

NEK Community Broadband

NEK Broadband Communications Union District **Annual Report to Member Towns**

Activities through December 7, 2020

NEK Broadband Communications Union District (NEK CUD/ CUD) was formed through affirmative Town Meeting votes on March 3, 2020 by 27 NEK towns: Albany, Barnet, Barton, Brighton, Burke, Concord, Coventry, Craftsbury, Danville, East Haven, Glover, Greensboro, Groton, Hardwick, Kirby, Lowell, Lyndon, Newark, Peacham, Ryegate, Sheffield, St. Johnsbury, Stannard, Sutton, Waterford, Westfield and Wheelock. Within two weeks, Vermont and much of the country, and world, entered a state of emergency related to the novel coronavirus.

The safety measures instituted to protect public health exacerbated and laid bare existing deficiencies in our region's broadband infrastructure. Since then, additional attention and funding has been made available to begin to tackle the problem. In addition, all our meetings have been conducted via the online video conferencing application Zoom, following emergency open meeting rules provided by the Vermont Secretary of State.

On April 30, 2020, NEK CUD held its organizational meeting with Governing Board members and alternates appointed by each member town. We adopted bylaws and established an Executive Committee and elected seven members to serve. The CUD was officially recognized by the Vermont Secretary of State on May 6, 2020. By our June meeting, we established a regular meeting time, the second Thursday of each month between 5:30 and 7 p.m. as well as a website where we post agendas and minutes: nekbroadband.org

Highlights of the past year include:

- (May) Created standing Finance and Technology Committees with appointed members. These two committees are open to both Governing Board members and members of the public.
- (June) Adopted a Statement of Mission, Service Goals, Operating Principles and Immediate Priorities. Approved a Hybrid Public-Private Operator as a preferred operating model, which means the CUD would not be an Internet Service Provider (ISP), but would strive to own assets that would be leased to one or more private operators.
- (July) Recommended Tilson Technology Management, Inc. as the communications consultant to conduct our feasibility study and business plan. Partnered with Tilson Technology Management, Inc., VELCO (Vermont Electric Power Company), Green Mountain Power and the Vermont Public Power Supply Authority (VPPSA) to prepare for the FCC's Rural Digital Opportunity Fund (RDOF) reverse auction. Joined an Interlocal Agreement with other Vermont Communication Union Districts to explore collaboration.

- (August) Approved a 2020 Budget which included contract positions: a part-time Project Manager, Bookkeeper/Clerk and Administrator/Treasurer. Hired Christine Hallquist of Hyde Park as part-time Project Manager for the months of August and September.
- (September) Approved COVID-Response Connected Community Resilience Program grant-funded broadband project with Kingdom Fiber, which will fund the customer portion of fiber connections for up to 100 underserved addresses in Albany, Craftsbury, Greensboro, Hardwick and Irasburg by the end of the year. Hired Jami Jones of Hardwick as part-time Bookkeeper/Clerk.
- (October) Hired Christine Hallquist as Administrator/Treasurer. Adopted draft 2021 budget and annual report. Approved applying for a second COVID-Response Connected Community broadband project with Tilson Technology Management, Inc. in Concord, VT. This project is conditional upon Tilson moving forward with their Lunenburg, VT project and funding may be reallocated to other projects elsewhere in the CUD.
- (November) Tilson completed the feasibility study highlighting 8 strategic projects that would cash flow positive in three years. Study also presented multiple sources for financing the initial projects including Vermont Economic Development Authority (VEDA) loans, grants and private equity.
- (December) FCC announced RDOF awards for Vermont. Significant awards were given to 3 ISP's who will be required to provide service speeds of at least 100mbps.

In 2020 thus far, membership has grown to 31 towns. Wolcott and Irasburg joined on May 29. Westmore joined on July 9. Brownington joined on November 12, 2020. Walden joined December 10th.

Respectfully,

A handwritten signature in black ink, appearing to read 'Evan Carlson', with a long horizontal stroke extending to the right.

Evan Carlson, Chair

NEK Community Broadband Community Union District 2021 Budget			
	Organizational	Notes	
<u>Income</u>			
2020 Transfer	68,700		
Additional Operational Fundraising	25,000		
TOTAL	93,700		
<u>Expenses</u>			
<i>Personnel</i>			
Administrator/ Treasurer	\$7,000	Contribution to NVDA contract	Jan-July
Administrator/ Treasurer	\$22,500	CUD position - 25 hrs/week	August-December
Bookkeeper/ Clerk	\$9,600	CUD position - 10 hrs/week	
Grantwriting/ Communications	\$4,000		
Legal	\$15,000		
<i>Project</i>	\$30,000	Remaining Kingdom Fiber Connections	
<i>Operational</i>	\$1,250		
<i>Board Expenses</i>	\$1,000		
TOTAL	\$90,350		
Projected Capital Investment (a)			
VEDA matching funds	\$400,000	VT matching funds grant	
VEDA loan	\$4,000,000	Maximum amount	
	\$460,000	VT Connected Community Resilience Program Grant	
	<u>\$500,000</u>	Minimum target for additional grant-funded project	
	\$5,360,000		
<u>Footnotes</u>			
(a) NEK Broadband anticipates engaging in construction of portions of its fiber network in 2021. How much we will be able to fund will be based on the federal and state grants available, as well as our ability to secure low-interest loans. At minimum, we expect to apply for a loan program available for broadband development through the Vermont Economic Development Authority. Success will be dependent on favorable results from our CUD feasibility study due in mid-November.			