

NEK Community Broadband

Executive Committee Meeting Minutes

May 29, 2020

Attendees: Evan Carlson (Chair, Sutton), Kristen Fountain (Vice-Chair, Albany), Nicolas Anzalone (St. Johnsbury), Noah Armstrong (Glover), Jonathan Baker (Danville), Bill Piper (Waterford), Katherine Sims (Craftsbury), Mike Strait (Brighton), Annie McLean (Clerk, Sheffield), Jennifer Barone (Burke)

Evan Carlson (Chair) called the meeting to order at 3:06 and reviewed the meeting agenda.

Administrative Updates

- CUD Bank Account has been set up with Dave Snedeker (Treasurer), Evan Carlson (Chair, Sutton), Annie McLean (Clerk, Sheffield) as signers.
- Evan will work with Dave to change the official CUD address to Northeastern Vermont Development Association (NVDA).
- Northern Enterprise status - cash will be included in transfer, some items will now not be confidential, Evan hopes to finalize the transfer agreement with the legal team and have ready for the Governing Board to approve (Governing Board previously authorized transfer during organizational meeting). Kristen Fountain noted that signing documents does not commit the CUD to taking over all Northern Enterprise assets...taking over the Northern Enterprise Board is step one.
- There will be a meeting of the leadership of all Vermont CUDs on June 1st to discuss partnerships for the FCC RDOF Auction (RDOF). F.X. Flinn (Chair, ECFiber) is proposing that ECFiber represent all Vermont CUDs at RDOF. ECFiber and CVFiber use the same legal team as NEK Community Broadband and Evan Carlson has circulated a draft interlocal agreement from F.X. Flinn for the Executive Committee's review. John Roy, ECFiber Treasurer, will share a presentation on the overall process of issuing, servicing and redeeming promissory notes as done by ECFiber.
- VELCO kicks off its collaboration with the distribution utilities (DUs) next week to gather GIS data to create a single database of all utility lines and fiber assets statewide. The work has no specific timeline, however Evan Carlson thinks things will move relatively quickly. VELCO and Tilson are continuing conversations. Tilson

has created a business plan and conducted a feasibility study to look at how a partnership with VT utilities might work at RDOF. The DUs want to have a sense that Tilson can deliver. Tilson has pulled in Valley Net for a meeting on June 1st to do some vetting. VELCO, DUs and Valley Net will need to decide on an RDOF approach by July 1st. NEK Community Broadband will need to decide by then as well in order to participate. A second option may be cutting out Tison, which would make ValleyNet the direct applicant. Kristen Fountain asked for clarity on how NEK Community Broadband wanted to play a role...does our CUD have a long term interest in owning the asset? Does our CUD want to be a network operator like ECFiber or do we want to be a nonprofit that brings together funding and partners along with an outside operator. Katherine Sims noted the difference between the philosophical lens versus practical lens, asking if our CUD can operate our own network on the scale required. Kristen noted that profit margins are way better for owner/operator models. Nick Anzalone suggested that these conversations happen via the [mission, service goals, operating principles, and immediate priorities doc](#).

Governing Board Meeting Debrief

Kristen Fountain noted that meetings will continue to run more smoothly as time goes on...systems will continue to improve with use. Evan Carlson noted that the CUD needs a recommendation for policy on adding new member towns. The tech and finance committees should set initial meeting dates. Jonathan Baker is Tech Committee pro tem chair.

Improving Communications

Jennifer Barone (Burke) suggested that communications could be improved by limiting jargon and creating a glossary of terms. She suggested the following format : 1) write out organization acronym; 2) define what the organization does; and 3) why the organization is important to us. Katherine suggested including this in every packet along with a list of people and roles and meeting schedules.

Electric Utility Plans

Bill Piper gave an update on the Electric Utilities:

- [Washington Electric Co-Op](#) - interested in partnering, want to emphasize cooperation over competition.
- [Vermont Public Power Supply Authority \(VPPSA\)](#) - re: municipal utilities, municipal utilities have been reluctant and resistant to fiber. They are small, overworked, and

afraid of the unknown...also way behind GMP on smart meters. Bill has the sense that the VPPSA Board knows it has to be done; they just need to get there. Regulators in the legislature also need to prioritize fiber for municipal utilities.

- Vermont Electric Co-Op (VEC) - really want to be involved, skepticism on RDOF and ability of CUDS and DUs to have financial wherewithal to do what they are proposing.
- Green Mountain Power (GMP) - wants to be involved, however more high level info is needed from them.
- VELCO - understands NEK and the needs of NEK Community Broadband, really wants this to happen and eager to play a major role. Kerrick Johnson thinks it's important that DUs speak with one voice and the CUDs speak with one voice.

Evan Carlson noted that we should have some one-on-one conversations with municipal utilities since there are so many in our service area, particularly if we move into Lamoille County. Bill will reach out to Bill Humphrey at Lyndonville Electric Department (LED) to start this conversation.

RFI & RFP Responses

RFI - three responses were received, more are expected in the next few days from VELCO and Tilson. The Executive Committee should work on selection questionnaire so we can decide what we want:

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- VTel;
- GWI - Maine-based, longest running Telco in Maine, interested in coming into NH and VT; and,
- First Light Communications - largest middle-mile provider in the State, but may not be interested in handing over assets to us (same for all three) .

RFP - Discussion postponed due to Dave Snedeker's absence.

RDOF Partnership Criteria

The Executive Committee looked at the DRAFT RDOF Partnership Criteria from ECFiber. We need our mission and strategy to be better defined in order to produce this level of output. Do we want to own a network and lease fiber assets to an ISP? What is our role if we do not own the asset? Important thing is to have legal oversight of the use of the assets...maybe that means owning them, maybe not owning outright. Do we need to distinguish between middle-mile and last mile...DUs may want to own last-mile if it's going

to smart meters. Bill Piper thinks all DUs are open to exploring the most efficient and cost effective way to build out. Kristen Fountain thinks our revenue bonding capability puts us in a unique position to purchase assets. Full buy in from the Governing Board is needed on this. The way we win RDOF is fiber to the home...no wireless and no DSL. We could enter a partnership with initial assets owned by a partner with a buyout plan after a set number of years. RDOF is not a primary funding source...need to also focus on other options. Fiber to the home is primary approach...fixed wireless may be used temporarily to get people connected until they can be connected to fiber in 3- years.

Other Business

Katherine Sims introduced a discussion about a potential private investment partner. SHE wanted to know if the Executive Committee has a sense of which RDOF option might be best and what we might we look for in a partner? RDOF is just one piece...we do have territory where addresses are not being subsidized by RDOF. Katherine Sims has sent the potential partner the RFI. Nick Anzlobe noted that there were trade offs for different partners.

Evan Carlson made a **motion to adjourn**. Nick Analone **seconded the motion**. **Motion carried 5-0**. The Meeting adjourned at 4:30

Action Items

- Switch Executive Committee meeting to CUD zoom account - Annie
- Develop policy for adding new towns - EC meeting next week
- Appointments for new member towns - Evan, Annie
- Set Finance Committee meeting - Kristen, Dave
- Set Tech Committee meeting - Jonathan
- Glossary of terms: Jennifer Barone, Executive Committee
- Reach out to LED - Bill
- Work on RFI selection questionnaire - Executive Committee