



January 8, 2019 Governing Board Meeting

Berlin Elementary School
372 Paine Turnpike N, Berlin, VT

6:00pm

Minutes

Present: Governing Board Delegates: Chris Riddell (Barre City), Joshua Jarvis (Barre Town), Jeremy Hansen (Chair, Berlin), Andrew Gilbert (Cabot), David Healy (Calais), Bob Klein (East Montpelier), Jim Barlow (Marshfield), Phil Hyjek (Vice Chair, Middlesex), Dan Jones (Montpelier), Siobhan Perricone (Orange), Michael Birnbaum (Plainfield), Rama Schneider (Williamstown), Allen Gilbert (Worcester); **Alternates:** Tom Fisher (East Montpelier); **Other Officers:** Becca Schrader (Clerk and Treasurer); **Other Attendees:** Bill Powell (Washington Electric Coop), ORCA camera person

Absent: Robert Burley (Elmore), John Quinn (Northfield), Jon Guiffre (Roxbury)

Meeting call to order:

Meeting was called to order by Jeremy Hansen at 6:02 PM and quorum was determined.

Additions or changes to the agenda:

Hyjek requested to add discussion of meeting with Washington Electric Coop.

Public comment:

There was no public comment.

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Treasurer's Report, Becca Schrader:

Treasurer's report was given. Total donations received as of January 7, minus fees from Snowball Fundraising platform, is \$4110.43. \$700 in checks was received today.

Christopher Campbell, Tilson Technology Management

Lives in Montpelier. Tilson provides telecom network services and broadband consulting, has worked with ECFiber. Seventeen offices nationwide, 400+ employees, has grown quickly, headquartered in Portland, Maine. Most consulting is municipal and state, but growing in private investors. Network services for cell operators, fiber owners, ISPs, etc. Tilson is a licensed GC and PE and a CLEC (competitive local exchange carrier). Common consulting activities: broadband assessments and plans, feasibility studies, design and construction. Preferred arrangement is fee for service. Considerations:

- Net revenue is the principal source of funding and financing
- A new district starts with no track record of generating net revenue
- How to quickly achieve sufficient scale for efficient operations?
- How to acquire needed talent before revenue begins?

Alternative approach: contract with a Project Developer to deliver a functioning, fully developed network with paying customers and a team to run it. Developer finds investors to fund start up and team to build and operate. Developer is paid fees, then CVI agrees to purchase resulting network at pre-negotiated price and time. Then existing track record supports revenue bonding.

Questions included the basis of the pre-negotiated price, existing model for purchasing network with publicly bonded debt, can we point to track record of similarly formed networks, does the financial leverage exist (what if initial investors don't want to sell), operations consistent after sale when original designers/maintainers move on, timeline, use of existing fiber? Birnbaum noted that getting contractors may be difficult as ECFiber has encountered problems and we'd be competing with them and other operators for talent/labor. Campbell noted that using all local resources would slow things down.

Operations could continue with same staff, just management would transfer from project developer to CVI. Timeline, two years might be aggressive, 3-5 years probably more typical. Existing fiber is unlikely to be useful for our purposes.

Caveats/cautions:

- We don't know yet if the economics of a fiber network in the CVFiber footprint are sufficiently attractive to investors.
- Generating sufficient feasibility analysis and an implementation team would require an at-risk investment of time and resources that would require reasonable assurances.

Basic feasibility study would probably be upper \$10s (\$70-\$90K) – very rough estimate. Our area is large. Discussion included whether to start with a small area to build foundation or build out full project. Need to find balance of size that isn't too much risk before performance but large enough to attract sufficient investment. Keep in mind number of road miles, not just geographic

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area/number of towns. What rules do we have to follow about putting things out to bid? We will create a policy because it's a good idea, but we are not bound by existing policy. Promissory notes may or may not be tax exempt income for investors depending on what specific activities they are funding.

Meeting with WEC Update, Phil Hyjek:

Met with people at WEC regarding their community foundation grants. Initial response was that we would not fit their guidelines, but now they've agreed to look at our proposal. Hyjek will submit.

Business Development Committee Report:

Healy gave update in absence of Diamantides. A list has been compiled of grant and other funding opportunities. There is potential for proposed legislation on a revolving loan fund that could be used for broadband activities. This is seen as an economic development issue by the state, bring up this angle when speaking to legislators. Work is being done on the survey, edits will be finished this week.

Reports from Various Meetings, Jeremy Hansen:

- Upcoming meeting with Woodbury Select Board on Monday, likely that they will petition to join.
- Upcoming meeting with WEC board on January 24.
- Hansen and Perricone met with Technology Coordinator for WCSU. Three elementary schools in the SU don't have fiber. SU is enthusiastic about working together (Technology Coordinator and Superintendent on board). Schools could potentially host hubs, which might be better than town offices.
- Hansen and Hyjek met with RB Technologies, they are very interested in potentially being our operator.

Vermont Telecommunications Plan discussion:

Do we need to discuss further? 2018 plan is vague.

Advocacy at the State House:

Upcoming issues will include revolving loan fund, pole access issues, proprietary issues and public records rules. How do we want to handle this? Would a membership in VT League of Cities and Towns be useful? This has been asked and they are open to possibility but don't really have a good model for it right now. Having agreed upon policy positions would be helpful. CUD Day at the Legislature? Card room display? Policy positions as an agenda item in February? Gilbert (Worcester) will talk to Irv from ECFiber to see if they are doing anything. Members will draft positions for review in February.

Review of Back Burner Items, Committee Assignments and Membership:

Barlow asked if we're ready for a purchasing policy. We should find out about the ThinkVT

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Innovation Grant by the end of January.

ACTION: Motion by Perricone, second by Hansen to direct the Policy Committee to draft purchasing policy. Motion carried unanimously.

Approval of December 11 Meeting Minutes:

Schrader noted that there are some corrections that have not been circulated. Schrader read corrections, Hansen added spelling correction.

ACTION: Motion by Hansen, second by Gilbert (Cabot) to accept minutes as corrected. One abstention all other yes. Motion carries.

Roundtable:

Birnbaum mentioned that there will be another presentation next month.
Hyjek excited about presentation.

Adjourn:

ACTION: Motion by Hansen, second by Gilbert (Worcester) to adjourn. Vote was unanimous.

Next Meeting: February 12, 6 PM at BES

Back Burner:

- Net Neutrality

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