

**LAMOILLE FIBERNET COMMUNICATIONS UNION DISTRICT  
PUBLIC HEARING AND GOVERNING BOARD MEETING  
February 24, 2021 at 7:00 p.m.  
MINUTES – Approved 3/24/21**

**Chart of Actions**

Who	What	Status

**Town Representatives and Alternates Attending (V=present and voting; P=present)**

Town	P/V	Representative	P/V	Alternate	P/V	Alternate
Cambridge	V	Tim Humphrey	-	Sam Lotto		-
Hyde Park	V	Michael Rooney	-	Jack Wool	P	Carol Fano
Johnson	V	Charlotte Reber	P	Doug Molde	P	Paul Warden
Morristown	V	Jane Campbell	-	John Meyer		Carl Fortune
Waterville	V	Jeff Tilton	P	Lucy Rogers		-
Belvidere	V	Carol Caldwell Edmonds	-	Kipp Verner		-
Eden	V	Liza Jones	-	Damien De Clerck		-
Stowe	V	Stephen Friedman	P	Chris Foran	P	Scott Weathers

**Also attending**

Larry Lackey (Treasurer), Lea Kilvadyova (Clerk), Chris Campbell (Tilson Presenter), Frederic Felt (Telecommunications Consultant for Tilson), Drew Frame (Project Finance Specialist- based out of Portland, ME)

**Call to order, Changes to the agenda, Public comment**

- Call to order by Michael Rooney at 7:01 pm.
- Jane Campbell requested that we add the appointment of Chris Foran to the Marketing & Communications Committee to the consent agenda.
- No public comment

**Roll Call (Clerk)**

-Lea Kilvadyova went through the meeting’s list of participants in order to determine the voting representative for each individual town (see above) and to determine who else is in attendance this evening.

**Consent Agenda**

- Accept Minutes 1-27-21
- Appoint Vendor Task Force members Authorize assistance request from ValleyNet Accept Updates
- Accept Treasurer Report

**Jane Campbell moved to accept the consent agenda as submitted, with the addition of appointing Chris Foran to the Marketing & Communications Committee. Charlotte Reber seconded the motion. All voted in favor and the motion was passed.**

### Tilson Presentation

Chris Campbell, Frederic Felt and Drew Frame provided the board with a slideshow presentation around the business plan based on the previous Feasibility Study. The business plan was prepared by LCPC (Lamoille County Planning Commission) in preparation of LFCUD's seeking private partners to deploy fiber optic based broadband infrastructure to unserved locations throughout Lamoille County, Vermont. With the presence of existing fiber to the premise networks within the CUD, including Stowe Access and Mansfield Community Fiber as well as an anticipated Consolidated Communications' fiber to the premise network as a result of the recent Federal Communications Commission's Rural Digital Opportunity Fund auction, the business plan was prepared with the assumption that unserved locations within the CUD are best addressed by creating public-private partnerships between the CUD and the ISPs.

The plan includes an initial capital cost estimate based on six "design areas" that collectively pass most addresses in the CUD not already served by fiber to the premise networks. The initial capital cost estimate for all of these areas together is \$24.5M. The Plan proposes a phased approach, relying on a combination of grants and municipal debt, focusing first on those areas within the CUD with greater concentrations of unserved locations, and later expanding into areas with basic broadband availability but without fiber service. By partnering with regional ISPs to increase the scope of their expansion plans, the CUD can also share capital cost expenditures, and focus its funding on the passive network elements of the local fiber network. For the CUD to satisfy its debt service, the business plan proposes that ISP partners charge an end user surcharge to its subscribers within the CUD.

### Highlights of Questions Asked by Board Members & Addressed by Tilson Consultants

#### Take Rates:

- Clarification on length of timeframe until the take rates reach the rates used in the financial proformas.
- Clarify experience, data, comparable projects used as the basis of the take rate estimates.
- Clarify the potential impact if take rates are less than estimated.

#### Cost Estimates

- The Capex is from the CUD's perspective only.
- Assume institutional customers will not be served with whole strand, discounted rates.
- For an ISP like CCI, make ready costs would likely be lower.
- Assume ISP payments to LFCUD will cover LFCUD's debt service and administration. Specific amounts will be subject to negotiation and could include discussions on the passive infrastructure costs that will be borne by the CUD.

#### Design Regions

- Morrisville and Hyde Park are listed together and have later estimated builds based on prioritizing service first to regions with the most unserved and underserved locations.
- Stowe is treated differently due to the Stowe Access pledge to serve all of Stowe. However, the business plan needs to include discussion of LFCUD partnering with Stowe Access to ensure that they/we reach all addresses, including those with underground conduit or those on the edges of Stowe Access region.

- Re partnering with other CUDs or adding towns: this is advisable only when the partnership would bring attractive aspects, e.g., greater density, etc. Because the CUD in this model does not take on operations, economy of scale is less of a factor. However, since the CUD will own the asset, it will need to contract for professional expertise to ensure quality control — these services could perhaps be obtained on a shared basis.
- The areas originally trimmed in the feasibility study because they were higher in cost than average locations were added back into the business plan, to stay within the CUD's goal of serving all addresses.

#### Funding

- The assumption is the LFCUD will obtain a combination of grants and revenue bonds and (not general obligation bonds that use the towns' authority) and zero-coupon loans. With a solid business plan, LFCUD could likely obtain zero coupon loans and bonds from companies like Municipal Capital Markets Group, for example, which does a variety of municipal financing,
- Grants could help fund pre-construction costs such as pole surveys, make ready, etc., as well as the construction.

#### Adjourn

Jane Campbell made a motion to adjourn for the evening (9:00 pm). Jeff Tilton seconded the motion. All voted in favor, the motion was passed, and the meeting adjourned at 9:01 pm.