

NEK Community Broadband

Governing Board Meeting Minutes

February 11, 2021 5:30-7pm

Attendees: See list (24 votes)

Role Call & Agenda Review - 2 Min

Adding a brief intro to the draft roadmap document. Motioned: Michael Strait, Seconded: Mark Whitworth, Carried: (25-0)

Public Comment - 5 Min

Consent Agenda - 2 Min

Motion to approve the consent agenda. Motioned: Michael Strait, Seconded: William Piper, Carried: (25-0)

Updates

5:45 - Administrative & Committee Update Discussion

- Organizational Meeting is in May and all of the reps will be re-elected to the board. If the resolution is not given by the selectboards, the current rep is reappointed.
- Christine gave a brief introduction for the ArcGIS procedures. Instructions to the maps are found in the GB Packet and will be placed on the drive this week. Check with Christine or Jami for any further questions.
 - Includes maps of overlays for the state, our information, cell towers, pole information, etc.

5:50 - Updates from District Administrator

New Business

6:00 - Business Plan Proposals (.zip file), Recommendation & Vote

- Tilson gave the CUD good structure and bones to move the CUD forward.
- The CUD received several RFPs and the Executive Committee is looking specifically at looking with NRTC for the Business Plan.
- NRTC has experience and flexibility in rural areas like those we are dealing with in the towns of the NEK CUD.

- Was Tilson asked about the 60K per mile they were asking? Answer: yes. Tilson is more profit driven than the CUD aspires to be and the companies could not come to an agreement.
- Do the NRTC have reports that have been/could be reviewed? Yes. Christine is willing to provide that information and has talked to end users personally.
- National Rural Telecom Co-operative. won many RDOF blocks and are familiar with the Rural Broadband needs and know how a CUD works. Working with WEC, VEC, and Kingdom Fiber.
 - Does this impair future relationships with other companies? The CUD needs for the contractor to remain a more neutral point of view. There are hopes to meet with everyone.
 - The CUD has an idea of what they want to do, but needs to know how much it will cost. A “bankable” plan. Funding opportunities may be present in the future and we could have plans to leverage those funding opportunities with infrastructure, plans, etc.
 - Why is there a construction proposal when we do not have a business plan? We were awarded funds that can be used for infrastructure. The funding has a deadline, where we have to spend it before the end of the year. We need to be able to define a project to put it towards. The business plan will not be fully realized for three to five months.
 - How are we rolling out infrastructure without having an ISP to be the front-person? We sent out the RFIs and received them back from Kingdom Fiber and Consolidated Communications. It would be good to have Kingdom Fiber in future meetings to discuss further.

Motion to approve contracting with the NRTC to develop the 5 year business plan that Christine proposed. Motioned: William Piper, Seconded: Dana Casperson, Carried (25-0)

6:20 - 2021-2022 Construction Project Proposal, Selection Criteria & Vote

- Criteria includes taking advantage of funding opportunities, the projects will comply with the constraints and criteria, that they will be completed by the deadline (this year), majority of addresses are underserved/unserved, taking in key fiber interconnection with other projects for the future, increasing infrastructure for the CUD, an EBITDA of 35% or greater, will deliver middle mile fiber to the home, location with reliable backhaul service.
- Projects: The assumptions were solid, but the construction costs were high with the Tilson Feasibility Study
 - EBITDA: we would like to get into the places where it is less than 35%, but to start the CUD needs to focus on those above 35%. (Earning Before Interest, Taxes, Depreciation, and Amortization). For these initial projects we have to have something we can build our track record with.
 - Passings: number of houses the fiber passes
 - Concord: The funding that was going to be given by this project could be more beneficially used elsewhere.
 - St. J/ covered by cable. Designated as an overbuild

- Recommended: USDA eligible areas. Most of the NEK is not eligible for USDA funds because of the VTEL projects.
- Immediate: Reallocating the funds from the VT CARES project (\$460K), once the funds are released we can reapply and change where the money goes, but we need to have an alternative plan in place already.
- Walden: 13.7 mi with 100 unserved passings, with more passings per mile. Can connect to VELCO fiber. Would extend Danville route, and could be made a key route and is in NRTC. And Washington Electric Co-op. We can use this as a match to help fund the rest of our project.
 - Questions: RDOF overlap? NEK would try to coordinate efforts with NRTC. NEK could build and lease it to them, or trade fiber for fiber, etc. The interactions have been positive thus far and believe that NEK can collaborate with them
 - Will this help tie the RDOF areas together? Yes.
 - This will help to establish a partnership that could move forward. Having it in the RDOF area could give argument for why a partnership should exist and more funding.
 - Other areas are in USDA funding areas, where the CUD wants to aggressively get funding to move forward on construction. There will be areas that are not initially selected.
 - We have to start by building our financial capability, but will strive toward the goal of serving every address in the future.
 - When will the goal shift away from number of passings to the other areas of the CUD? The Business Plan will help to give us that timeline as well as the funding pools that we will be able to access in future.
 - Does the bill include central office equipment? Business plan and ISP. The Tilson study included central office costs. We will have an “all in cost” to determine what the return will be over time
 - There are a lot of towns that are not in the initial projects because we are looking at concentrated areas that were outlined by the Tilson Feasibility Study.
 - The Executive Committee will be using the outlined criteria to develop the strategy for construction plans.
 - This would help us to build collateral.
 - The Executive Committee would be looking for projects that fit the CARES funding and apply for other grant funding.
- Asking the Governing board to give the Executive Committee to get things in motion to bring the plans to a head. Will be bringing back partnership approvals.

Motion to give the Executive Committee the authority to approve and pursue the 2021 projects based on the recommended criteria proposed in the document titled “Proposed 2021 Deliverables.” Motioned: Nick Anzalone, Second: Dana Casperson, Carried: (25-0)

6:45 - Town Meeting Day Talking Points (Carrie Glessner)

- Towns may not be meeting in person, but this document may be useful to help present the information in a more digestible way. This is not the Annual Report and does not carry all of the same information.
 - Document has updated information
- Tips:
 - There are a lot of unknowns, but we need to present factually and avoid speculation.
 - Refer questions that you do not know back to the CUD.
 - Questions on other providers? Can talk about that outside of town meetings. As part of the meeting presenting, you will be representing the CUD and the CUDs stance.
 - Please, use a form to share questions from town meetings with us so that we can update the website. The CUD will not respond directly from that form. If you need immediate answers please ask Christine or an Executive Committee Member.
- Questions:
 - Is this on the drive? Will be re-sent at the end of the meeting along with Carrie's notes.
 - Should we be posting FAQ to Front Porch Forum and other places? Yes, that is a possibility in the future. The request will be brought to the executive committee.

Other Business

- Proposed Roadmap:
 - The purpose: give a sense of what we are "driving" towards in a more specific way long-term.
 - Fundamental tension between wanting to be realistic and showing where we are going
 - How would the board like to engage, do we want to be aspirational, or more conservative?
 - The hope is once we have a "big frame" then it would open up the next step of what are the metrics for where we go next in future builds and the criteria. Then we can refine and map out more specific areas.
 - How do we hold ourselves accountable?
- Questions:
 - Would like to see the whole roadmap, the completed vision with phased implementation. The phases will depend on money that is received, but we will receive when and how each area will be served?
 - The business plan will give us more specific data to build off of for a better "roadmap."
 - What about affordability, cost to the individual for service? Could also be seen through a business plan.
 - Is the ultimate plan that we will have service going to places that have service already? Will we be in competition with other places? This is one example of how we might hold ourselves accountable.

Adjourn

Motion to adjourn. Motioned: Cal, Seconded: Mark Whitworth, Carried: (25-0)

Action Items

- Christine gave a brief introduction for the ArcGIS. Instructions to the maps are found in the GB Packet and will be placed on the drive this week. Check with Christine or Jami for any further questions.
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- Should we be posting FAQ to Front Porch Forum and other places? Yes, that is a possibility in the future. The request will be brought to the executive committee.

Respectfully submitted,

Jami Jones, NEK Community Broadband Clerk

A handwritten signature in black ink that reads "Jami Jones". The signature is written in a cursive style with a long, sweeping underline.

