

ARPA Committee

Summary of CV Fiber Discussion and Emails as at 31-Aug-22

Overview:

For three weeks in August 2022 Roxbury's ARPA Committee has been in extended communications with Ms. Jennille Smith, Executive Director of CV Fiber. Ms. Smith addressed the Committee via Teams on Thursday 11-Aug-22. That discussion was preceded with an emailed list of our questions to her. The teleconference was followed up with questions posed via several emails.

At issue is whether Roxbury should allocate some of its' ARPA monies to CV Fiber. There exists an offer by the Vermont Community Broadband Board (VCBB) to 100% match any donated ARPA funds made before a 15-Sep-22 deadline. The VCBB set aside \$1.5M towards this match. So, if Roxbury allocated \$10K, we would have a total of \$20K designated to be spent only within the Roxbury community.

Additionally, Ms. Smith shared with the Committee what is termed as a Memorandum of Understanding "MOU". That initial MOU was superseded by an updated MOU via email on 16-Aug-22. It was described to the Committee as just having removed the need to have the CV Fiber Governing Board approve the document given we are close to the deadline.

The following is an understanding of what we have been told:

Network Buildout

1. CV Fiber is coming to Roxbury regardless of our participation in the VCBB ARPA funds matching program
2. CV Fiber is building out their network North to South. They are in Calais now and will build East-West and South with Roxbury at the bottom of their buildout
3. CV Fiber may work with other networks such as EC Fiber in building out the network
4. Schedule may change but it is currently anticipated that construction in Roxbury will begin the 4th quarter of 2023 or the 1st quarter of 2024
5. CV Fiber will serve up underground utilities to those roads and locations with it. It will be done case by case and they will be working with underground contractors to make it happen. They may also look to add poles and environmental issues must be taken into account.
6. Internal discussions at CV Fiber are still happening in perhaps having CV Fiber pay to install conduit up to 400' with the subscriber footing the bill for greater than 400'. Still TBD.
7. CV Fiber will connect underserved locations first where underserved is defined as those locations with internet speeds less than 25Mb up and 3Mb down. They are working with CrowdFiber to assist in identifying underserved locations.
8. Off grid locations will be built out in the next phase, probably in 3+ years

ARPA Allocation

1. As at 11-Aug-22, approximately \$600K remains available through the VCBB matching program
2. ARPA monies allocated to CV Fiber will only be spent within Roxbury

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3. Committing ARPA monies to CV Fiber will have no impact on the construction schedule
4. ARPA funds can only be used for connecting the unserved and underserved where underserved is defined as those locations with internet speeds less than 25Mb up and 3Mb down.
5. Within the CV Fiber accounting system, Roxbury's ARPA allocation along with the match will be booked as a Grant to the town
6. The Town can attach stipulations to the "MOU Appendix 1 - ARPA Funds Allocation Form". These stipulations can include items such as:
 - a. ARPA funds to offset only the subscriber out-of-pocket installation cost
 - b. Unused ARPA funds as at 31-Aug-2024 will be returned to the Town so that we can re-allocate those ARPA dollars prior to the US Treasury 31-Dec-24 deadline for allocation

MOU Change of Note (between initial and 16-Aug versions)

1. In the Reporting and Indemnification section, it went from "CV Fiber shall provide the Town with regular updates on the use of the contributed funds" to a more limited and annual reporting statement as needed to comply with Treasuries Final Rule 31 CFR Part 35.

With regards to this update, the reader should know that in the teleconference our desire to track the "grant" account burn down rate and how the funds were being applied with perhaps quarterly reporting was discussed. Therefore, seeing CV Fiber then switch this section, unannounced, to be an annual clause seems less than transparent.

Other Considerations

1. Still in discussion phase, but CV Fiber through Waitsfield Telecom will look to provide a bundled phone service
2. CV Fiber will not provide a TV service as most folks stream
3. Locations already having 25+Mb internet speeds will be ineligible for ARPA offsets. Per the Town Plan of 2021, 71% of internet locations are underserved as at 2019.
4. With regards to the stipulations in the MOU Appendix 1, the stipulations are important as by default CV Fiber recommends saying funds go towards cost of drops. Where the "cost of drops", estimated at \$1,650, is their cost and not the subscribers as-yet-to-be-determined direct out-of-pocket costs.
5. Grants & Subsidies may be available for qualifying households and CV Fiber is looking to work with an organization named Equal Access to Broadband. During the subscriber onboarding process they could screen for households who may qualify.
6. Per the recently obtained State of Vermont Construction Program RFP (pages 4 & 5), we see that all non-allocated matching funds at VCBB after 15-Sep-22 will be allocated to the CUD's based on their territory percentage of unserved & underserved locations. CV Fiber will therefore receive 9.38% of any unallocated matching funds.