

**Vermont Community Broadband Board
Meeting
November 15, 2021 12:00pm**

AGENDA

GIGA Conference Room
3rd Floor of 112 State Street, Montpelier VT

Join by video <https://bit.ly/2YyJJE8>
Join by Phone; +1 802-828-7667
Phone Conference ID: 348 696 968#

There may be other times during the meeting that Executive Session is called.

- 12:00 Agenda change requests and vote to approve agenda
- 12:05 Approval of Board minutes from October 18, 2021; Approval of Board minute modifications from September 28, 2021 and October 4, 2021
- 12:15 Act 71 Preconstruction Grants - Discussion and Recommendations
- 12:15 – ECFiber
 12:45 -- Lamoille FiberNet
 1:15 - Northwest Communications District (Amendment)
- Executive Session possible due to trade secrets and possible harm due to premature release of information.*
- 1:30 Preconstruction Grants: Make-Ready recommendation
- 2:00 Legislative session discussion
- 2:30 Design requirements
- 3:00 CUD update – Will Anderson, VCUDA
- 3:15 Non-CUD Towns Construction Grant Concerns
- 3:30 Public Input
- 3:45 Motion to Adjourn

Press inquiries; please contact Rob Fish, Robert.fish@vermont.gov 802-522-2617

Vermont Community Broadband Board Meeting Minutes
112 State Street, 3rd Floor,
Giga Conference Room
Montpelier, VT
September 28, 2021

I. Call to order

Holly Groschner moved to approve the agenda as is and Patty Richards seconded. Motion passed.

II. Roll call completed by Dan Nelson.

Patty Richards, Chair (In-person)
Holly Groschner (In-person) _
Dan Nelson (In-person)
Brian Otley (Arrived at 1:12 pm)
Laura Sibilgia (Remote)
Christine Hallquist (In-person)
Robert Fish (In-person)

III. Approval of minutes

Holly Groschner moved to approve the minutes of August 26, 2021, and September 16, 2021, and Patty Richards seconded. Motion passed.

IV. Maple Broadband Preconstruction Grant Application

In-depth discussion between Board Members, Steve Huffaker, Chair of Maple Broadband and Roger Nishi, VP of Industry Relations at Waitsfield, and Champlain Valley Telecom concerning the Universal Service Plan and transferability within the Pre-construction Grant Application.

- The two parts of the District would be divided as the first being served by Waitsfield Telecom and the other by the District. The Operating Agreement only pertains to the part that will be served by the District or known as the Maple Broadband area.
- Section 6.17 of the Operating Agreement states that Waitsfield Telecom must serve the underserved and unserved at a rate of at least 90% addressed by the District. There is also no enforceable provision in the agreement.
- Section 6.9 states Maple Broadband has no right to ask Waitsfield for data regarding their part of the District, only data for the CUD's part of the District. Other than an "intention" this Board has not received a Universal Service Plan and the pre-construction grants are based on a Universal Service Plan.

- These concerns led to the suggestion by Holly Groschner that the applicants come back with a more robust provision for ensuring the operator does deliver on Universal Service in their section of the territory as well as an obligation to deliver on the Universal Service Plan.

Discussion regarding how Universal Plan would be achieved thru this application.

- Steve Huffaker provided testimony that the intent in the agreements writing, and execution was to recognize that two separate entities engaged in construction in two separate territories are not going to build out at an identical pace. Not feasible due to the nature of construction and challenges that occur.
- Roger Nishi provided testimony stating Waitsfield Telecom will be ahead to start but they are building out over the entire company. Goal is fiber to the homes of every customer Waitsfield serves today. The FCC has said some areas are too costly to serve and do not need to be a part of the Plan. Roger stated they will need to find another form of service such as satellite.
- Responding to Roger Nishi's testimony and for the purpose of correcting the record, Laura Sibilla quoted Section 8085(a), "The purpose of the program is to provide grants to Communication Union Districts for pre-construction costs." Laura Sibilla stated in Vermont Universal Service is 100% of addresses that have electricity are on the grid (wired addresses) and requested the Board be informed of these locations at the start of pre-construction and not later. ~~Christine Hallquist The Executive Director agreed. seconded the thought.~~

The Board agreed an enforceable provision in the ten-year contract between the two companies should be added. This would make Waitsfield accountable to Maple Broadband. Steve Huffaker asked that the Board create the language for he and Roger Nishi to review. Holly Groschner and Brian Otley offered to craft the language.

Discussion regarding transferability.

- Magna Dodge of the Maple Executive Committee explained Maple would own all of its own assets at the end of the 30-year term. If Waitsfield was no longer available, Maple would need to find another operator.
- Brian Otley asked Maple Broadband and Waitsfield Telecom to amend their pre-construction application with language that defines their initial goal of locations covered and the work being done to refine that goal with the pre-construction funding and then turn the initial goal into an actual target at the time of the construction grant.

- ~~Staff recommendation was in support of Board's decision to add an enforceable provision to contract.~~

- Holly Groschner moved for a conditional approval of 2.39 million dollars subject to the conditions that the applicant agreed to certain terms proposed by the Board that address the Universal Service Plan and accountability for such plan and that the applicant agree to modify the operating agreement to reflect Universal Service terms and the statutory requirement of transferability in the event of an assignment to the State. (Amount corrected to \$2,399,200.)
- Steve Huffaker expressed concern that the transferability question could have consequences in relation to Act 71 and the municipal bond market. Suggested separating the two conditions, making transferability a part of the construction grant rather than the pre-construction grant.
- Holly agreed the conditions can be separated however it is a condition of Section 8086(c)3 of the Construction grant program

Brian Otley made a motion to give approval to Maple Broadband with the condition to include Board's suggested language be included to cover the Universal coverage commitment for review and potential revision by the Maple. Timeframe for creating language was one week. All were in favor; motion passed.

The working group will send their developed language to the other Board members and present to the entire group during the October 4, 2021 meeting of the Board.

V. Staffing and Contracting Update (1:44:30)

- General counsel position is posted and one application has been received.
- The Grant Administrator and Administrative Assistant are union positions and are in Human Resources being evaluated for their classification.
- There is a serious need for an engineer for fiber engineering support.
- Budget discussion as it relates to staffing.

VI. VCUDA Update (1:54:30)

- Will Anderson, Program Coordinator for the Vermont Communications Union District Association expressed gratitude for the work being done.
- Bulk purchasing process continues to improve, and they are investigating each CUD's individual perspective right now on what they would like to get done in this initial bulk purchase for 2022 construction.

VII. American Rescue Plan Act (ARPA) (1:56)

- VCBB can do a pre-purchase of materials as a grant and fits within the ARPA guidelines. Does not necessarily need to be a competitive grant. Suggestion was made to have Doug Farnham present to the Board at the next meeting however

the response was for the staff to meet with Doug and then report back to the Board as a whole.

- Staff were assigned to find out how the VCBB participate in the “Capital Projects” and present to the Board at the October 4th meeting.

VIII. Pre-purchasing Materials (2:07)

May be permissible. VCUDA and staff will work together on this. The Board will need staff to provide a plan with list of options and present to the Board.

IX. Public Comment(s) (2:15:35)

Will Anderson, Program Coordinator for the Vermont Communications Union District Association, continued conversation on pre-purchasing and what it might entail considering the possible new option of going thru Finance and Management to obtain money from the State.

X. Motion to enter Executive Session by Patty Richards. Holly Groschner seconded. (2:20)

XI. Adjournment

Minutes submitted by: Audrey Fargo, Executive Assistant

Vermont Community Broadband Board Meeting Minutes
112 State Street, 3rd Floor,
Giga Conference Room
Montpelier, VT
October 4, 2021

I. Call to order

Chair Patty Richards called the meeting to order at 12:05 pm.

II. Roll call completed by Patty Richards.

Patty Richards, Chair (In-person)
Holly Groschner (In-person)
Dan Nelson (In-person)
Brian Otley (In-person)
Laura Sibilila (Arrived in-person at 12:07 pm)
Christine Hallquist (In-person)
Robert Fish (In-person)

III. Agenda Change Discussion

Motion made for the below:

- Request to add a standing agenda item to “review parking lot”. [Brian Otley](#)
[Moved, Dan Nelson Second.](#) Motion carried.

IV. Executive Director Update and Q&A with Staff

- The Department of Public Service received an application from Cape Broadband for an additional 230 addresses. This is part of the Cares Grant from last year however the VCBB has been working closely with the Department on this application.
- An application has been received by NEK Broadband and it is currently moving thru the process.

V. Report back from Working Groups on Universal Service and Transfer of Assets Discussion

In follow-up from Board discussion of September 28, 2021, Holly Groschner and Brian Otley provided the language containing the enforceable provision and the accountability from Waitsfield to Maple.

- 1. Steve Huffaker, Chair of Maple Broadband and Roger Nishi, VP of Industry Relations at Waitsfield, and Champlain Valley Telecom are in attendance.

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◆2. Holly Groschner stated there was a general condition on the approval of the pre-construction approval.

⇒a. Maple Broadband will provide best estimate, non-binding, number of locations underserved or unserved in the District. That would be an amendment to their grant application. Maple further agrees to develop a Universal Service Plan for broadband service to locations in the district, including an estimated date for completion of the plan now. An update of that estimate will need to be provided to this Board with their construction grant.

⇒b. Reconciliation of the issue between data. The Public Service Department data is updated annually, and the Board is concerned that the VCBB will be maintaining a separate database that does not reconcile to the Public Service Board database. Providing a weekly update of how many addresses are connected, the Plan in relation to the actual number. Christine Hallquist suggested a board working group be put together regarding data. The pre-construction grant applications must include a universal service plan based on the Broadband Status data. That plan will include a timeline and the way that the CUD will achieve Universal Service. The board wants this brought to them as an element of their application.

◆3. Discussion regarding how the Operating Agreement between Waitsfield and Maple interfaces with the Universal Service Plan.

◆4. Steve Huffaker did not feel the Board should be singling out Maple Broadband regarding the concern over transfer of default but that this should be a requirement for all the CUDs. Holly Groschner explained this is a grant condition.

◆5. Roger Nishi stated Waitsfield will meet all the conditions with Maple Broadband so that a complete application representing the whole Maple Broadband area can be made.

◆6. The Applicant has heard the conditions of the grant and they must follow-up on items 1-4 with Staff.

◆7. 00:46:18.480 Patty Richards moved to reiterate approval to \$2,399,200 pre-construction request from Maple Broadband. 00:47:00.300 Motion approved.

VI. Construction Grant Program and Review of Staff Recommendations

◆1. Discussion regarding the decisions that need to be made before the issuance of the construction grants. Review and open discussion of the “Staff Recommendations and Work Groups” document provided by staff. (Available on-line.) Goal is to have Construction RFP out by December 2020.

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2. Due to the number of applications ~~that~~ staff expects to receive, Christine Hallquist suggested an all-day meeting for October 18th for the Board to review.

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3. The Board declined this suggestion and expressed they will continue with meetings every two weeks and review applications that arrive during each two-week time period. Staff are required to review and score the applications and provide to the Board members within five days of each Board meeting.

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4. Discussion ~~ensued~~ regarding operating in ~~towns represented by a CUD and~~ Non-CUD towns. Universal Service Plans must address all locations in the town. ~~The suggestion left "on the table" is that A-a~~ town not a part of a CUD must have a Universal Service Plan or join a CUD. ~~now.~~

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Discussion regarding benchmarks for allocation of funding.

~~5. Public broadband access in relation to shared broadband access.~~

6. ~~Motion to go into executive session to discuss a contractual matter that would put the VCBB at a disadvantage if it was discussed in open session. Patty Richards moved, Laura Sibilia second. Motion carried.~~

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2:46 Entered Executive Session due to contractual matter that would put VCBB at a disadvantage if discussed in open session.

~~VII. Pre-purchasing Discussion~~

~~3:17 Out of Exedcutive Session - Staff will continue to research pre-purchasing activity. Objective of agenda item; to inform board of what staff is doing. Exploring different avenues for pre construction, such as working with the utilities as they already have an established purchasing. The other is to provide bridge funding thru other organizations as construction grants are not approved yet. Bulk purchases will be less expensive. Act 71 gives the Board powers, but the Vermont Community Broadband Fund has specific items funds may be spent on. In negotiations with CUDs on this.~~

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3:18 pm Dan Nelson left the meeting.

~~VIII.VII. VCUDA (Vermont Communications Union Districts Association)~~

Represented by Will Anderson, Interim Program Coordinator. VCUDA is hoping to collaborate to make the best possible decision for purchasing in conjunction with the staff and also discussing how as an organization can be beneficial for that purchasing as well.

In regard to the pre-purchasing issue, VCUDA will have responses to these policies moving forward at the October 18th meeting.

Should the need for volunteers for working groups arise, VCUDA would like to be considered for representation.

Major sense of urgency for obtaining ARPA funds from towns because the CUD thinking right now is that investment now will mean affordability later and as soon as possible.

Discussion where funding was coming from.

IX.VIII. Public Comment

As there was no public comment, the Board moved into Executive Session.

3:27 Moved into Executive Session to discuss confidential staffing issues. Patty Moved. Recording cut-off so could not tell who seconded. Motion clearly passed.

3:45 pm Exited Executive Session. Action item from Executive Session is for Christine Hallquist and Patty Richards to meet with Commissioner June Tierney to discuss staffing of the VCBB.

X.IX. Review Parking Lot

Progress of items in the Parking Lot report were discussed.

- Overbuild – Close the item – Incidental overbuild is considered less than 20%. Point to point fiber with no drops is not considered overbuild. This will be addressed in the construction grants applications.
- RDOF – Close the item – CUDs may serve RDOF addresses. This will be addressed in the construction grant applications. RDOF Funds will be considered along with other funds that the CUDs are able to access.
- Guidelines and policies are being addressed as part of the VCBB process
- Formulas/allocations for preconstruction grants will be based on the June 1, 2021 date
- Business plans – CUDs have been asked to submit revised business plans as part of the construction grant applications
- Dashboard – AOT presentation on 11/1
- Financial Controls – Close the item – this will be done at the CUD level
- Budget – will be presented to the Board at the 10/18 meeting
- Bond market objectives – future meeting presentation. Needs to be fully understood prior to the construction grant applications

- Need policy on material default
- Capital funds request for 2022 will be filed by 10/18

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XLX. 3:49 pm Motion to adjourn was made and moved.

Minutes submitted by: Audrey Fargo, Temporary VCBB Recorder

DRAFT

Vermont Community Broadband Board Draft Meeting Minutes
112 State Street, 3rd Floor,
Giga Conference Room
Montpelier, VT
October 18, 2021

I. Call to order

Patty Richards called the meeting to order at 12:04 pm and asked for any agenda changes. Patty Richards moved for an agenda change to add “parking lot update on parking lot items” and if there is time, to go into an executive session to discuss “personnel matters”.

Christine Hallquist moved to approve the agenda as is, and Patty Richards seconded. Motion passed.

II. Roll call completed by Patty Richards.

Patty Richards, Chair (In-person)
Holly Groschner (Arrived in person at 12:07 pm)
Dan Nelson (Remote)
Brian Otley (In-person)
Laura Sibia (Remote / Arrived In-person at)
Christine Hallquist (In-person)
Robert Fish (In-person)

III. Approval of minutes

Patty Richards moved to approve the minutes of September 28, 2021, and October 4, 2021, and Dan Nelson seconded. Motion passed. *Holly Groschner arrived at 12:07 and stated she did not agree with the minutes having found “many errors” and would like to discuss. Patty Richards acknowledged they would discuss later.

IV. CVFiber Preconstruction Grant Request

- As the CVFiber proposal is in conjunction with Washington Electric Coop (“WEC”) and Patty Richards is an employee of WEC, she recused herself due to conflict of interest. Dan Nelson facilitated the continued conversation.
- Jerry Diamantides, Project Manager with CVFiber, and David Healy, Town of Calais, Vermont, CVFiber Delegate, provided a brief overview of the application. CVFiber has a multi-year schedule and perspective. The intention is to use the ARPA funds to the extent they can. In-depth discussion regarding funding.
- CVFiber is in the process of developing a formal agreement with Washington Electric.

- The issue that has arisen with the Vermont Public Service Department is what guarantee does WEC have to guarantee their lease payments from the three CUDs. The Public Utility Commission has to rule that it is okay to apply for the loan and the Department is advising the Commission. The hope is to have the loan approved by the Commission by the end of year 2021.
- Business plan was developed over a year ago without the addition of WEC. Once an operator is on board, they will update the business plan with financial models.
- Steve Knowlton, President of Washington Electric, testified to the purpose of WEC applying for a RUS Smart Grid Loan. The revenue from the leasing to the CUDs is not generating a profit. The intent is to do this at cost. The CUDs would pay off the debt service that WEC incurs. Steve explained the guaranteeing of this loan, the payment, at its scheduled rate is an issue of big importance. It would be very problematic if the CUDs went into default and WEC had to find another way to make the payments to RUS. Steve asked the Board to consider that if CVFiber has collaborators such as WEC, or any other utility, that utilities investment is considered in either policy or legislation to ensure that they are made whole should there be a default on the loan.
- Barry Bernstein, WEC board member, stated WEC came into this primarily for lowering the end cost to members that are the CUD's customers because by borrowing at about a 2.5% spread between what WEC is borrowing and ECFiber borrows now thru the revenue bonds comes out to approximately a 15-20 million plus savings spread out over 30 years. The other reason was that the WEC Board was convinced by getting the loan, the timeframe could be expedited. WEC is also asking for a 30% contingency due to the unstable market.
- "Universal Service" pertains to "every premises". Underserved to be served first.
- Application "housekeeping" was discussed. The grant application is only what the applicant is putting forth not what is necessarily approved by VCBB. The full scope of work and the budget need to be in the grant agreement per Rob Fish. The final work is the final grant agreement.
- Discussion regarding "process" and staff recommendations appearing to be final decisions.
- Discussion as to whether or not "make ready" belongs in pre-construction or construction. The Board suggested the applicant remove the "make ready" portion from the pre-construction application to get the budget costs to come down to better match the available housing eligible funds. A change in the application was agreed upon. 2.804667 includes 800,000 of "make ready" and the applicant would like to convert that into 800,000 of design services.

- Christa Shute, Executive Director of NEK Community Broadband, expressed concern in terms of the timing and ability to construct at the beginning of the season. “Make ready”, in the construction phase is going to put them behind in the lineup to get utility work done. Question of making “make ready”, an early phase of construction and only fund those particular costs. Rob Fish reminded the group that legislation is specific as to the requirements to the construction grant program but does not mean the VCBB does not have the ability to create a different program, with these funds potentially as it has power to do some discretionary plans.
- Holly Groschner made a motion to approve \$2,804,667., which includes 800,000 of design services for area “B” plus pole license applications for the subject areas. Laura Sibilia seconded the motion at 1:48 pm. *Staff should come back to the next meeting with an increase allocation for pre-construction and the Board will be approving additional funds to CVFiber for their “make ready”.
- David Jones is concerned the Board is setting a precedent that pre-construction funds do not contain “make ready”. Laura Sibilia explained that CVFiber needs more allocation for their pre-construction work than exists, which includes “make ready” that is driven by design that should not be paid for until the design is done.
- DVFiber Chair Ann Manwaring is concerned about the criteria the Board set out for filing preconstruction applications included money for “make ready”. Appeared to be a change mid-stream in how things are being done. Rob Fish explained the Board is trying to change this only for this particular application, which is over the current allotment, and not all applications.
- Dan Nelson repeated what he believed was the motion, which was to approve the \$2,804,667., which would include the pole attachments, but not the “make ready”, which would be looked for in a later adjustment, and 800,000 of design services for area “B. Brian Otley seconded the motion. Motion passed at 2:04 pm.

Patty Richards returned to the meeting at 2:05 pm.

V. Northwest Preconstruction Grant Request

- Staff made recommendation to approve funds. Summary of recommendation is that as Northwest is further behind than the other CUDs, staff expects them to come back with a second preconstruction application.
- Sean Kio of Northwest (NWCUD) testified they have the funds for the business plan thru the USDA, (Broadband Innovation Plan). Asking for 604,000. for the pole attachment survey and staff capacity (salaries and technologies).
- No business plan as of yet but the objective is to have 100% served under the Universal Service Plan.

- Other grant monies will be reported when the applicant returns.
- Staffing is in line with what has been seen with the other CUDs.
- Laura Sibilila moved to approve Northwest's CUDs pre-construction application in the amount of \$604,376.25. Dan Nelson seconded. Motion passed 2:20 pm.

VI. DVFiber Preconstruction Grant Request

- Laura Sibilila recused herself and left the room due to conflict of interest being her husband is on the Board and DVFiber is negotiating with the RDC that she works at for Grant Management.
- Anne Manwaring, DVFiber Chair, broke down their 4.1 million application into two sections. The first is "capacity building", which in essence is actually turning DVFiber from an all-volunteer organization to a professionally operated one. The second part of the application is the funding for the pre-construction work.
- David Jones, DVFiber Assistant Clerk, explained the "work" pre-construction portion of the application. Goal is to provide service, where it is not provided now and the detailed engineering that is grant funded will focus on those unserved and underserved areas.
- The Board asked DVFiber if they had any contractual proprietary information they would like to talk about it in executive session. There was a question as to why some data was redacted. Ann Manwaring explained that unlike other municipalities, DVFiber is subject to the competitive forces of the commercial vendors and in the sense of competing for the same customers and so there are open meeting rules DVFiber is obligated to operate by while other municipalities are not. This is the reason certain types of data need to be redacted. It goes to the competitiveness that CUD 's are involved in.
- For the record, Holly Groschner stated she felt the Board needed to be careful about getting overly concerned about competition.
- Quick walk-thru of budget presented by Anne Manwaring. The details of the budget can be found on pages 41 and 42 of the grant application. Discussion regarding grants and monies still not allocated or spent.
- David Jones explained that when DVFiber is done, they will have a Master Services Agreement. No agreements have been signed in advance of this meeting as they cannot sign any agreements until they have the money to pay for the services. They are hoping to sign the engineering and preconstruction grant agreements soon.
- Brian Otley moved to fund the application as described for \$4,111,318.00. Patty Richards seconded the motion. Motion passed at 2:44 pm.

- Carol Monroe was unable to use her microphone and emailed her comment to Rob Fish who read it aloud at approximately 2:48 pm. *I wanted to remind the board that there is a limited amount of time between pole applications and utility survey, which sets the make ready costs in the time the CUD needs to pay for the make ready, according to the administrative rules if not paid in time the process could begin again.*

3:00 pm 5-minute Break

VII. Budget Discussion

- In-depth discussion of budget. The timeframe for this budget is August 9, 2021, thru December 31, 2022. (Documents available on-line.)
- Discussion regarding inter-play between position of Project Manager, Rural Broadband Technical Assistant and Broadband Project Developer.
- Holly expressed concern that all VCBB positions, including the grants administrator position, go thru the Department of Public Service and the grants administrator position is hired by Commissioner Tierney. Question as to whom this position answers to.
- Vote on approval of the position of Project Developer; Patty Richards moved to approve, and Laura seconded. All in favor – motion moved 3:34 pm.

VIII. Public Comment

- Steve Huffaker, Chair of Maple Broadband, inquired as to when they would see the grant agreement. Rob Fish responded that hopefully it would be this week.
- Will Anderson, Program Coordinator for the Vermont Communications Union District Association, stated they are organizing around the issue of pre-purchasing and there is a strong interest in having a bulk purchase of fiber. Previous debate as to whether VCUDA would need to change its bylaws to facilitate the agreement however, at present, VCUDA does not believe the bylaw needs to be changed.
- Irv Thomae – Reminded the Board that typically, once a “make ready” quote has been given by the utility it has a two-year time window. If “make ready” isn't carried out within those two years, there has to be a new application. Christine and Rob will look into this constraint.

3:48 pm Patty Richards moved that they move into Executive Session to discuss prepurchase recommendation from staff and the reason for their executive session is requested through the confidential nature of the discussion possible harm due to premature release of information. Holly Groschner seconded.

4:05 End of Executive Session. Patty Richards reported no action was taken.

Minutes submitted by: Audrey Fargo, Temporary VCBB Recorder

Parking lot items

- Overbuild
- Business plans
- Dashboard (AOT presentation to Board)
- Bond Market Objectives
- Fiber purchase
- Make-ready policy (8085 pre-construction)
- Policy on “material default” 8086 c3
- Capital funds request
- Legislation considerations (8083
 - purchase of consolidated goods and services

Vermont Community Broadband Board
Grant recommendations
November 15, 2021
Christine Hallquist
Executive Director
Phone – 802-636-7853
Email – christine.hallquist@vermont.gov

We have reviewed ACT 71 the grant applications from Lamoille FiberNet, EC Fiber and the grant amendment request from Northwest Communications Union District

EC Fiber

- EC Fiber has been operating for 9 years.
- ECFiber is proposing design work for areas that must be redesign and rebuilt to support expansion.
- ECFiber is requesting \$1,919,429 in funding for premise drop surveys and detailed design work for its 8 expansion towns, border areas, and rebuild areas.
- EC Fiber is requesting \$460,823 for pole studies. These blanket studies are not necessary because the towns that are proposed to be served are either in GMP or WEC territory. The GMP data exists and the WEC data is being collected through another grant by CVFiber.
- EC Fiber is proposing to provide service to adjacent towns of Bridgewater, Cavendish, Hartland, Orange, Roxbury, Ryegate, Weathersfield and Williamstown. Roxbury, Williamstown and Ryegate are served in conjunction with other CUDs and the build is a component of those universal service plans. The remaining towns are not covered by CUDs and are not covered by ECFiber's Universal Service Policy and ECFiber is not proposing service for all unserved addresses in those towns. The Board will need to decide whether a) Preconstruction Funds can be spent in bordering towns that are not member of CUDs; and b) If Preconstruction Funds can be spent in those towns, must the CUD have a universal service plan for the entire town at this time or is that only required under the construction grant program?

Recommendation: We recommend that the Board give conditional approval to the proposed grant request minus the pole study funding, pending additional information from the Applicant. If the Board decides the border areas are eligible, the result is an approved funding amount of \$2,380,252. If the Board decides border areas are ineligible, the result is an approved funding amount of \$1,952,748.

Lamoille FiberNet

- Lamoille FiberNet capacity ask is well defined and aligns with expectations. The CUD is administratively well equipped but in need of funds to maintain the level of capacity recently obtained through state, federal and private funding.
- Plans for construction are yet to be defined. These plans and the speed of construction will be informed by their yet to be completed business planning and ongoing contractual negotiations with potential partners.
- Working with other providers to serve individual towns. The towns covered by what providers has not been defined. While District is committed to universal service, the CUD make clear that any provider selected must also agree to provide universal service. The District sees themselves

more as the owner of the infrastructure that others will use. In this respect, they are committed to providing service to all underserved addresses.

- Pole study money has been requested. The areas to be studied and justification explaining why existing data is not adequate has been requested from the Applicant.

Recommendation: This recommendation may be revised depending on answers provided by the applicant, but at this point we recommend providing funding in the amount of \$313,885 to Lamoille FiberNet for General, Administrative and Personnel be approved. We recommend that the Board request that Lamoille FiberNet provide additional information to approve the Capital request. Staff believes that the Board could benefit from hearing more about the contractual negotiations underway with local and national providers. Because of the confidential and ongoing nature of these negotiations an executive session may be warranted.

Northwest CUD

Northwest CUD has accelerated its planning activities because of a new opportunity that requires the CUD to gather additional information in short period of time to perform the necessary due diligences as related to contractual negotiations with a possible partner that could dramatically accelerate the build out of the District. . . Northwest has picked up three additional towns and hired National Rural Telecommunications Cooperative to develop the business plan as well as create the High-Level Design. The proposal also includes hiring a project manager to ensure ongoing engagement with the design efforts and business planning. The additional funds cover the production of a phase one detailed design and business plan that incorporates additional towns and various new opportunities.

Recommendation: We recommend that the Board approve the additional \$670,652 request.



ValleyNet

www.valley.net

November 12, 2021 via e-mail

The Vermont Community Broadband Board (VCBB)
c/o Christine Hallquist and Rob Fish
112 State Street, 3rd Fl.
Montpelier, Vermont 05620

RE: Justification for pole collection before detailed design

Dear VCBB Members and Staff:

This is in response to Rob Fish's request for further information regarding our pre-construction grant application to the Board, sent by email on November 10, 2021 to ECFiber and ValleyNet. We provide the following information regarding the need for pole data verification and collection.

As you know, ValleyNet has been designing and building FTTP for 10 years now, with over 1500 miles and almost 7,000 customers in the ECFiber territory. We've learned a lot during this period – including many painful lessons through trial and error, and other lessons through successful implementation of this project over the years.

While we acknowledge that utility pole data has gotten much better through recent years, it remains incomplete, varies by utility, and unless this data is verified and missing items collected, we believe errors will occur and only be discovered at very inopportune times that will delay the project significantly and increase its costs.

Understand we will ALWAYS start with available information, and will not seek to duplicate any effort so far conducted by the utilities.

Here are some the issues we identify of concern, and that we seek to avoid through this pole verification and confirmation effort:

Power companies (and telecommunication pole owning utilities) have incomplete information:

1. The power companies do not have phone pole data in their system;
2. The power companies often do not have pole numbers;
3. Through this verification and collection effort, photos can be taken of all aspects of the pole, including attachments, guy wires and any damage on the pole;
4. Cost overruns caused by building with incorrect information can run into hundreds of thousands of dollars. Crews are paid whether they can build or not; when they arrive at a location and

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cannot build due to field discoveries, they get pulled from towns that were expected to be constructed. They are unavailable for work during re-design.

5. Pole application revisions discovered during construction cause substantial make-ready delays, which could not only cause a pause during the construction season, resolution is most likely to extend through the construction season into the winter; and building out a system that has unneeded workarounds and expensive underground is a huge inefficiency and cause of wasted money and time.

Ride-out process:

1. Pole license applications can only be appended up to a small number of poles. If many poles are found in an area that are not owned by the power company, the applications would need to be redone, causing many months of delay. Again, since “ride-out” tends to occur in the construction months, this would likely cause delays beyond the construction season.
2. Utilities are not prepared to update their database from the field during a ride-out. They have no facilities to do so.
3. Ride-outs rarely cover poles in easements – often the problematic poles with respect to design;
4. The ride out **will not look at poles that are not on the original survey**. They might be noticed but probably would be missed, leading to flawed design.

Impacts on Design process:

1. Superior information leads to more precise design with fewer mistakes and corrections needed.
2. ECFiber’s pole collection data includes strand mapping enabling a faster design turnaround and better data for the design.
3. Missing poles will lead to incorrect design, requiring new pole applications and redesign – again, likely delaying action through the construction season.
4. Not having information about phone company poles may lead to missing areas where there is continuity between power poles that would otherwise have been designed for underground work or an expensive workaround.
5. We have many example of these issues even WHEN we have collected pole information in advance. We’ve certainly gotten better at anticipating and avoiding these issues, but cannot imagine the range of problems that would be incurred if we relied solely on the utility information provided.

We respectfully ask that you fully fund our effort, as we know it to be the best at reducing unanticipated cost and time delays.

ValleyNet would be pleased to discuss this with the Board and answer any further questions you may have, but this is a critical step in the process of completing a successful project on time and on budget.

Respectfully,



Christopher Recchia
Managing Director
ValleyNet, Inc.

Vermont Community Broadband Board
Proposed Make Ready policy
November 15, 2021
Christine Hallquist
Executive Director
Phone – 802-636-7853
Email – christine.hallquist@vermont.gov

It will be important for the VCBB to come to an agreement on the make-ready policy to provide guidance to the Communication Union Districts prior to the process of awarding construction grants.

Background

ACT 71

- 8085 (b) As used in this section, “preconstruction costs” include expenses for feasibility studies, business planning, pole data surveys, engineering and design, and make-ready work associated with the construction of broadband networks, including consultant, legal, and administrative expenses, and any other costs deemed appropriate by the Board.
- 8086. BROADBAND CONSTRUCTION GRANT PROGRAM (d) Before the Board awards a grant under this section, it shall determine that the applicant has produced a viable business plan for its proposed broadband project, which takes into consideration network engineering and design, labor needs and availability, supply-chain contingencies for equipment and materials, make-ready work, and any other relevant capital and operational expenses.

PSC Rule 3.700, relevant language

- The Pole-Ownning Utility’s tariff requires prepayment of make-ready applications
- A Pole-Ownning Utility shall present to a new Attaching Entity a detailed estimate of charges to perform all necessary Make-Ready work within 75 days.
 - A Pole-Ownning Utility may withdraw an outstanding estimate of charges to perform Make-Ready work beginning 14 days after the estimate is presented unless otherwise agreed by the parties.
 - A new Attaching Entity shall accept a valid estimate and make payment any time after receipt of an estimate but before the estimate is withdrawn.
- The costs of a Make-Ready survey shall be payable even if the entity decides not to go forward with construction of its attachments.

Discussion

The challenge that this presents to the CUDs is as follows:

- Make-ready applications are a result of high-level design. High level design is done using software and available data. This data, by definition, is high level and dated
- Even with the inaccuracy that is inherent in high-level design, make ready applications should be filed as soon as possible. The utilities will assign work on a first-come, first-serve basis. We want the CUDs in first. The cost implications are small at this point.
- Actual make-ready work should be guided by the detailed design, which is part of the pre-construction grant and process.

- It will likely take years (5 or more) to fully complete network construction.

Recommendation

The legislature considered the challenge of make-ready and explicitly allowed for the funding as part of pre-construction. The Board has established that pre-construction applications should be looking forward 18 months when applying for funds. We recommend that make-ready construction funds be allowed as part of the CUD pre-construction grant application. Those funds should be limited to the actual work that can be accomplished within an 18-to-24-month period. Actual make-ready work must be guided by the detailed design and the construction phasing. This means the CUDs will need to guide the design effort based on a phased approach. This means that the CUDs will be seeking make-ready funding in phases aligned with the Business Plans.

TO: Vermont Community Broadband Board
FROM: Vermont Communications Union Districts Association
November 10, 2021

**Policy proposal for VCBB grant awards as they pertain to
make-ready and construction work for fiber networks**

Background:

At the meeting of the Vermont Community Broadband Board on Monday, November 1st, a motion was approved unanimously to change the model by which Communications Union Districts and other eligible applicants are able to seek funding for the make-ready work necessary to facilitate the design of a fiber network.

The Board agreed that, thenceforward, only the costs of *applications* for make-ready work would be eligible for inclusion in pre-construction grants. The actual costs of make-ready work were shifted over to be included in construction grants, the application for which is expected to be released sometime in the month of December at the earliest.

It is worth noting that, per Vermont statute, all make-ready costs are included as part of the preconstruction grants. CVFiber was prevented from receiving the full amount necessary for their make-ready work as the inclusion of this item set their application over their maximum allocation for the grant, while DVFiber successfully acquired the funds necessary for their make-ready work to begin.

Problem:

Pushing make-ready execution costs from pre-construction grants to the construction grants could cause significant delays in the process for many CUDs. Delays in the design and construction process have the potential to increase the overall cost for CUDs, which would in turn increase the cost of service to Vermont residents and the amount of time before fiber reaches those who are currently unserved or underserved.

If make-ready costs can only be fully paid via the construction grants, significant delays will be incurred for CUDs, with potentially serious repercussions. Assuming that 30 days are necessary for a CUD to complete a construction grant, 30 days are necessary for the VCBB to review and approve the application, and a further 30 days are required to receive funds from the grant award, make-ready work will not be funded until March of next year. The CUDs believe this may result in increased delays across the entire construction process.

As said on the November 1st meeting by representatives from Vermont's utilities, responsible for carrying out telecommunications make-ready work, there is significant competition for their services from providers in the private sector. Delays in receipt of make-ready funding could multiply considering the crowding-out effect that is expected to occur in the coming months.

Additionally, CUDs have been operating under the assumption that make-ready funding would be fully available through pre-construction grants. At least one CUD is at an advanced stage with their application, which includes full make-ready funding.

We believe the VCBB can remedy these problems by adopting the following solution.

Policy:

1. Eligible applicants for pre-construction grants may include any and all costs necessary for the acquisition and execution of "make-ready" work in their pre-construction grant applications for areas they reasonably expect to construct within the first 9 months of 2021. The Board may approve a request in whole or in part.
2. Given a situation in which an applicant requires such funds for make-ready work that cause their application to exceed their allotment for pre-construction, the Board may approve their application in whole or in part minus the make-ready funding, provided that the Board subsequently amends the allotment and the grant award to include the make-ready funds.
3. Make-ready funding will also be included in the construction grants. The availability of this funding in construction grants will streamline the process for CUDs that have received pre-construction grants and found a need for additional funds to carry out the make-ready process. Along the same lines, the Board may allow requests for amendments to successful pre-construction grant applications to provide for additional make-ready funding.

Vermont Community Broadband Board Outside Plant Design (OSP) Requirements a

This document covers the Construction Grant requirements. All entities applying for grants must comply with the following

- Grantee must provide a clear constructable design with standards that cover the following for every CUD:
 - Fiber sparing and reservation recommendations to assist with outside plant equipment and fiber sizing
 - Optical extents (Budgets)
 - Account for future and/or unplanned growth including public safety and mobile wireless. A minimum of 36 (3 tubes) of spare is required. The smallest size number of fibers on a route will be 48. This does not apply to post splitter fiber (end runs and driveways)
 - Power supply and back-up requirements for active locations
- Grantee must provide all design mapping deliverables in a single GIS (ESRI Preferred) format usable for the CUDs, Network Operators, Project Management, and relevant contractors including:
 - Online and downloadable field engineering data
 - Online and downloadable detailed construction maps
 - Bills of materials linked to location
 - As-builts reported monthly
- Grantee design must include every CUD-approved demand point and include:
 - Assigned specific and accounted for PON splitter and OLT port for every identified demand point so that provisioning and activation can be done with minimal truck rolls or future design requirements.
 - Drop distance and route for every demand point should be known so that the impact to the material requirements and optical budget is understood.
 - Identification of slack budgets and loop locations.
- Grantee's design deliverables must include detailed planned optical measured loss (dB) calculations. These planned losses will be compared to actual losses during construction to ensure they fall within the Optical Extents budget.
- Grantee's detailed splice diagrams must be geospatially accurate and provide estimated measured loss at every connection point so that network performance can be assured and documented.
- Grantee must propose integration locations for:

- Geographic redundancy
- Connections with adjacent CUD networks
- Connections with private networks, including leased fiber routes

DRAFT