional accountability and transparency steps to be negotiated in the grant agreement.
All documentation provided in Full Proposal	Iterative process to ensure network and retail services offered comply with Act 71 requirements.
Detailed Design Certified by Principal Engineer to be compliant with VCBB Outside Plan Design Requirements due 120 days following grant execution. Failure to do so will result in possible forfeiture of the award.	Iterative process among Applicant, VCBB Staff and Contractors to ensure detailed design meets all VCBB Outside Plant Design Requirements.
Quarterly Progress Reports	Monthly Reporting
Submission of “As Built” Plans and On-Site Inspection Required for final release of funds.	Submission of “As Built” Plans and On-Site Inspection Required for final release of funds.
If Applicant offers a staged approach to building out the entire Universal Service Plan, the Applicant may seek reimbursement at intervals to be negotiated in the Grant Agreement, based on meeting certain performance metrics with the Board.	

Chart of CUD Contract Scenarios

	CUD owns complete network; operations may be privately contracted	CUD owns specific infrastructure as defined; network is interspersed with public and private ownership	CUD merges with neighboring CUD, or certain towns from a CUD join a neighboring CUD	CUD facilitates extension of existing private network in some portions of the CUD
Universal service	Provides strong assurance	Required ongoing diligence on the part of the CUD to confirm each address gets connected.	Provides strong assurance	By funding one extension at a time, the CUD remains in control of ensuring Universal service.
Net neutrality	Provides strong assurance	Once the grants have been issued, there is no enforcement power.	Provides strong assurance	No enforcement power.
Circumstances in which it's the best option	If the Business Plan ensures sustainability	CUD complete ownership of network does not result in a viable business plan and/or has too many negative trade-offs	When the business plan for the CUD demonstrated that a universal service plan for the entire CUD is not possible	When the business plan for a CUD fails, Universal service is the highest priority. This option is considered after mergers are evaluated.
Structure of partnership	The CUD and private partner work together to provide needed materials and labor. It can come from either.	Private partner supplies materials and labor	The merger will follow the protocols of the receiving CUD.	Private grant recipient for the extension is completely responsible.
Ownership of assets	The goal is for the CUD to own all assets	Private partner follows their own designs and provides resources for their addresses. CUD can also contract the private partner for their addresses.	The goal is for the receiving CUD to own all assets.	Private provider owns assets.

Structure of operations	20-year contracts with private operators with claw back provisions are preferred	Initial 20-year contract. 5-year contracts with option for CUD to assume ownership can be considered.	20-year contracts with private operators with claw back provisions are preferred	No operational responsibilities for the CUD
Affordability	More expensive at first. Most affordable over time.	Depends on contractual relationship	More expensive at first. Most affordable over time.	Least expensive at first.
Consumer Protection	Strong	Depends on contractual relationship	Strong	None
Customer performance	Depends on network design	Depends on network design	Depends on network design	Depends on network design
Public transparency	Quarterly performance reports, Governing Board oversight	Private partner's project manager provides quarterly progress reports to CUD – enforceable if private provider is also the contracted operator for the CUD	Quarterly performance reports, Governing Board oversight	None
Severance options	Based on performance	Based on Performance – enforceable on the private network provider if also the contracted operator	Based on performance	Not applicable
Cost of CUD operations	Borne by the CUD and recovered through consumer	CUD can only recover costs in area it owns	Borne by the CUD and recovered through consumer	No cost recovery
Payment schedule	Phased	Phased	Phased	Upon proof of completion and compliance

Universal Broadband in Vermont:

Managing Risks



21 March 2023



Investigative Report 23-03

Mission Statement: The mission of the Auditor’s Office is to hold State government accountable by evaluating whether taxpayer funds are being used effectively and identifying strategies to eliminate waste, fraud, and abuse.

Investigative Report: An investigative report is a tool used to inform citizens, policymakers, and State agencies about issues that merit attention. It is not an audit and is not conducted under generally accepted government auditing standards. Unlike an audit, which contains formal recommendations, investigative reports include information and possible risk-mitigation strategies relevant to the topic that is the object of the inquiry.

Principal Investigator: Ilan Weitzen, Government Research Analyst

Introduction

Since at least the mid-2000s, Vermont policymakers have recognized that high-quality broadband infrastructure is essential to promoting economic growth, employment and educational opportunities, public health and safety networks, and social and civic engagement.

Despite broad agreement about the need for ubiquitous broadband, progress has been slow. While Vermont's population centers generally feature at least one broadband provider, 19 percent of

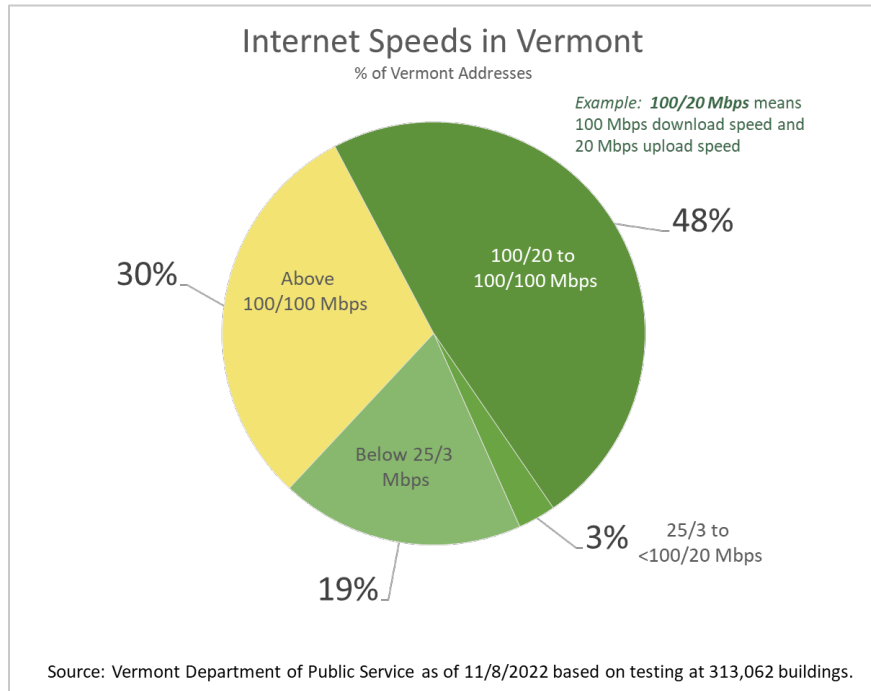
Vermont addresses do not have access to 25/3 megabits per second (Mbps) service (the federal definition of broadband). More troubling, 70% of Vermont addresses lack 100/100 coverage, the state's goal for every address.

There are several primary reasons so many Vermonters have been unserved or underserved. First, for-profit corporations have shown little interest in serving more rural, less profitable communities. Second, and related to the first, the federal government has not required telecom companies to meet rural areas' broadband needs as they did with telephone service. Third, a Vermont telecom company, VTel, received \$116M during the Obama Administration to make coverage available to *every* unserved address in Vermont. That effort failed. And fourth, Vermont did not identify a source of funds to make more than incremental progress.

This report examines the State's efforts to expand access to high-speed broadband since the onset of the COVID-19 pandemic when the federal government provided funding to overcome the fourth barrier described above. Much has been written and said about the state's broadband goals. This report is concerned with identifying risks that could impede successfully meeting those goals in the coming years.

Background

Concluding that existing broadband providers failed to achieve universal, reliable, high-quality service, the Legislature sought to expand coverage through other means. In 2015, it authorized the creation of multi-municipality Communications Union Districts (CUDs). CUDs were intended to develop, coordinate, and implement broadband expansion in their respective territories, particularly where existing providers have not provided adequate service (or any service) that meets the needs of residents and businesses. CUDs allow towns to join forces and aggregate demand for broadband infrastructure to create



economies of scale while featuring an element of public accountability by virtue of representation of each member municipality on a CUD's board of directors. There are now 10 CUDs in varying stages of development that together represent 214 municipalities.

State funding to further the CUDs' efforts began in earnest with the arrival of COVID and the substantial federal funds that filled the state's coffers. In June 2020, \$800,000 from the CARES Act was made available to CUDs for planning activities. Separately, \$12 million was granted to *existing* internet service providers to extend broadband service to unserved and underserved areas, prioritizing low-income households who needed high-speed internet access during the pandemic to learn remotely, telework, and access vital medical services. An additional \$2 million was dedicated to help some Vermonters pay to connect their homes to existing, nearby fiberoptic lines. As a result of these investments, nearly 10,000 addresses gained access to high-speed broadband.

A year later, with funds from the federal American Rescue Plan (ARPA), the Legislature allocated \$150 million to support CUDs' buildout efforts. At the same time, they passed Act 71, the law that created the Vermont Community Broadband Board (VCBB) to coordinate, facilitate, and accelerate the implementation of the State's universal broadband goals. The VCBB was entrusted with granting the initial \$150 million to the CUDs. First, the CUDs were to receive preconstruction grants from the VCBB to fund comprehensive studies of the infrastructure needed to create universal service in their geographic areas, and to develop business plans utilizing private partnerships with internet service provider (ISP) operating partners. Through subsequent construction grants, the CUDs would then be responsible for building out broadband infrastructure over the next several years according to their VCBB-approved plans. To future-proof the investments, only networks capable of at least 100 synchronous Mbps (100/100) would be funded (only fiberoptic lines are capable of reliably achieving that standard at this time).

In 2022, the Legislature committed an additional \$95 million to the VCBB to support Act 71's broadband goals. A minimum of an additional \$100 million more, and as much as \$250 million, is expected to be made available through the Infrastructure Investment and Jobs Act (IIJA) signed into law by President Biden in November 2021. This more than \$350 million investment represents one of the largest infrastructure projects in Vermont history, rivaling rural electrification and the Interstate Highways.

Since its inception, the VCBB has awarded \$114.41 million in preconstruction and construction grants to the CUDs and spent an additional \$9.85 million for the bulk purchase of materials to avoid supply chain issues and lower overall project costs. Six CUDs have commenced construction in their respective territories.

Highlights of Act 71 of 2021

- Established Vermont Community Broadband Board (VCBB) to oversee and manage Vermont's broadband efforts.
- Set goals of universal service and 100/100 Mbps access.
- Created preconstruction and construction broadband grant programs.
- Limited access to funds to Communications Union Districts (CUDs) or Internet service providers working with a CUD.

Risks That Threaten Vermont’s Universal Broadband Goals

The risks below represent threats to Vermont’s ambitious plan to utilize the CUD model to deliver universal, affordable broadband access to every Vermont address. These risks are informed by our review of CUD contracts and grant agreements, VCBB, Vermont Communications Union District Association, and CUD board meeting minutes and materials, dozens of interviews, and relevant legislation.

Risk 1. Some CUDs Face a Potential Construction Funding Gap in Calendar Year 2024 Which Could Halt Construction Mid-stride if Additional Funds Are Not Identified

The VCBB has identified several CUDs that, at present, would run out of construction funds after the 2023 building season. This would put construction on hold and could lead to higher project costs and delayed service availability.

Broadband Equity, Access and Deployment Program (BEAD) Highlights

- \$42 billion in Bipartisan Infrastructure Law for high-speed internet access
- Vermont to receive between \$100-250 million.
- Final FCC coverage maps will determine final amount; inaccuracies in initial map being challenged by State and private citizens.
- Funds can be used for pre-development and construction, installation in multi-unit housing, digital equity and adoption, and workforce programs.

The gap will develop when CUDs’ ARPA grant monies run out and the State awaits its share of federal Broadband Equity, Access, and Deployment (BEAD) investments. Vermont is slated to receive a minimum of \$100 million, and up to \$250 million, in BEAD funding over the next two years, but it is uncertain when those funds will become available. The initial payment to the State will amount to just 20 percent of the total award, and the precise timing of its arrival is unknown at this time. Even when the funds arrive, it may take the VCBB and its consultants time to evaluate a new round of grant applications.

Funding-related delays would be problematic for several reasons. First, and most obviously, it will prolong the amount of time many Vermonters wait for broadband service. Second, qualified construction crews may select other work while the CUD waits for funds, and may not return or be easily or promptly replaced. Third, materials will likely be scarcer and more costly by the time funds are in hand. And fourth, the CUDs’ business plans are based on anticipated growth in subscribers (known as the take up rate). If the plan anticipates paying customers being added throughout 2024,

but they are not hooked up, the lost revenue may pose cash flow problems and jeopardize operations and further build out.


The VCBB, CUDs, and other stakeholders have suggested several possible ways to fill the potential funding gap. They include:

- * Creation of a \$50 million revolving loan fund CUDs could draw from and replenish with their BEAD allocation when it arrives.

- * Seek infrastructure funds from the Northern Borders Regional Commission (NBRC) to establish grants or low-interest loans. [The NBRC is a Federal-State partnership for economic and community development in northern Maine, New Hampshire, Vermont, and New York.]
- * Use \$30 million appropriated in the FY 2023 Budget Adjustment Act as a match for Vermont’s \$67 million Middle Mile federal funding request to supplement and accelerate construction efforts by the CUDs.

What is Middle Mile?

- Middle mile infrastructure is the fiber that runs from one community to another, allowing CUDs or other providers to make connections to homes and businesses.
- Vermont has requested funds from the National Telecommunications and Information Administration to support a \$114 million, 1,663-mile middle mile network that would interconnect with all CUDs.
- 1,107 miles of the fiber would be new, with construction estimated to take five years.



Whatever mechanism is chosen, the sooner it is established, the lower the risks involved.

Risk 2. CUDs May Struggle to Access Needed Construction Materials

Ensuring that CUDs have the necessary materials to construct their network is vital whether or not the funding gaps described above occur. Demand for fiberoptic cable and other supplies will be heavy throughout the country when \$42.5 billion in BEAD funds are released. The sooner the necessary materials are procured, the less risk that CUDs will face long wait times or inflated costs. Ideally, CUDs would purchase materials *this year* for the 2024 season.

Risk 3. Construction May be Slowed by a Lack of Qualified Construction Workers

According to the VCBB, an additional 200 fiber technician workers are needed to support Vermont’s broadband buildout. These new positions would join a labor market that is already unstable.

It is not clear how the VCBB concluded that 200 new positions are necessary, nor is it clear whether those positions would still be needed once the fiber buildout has been completed. VCBB’s current workforce development strategy centers around a training program designed in collaboration with the Vermont State Colleges and other partners. This [program](#), plus the 2000 hours of apprenticeship the VCBB says are needed before a new technician is proficient, may produce a cadre of new fiber techs within a year or two, though the VCBB anticipates that for every three workers trained, one will elect to pursue a different career path.

Before committing significant funds to broadband workforce training, policymakers should evaluate the schedule of anticipated statewide buildout and determine whether such training programs are capable of bringing new workers on-line in time to be useful. The cost of such training should be evaluated in comparison to paying premium rates to existing workers or vendors to encourage them to take on this



work. Existing utility workers also present a possible alternative to lengthy and costly training programs. Partnerships with Vermont utilities should be evaluated to determine whether utility and CUD construction schedules could be coordinated in order to deploy skilled workers who *already have* comparable training, either by contracting with the utilities or extending the offer of secondary work to utility employees.

Vermont is not the only state concerned with broadband workforce risk.

Risk 4. The Tension Between the VCBB Supporting the CUDs and Ensuring They are Viable Risks Allowing Any Weaknesses in CUD Business Plans to Persist and Deepen

Act 71 requires the VCBB to ensure that each CUD has a viable business plan in place prior to granting them funds. According to the VCBB, VCBB staff and Board members and a contracted third-party consulting firm review and subject the business plans to stress testing to make certain they are financially sustainable. Nonetheless, VCBB staff analysis has acknowledged the uncertainties inherent in the state's unique approach to broadband buildout and in external factors like federal funding rules. For instance, VCBB staff have speculated that a time could come when two or more CUDs may be more viable in the long run if they merge with one another due to demographic and infrastructure considerations that risk the standalone CUD's failure.

The VCBB has the authority to condition its grant awards to CUDs as it sees fit to achieve the state's broadband goals. The VCBB must apply continuous and rigorous scrutiny of CUD business plans to avoid squandering the substantial, one-time funding driving the state's efforts. And whether the VCBB directs two or more CUDs to merge as a funding condition, or if CUDs elect to merge of their own accord, the VCBB should anticipate this possibility by developing merger documents, so they do not need to be drafted on the fly or under duress.

Risk 5. Reliance Upon CUDs with Varying Levels of Expertise and Capacity May Delay Broadband Service to Some Vermonters, Lead to Increased Spending, and Establish Inequitable Policies and Access

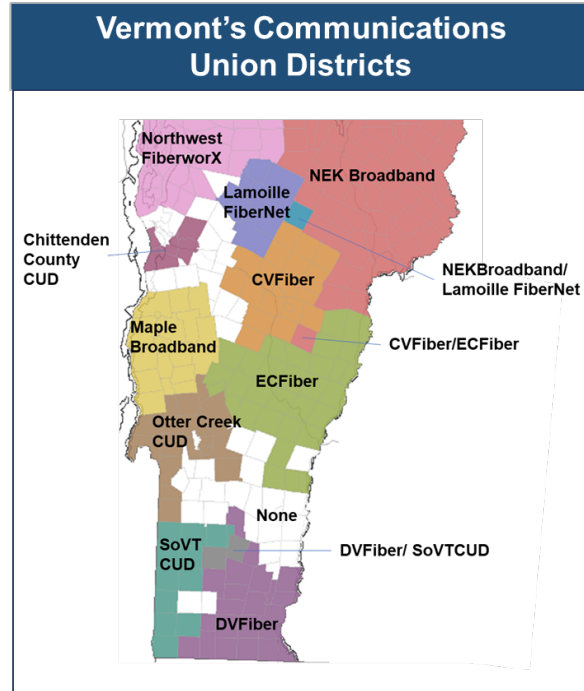
The VCBB's executive director frequently remarks that the Board's work has been akin to building a plane while flying it. The same may also be said of the CUDs. In each case, an entity was established, then required to hire staff and develop processes, all with the specter of deadlines for expending funds hovering over their endeavors. As a result, the VCBB was not in a position to apply a robust, mature oversight function over CUDs from the onset. Similarly, some CUDs were making business decisions in the absence of professional staff, and without the benefit of the technical assistance the VCBB and a maturing Vermont Communication Union District Association (VCUDA, the CUDs' trade association) can now offer.

The VCBB conducted a Grantee Risk-Based Assessment of each CUD before considering applications for preconstruction and construction grant awards, as required by the State. In every instance, the CUDs were determined to be high-risk grantees, largely due to having little or no track record receiving and administering grant funds. For this and other factors, activities to date have not always been smooth, as illustrated by these examples:

- While the VCBB’s 2023 Legislative Report indicates that existing grant agreements address methods to support low-income and disadvantaged communities, we have not found any such language in the agreements.
- The VCBB has relied, in part, on surveys and self-attestations from the CUDs regarding their own capacity, financials, and reporting when considering funding awards despite their high-risk classification. Self-attestations fall far short of the verification standard detailed in the Department of Finance and Management’s [Internal Control Standards: A Guide for Managers](#).
- Despite its broad powers to be more directive, the Board has given CUDs freedom to make business decisions that vary in terms of staffing, cost, strategy, negotiations, and public disclosure/confidentiality. As a result, CUD activities may not always reflect the most efficient and publicly beneficial use of public funds.
- At least two CUDs based their initial business plans upon the anticipated service take rate and financials of *another* CUD even though they have different demographic and geographic concerns.
- Though their grant agreements require monthly reporting to the VCBB, multiple CUDs submitted reports that were late and lacking useful detail with regard to scope and scale.

While more than \$110 million of public funds have been awarded under the initial, looser oversight framework, a more comprehensive framework is being developed by Public Service Department grant administration staff for consideration and adoption by the VCBB. The recommended oversight plan includes a combination of desk and on-site monitoring methods, including compliance with:

- CUDs’ statutory requirements in terms of governing board composition and competency, meeting records, bylaws.
- Federal administrative requirements such as conflict of interest policies, cost allocation methodology, and procurement and internal control processes



Source: [VCBB as of March 16, 2023](#)

The VCBB has also updated its monthly reporting requirement to obtain consistent, timely, and salient information from CUDs.

The VCBB should adopt the new oversight framework as soon as possible so that the hundreds of millions in future awards will be subject to a higher standard of public accountability.

Risk 6. With the Exception of the Early VCBB Fiber Purchase, CUDs Have Not Been Partnering for Procurement of Goods and Services, Risking Higher Costs and Inferior Outcomes

Each CUD has, to this date, individually procured goods and services such as administrative support, legal, and accounting. This raises the risk CUDs will pay varying costs for the same goods and services with no public benefit or justification. It also limits the benefits of sharing the highest quality vendors to perform comparable analysis and functions. In recognition of this, the VCBB and VCUDA recently secured a grant of \$2.5 million from the Northern Borders Regional Commission (NBRC) to fund an initiative they have called the “Securing the Public Interest Through Shared Expertise and Services Program”. The stated goals of the program include ensuring efficiency, accountability, and resilience in the face of market challenges. The grant will fund positions for experts in the field who will mostly be

housed at VCUDA. These new “shared” staff will conduct a needs analysis of shared services, and will support CUDs in program management, policy analysis, accounting, communications, and make ready support. These roles have been funded for \$2.1 million across three years. The VCBB and VCUDA project that after year three CUD revenues will be sufficient to sustain the shared positions.

Make-ready

“Make ready” is the administrative and physical work that must be performed before fiberoptic cable can be strung on utility poles.

There is a tension between combining services whenever possible and the autonomy of each CUD. The VCBB will need to determine the extent to which it conditions its funding on the most efficient use of its grant funds, even when that removes the options available to individual CUDs. For example, the VCBB must decide whether it wishes to *require* CUDs to jointly purchase fiberoptic cable as a condition of funding or to use a shared grant administrator.

Risk 7. Statutory Confidentiality Provisions Shield Some CUD Decision-making from the VCBB, Policymakers and Residents of the Member Municipalities Despite Receiving Tens of Millions in Public Funds

The CUDs have frequently invoked their statutory right to treat contracts and some other internal documents as confidential or protected by attorney-client privilege even when it has prevented them from receiving expert advice, though confidentiality concerns could be addressed with redactions or nondisclosure agreements. This raises risks that CUDs will agree to provisions with their internet service provider partners that are suboptimal from the point of view of end users and the taxpayers whose funds are fueling their broadband buildout. Instances of contract provisions that are not being made available for public inspection include:

Act 71 Construction Grants to Date

DVFiber
\$21,945,429

NEK Broadband
\$20,865,889

CVFiber
\$12,289,273

WCVT - Maple Broadband
\$9,104,486

SoVT CUD
\$9,009,085

Maple Broadband
\$8,686,000

WCVT - Non CUD Towns
\$8,348,243

- Proposed pricing plans.
- Requirements around public access programming and other content.
- Service quality expectations.

CUDs are largely operating in unserved areas, and yet they are concerned that public disclosure could allow for-profit competitors who've previously ignored rural areas to swoop in and undermine the CUDs' business plans. While we cannot judge the extent to which that fear is warranted, we do believe the tendency, to date, to withhold key contractual elements that will impact the end user raises the risk that anticipated service take rates will not be as accurate as they should be, and that users may be surprised to learn, when service arrives, that certain policies have been locked in place by virtue of multi-year contracts with service providers. CUDs' member municipalities each have a representative on their respective CUD board of directors, but if those representatives do not seek feedback from their fellow residents on key customer issues (or are prevented from doing so by confidentiality provisions) such as those bulleted above there is a risk that subscription rates will not meet expectations.

Risk 8. Lack of Affordability Definitions and Requirements Threaten to Reduce Service Connections, Undermine CUD Business Plans, and Create Regional Inequities

Act 71 directed the VCBB to give priority to applicants for broadband project funding that "provide consumers with affordable service options." Ensuring that Vermonters will be able to afford high-speed broadband once it becomes available to them is central to the State's universal service plan requirement under Act 71 and the mission of the VCBB. While the CUDs are obligated to submit a plan to provide low-income subscribers with affordable service options, specifically by referring them to a federal FCC subsidy program, what affordability means for businesses and families has not been defined by the Legislature or the Board. CUDs' business plans assume service take rates from low- and moderate-income households. If not enough low- and moderate-income Vermonters sign-up for plans because they are deemed unaffordable, those who have subscribed will need to pay more to ensure sufficient revenues for the CUDs to remain profitable.

Furthermore, high-speed plans available in more populous areas often range between \$55-80/month and have already proven a barrier to many households. In more rural communities with a smaller customer base per mile of fiber, service costs could be even higher, putting more pressure on the monthly subscription prices.

The Affordable Connectivity Program (ACP) administered by the FCC limits assistance to households with incomes below 200% of the poverty line to a subsidy of \$30/month to help pay for internet service.

Therefore, in Vermont, only families of four with incomes below \$60,000/year are eligible; and for families of two, income must be below \$39,440. Established with \$14 billion dollars from the American Rescue Plan, the ACP is currently the only subsidy available to Vermont consumers and the funding is slated to run out in 2024 unless it is renewed by Congress. Even with this consumer subsidy, it is not clear that a discount of \$30/month on a bill that may otherwise approach \$100/month will be sufficient for many Vermonters to sign up for service.

Because neither the authorizing legislation nor the VCBB have defined affordability, it is possible that each CUD will establish its own definition of the term. It seems unlikely that the Legislature intended that two like CUDs, building out in comparable communities, would charge customers at rates that may vary greatly.

If this issue is not addressed before buildout occurs and further funds are awarded, attempts to remedy the “affordability” issue will be difficult to implement since CUDs’ business plans and contractual arrangements with internet service providers will be more or less locked in place. It raises the prospect that policymakers will be asked to make annual appropriations from the state budget to subsidize service which has previously been a matter for the providers to address.

Risk 9. The Firm the VCBB Employs to Evaluate CUD Business Plans Has Also Consulted for a CUD and Does Not Appear to be Prohibited from Consulting for Others, Raising Conflict of Interest Risks

VCBB has contracted with the firm CTC to perform independent evaluations of CUD business plans. However, in addition to their work for the VCBB, CTC was contracted to provide consulting services to the SoVT CUD before the VCBB awarded SoVT CUD \$9 million in construction grant funds. Furthermore, CTC bid on other CUDs’ requests for proposals.

The VCBB’s contract with CTC relies solely upon the 23rd provision of the state’s standard conflict of interest language to address the conflict of interest risk described above. That provision reads:

“**Conflict of Interest:** Party shall fully disclose, in writing, any conflicts of interest or potential conflicts of interest.”

It is not unusual, though, for contracts to include additional, case-specific processes allowing a contractor to perform related work for another client while safeguarding against real or apparent conflicts of interest. Contractors, especially larger ones, are capable of compartmentalizing their work teams to mitigate conflict of interest concerns.

CTC’s services include advising the VCBB as they consider CUDs’ funding requests. In that context, the ability of CTC or any other VCBB contractor to provide consulting services to a CUD should be transparently addressed in order to maintain the public’s confidence that the VCBB is receiving truly independent analyses of CUDs.

Risk 10. BEAD’s Irrevocable Letter of Credit Requirement is Not Designed for New and Small Telecommunications Entities

Though BEAD funds are intended to be accessible by telecommunications entities of varying scale and history, the program’s Irrevocable Line of Credit requirement presents a challenge for new and small

entities who are unlikely to have the acceptable forms of collateral needed to access the funds. VCBB staff are seeking a waiver of this requirement from the National Telecommunications and Information Administration (NTIA), the BEAD program's administrative agency. If the waiver is not granted, a means of establishing acceptable collateral will need to be developed, which risks Vermont's BEAD funds not being deployed in a timely manner.

Conclusion

The Vermont Community Broadband Board and their staff have (1) stood up an administrative agency, (2) supported the development of ten newly created Communications Union Districts, and (3) distributed more than \$110 million for broadband planning and construction, all since the summer of 2021. The speed and nature of the undertaking has resulted, at times, in accountability and risk mitigation strategies being developed *after* dollars are awarded, rather than before. If current estimates are correct, the total cost to build a universal broadband network in Vermont will be between \$600-800 million. The VCBB hopes 60% of those funds will come in the form of state, federal, or private grants. The risks identified in this report do not represent an exhaustive list, but represents factors that, if left unaddressed, could jeopardize Vermont meeting its broadband goals.

Vermont Community Broadband Board (VCBB)

112 State Street

Montpelier, VT 05620-2601

<https://publicservice.vermont.gov/vcbb>

VCBB Response to Report from State Auditor Office

Executive Summary: The Vermont Community Broadband Board (VCBB) welcomes the oversight and feedback provided in the March 21 report *Universal Broadband in Vermont: Managing Risks* from the State Auditor's office. Vermont's universal broadband service buildout is one of the biggest infrastructure projects in state history, and it is the Auditor's responsibility and duty to oversee a project of this scale. The report effectively identifies areas for improvement, while also highlighting the progress VCBB is making toward mitigating potential risks and advancing the state goal of universal broadband service.

VCBB has been actively engaging with the Auditor since late last year and generally agrees with the results of the investigation. As a new organization, VCBB appreciates the outside look into the processes we are developing and the challenges ahead for the VCBB and Vermont policymakers. Below are VCBB's responses and elaboration on each of the risks identified in the report.

Risk 1. Some CUDs Face a Potential Construction Funding Gap in Calendar Year 2024 Which Could Halt Construction Mid-stride if Additional Funds Are Not Identified

- VCBB is meeting with each CUD to build contingencies for this risk.
- There are multiple plans and opportunities to address any gaps. To highlight just a few of them:
 1. **NTIA Middle Mile Program.** If awarded, this federal grant will provide Vermont with \$117M and cover the construction of much of the Middle Mile infrastructure that needs to be built by the CUDs to complete their universal service plans.
 2. The **Northern Borders Regional Commission** issued their RFP for the **Catalyst Program**. All CUDs are being encouraged to apply for this funding which will help with the funding gap. If a CUD receives the grant, it will arrive in early fall mitigating risks associated with the potential gap. The grants are up to \$3M.
 3. **USDA Connect Communities.** USDA is currently accepting applications for grants to build community-oriented, high-speed internet networks for people in rural areas. The Department is making up to \$79 million in grants available federally under the Community Connect program.

Risk 2. CUDs May Struggle to Access Needed Construction Materials

- In Fall 2021, the state facilitated an agreement between the CUDs, the Vermont Community Foundation, and the Vermont State Employees Credit Union in which the CUDs obtained a Letter of Credit allowing them to prepurchase over 2,000 miles of fiber optic cable. Lead times for the purchase of eligible, domestically produced, fiber optic cable are currently as high as 52 weeks. Prices for purchase in 2022 were 30-40% higher on average than the prices the CUDs accessed with this deal, saving over \$2 million.
- The VCBB has continued this approach through the PrePurchase of Specified Lead Time Materials grants. The VCBB set aside \$4M for this effort, which can be used to access fiber and other long lead time materials. VCBB recognizes that the long lead times on fiber optic construction materials is a national challenge and continues to engage with partners to mitigate this risk.

Risk 3. Construction May be Slowed by a Lack of Qualified Construction Workers

- VCBB is mitigating this risk by staying ahead of other states with our Workforce Development Plan, which has been in the works since September 2022. Maintaining this advantage is key to addressing both the materials and the labor challenges every state will be experiencing considering the amount of federal money going into fiber broadband expansion.
- VCBB has been holding ongoing meetings with the electric utilities, who are helping provide necessary resources through third-party contractors.

Risk 4. The Tension Between the VCBB Supporting the CUDs and Ensuring They are Viable Risks Allowing Any Weaknesses in CUD Business Plans to Persist and Deepen

- VCBB's job is to encourage the CUDs to be both dynamic and pragmatic in their construction and business plans. This pragmatism may require the CUDs to adjust build plans, pursue partnerships, or even pursue mergers with other CUDs. Every CUD has already shown the ability to make hard choices and shift plans as circumstances change. VCBB and the CUDs accept that a tension inherently exists.
- Our Executive Director, who has a track record of turning around businesses and making them successful, monitors and meets with each CUD. These meetings ensure that contingency plans are in place to cover all conceivable challenges.

Risk 5. Reliance Upon CUDs with Varying Levels of Expertise and Capacity May Delay Broadband Service to Some Vermonters, Lead to Increased Spending, and Establish Inequitable Policies and Access

- The VCBB has worked hard alongside the CUDs to ensure that they now have robust staffs in place with high levels of expertise.
- The CUDs have always made decisions with the assistance of experienced consultants. Capacity and expertise for the CUDs were the focus of both the

Broadband Innovation Grant program and the PreConstruction Grant Program. Now that most CUDs have progressed past their initial start-up phase, additional scrutiny and requirements have been implemented to ensure Construction Grant funds are only awarded to grantees with adequate oversight in place.

- **Bullet one: affordability-** ACP participation is required as a gating criterion for grantees. VCBB is aggressively seeking additional grant funds (FCC Challenge) and waivers (BEAD) with the purpose of increasing public funding and therefore decreasing cost of monthly service to customers. VCBB is also actively leading on Vermont's digital equity efforts.
- **Bullet two: CUD self-attestations** – Act 71 charged the VCBB with monitoring, developing, and funding the CUDs' capacity, so the VCBB is well aware of the status of these efforts. From the early stage of CUD development, corroborative inquiry, along with the CUDs' presentations and interviews with VCBB's Board and the compiled knowledge of VCBB staff working to build these groups from their inception, were and are valid and necessary tools to assess capacity, financials, reporting adequacy, and guide judgments of funding awards.
- As the CUDs have matured, they have been required to provide the VCBB with confirmation of Financial and Monitoring Controls in compliance with the provisions of their grant agreements. Additionally, internal control assessment is included within the proposed Compliance review Framework that the VCBB is developing. Further, in 2022 most grantees exceeded the \$750,000 expenditure threshold, requiring a Single Audit be performed. As such, internal control review will be performed as part of the Single Audit process with all Single Audits undergoing review by the VCBB once complete. If any findings should be presented, a corrective action plan will be required, and a Decision Management Letter will be issued by the VCBB with corrective actions reviewed for appropriate remediation.
- **Bullet three: CUD flexibility** – VCBB was created to support CUDs and ensure the oversight and accountability objectives of Act 71, but VCBB was not designed to formally regulate. Under State Law, CUDs are independent municipal organizations governed by a representative body, and our programs respect that CUD decisions reflect the will of the communities they serve.
- **Bullet four: take rates** – VCBB's aggressive work on digital equity is intended to lower barriers to accessing broadband service across demographic and geographic differences. Every Vermonter deserves access to broadband; take rates should ultimately reflect need as digital equity work progresses.
- **Bullet five: CUD reports** – VCBB is standardizing grant reporting and implementing a new grant management system. VCBB also just made an offer to a candidate to fill the position of Director of Regulatory Compliance and Grant Management to further focus on this issue.

Risk 6. With the Exception of the Early VCBB Fiber Purchase, CUDs Have Not Been Partnering for Procurement of Goods and Services, Risking Higher Costs and Inferior Outcomes

- The Fiber purchase is not the only example of CUDs working together or the VCBB providing shared services. VCBB has made available shared legal and regulatory assistance and has provided support for VCUDA to convene the CUDs bi-weekly to share notes and best practices. VCBB is also currently in the process of implementing a suite of shared services to provide additional expertise and cost efficiencies to the CUDs.

Risk 7. Statutory Confidentiality Provisions Shield Some CUD Decision-making from the VCBB, Policymakers and Residents of the Member Municipalities Despite Receiving Tens of Millions in Public Funds

- CUDs have never withheld any decision-making information from the VCBB. The CUDs have been forthcoming with information and have always released confidential documents to the VCBB upon request and with assurances of maintained confidentiality as allowed under law.
- CUDs follow Vermont's open meeting law and public records law, just like any other public body. CUDs are not afforded any additional confidentiality provisions beyond the standard public records exemptions.
- The design of the CUDs is far more transparent and provides far more accountability than past models of broadband internet buildout, where private providers had no disclosure requirements.

Risk 8. Lack of Affordability Definitions and Requirements Threaten to Reduce Service Connections, Undermine CUD Business Plans, and Create Regional Inequities

- VCBB is aggressively seeking additional grant funds (FCC Challenge) and waivers (BEAD) with the purpose of increasing public funding and therefore decreasing cost of monthly service to customers. The unserved areas in CUDs are expensive to serve, and that is why they remain unserved. Every \$50 million in grants that Vermont secures can cut customer costs by \$10/month.
- VCBB is monitoring and leading on affordability and digital equity issues, and there may be a need for legislative action in the future.

Risk 9. The Firm the VCBB Employs to Evaluate CUD Business Plans Has Also Consulted for a CUD and Does Not Appear to be Prohibited from Consulting for Others, Raising Conflict of Interest Risks

- In the summer of 2021, CTC did two small projects for a CUD. CTC has declined any work for CUDs since becoming a contractor for the VCBB and will not bid on future individual CUD work while retained by VCBB.

Risk 10. BEAD's Irrevocable Letter of Credit Requirement is Not Designed for New and Small Telecommunications Entities

- VCBB agrees this a major threat inherent within the National Telecommunications and Infrastructure Administration (NTIA)'s BEAD requirements. As it currently stands, the Letter of Credit requirement makes it incredibly difficult for small ISPs or public entities to participate in the BEAD program.
- The VCBB is investigating every possible avenue to resolve this issue, including aggressively pursuing waivers and exemptions with the NTIA. VCBB has yet to receive clarity from the NTIA, and waivers will not be issued until there is an actual proposal submitted. VCBB has also engaged financial institutions to learn about the viability of providing such letters.
- VCBB has engaged our congressional delegation and other states' broadband offices and has provided feedback to the NTIA that funds would be better directed toward serving individuals with broadband than purchasing letters of credit.
- For Vermont's Middle Mile Program application, VCBB worked with the State Treasurer and the legislature to provide the NTIA with substantive, but not technical, compliance to the requirement in the form of a properly condition escrowed account. It is possible that this solution could satisfy the NTIA for the BEAD program. VCBB will keep the legislature updated as we gain more clarity on possible solutions.

Conclusion

The VCBB recognizes the urgency of getting every Vermonter connected. We appreciate the work of the Auditor's office and will be incorporating their feedback into our processes, oversight, and planning.

#	Priority	Item	Date entered	Assigned to	Resolution and date
26	1	Establish policy to address issue of enforceability with any of the partners and the CUDs.	8/22/22	CH	Policy discussion to be held at 4/10/23 meeting.
29		Include placeholder for budget update, dashboards, and policy and goals discussion to all Board Meeting Agendas	11/03/22	CH	Budget and Dashboards addressed at January and February Board Meetings Christine will confirm with Patty what Board expectations are for the policy and goals discussion
24	1	Invite to the Federal Delegation to future Board Meeting	8/8/22	CH	Delegation will be invited to the January Board meeting
22	3	VCBB's approach to mapping and strategy for challenging the FCC.	6/14/22	CH	Presented initial strategy 12/12/22. A Federal Program Officer at the NTIA will be needed to work on this with and that has finally been announced as Clay Purvis from the Public Service Department. He will be invited to January meeting.
28		Finalize subsequent overbuild policy and data policy.	10/31/22		This is addressed in the VCBB Data and Overbuild Policy submitted to the Board for continued discussion at the 12/12/22 meeting.
32		Alignment of VCBB Mission Statement based on Act 71	11/14/22		Patty Richards to lead this 12/12/22.
25	2	Host workshop for the CUDs on Uniform Guidance	8/8/22	CH	Completed December 7th
30		Adjust timing of Board Packet to at least 5 business days before the Board Meeting	11/03/22		Plan to start new schedule in January
33		Create a Communication Procedure Plan for Board notifications of updates from Staff (press releases, legislative presentations,	11/14/22		Completed in the November 28 Board meeting.
34		Discussion regarding development of a separate website			Staff recommends we continue with the current website which follows state protocols.
27		Board requested that a grant agreement template be shared	10/31/22		Item closed – agreement was shared

23	1	Define audit criteria and post award grant reporting and review process for grantees/CUDs	8/8/22	CH	Item Closed - Compliance Recommendation Memo presented October 31 st . Additional reporting requirements will be shared once the new form is updated and staff will create a dashboard for tracking.
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 th 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.
17	2	Statewide marketing collaboration with VCUDA	02/14/22	CH	Closed. VCUDA is not interested.
15	2	Provide Benchmarks for what telecom companies spend on Marketing	02/14/22	CH	Will research and present back on 3/14/22 Board meeting
1	1	Budget	10/18/21	CH	Completed. 2021 budget approved. 2022 will be presented in March.
2	1	Overbuild – what is the standard (20% of total served?)	11/1/21	CH	Completed. See Construction RFP Definition
3	2	Business Plans – what is the scope? Will they be updated before construction grants?	11/1/21	CH	Completed. The updated business plans will be included in the Construction RFP responses.
6	3	Fiber purchase – VCBB involvement? authorization? Status?	11/1/21	CH	Completed
7	1	Make Ready Construction – policy: part of §8085 grants or not?	11/1/21	board	Policy established. Make ready construction will be part of the construction grant program.

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