

Business Development Committee - June 16, 2020 - DRAFT

Meeting called to order at 5:30pm by David Healy.

Attendees: David Healy (Chair, Calais), Jeremy Hansen (Berlin), Siobhan Perricone, Jeremy Matt, Greg Kelly, Jerry Diamantides, Ken Jones, John Morris, Chuck Burt

Additions to Agenda

None

Public Comment

- David gave an update on legislative updates and their funding request for CUDs that would include taking a role with education and telehealth sector broadband needs; Siobhan added commentary
- Chuck updated on attending Private Party Loan program information session conducted by John Roy (former Treasurer of ECFiber) -- While CVF board is taking "Wait and see" approach to running loans because of grant possibilities, we have clear steps to take should we decide to pursue such a program
- Siobhan Perricone noted that the Agency of Digital Services has around 2million in funding available for extending existing broadband access, and that Consolidated appears to be going after this money.

Assign a Minute Taker

Chuck volunteered.

Business Plan Update

- Jerry updated the committee on Business Plan still in progress, but not as far along as he expected.
- It will include a workable spreadsheet so we can adjust assumptions as needed.
- Currently walking through all major task categories that an operating provider needs to do (and what the CUD needs to do) and decision tree of responsibility and how payment might occur.
- David indicated ~2 weeks behind but that deliverable by July 1 is unlikely at this time.

WEC Partnering Update / RDOF Status and Review Options

- David provided an update on meetings about teaming with them on FCC RDOF auction and their current status on their Feasibility Plan.
- WEC would love to partner with us in RDOF, but we also have 4 other submissions to our RFP for interest in teaming with CVFiber RDOF/ISP.
- Partnering with WEC would require \$5,000 fee to their bidding agent, NRTC, get on board with them.
- NRTC (WEC) would do all the paperwork, bidding strategy, etc.
- Updated on discussed plans of other partnerships they are exploring
- David calculated receiving RDOF grants would represent ~\$15k/mile in our regions census blocks
- Greg updated that the consortium bidding only turns into an obligation if we win the auction
- Siobhan asked for clarification about whether all RFP responses were bidding or just interested in partnering with us—David clarified that it's the latter
- Discussion centered around benefits to have electric utility (specifically WEC):
 - Pole access
 - They receive very advantaged loans
 - They won't enforce an ISP operator and we'll still have selection
 - Much of the proposed pilot project (the blue route) is in WEC territory.
- Discussion on pros/cons of each of the respondents
- Jeremy Hansen pointed out we could choose to sit out bidding and try to partner after the fact; Jeremy Matt wondered if waiting would make our leverage worse and get us worse terms
- Jeremy Matt asked what Kingdom Fiber/Cloud Alliance would get us that the other entities would not. No strong pros were raised, but it was noted that they would likely want to be our ISP.
- Ken pointed out concern that Consolidated may win a lot of it.
- **Motion:** David Healy: Motion to make recommendation to board to go with WEC. Seconded by Jerry.
 - Chuck mentioned on the \$5k front that the \$1,500 earmarked in March Governing board meeting in support of the loan program cannot actually be used that way so can go back to the board.
 - Question was asked about why not Tilson or VTel:
 - **Pros:**
 - Their bid will cover all of our territory areas. However, WEC covers much of our rural territory and represents a large portion of our total build cost.
 - **Cons:** are for-profit commercial entities. As a co-op, WEC aligns more closely to our mission.

- These entities will also want to become our ISP - choosing them may lock us into an ISP before we're ready to make that decision.
 - If we go with Tilson or VTel, we will likely not have the opportunity to get low-interest loans through WEC. Both Tilson and VTel will be looking to make a profit. Jeremy Matt noted that borrowing at a lower interest rate than VEDA offers would likely save much more than \$5,000
 - Partnering with WEC will ensure a cooperative relationship with them, which is very valuable when it comes to hanging fiber on poles.
- Motion passed unanimously.

ISP Status and Review Options

- David proposes we hold off on making any recommendation. Much agreement as without a business plan it would be difficult to make a proper selection anyway.
- ValleyNet and CloudAlliance are natural candidates, but with Business Plan we can do much more formal RFP.
- David indicated Jeremy Hansen has information from ECFiber that could be useful on this.

Other Business

- Ken pointed out legislature will make funding much more clear in next couple of weeks. We need to be prepared to move quickly to make cases to use money. CUDs reaching out to Education and Telehealth is useful.

Adjourned at 6:27