



CVFiber Update: Town of East Montpelier

A. Introduction

CVFiber is our Communications Union District (CUD) and consists of eighteen communities in Central Vermont:



- Barre City
- Barre Town
- Berlin
- Cabot
- Calais
- East Montpelier
- Elmore
- Marshfield
- Middlesex
- Montpelier
- Moretown
- Northfield
- Orange
- Plainfield
- Roxbury
- Williamstown
- Woodbury
- Worcester

CVFiber's has a single aim: to help residents and organizations of 18 Vermont communities including East Montpelier to have access to fast, reliable Internet with a goal of at least 100/100 Mbps service. Our focus is on providing access to those members of the community without good options today. Over the next few months, we will be completing work on feasibility studies, business/financing plans, and determining how and when this Internet access will be rolled out to our various

communities. This is a significant undertaking and will take a number of years to fully complete.

Construction of CVFiber to all premises will require a significant investment and must come from self-funding and borrowing.

We want to thank all of you who completed our community survey. The results of the survey provided us with information on a wide variety of topics to help guide high-speed broadband feasibility and business planning. The survey provides tremendous insights into our community's interests and their current practices.

The survey was made available to households mostly through postings in each community's Front Porch Forum starting in June 2019 and concluding on January 24, 2020.

B. Demographics

First, some demographics about East Montpelier and District Communities from public sources.

Key Demographic & Education Facts

2019

| Community | Demographics | | | Education | | | |
|-----------------|---------------|-------------|----------------|---------------|-------------|--------------|------------|
| | Population | Median Age | Household Size | No HS Diploma | HS Graduate | Some College | BA/BS + |
| Barre City | 8,972 | 40.8 | 2.2 | 13% | 34% | 28% | 26% |
| Barre Town | 7,787 | 46.8 | 2.4 | 5% | 37% | 27% | 31% |
| Berlin | 2,891 | 50.9 | 2.3 | 7% | 36% | 28% | 29% |
| Cabot | 1,599 | 44.5 | 2.5 | 5% | 29% | 25% | 41% |
| Calais | 1,747 | 49.7 | 2.4 | 3% | 25% | 24% | 49% |
| East Montpelier | 2,625 | 49.8 | 2.4 | 4% | 20% | 23% | 53% |
| Elmore | 903 | 44.8 | 2.3 | 7% | 27% | 30% | 36% |
| Marshfield | 1,613 | 44.3 | 2.5 | 5% | 33% | 23% | 40% |
| Middlesex | 1,716 | 48.3 | 2.5 | 3% | 25% | 21% | 52% |
| Montpelier | 7,944 | 45.4 | 2.0 | 5% | 18% | 17% | 61% |
| Moretown | 1,743 | 47.8 | 2.4 | 4% | 24% | 22% | 50% |
| Northfield | 6,090 | 28.7 | 2.4 | 7% | 32% | 26% | 35% |
| Orange | 1,121 | 49.0 | 2.5 | 10% | 51% | 25% | 15% |
| Plainfield | 1,232 | 46.1 | 2.3 | 7% | 26% | 26% | 41% |
| Roxbury | 716 | 47.8 | 2.3 | 10% | 31% | 26% | 33% |
| Williamstown | 3,489 | 44.8 | 2.4 | 6% | 50% | 30% | 14% |
| Woodbury | 1,047 | 49.7 | 2.3 | 3% | 33% | 27% | 37% |
| Worcester | 999 | 46.4 | 2.5 | 4% | 25% | 24% | 47% |
| CVFiber | 54,154 | 44.5 | 2.3 | 6% | 31% | 25% | 38% |

Key Economic Facts

2019

| Community | Income | | | Employment | | | | Businesses | |
|-----------------|------------------|------------------|-------------------|--------------|--------------|-------------|------------|--------------|----------------|
| | Median Household | Per Capita | Median Net Worth | Unemployment | White Collar | Blue Collar | Services | Total | # of Employees |
| Barre City | \$ 40,587 | \$ 23,479 | \$ 21,177 | 3.5% | 66% | 19% | 15% | 523 | 4,642 |
| Barre Town | \$ 68,076 | \$ 34,636 | \$ 230,994 | 2.7% | 67% | 20% | 13% | 240 | 2,504 |
| Berlin | \$ 64,537 | \$ 36,544 | \$ 204,457 | 4.0% | 67% | 19% | 14% | 310 | 6,790 |
| Cabot | \$ 50,087 | \$ 28,858 | \$ 129,633 | 2.4% | 63% | 23% | 14% | 54 | 209 |
| Calais | \$ 63,650 | \$ 33,729 | \$ 189,971 | 1.4% | 70% | 15% | 15% | 39 | 166 |
| East Montpelier | \$ 63,543 | \$ 37,293 | \$ 232,498 | 0.9% | 81% | 11% | 8% | 102 | 736 |
| Elmore | \$ 60,705 | \$ 32,753 | \$ 176,014 | 3.0% | 61% | 25% | 14% | 20 | 92 |
| Marshfield | \$ 58,378 | \$ 28,787 | \$ 143,566 | 1.2% | 65% | 22% | 14% | 64 | 327 |
| Middlesex | \$ 73,489 | \$ 34,539 | \$ 253,221 | 1.1% | 68% | 16% | 16% | 67 | 660 |
| Montpelier | \$ 60,581 | \$ 38,332 | \$ 75,718 | 1.7% | 83% | 8% | 9% | 930 | 10,522 |
| Moretown | \$ 76,529 | \$ 44,798 | \$ 255,648 | 2.1% | 67% | 18% | 15% | 59 | 450 |
| Northfield | \$ 72,733 | \$ 25,501 | \$ 111,932 | 1.1% | 60% | 22% | 18% | 191 | 2,617 |
| Orange | \$ 61,550 | \$ 28,241 | \$ 193,505 | 1.7% | 65% | 22% | 13% | 12 | 54 |
| Plainfield | \$ 57,251 | \$ 32,519 | \$ 146,852 | 5.3% | 63% | 18% | 10% | 47 | 322 |
| Roxbury | \$ 52,376 | \$ 28,931 | \$ 125,730 | 3.3% | 53% | 27% | 20% | 27 | 123 |
| Williamstown | \$ 56,320 | \$ 27,549 | \$ 130,759 | 1.1% | 58% | 26% | 16% | 92 | 640 |
| Woodbury | \$ 70,812 | \$ 36,940 | \$ 206,306 | 5.0% | 69% | 23% | 8% | 26 | 115 |
| Worcester | \$ 59,670 | \$ 30,141 | \$ 183,807 | 1.4% | 69% | 19% | 11% | 27 | 102 |
| CVFiber | \$ 54,154 | \$ 31,738 | \$ 120,656 | 2.3% | 68% | 18% | 14% | 2,830 | 31,071 |

Source: Esri, Census ACS, and Infogroup

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Population Density

2019

| Community | 2019 Population | Area (Sq.Mi.) | Population Density/ Sq.Mi. |
|-----------------|-----------------|---------------|----------------------------|
| Barre City | 8,972 | 3.98 | 2,256 |
| Barre Town | 7,787 | 30.71 | 254 |
| Berlin | 2,891 | 36.94 | 78 |
| Cabot | 1,599 | 38.53 | 42 |
| Calais | 1,747 | 38.56 | 45 |
| East Montpelier | 2,625 | 32.11 | 82 |
| Elmore | 903 | 39.58 | 23 |
| Marshfield | 1,613 | 43.42 | 37 |
| Middlesex | 1,716 | 39.87 | 43 |
| Montpelier | 7,944 | 10.25 | 775 |
| Moretown | 1,743 | 40.21 | 43 |
| Northfield | 6,090 | 43.63 | 140 |
| Orange | 1,121 | 39.01 | 29 |
| Plainfield | 1,232 | 21.04 | 59 |
| Roxbury | 716 | 42.03 | 17 |
| Williamstown | 999 | 40.45 | 25 |
| Woodbury | 3,489 | 39.09 | 89 |
| Worcester | 1,047 | 38.82 | 27 |
| CVFiber | 54,234 | 618.24 | 88 |

C. Survey Results

1. Responses

East Montpelier had 131 responses from an estimated 1,066 households or 12.3%. This places East Montpelier in the middle of the pack on response rates.

| Summary Survey Response by Community | | | |
|--------------------------------------|----------------------------|------------------|-----------------|
| Community | Total Residential Premises | Survey Responses | % of Residences |
| Barre City | 2,581 | 9 | 0.3% |
| Barre Town | 3,125 | 37 | 1.2% |
| Berlin | 1,141 | 119 | 10.4% |
| Cabot | 776 | 133 | 17.1% |
| Calais | 853 | 161 | 18.9% |
| East Montpelier | 1,066 | 131 | 12.3% |
| Elmore | 552 | 7 | 1.3% |
| Marshfield | 711 | 92 | 12.9% |
| Middlesex | 796 | 175 | 22.0% |
| Montpelier | 2,501 | 149 | 6.0% |
| Moretown | 774 | 114 | 14.7% |
| Northfield | 1,741 | 235 | 13.5% |
| Orange | 533 | 35 | 6.6% |
| Plainfield | 526 | 148 | 28.1% |
| Roxbury | 468 | 47 | 10.0% |
| Williamstown | 1,401 | 67 | 4.8% |
| Woodbury | 739 | 26 | 3.5% |
| Worcester | 441 | 73 | 16.6% |
| Totals | 20,725 | 1,758 | 8.5% |

2. Subscriber Interest

The survey asked whether “If CV Fiber brought competitively priced broadband services to your community, how likely would you be to subscribe?” This is a critical question relative to subscription (“take rates”) and revenue generation to pay for the construction, operation and maintenance of the network. 35% of East Montpelier respondents said they “definitely would” subscribe, another 48% said they “probably would.” In all 18 communities 49% said they “definitely would” and 37% said they “probably would.” The CVFiber governing board is encouraged by the results and what that says about the likely viability of the project.

| If CV Fiber brought competitively priced broadband services to your community, how likely would you be to subscribe? | | | | | | | | |
|--|------------------|-----|----------------|-----|------------|--------------|----------------|-------|
| Community | Definitely Would | % | Probably Would | %2 | Don't Know | Probably Not | Definitely Not | Other |
| East Montpelier | 46 | 35% | 63 | 48% | 18 | 2 | - | 5 |
| Totals | 808 | 48% | 657 | 39% | 161 | 14 | 5 | 29 |

3. Motivation for Subscribing to CVFiber

In the follow-up question, “In Stating that you would 'definitely' or 'probably' subscribe to CVFiber, what are your primary reasons? Pick your top three reasons.” District-wide “Prefer Higher Speeds” was the number one reason, followed by “Improved Reliability” and “Quality of Service.” While these were also important to respondents from East Montpelier, we most highly valued a ‘locally owned’ option.

| In Stating that you would 'definitely' or 'probably' subscribe to CVFiber, what are your primary reasons? | | | | | | | |
|---|--------------------|--------------------|----------------------|----------------------|----------------------|----------------|--------|
| Community | Quality of Service | Quality of Support | Improved Reliability | Prefer Locally Owned | Prefer Higher Speeds | Net Neutrality | Other2 |
| East Montpelier | 58 | 40 | 51 | 81 | 78 | 56 | 19 |
| CVFiber | 861 | 516 | 914 | 745 | 1,151 | 586 | 171 |

4. Interest in Investing in CVFiber

CVFiber is actively engaged in obtaining grants and loans to get the project off the ground. To that end CVFiber has received \$ 102,500 in grants, is in the process of applying for additional grants and will apply for \$4 million in loans from the Vermont Economic Development Authority (VEDA) to begin our initial deployment. The terms of that loan are that we become “cash positive” in three years.

CVFiber is not the first CUD in Vermont. That honor belongs to ECFiber (ecfiber.net), which began with \$1 million in private financing. ECFiber had to rely on loans and grants to get started. Today ECFiber has connected more than 4,200 customers. CVFiber will also need this type of assistance, **for example as matching funds for state or federal grants or loans**, thus this survey question: “Would you be willing to invest in the planning, construction, and/or operation of this network for the first 24 months?”

The results provided a strong interest in start-up investing. District-wide, 15% of residents completing this question are willing to loan CVFiber funds. Additionally, nine percent indicated that would be willing to gift money to the non-profit CVFiber. Most encouraging is the high rate of 68% of respondents who were willing to pre-

subscribe to service from CVFiber. 59% of East Montpelier respondents were willing to pre-subscribe and 20% would loan money. This is critical as we will need 10% of our loan backed by cash resources. We will be contacting all these people with a letter of solicitation in the next few months.

Would you be willing to invest in the planning, construction, and/or operation of this network for the first 24 months

| Community | Loan | % | Gift | % | Pre-subscription | % | Other3 | % |
|-----------------|------|-----|------|----|------------------|-----|--------|-----|
| East Montpelier | 21 | 20% | 6 | 6% | 61 | 59% | 16 | 15% |
| CVFiber | 176 | 15% | 103 | 9% | 748 | 62% | 171 | 14% |

5. Cost for Internet Service

The survey asked, "What is the Current Level of Expenditure for Your Internet Service?" The results of this question will help guide us to develop a rate or rates for providing services for all premises. The following table reflects the East Montpelier responses, as well as the total responses from the 18 communities. 63% of all respondents are spending more than \$75/month for internet.

| Amount of Money Spent For Internet Service | | | | | | | | | | |
|--|---------|-----|-----------|-----|-----------|-----|-------------|-----|--------|-----|
| Community | \$10-49 | % | \$50-\$75 | % | \$75-\$99 | % | \$100-\$149 | % | \$150+ | % |
| East Montpelier | 25 | 19% | 33 | 25% | 24 | 18% | 30 | 23% | 18 | 14% |
| CVFiber | 271 | 17% | 426 | 27% | 366 | 24% | 336 | 22% | 152 | 10% |

D. Next Steps

CVFiber has engaged a Massachusetts-based firm, Interisle to perform a Feasibility Study and Business Plan. They have conducted a number of these studies in rural, Western Massachusetts. These reports will inform the project application for the \$4 million loan from VEDA in the 3rd quarter of this calendar year. It is expected that CVFiber will issue an RFP for design and construction also in the 3rd quarter. With the loan in hand plus loans, presubscriptions, and gifts from the community individuals and organizations it is expected that construction will begin in early 2021.

Would you like to help contribute to CVFiber's efforts? Learn more on our website: <https://cvfiber.net/how-to-contribute/>

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