

NEWBURY TELECOMMUNICATIONS RURAL ECONOMIC DEVELOPMENT
INFRASTRUCTURE DISTRICT.

Monday, February 11, 2019

4:30 PM, Space on Main

Minutes Newbury REDInet Meeting

The meeting was called to order at 4:30 PM by Lenice.

Members Present: Lenice Cicchini (Vice Chair), Ken Rower, Dan Burwinkel, Brad Vietje, Ed Childs, Liane Allen, Chip Conquest;

Guest(s) Present: Rick Hausman

1. Updates to Agenda:

None

2. Note taker: Liane 2/11 (Nate 2/25, Chip 3/11, Ken 3/25, Lenice 4/08, Nate 4/22)

3. Approval of Minutes:

Regular meeting (January 28, 2018), No modifications, Approved.

Annual meeting minutes will be approved at next year's annual meeting.

4. Treasurer's Report: Balance \$2865.76. One check paid to Space on Main. No other obligations.

5. Clerk's Report:

We received an email from SAMS (System for Awards Management) indicating that we need to update our SAM account. Links in email go to appr, so probably legitimate.

6. Up Coming meetings:

a. Green Mountain Power, Brian Otley?

No confirmed meeting date as of yet. Chip and Nate is working on defining a date. Nate, Chip, possibly Dan.

Need a time when Nate and Dan can be there. The folks who were at the Consolidated meeting would be helpful. Dan late this week or after next week. Chip to email to try to get a date nailed down. Ed can stand in for Nate if there's no date that works for him.

b. VT Senate Committee on Economic Development has requested to hold a field hearing Tuesday, February 19, 9:15-12:00 at The Space On Main in Bradford, VT, w/Michael

Sirotkin

Attending: Ken, Ed, Rick(?) - has prior commitment, may be able to attend)

We need:

- A partner and expertise - someone (consultant from the state) to work with groups like ours to navigate the waters (like connecting us w/public service). A centralized person with the relationships with telephone companies, etc.
- Revolving loan fund for working capital for startup funds
- Scott Admin considering putting money (\$540k) into a fund that VEDA can leverage for loans. VEDA loans are oriented toward capital - larger funding, rather than smaller loans, such as the \$22k we'd be looking for to help with business planning and legal fees.
- Loan guarantees so we can finance. As-is, we'll be a "low rated" bond, which makes for higher interest rates. A guarantee would help us get lower interest rates.
- How do we hold CCI accountable for the \$55 mil. they've been granted to install broadband?
 - It would be helpful if it were possible to eliminate the need for REDI district to use the town as intermediary for the USDA grant. Are the CCI funds (\$55 mil) CAP II funds?
- We may want to mention our document of intent to Otley and email it to him if interested.
- If we discuss the relevant house bills, it's better to mention the concepts in the relevant bills, rather than the bill numbers.
- Ed will connect with Monique regarding time and duration of testimony.

c. USDA meeting 2/12/2019, 1:30 - 3:00 PM, Montpelier, with Eric Law, USDA

- Launching an initiative to foster broadband, want input from rural districts. All federal money for these programs comes through this office.
- Looks like mostly rural utility service districts & Washington Electric Coop attending.
- Lenice, Rick, and Brad will attend. Lenice will send headcount to Eric.

7. Corinth Group:

Met this weekend w/Carl Demerow. The planning commission already has budget for a second public forum, focusing on broadband (Potentially March or April).

Will invite the key people to attend.

Meeting w/Wash. Elec. and Central VT Fiber: they were interested in feasibility/business plan on broadband, so the Corinth group is considering piggy-backing on that.

Discussion:

All these individual companies doing their own ad-hoc things doesn't seem to make sense. Unfortunately, the state can't tell organizations to do x/y/z, because broadband is federally regulated as a "non-essential service."

Why not have a state ombudsman, corralling all these initiatives to coordinate the effort as one?

8. Sub-Committee Reports:

a. Partnership with Consolidated Communications (CCI):

i. Meeting with Jeff Austin and Jeff McIver 1/7/2019

ii. Jeff Austin email 1/10/2019

We're expecting something from him on Friday.

iii. CCI future meeting

b. Technology:

c. Finance:

USDA grant due (Susi Poland), March 29.

- Not too late to submit a new application.

- Need to go over it to build up the substantiation and points.

- Current version is still connected to CCI. Is it possible to decouple it from CCI? Maybe drop the CCI study (\$22k) and keep the business plan and legal expenses portions, then use the free, 85% accurate study info from CCI.

- Town still needs to be the entity applying.

- Claude has asked for meeting to help us learn where our application needs improvement.

d. **Publicity:**

e. **VT Telecommunications Plan:**

9. Document of Intent:

10. Agency of Commerce and Community Development: ThinkVermont grant. No notices

If the need for it is eliminated, we can decline it. May need it if we need a study separate from CCI (such as w/an electric utility). Expected to hear back at end of January, but have not heard, yet.

11. Future Concerns:

If CCI shares in equity, will they add \$1 mil (Nate)?

- If CCI kicks in \$1 mil, what do they expect in return? 15% rate of return? How does their equity play in our network? Do they get rights to 1/5 of the fiber? Lots of ways that could be addressed.

- We will not skim off the profits. Universality and affordability - We need to ensure that we don't leave the lower-density areas bereft by focusing on high density areas first. We either need a plan with deadlines to get the low-density areas covered, or we need to do the full roll-out from the start. EC Fiber's model is to get the density first.

Alternatively run to underserved areas first (those w/6 per mile, for an acceptable take-rate), then move into high density areas.

Other Business:

Paul Haskell:

- Handed Rick a white paper that he was carrying around. Importance of broadband for rural economic development. Only diffs between original Newbury model and now: free up OUR type of municipality from town municipalities. Need a modified REDI district that's free of town boundaries. Citizen-elected membership, not appointed by selectboards.

- How do you maintain accountability to selectboards? Wouldn't this really make more selectboards have control.

- Why is it more palatable to split off a REDI municipality from the boundaries of the town (if it is)? And how would it work?

- Does EC Fiber have a REDI district? No, they formed a "Communication District," which

allows them to work in so many communities.

- Does taking the boundaries away put you in competition with other districts?
- If the goal is system, rather than filling holes, the "community action" initiatives should be more coordinated, rather than the current bits and bobs through the utilities.
- Is there anything to prevent the state from creating one big REDI district that excludes the cities? We're feeling the impact of the Telecommunications Act of 1996, and its deregulation. If we don't succeed in working something out with CCI, the power utilities might be interested in a state REDI district. Portable splicing equipment makes this easier for electrical workers to be able to string fiber.

There's a tax advantage to having the fiber in the utility space.

Washington Electric:

- They're saying they need \$36 mil for 1,300 mi of fiber to 8 subscribers/mile Works out to \$3500/subscriber for rollout (includes make-ready cost)
- Would need substantial grant to move forward.
- If there were a grant available, they'd definitely consider it.
- Over time, the revenue they're getting from selling electric power will go down, this would allow a future-stable revenue stream.
- SCADA system (Supervisory Control and Data Acquisition - automated control for the electric grid) requires fiber, so leverage that to bring fiber to customers - make-ready nightmare goes away.
- They seem to have a need to not finance the broadband via the revenues from their other services, though the SCADA is in a gray area.
- If they need a grant to roll out, then we may have some numbers that need to be reconsidered. We may want to compare numbers. Makes our \$3 mil for \$1000/subscriber seem low (or makes theirs seems high - though we don't know what's in their numbers, such as make-ready and SCADA?).

Chesterfield, NH:

- CCI is working with the town to put up fiber, but no details. Should we reach out to them, to find out what they're doing? Let them know we're interested; and ask what can we learn?

Notes:

Rick Hausman is able to join the note-taker rotation.

12. Next REDI meeting: February 25, 2018, **Monday**, Space on Main, 4:30 PM

Submitted: Liane Allen, member, 2/11/2019