NEK Community Broadband

Executive Committee Emergency Meeting

December 22, 2021 - 9am

Physical Location: 142 Eastern Avenue, St. Johnsbury, VT 05819

Attendees: Christa Shute (ED), Jami Jones (Clerk), Kristen Fountain (Treasurer), Evan Carlson, Ray Lanier, Jonathan Baker, Morgan Wade, Nick Anzalone, William Piper, Michael Strait

Agenda Review

New Business

- The NEK now has an official logo and our first two customers will be lit up tomorrow. We are very excited to celebrate this accomplishment. Christa will email the Executive Committee the location so that a member may attend the light up.
- Approval Selection for Audit RFP- a summary was sent prior to the meeting.
    - Kristen- 4 firms bid for us. The recommendation, McSoley McCoy, is an auditor who has the utility experience and is more accustomed to working with municipalities and non-profits. We believe that they will be able to work with the start-up nature of the business.

Motion to retain McSoley McCoy as auditor for the NEK Broadband CUD, Motioned: Bill, Seconded: Morgan, Carried: (7-0).

- USDA ReConnect Grant- a summary was sent prior to the meeting.
    - Christa- We are looking into a grant/loan funding (50/50).
    - USDA would have the first right of refusal on everything and we would have to keep them abreast of all of the goings on of NEK Broadband. We would pledge all of the State Fiber assets. Having the loan could make it difficult to get other loans. The loan rate is 2% over 35 years, which is lower than the bond market.
        - Ray- who are the other organizations and what strengths do they bring of winning the proposal?

- Christa- there are hundreds from across the country. The RDOF areas are given priority. 350Mil available on 100% grant, and 250Mil available on 50% grant, but there may be more money coming. Anyone who scores less than 120 would not succeed in getting a grant application because of all the competition we are at a score of 125.
- Kristen- the labor points would mean complying with Davis Bacon as well.

- Nick- are there other applicants from our area?
  - Christa- Kingdom Fiber will not be a factor, Consolidated will be putting in an application. We will be avoiding their RDOF areas in order to qualify. If we are doing a 50% loan/ 50% grant there would be no matching funds.
- Nick- Have we weighed the pros and cons of this money vs. other money that would make us solvent sooner? Are we worried about making enough money in the future to qualify for loans?
  - Christa- a revenue bond is based on revenue, which pays the bond and then it pays you. A revenue bond is secured by revenue, which is the most likely route that the NEK will take. The letter of credits will be different for other banks in the future, and we may be able to look into VEDA grants for matching.
- Evan- the money is not apples to apples to bond funding. The money is restricted on how we spend it in specific areas whereas bond market funds would not be. How many addresses and eligible blocks are we trying to connect? We would like more information before we can commit to an application. It will be a smaller project than the $25Mil.
  - Christa- Essex county, WEC, etc. with holes in the maps.
  - Kristen- the addresses that we would connect are the ones that would not be well received by the bond market. We would want to build out to the other areas in order to improve for the bond market. VEDA match debt would be 25%.
  - Christa- we will probably have the information around the 1st week in January.

- Kristen- the application is due February 24th.
- Christa- The NEK would approve the resolution, follow the resolution, Kristen will be made an administrator, and we can create the maps as soon as next week. Settle on the biggest that will keep it at 6 people per mile. Information (polygons-PFSAs) will be given to NRTC to be put in their system, and they will compare and analyse it to the information that they have. They will produce a projected cost based on mileage. The route design based on the whole project cost will come in January to produce a business plan for the USDA specific project. After, there will be another point of decision making when it comes to CTC.

- Christa- Would like to be able to upload the resolution, create an account, and engage with NRTC. There will be multiple check-ins on this. It's possible that Tilson will apply, but we will have more points. Only one person in the area can win. There can be multiple winners in VT, but we cannot overlap.
- Christa read the proposed resolution:

"RESOLUTION

RESOLVED that Christa Shute, the Executive Director of the CUD, has the assigned Representative- Signature-Certifier security role on behalf of the CUD, who shall be responsible for providing signatures, authorizing certifications, entering and updating applications, submitting applications for consideration, and assigning access to new users in USDA's online application system for the ReConnect Program and Community Connect Grant Program. If application(s) are awarded under either program, the Representative-Signature-Certifier security role on behalf of the CUD shall also be responsible for authorizing certifications, entering, updating, and submitting compliance reports, and assigning access to new users in USDA's online financial reporting and compliance system.

RESOLVED that Christa Shute, Executive Director of the CUD, has the assigned Administrator(s) security role on behalf of the CUD, who shall be responsible for assigning access to new users, and entering and updating applications in USDA's online application system for the ReConnect Program and Community Connect Grant Program.

If application(s) are awarded under either program, the Administrator(s) security role on behalf of the CUD shall also be responsible for assigning access to new users and entering, updating, and submitting compliance reports in USDA's online financial reporting and compliance system.

1. RESOLVED that the Representative-Signature-Certifier and Administrator(s) for the CUD shall comply fully with all security procedures and policies of the online application system for the ReConnect Program and Community Connect Grant Program, and for USDA's online financial reporting and compliance system.

I FURTHER CERTIFY THAT each member of the Executive Committee of the CUD was furnished with notice of said meeting in compliance with the bylaws of the CUD and the statutes of the State of Vermont."

Motion to execute the USDA Resolution. Motioned: Michael, Seconded: Morgan, Carried:(7-0).

Motion to create an account with USDA ReConnect. Motioned: Michael, Seconded: Morgan, Carried: (7-0).

- Evan- What is the quote from NRTC?
  - $35-40K think it should come in at $25K

Motion to enter into a contract with NRTC for the USDA Reconnect Application not to exceed $35,000.00. Motioned: Michael, Seconded: Morgan, Carried: (7-0).

Other Business

Respectfully Submitted,
Jami Jones, NEK Broadband, Clerk