

2024 VCBB Annual Report



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Annual Legislative Report

Submitted to: Senate Committees on Finance and on Natural Resources and Energy, the House Committee on Energy and Technology, and the Joint Information Technology Oversight Committee

30 VSA § 8089. ANNUAL REPORT (a) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 of each year, the Board shall submit a report of its activities pursuant to this chapter for the preceding year to the Senate Committees on Finance and on Natural Resources and Energy, the House Committee on Energy and Technology, and the Joint Information Technology Oversight Committee. The report shall include an operating and financial statement covering the Board’s operations during the year, including a summary of all grant awards and contracts and agreements entered into by the Board. In addition, the report shall include a description of the progress each start-up communications union district has made in achieving long-term financial sustainability

that is not dependent upon public funding, an update on its efforts to secure additional federal funds for broadband deployment, and progress made towards meeting the State's goal of ensuring every E-911 location has access to broadband capable of delivering a minimum of 100 Mbps symmetrical service as required in subdivision 202c(b)(10) of this title.

About the Vermont Community Broadband Board (VCBB)

Mission Statement

It is the purpose of the VCBB and Vermont Community Broadband Fund to support policies and programs designed to accelerate community efforts that advance the State's goal of achieving universal access to reliable, high-quality, affordable, and fixed broadband. The VCBB was created to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions.

Board Members

Patty Richards, Chair – Patty.Richards@partner.Vermont.gov

Dan Nelson, Vice Chair – Dan.Nelson@partner.Vermont.gov

Brian Otley – Brian.Otley@partner.Vermont.gov

Laura Sibilgia – Laura.Sibilgia@partner.Vermont.gov

Sarah Hofmann – Sarah.Hofmann@partner.Vermont.gov

Holly Groschner – Resigned October 14, 2024

Staff

Christine Hallquist, Executive Director – Christine.Hallquist@Vermont.gov

Robert Fish, Deputy Director – Robert.Fish@Vermont.gov

Toni Clithero, General Counsel – Toni.Clithero@Vermont.gov

Kristina Sweet, Director of Regulatory Compliance and Risk Management – Kristina.Sweet@Vermont.gov

Alissa Matthews, Special Projects Director – Alissa.Matthews@Vermont.gov

Herryn Herzog, Communications & Outreach Manager – Herryn.Herzog@Vermont.gov

Britaney Watson, Digital Equity Officer – Britaney.Watson@Vermont.gov

Yujie Li, Digital Equity Research Specialist Digital Equity Data Coordinator – Yujie.Li@vermont.gov

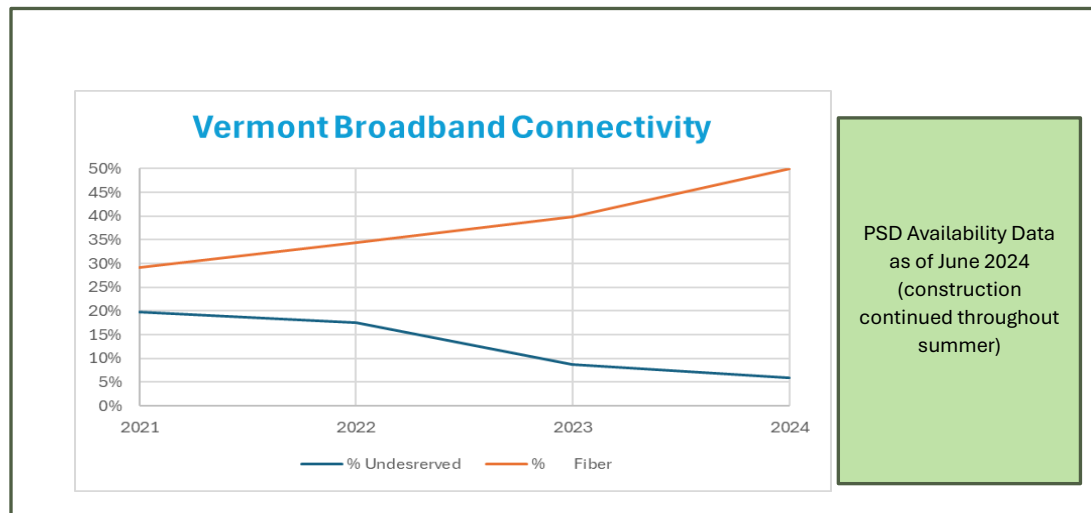
Alexei Monsarrat, Director of Broadband Projects – Alexei.Monsarrat@Vermont.gov

Lucie Fortier, Administrative Services Manager III – Lucie.Fortier@Vermont.gov

Ginny Raboin, Administrative Services Manager III – Ginny.Raboin@Vermont.gov

Executive Summary

This report will show a snapshot of the progress VCBB made in FY2024, as well as where we are at the end of calendar year 2024, and our goals and next steps as we start 2025.



2024 was a year of significant progress in terms of reducing the number of underserved Vermont addresses and making fiber optic broadband available to Vermonters. According to the Public Service Department (PSD), in 2021, less than 30% of Vermont addresses had access to fiber optic broadband. As of this writing, over 50% now have access. In 2021, approximately 20% of Vermont addresses basically had unusable broadband connections. Today that number is 5% and rapidly declining.

Vermont Communications Union Districts (CUDs) and their partner Internet Service Providers (ISPs) have all committed to working to achieve Universal Service. In addition, the funding from the Broadband Equity, Access, and Deployment (BEAD) Program will enable reliable broadband connections to be provided to the estimated up to 1,000 occupied off-grid addresses in Vermont as well (estimate based on the percentage of off-grid homes that are being sold). These off-grid addresses may not necessarily receive those connections via fiber; however, these will be reliable

connections of at least 100 Mbps upload, 20 Mbps download. (Please note that [Act 71](#) only requires 100/100 Mbps for on-grid locations).

Vermont recognizes the importance of providing Universal Service. It's a foundation to addressing the challenges that come from not being able to access a reliable connection to the internet. The Digital Divide is an economic divide. Rural Vermont, without access, has continued to see a declining economy while the areas with access have been growing.

The Center on Rural Innovation (CORI) released a report in the fall of 2024 that shows clearly that fiber optic broadband access has positive economic value. Thanks to the work of the CORI (<https://ruralinnovation.us>), here is what we know has been happening in Rural America: a 213% growth in new businesses where fiber optic broadband networks become available. Note that to get these results, it has to be fiber.

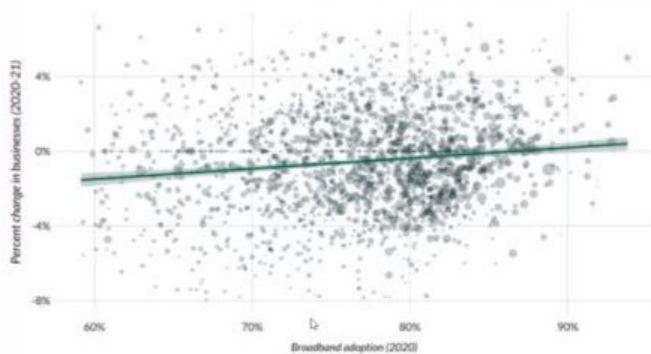


Broadband spurring entrepreneurship

Broadband adoption vs. percent change in businesses

Rural counties, circles sized by 2020 county population

● 50,000 ● 100,000 ● 150,000 ● 200,000



Source: 2020 ACS 5-year estimates and 2020-21 Business Dynamic Statistics



213%

The growth rate of new businesses is 213% higher for rural communities with **high broadband utilization**

Rural communities with high broadband utilization see increases in the number of businesses, whereas similar communities without high broadband utilization are seeing the number of businesses decline.



Vermont is in a good place to fulfill its Universal Service goals. \$241 of the \$245 million in American Rescue Plan Act (ARPA) funding has been obligated. All of the \$150 million in State and Local Fiscal Recovery Funds (SLFRF) are required to be obligated by the end of December 2024. The VCBB successfully obligated those funds by September 2024. The remaining \$4 plus million of Capital Project Funds (CPF) does not have the same obligation deadlines.

Vermont received a \$5.3 million Digital Equity Capacity Grant in 2024. This funding will be used to support the Digital Equity (DE) goals to provide solutions for the Digital Divide. In May, the NEK Broadband Communications Union District received a \$17.5 million United States Department of Agriculture (USDA) ReConnect grant. The VCBB has also obligated the \$30 million match from the State budget to be used as match for the BEAD program. The VCBB has earned \$8 million in interest on ARPA funds. This, combined with Universal Service funds and Northern Border Regional Commission (NBRC) grant programs, means that the State of Vermont has now received over \$540 million in grants to support bringing Digital Equity to rural residents.

VCBB received National Telecommunications and Information Administration (NTIA) approval for the Broadband Equity, Access, and Deployment (BEAD) Program "Initial Proposal Funding Request" along with a grant amendment to VCBB's BEAD award. The amendment adds \$223,913,019 to the \$5,000,000 initial award, bringing the total award to \$228,913,019. VCBB plans to award up to \$214 million in BEAD funding to subrecipients for broadband deployment projects to complete Vermont's telecommunications network construction. VCBB opened the Vermont BEAD Pre-Proposal portal to BEAD Prospective Subrecipients in December 2024 and will accept

Full Proposals from Prospective Subrecipients in early 2025. VCBB expects funds to be available to successful applicants in late 2025, pending NTIA approval of VCBB's BEAD Final Proposal. The NTIA has established strict guidelines to ensure that all bidders are treated equally, which means that the selection of a grantee must be done within the criteria approved in the Vermont Initial Proposal Funding Request. The process begins with a pre-qualification round of bids in 2024, followed by full proposals in late winter of 2025, selection of winning bids in late spring 2025, and with final approval from the NTIA in the fall of 2025. Once that process is complete, Vermont will start construction of the network to enable connectivity to the final addresses in the fall of 2025.

Three (3) of the ten (10) (now nine (9) after the merger of NEK Broadband and CVFiber) CUDs have completed their construction and achieved Universal Service. Nearly all on-grid residents of Southern Vermont (SoVT), Otter Creek, and Lamoille FiberNet Communications Union Districts now have access to fiber.

CVFiber experienced aggressive encroachment from existing private ISPs. This reduced the potential for paying customers, which as a result threatened their business plan. As a result, on August 16, 2024, NEK Broadband and CVFiber merged to combine resources, expertise, and a shared commitment to their combined 71 communities. Working together, they are both now poised to be better able to support economic growth, community development, and digital equity across the Northeast Kingdom and Central Vermont.

NEKCV, DVFiber, and Maple Broadband have been constructing networks and adding customers for two construction seasons and are exceeding the customer connection goals that were identified in their original construction plan. ECFiber has received additional support to help their CUD achieve Universal Service. Northwest CUD is in the process of completing designs, ordering materials and submitting make-ready applications for a 2025 start of construction.

Board of Directors

Patty Richards continued as Chair of the Board. She is in her initial term (2021-2025). She was appointed by Governor Scott. The Board elected Dan Nelson to perform the duties of Vice Chair for another annual term in 2024. He is also serving his initial term (2021-2025) and was appointed by Governor Scott.

Holly Groschner resigned from the Board in October and was replaced by Sarah Hofmann. She was appointed by the Speaker of the House of Representatives for a term from 2024 to 2027. Laura Sibilgia continued to serve her term. She was appointed by Vermont Communications Union District Association for her second term (2024 to 2027). Brian Otley continued to serve his term. He was appointed by the Senate Committee on Committees for his second term (2023-2026).

In terms of oversight and accountability, the Board developed and approved the following policies this year:

- [Consumer Protection Policy](#)
- [Construction Standards Policy](#)
- [Accountability Policy on the Affordability of Broadband Service](#)
- [Grantee Agreement Indications of Failure and Remediation Process Policy](#)

In addition to the previously approved policies:

- [Authority of the Executive Director](#)
- [Board Approval Process Policy](#)
- [Board Communications Policy](#)
- [Mapping and Service Data and Overbuild Policy](#)

Digital Equity Program

The NTIA Digital Equity grants and the associated requirements of this grant present opportunities for VCBB to help maximize positive social impact that ubiquitous fiber networks can provide. The program aims to promote Digital Equity by helping underserved communities access and use broadband and technology effectively.

Key Goals of the VCBB Digital Equity Program include:

- Ensuring that everyone, especially underserved populations, have reliable and affordable broadband access.
- Addressing digital literacy by providing training and resources to help individuals use digital tools effectively.
- Addressing barriers like affordability, lack of access, and insufficient digital skills.
- Creating community empowerment by enabling local governments, nonprofits, and organizations to design solutions tailored to their communities' specific needs.

The program offers:

- **State Digital Equity Planning Grants** - These grants support states in developing comprehensive plans to promote Digital Equity. This grant will enable the VCBB to help Vermont assess the digital inclusion needs of Vermont populations, including those in low-income, rural, and elderly communities. The planning grants help states set goals, identify gaps, and strategize effective solutions to close the Digital Divide.
- **Digital Equity Implementation Grants** - After the VCBB completes the planning phase, organizations can apply for Digital Equity Implementation Grants. These funds are aimed at carrying out the strategies identified in the planning phase

and addressing specific barriers to digital access, such as affordability, lack of digital literacy, and infrastructure gaps.

- **Capacity-Building for Digital Inclusion** - The NTIA provides funding and resources to help local organizations and local governments build the necessary infrastructure and capabilities to support digital inclusion efforts. This includes improving digital literacy, providing digital tools (like devices and training), and creating public awareness about the importance of broadband access.
- **Broadband Adoption and Use Programs** - The Digital Equity Program also focuses on promoting broadband adoption and use. This includes initiatives to make broadband more affordable and accessible for low-income households and marginalized groups.
- **Capacity for Digital Literacy and Education** - Funding can also be used for initiatives that improve digital literacy among individuals and communities that are less familiar with technology. This could include offering classes, workshops, or digital skill training for seniors, veterans, people with disabilities, and other covered populations.
- **Monitoring and Data Collection** - The VCBB will utilize the collection of data to assess the effectiveness of Digital Equity initiatives. The VCBB supports efforts to better understand broadband access, adoption, and usage through data collection and analysis to inform future program development.

The Digital Equity Program provides funding to state and local governments, and nonprofits, to plan and implement strategies that address broadband access, affordability, and digital literacy gaps. The program seeks to promote equity in technology access, helping communities overcome barriers to full participation in the digital economy.

VCBB Operating Budget and Expenditures

Please note that while the rest of this document reports on calendar year 2024, this section covers state FY2024 (July 1, 2023–June 30, 2024).

FY2024 Operating Budget and Expenditures and FY2025 Operating Budget

Budget Category	FY2024 Budget	FY2024 Expenditures	FY2025 Budget
Personnel	\$1,468,753	\$1,633,922	\$1,548,436
Board Costs	\$28,000	\$27,810	\$35,000
Travel & Training	\$42,501	\$43,983	\$80,000
Internal Service Fees	\$162,035	\$61,601	\$113,887
Equipment & Software	\$10,000	\$51,556	\$35,604
Supplies	\$2,000	\$1,441	\$1,762
Miscellaneous	\$5,000	\$9,903	\$7,920
State Contractual	\$1,896,259	\$364,695	\$270,000
Non-State Contractual	\$2,531,039	\$1,236,683	\$3,457,096

Total	\$6,145,587	\$3,431,594	\$5,549,705
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Federal Grant Funding

Financial Assistance Award	Period of Performance	Total Award	FY2024 Expenditures
National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) Program: Vermont BEAD Planning	12/01/2022–11/30/2027	\$5,000,000	\$1,066,260
NTIA State Digital Equity Planning Grant: Vermont Digital Equity Plan*	10/01/2022–03/28/2024	\$518,154	\$469,416
NBRC Regional Forest Economy Partnership Grant Program: Model Funding Program for Community-Driven Broadband	01/01/2021–12/31/2024	\$1,000,000	\$134,127
Northern Borders Regional Commission (NBRC) Economic and Infrastructure Development Grant Program: State Broadband Program	01/01/2021–12/31/2025	\$2,500,000	\$738,806

*The [State Digital Equity Planning Grant](#) is now closed, and VCBB expended all \$518,154 awarded.

American Rescue Plan Act (ARPA) Funds

ARPA Fund	End Date	Total Allocation	FY2024 Expenditures
State and Local Fiscal Recovery Funds (SLFRF)	12/31/2025	\$150,000,000	\$40,816,979
Capital Projects Fund (CPF)	12/31/2025	\$95,000,000	\$4,415,840

- VCBB obligated \$149,658,073 in SLFRF funded grants as of September 30, 2024. The remaining \$341,927 will be expended in administrative costs.
- VCBB obligated \$60,162,655 in CPF funded grants as of September 30, 2024. The remaining funds will be obligated and expended before December 31, 2025.

Universal Service Fund: State FY2024

Expenditures: \$1,294,860

Year End Balance (as of 08/30/2024): \$901,547

Grants

VCBB Grant Programs

Broadband Preconstruction Grant Program to provide grants to Communications Union Districts (CUDs) for Preconstruction costs related to broadband projects that are part of a Universal Service Plan. Preconstruction costs include expenses for feasibility studies, business planning, pole data surveys, engineering and design, and make-ready work associated with the construction of broadband networks, including consultant, legal, administrative expenses, and other costs approved by the Board.

Broadband Construction Grant Program to finance the broadband projects of eligible providers that are part of a Universal Service Plan.

BEAD Potential Subrecipient Support Grant Program funded six (6) applications from Act 71 eligible providers¹ to promote the ability of providers to participate in the BEAD Program. Awards ranged from \$55,570 up to \$200,000 to be used for planning, analysis, stakeholder engagement, collaboration, legal support, and short-term capacity necessary to plan and draft a BEAD application.

Federal Grant Match Program of up to \$30 million appropriated by the Vermont Legislature under [Act 3](#) of 2023 to reduce the cost of construction of unfunded eligible addresses within approved Universal Service Plans, providing:

- Grant funds are awarded to [Act 71](#) eligible providers.
- Grant awards are up to 25% of the estimated cost projected by a third-party model to complete construction of unfunded eligible addresses.
- Awards are given to eligible providers that each demonstrate that the provider has or commits to apply for federal grant funding for construction to complete or support the completion of all eligible addresses in the Universal Service Plan that will equal or exceed the 25% match award, and the provider is in compliance with all VCBB grants to date.
- Grantees may not draw on grant funds until the federal grant has been awarded. Grant funds not meeting this contingency will be de-obligated and reallocated.

VCBB staff will execute four (4) match grants totaling \$30 million to eligible providers calendar year 2024.

American Rescue Plan Act (ARPA)-funded Preconstruction and Construction Grants

The Board approved the following Preconstruction and Construction grants and amendments in calendar year 2024:

¹ As defined in Act 71 of 2021, “eligible provider” means a communications union district, a small communications carrier, or an internet service provider working in conjunction with a communications union district to expand broadband service to unserved and underserved locations as part of a plan to achieve universal broadband coverage in the district.

- **Northwest Fiberworx CUD** – \$20,191,480 Broadband Construction Grant for phase three (3) of Northwest Fiberworx’s Universal Service Plan (to be completed first). Phase three (3) consists of 253 miles of fiber that will pass 5,054 total locations in Enosburgh, Alburgh, and Isle La Motte, including 3,868 eligible un/underserved locations.
- **Chittenden County CUD** – \$2,100,000 Broadband Construction Grant for phase one (1) of the CUD’s USP. Phase one (1) consists of 84.63 miles of fiber that will pass 161 eligible un/underserved addresses in Williston, Westford, Shelburne, Essex, Essex Junction, and Jericho.
- **Lamoille FiberNet CUD** – \$629,352 Broadband Construction Grant amendment to allow Lamoille FiberNet to complete their USP by the end of 2025.
- **NEKCV CUD** – \$4,339,687 Broadband Construction Grant amendment to reach additional addresses within the CUD.
- **NEKCV CUD** – \$20,999,474 million to provide BEAD program match contingent on NEKCV receiving a BEAD award prior to September 30, 2025.
- **Waitsfield and Champlain Valley Telecom (WCVT) CUD** – \$602,183 Construction Grant Amendment to allow WCVT to construct drops and install service to additional unserved addresses in the non-CUD part of WCVT’s network.
- Preconstruction and Construction Grants and Amendments to support USPs and fully obligate SLFRF by the State’s September 30, 2024, obligation deadline.
 - **DVFiber CUD** – \$11,385 Broadband Construction Grant amendment to cover administrative and overhead costs.
 - **ECFiber CUD** – \$651,107 Broadband Construction Grant amendment, anticipating Construction Grant funding to be exhausted during stage three of the nine (9) stage project before returning to the bond market.
 - **Otter Creek CUD** – \$352,000 Broadband Preconstruction Grant amendment for operational costs to ensure accountability with their ISP partner from now through 2026.
 - **Southern Vermont CUD** – \$220,000 Broadband Preconstruction Grant for operational costs to ensure accountability with their ISP partner from now through 2026.

Table: Summary of ARPA-Funded Broadband Preconstruction and Construction Grants by ARPA Funding Source (State and Local Fiscal Recovery Funds or Capital Projects Fund) as of November 2024

State of Vermont Grant Agreement Number	Grant Program	Subrecipient	SLRF Obligated	CPF Obligated	CPF Awarded**	CPF Total
02240-FY23-ACT71PREC-09	Broadband Preconstruction	Chittenden County CUD	\$300,000	-	-	-
02240-FY22-ACT71PREC-02	Broadband Preconstruction	NEKCV (CVFiber)	\$8,804,667	-	-	-
02240-FY22-ACT71PREC-03	Broadband Preconstruction	DVFiber	\$5,220,118	-	-	-
02240-FY22-ACT71PREC-05	Broadband Preconstruction	ECFiber	\$2,841,130	-	-	-
02240-FY22-ACT71PREC-06	Broadband Preconstruction	Lamoille FiberNet	\$2,991,536	-	-	-
02240-FY22-ACT71PREC-01	Broadband Preconstruction	Maple Broadband	\$4,983,367	-	-	-
02240-FY21-ACT71PREC-07	Broadband Preconstruction	NEKCV (NEK Broadband)	\$8,023,915	-	-	-
02240-FY22-ACT71PREC-04	Broadband Preconstruction	Northwest Fiberworx	\$3,558,933	-	-	-
02240-FY22-ACT71PREC-08	Broadband Preconstruction	Otter Creek	\$1,701,936	-	-	-
02240-FY25-ACT71PREC-10	Broadband Preconstruction	Southern Vermont CUD	\$220,000	-	-	-
PENDING GRANT AGREEMENT	Broadband Construction	Chittenden County CUD	-	-	\$2,100,000	\$2,100,000
02240-FY22-ACT71CONST-03	Broadband Construction	NEKCV (CVFiber)	\$15,063,118	-	-	-
02240-FY22-ACT71CONST-04	Broadband Construction	DVFiber	\$22,175,666	-	-	-

ARPA Funded Grant Number	Grant Program	Subrecipient	SLFRF Obligated	CPF Obligated	CPF Awarded**	CPF Total
02240-FY24-ACT71CONST-02	Broadband Construction	ECFiber	\$13,878,764	-	-	-
02240-FY24-ACT71CONST-10	Broadband Construction	Lamoille FiberNet	-	\$13,814,536	\$629,352	\$14,443,888
02240-FY22-ACT71CONST-05	Broadband Construction	Maple Broadband	\$11,258,386	-	-	-
02240-FY22-ACT71CONST-01	Broadband Construction	NEKCV (NEK Broadband)	\$39,634,088	-	\$4,339,687	\$4,339,687
02240-FY25-ACT71CONST-11	Broadband Construction	Northwest Fiberworx	-	\$20,191,480	-	\$20,191,480
02240-FY24-ACT71CONST-09	Broadband Construction	Otter Creek	-	\$8,564,566	-	\$8,564,566
02240-FY22-ACT71CONST-06	Broadband Construction	Southern Vermont CUD	\$9,002,449	-	-	-
02240-FY24-ACT71CONST-08	Broadband Construction	WCVT	-	\$9,000,000	-	\$9,000,000
02240-FY24-ACT71CONST-07	Broadband Construction	WCVT	-	\$8,592,073	\$602,183	\$9,194,256
Pending Grant Agreement	BEAD Match	NEKCV (NEK Broadband)	-	-	\$20,999,474	\$20,999,474
TOTAL			\$149,658,073	\$60,162,655	\$28,670,696	\$88,833,351

**CPF awarded amounts were approved this year and will be obligated by the end of calendar year 2024.

BEAD Potential Subrecipient Support Grants

The Board approved BEAD Potential Subrecipient Support Grants for CVFiber CUD(\$145,600), DVFiber CUD (\$150,000), Lamoille FiberNet CUD (\$55,570), Maple Broadband CUD (\$169,800), NEK Broadband CUD (\$200,000), and Northwest Fiberworx CUD (\$150,000).

Please note that Lamoille FiberNet CUD requested cancelation of their grant on September 11, 2024, as the CUD no longer plans to apply to the BEAD program. This grant will be canceled and de-obligated.

Contracts/Agreements entered into by the Board

CTC Technology & Energy: Fiber Optics Engineer Services

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$127,533.75
FY2025 to date - 07.01.2024 to 06.30.2025 = \$16,231.25
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$92,707.50
- **Purpose:** CTC Energy and Technology was the supplier selected in 2022 to review and evaluate [Act 71](#) Construction Grant Applications including applicants' business plans, USPs, reports, drawings, and calculations. CTC provides expert advice to the VCBB Board that identifies key questions to ask applicants, confirms compliance with [Outside Plant Design Standards](#) and best practices for resilient and redundant networks, and provides recommendations for improvement. This supplier provides resources to support the application process, monitoring, and reporting to ensure accountability and efficient technical assistance to grantees pursuing the phased approach plans outlined in the [Act 71](#) Broadband Construction Grant Program Request for Proposal (RFP). This contract and the review and suggestions provided ensure the effective use of existing state assets and compliance with [Outside Plant Design Standards](#) set by the VCBB, among other goals established by [Act 71](#). The supplier also examines plans collectively to ensure the resulting statewide network follows good design practices and provides an assessment of notable issues and/or concerns to the Board.

Environmental Systems Research Institute Inc. (ESRI): ArcGIS

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$9,250.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$9,250.00
- **Purpose:** Geographic Information System (GIS) mapping software. The license was renewed via statewide contract.

Garnet Government Relations, LLC: Governmental Affairs Consultant

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$22,500.00
FY2025 to date - 07.01.2024 to 06.30.2025 = \$362.50
Calendar year 2024 (invoiced) - 01.01.2024 to 12.31.2024 = \$23,293.75

- **Purpose:** The consultant provides expert governmental affairs services to the VCBB, including intensive liaison services with State Representatives and their support staff.

GEO Jobe

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$500.00
Calendar year 2024 (invoiced) - 01.01.2024 to 12.31.2024 = \$500.00
- **Purpose:** Admin Pro tools to manage ESRI GIS data.

IBM-Ookla/SHI

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$56,491.68
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$56,491.68
- **Purpose:** Scope Document for IBM Technology Expert Labs services to assist VCBB in the obtaining, formatting, geolocating, and sending Ookla speed test data extracts using IBM Cloud resources.

Ice Miller, LLP: Contract has now ended, and services are now provided by Quantified Ventures.

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$87,863.75
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$69,371.25
- **Purpose:** Ice Miller provides strategic advice to the VCBB regarding funding and financing. This included drafting a proposal to the Treasury’s Local Investment Program to fund a Letter of Credit (LOC) to enable public entities to participate in the BEAD program. The proposal was not considered due to the July flooding disaster. Ice Miller also provided introductions to other potential funding sources for the CUDs and affordability efforts.

Quantified Ventures: Creative financing services to support Vermont’s CUDs

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$28,751.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$28,751.00
- **Purpose:** The Quantified Ventures Contract involves the "identification and analysis of local, state, national, and international creative financing solution opportunities available to interested CUDs and the VCBB to facilitate the construction of broadband infrastructure; the provision of affordable service to low-income Vermonters, and to promote Digital Equity (DE); and to leverage broadband networks in support of cross sector goals, including but not limited to, sustainable agriculture, tele-health, energy, and climate change. The Contact also provides for ongoing strategic support to the CUDs and the VCBB in

response to both time-sensitive opportunities and developing a long-term funding base in conjunction with any state and federal requirements if applicable.

Luck Grove Telecom Inc: Fiber Inspection Services

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$27,805.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$27,805.00
- **Purpose:** Contractor completes field inspections of certain fiber optic installations (Fiber Optic Sites) to assess whether the fiber optic infrastructure (Infrastructure) has been built in accordance with the VCBB's [Outside Plant Design Standards](#) and other specified VCBB requirements.

Lucy Rogers: Subject Matter Expert

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$2,363.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$2,363.00
- **Purpose:** Subject Matter Expert for Subrecipient Guidance to provide workshop sessions to potential subrecipients in the BEAD application process helping eligible subrecipients understand the technical and operational details of the VCBB funding opportunities.

Lucy Rogers: BEAD Request for Applications (RFA) & supporting documents

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$22,500.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$22,500.00
- **Purpose:** Preparation of rough and final drafts of the BEAD RFA, the Guidance Document and the Scoring Rubric/Review Process.

RSM US LLP: BEAD support services

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$0.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$0.00
- **Purpose:** Assist the VCBB in the development and implementation of BEAD Program. The supplier provides strategic program development services, research and data analysis, training and resource support, and writing services to support the Subgrantee Selection Process (SSR) and administer the program.

Stone Environmental: GIS Services

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$362,694.84
Calendar year 2024 (invoiced) - 07.01.2024 to 12.31.2024 = \$439,136.60

- **Purpose:** A continuation to update Vermont's Broadband Maps and develop the necessary interactive GIS web applications to provide ongoing information status and capability to track progress updates for [Act 71](#) funding programs. The scope of work was amended to prepare and submit modifications to reflect data that is not present in the National Broadband Map by working with State Leaders to refine methodology for aligning Vermont's Broadband Map and the Federal Communication Commission (FCC) location fabric to ensure all E-911 addresses are accurately included. Additionally, Stone prepares data for Vermont's BEAD initial proposal eligible location classifications, including data compilation and aggregation to identify unserved locations, underserved locations, and Eligible Community Associations Institute (CAI) using the most recently published National Broadband Map and developing the methodology, processing, and analysis of broadband service eligibility data to assist with Vermont's BEADs initiative, creating portals as required.

Vermont Department of Labor (VDOL) Grant Agreement: Workforce Development

VDOL issued a grant to VCBB for \$534,140.00 in August 2023 to develop and implement a broadband installer apprenticeship. The original grant was intended for Vermont State University in a classroom setting. Vermont State was unable to fulfill the grant agreement. VDOL then offered it to VCBB in August 2023. The grant was used to develop a program, train the trainers, contract with a trainer, buy materials for the training, and contract with partners to assist in the development of the program and recruitment/training. The grant was amended to remove the in-person training requirement and allow VCBB to pivot to a traditional apprenticeship model, supported by Wireless Infrastructure Association (WIA).

- Total Spend: FY2024 - 07.01.2023 to 06.30.2024 = \$529,136.15 - VDOL grant

The VDOL Grant was used for the following two contractors (WIA and Thomas Roulley):

- **Wireless Infrastructure Association (WIA) - Apprenticeship Program**
- **Amount Spent:**
- FY2024 - 07.01.2023 to 06.30.2024 = \$187,367.65 - VDOL grant
- Calendar spend (invoiced) – 01.01.2024 to 12.31.2024 = \$187,367.65
- **Purpose:** Workforce development Grant Agreement issued to the VCBB by the VDOL on August 31, 2023. WIA did the following:
 - Worked with employers and CUDs to set up and help manage the Fiber Optic Apprenticeship Program;
 - Helped guide the curriculum and activities for enrolled students and graduates of the Fiber Optic Technician Training program, which the VCBB launched in March 2024; and
 - Provided technical assistance and help guide employers through the design and administrative tasks required to start a registered apprenticeship program.

- **WIA** – Assistant Trainer
 - **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$3,083.51
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$3,083.51
 - **Purpose:** Assistant to the Instructor for the Broadband Workforce Development apprenticeship program.
- **Thomas M. Roulley** - Fiber Optic Technical Training Instruction
 - **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$7,200.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$7,200.00
 - **Purpose:** Provided training and instruction for the Fiber Optic Technicians.

Wireless Infrastructure Association (WIA) – BEAD Workforce Workshop

- **Amount Spent:**
FY2025 to date - 07.01.2024 to 06.30.2025 = \$75,000.00 - Workforce Development
- **Purpose:** BEAD Workforce Workshop to help prospective BEAD applicants understand the program’s workforce requirements and prepare them for the upcoming application process.

Vernonburg Group LLC:

- **Amount Spent:**
FY2024 – 07.01.2023 to 06.30.2024 = \$1,511,773.25
FY2025 to date - 07.01.2024 to 06.30.2025 = \$86,978.25
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$679,389.25
- **Purpose:** Assist the VCBB in the development of Vermont’s Internet for All Plans and proposals for federal funding from the NTIA. The supplier worked to provide strategic program development services, research and data analysis, community outreach and engagement, and writing services to facilitate the development of Vermont’s 5-Year BEAD and State Digital Equity Plans and Vermont’s Initial Proposal for funding under the BEAD Program that meet the requirements set forth by the NTIA Internet for All Programs.

Well Told Films

- **Amount Spent:**
FY2024 - 07.01.2023 to 06.30.2024 = \$17,500.00
FY2025 to date - 07.01.2024 to 06.30.2025 = \$6,200.00
Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$23,700.00
- **Purpose:** This contract is to shoot, produce, and edit high-quality videos for outreach and marketing purposes. This included working with VCBB staff on pre-

production to develop the creative concept and script, shooting interviews and B-roll at various locations across the state, and producing and editing into a final 30- minute documentary and a shorter form outreach video. The contract also includes shooting, producing, and editing a shorter video for marketing for the Workforce Development Plan Apprenticeship Program, which will include shooting at locations where the job training program is taking place.

Wizehive: VCBB's Grant Management System

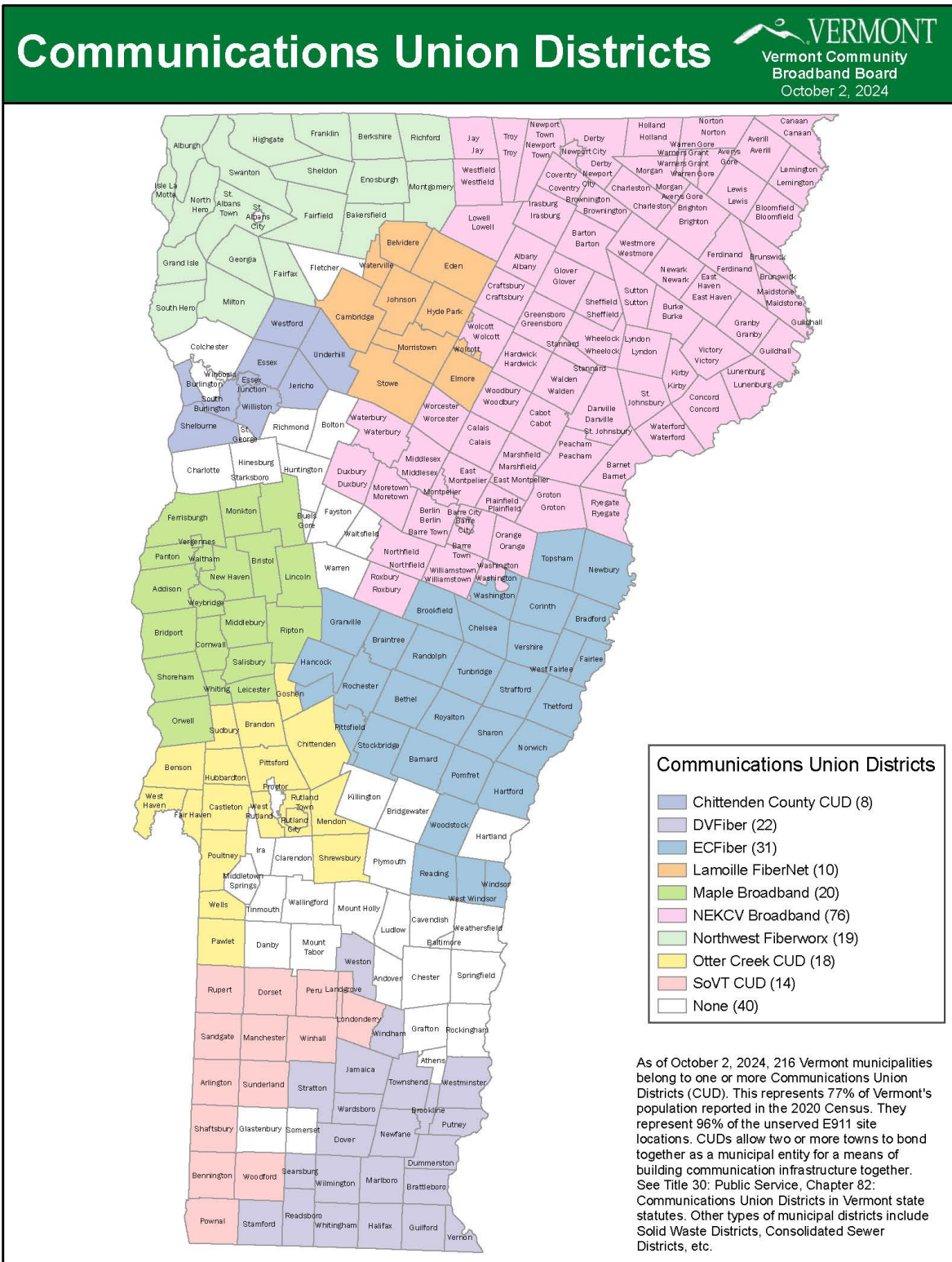
- **Amount Spent:**

FY2024 - 07.01.2023 to 06.30.2024 = \$17,720.43

Calendar year 2024 (invoiced) – 01.01.2024 to 12.31.2024 = \$17,720.43

- **Purpose:** VCBB's Grant Management System ending Dec 2024. Will not be renewed. Transitioned to PSD's Amplifund.

Vermont Communications Union Districts (CUD) Update



Northwest Fiberworx

This year has been a remarkable one for Northwest Vermont Communications Union District (NWCUD) dba Northwest Fiberworx (NWFx). We secured a significant \$20.2 million grant to support the construction of our fiber internet network. Additionally, we doubled our fiber optic cable supply at no cost by leveraging a unique opportunity from a neighboring CUD, ensuring we are well-prepared for Phase 1 of construction. In collaboration with Great Works Internet Vermont (GWI), we are making great strides in preparation for the next steps, bolstered by the VCBB Construction Grant. With the High-Level Design complete and the Detailed Design in progress, we are on track to break ground in 2025.

ECFiber

Because ECFiber is funded mostly through debt and has a financially sustainable long-term plan to repay it, the CUD's long-term financial sustainability is not dependent upon public funding. ECFiber is not seeking additional federal funds for broadband deployment.

During the past year ECFiber added over 1,200 new customers and now serves about 9,600 premises in 26 towns via 1,750 miles of fiber-optic cable. Taken together, there are about 31,500 premises in the district located on almost 2,000 miles of roads.

The main goal of the CUD today is to execute its three year, nine-stage, \$30 million network completion plan. They have completed Stage I (the Fairlees and Bradford) which is now in the process of receiving state approval that will result in receiving the first tranche of Construction Grant monies from the Vermont Community Broadband Fund. Stage II (Newbury and some small parts of bordering towns) is nearing completion. Stages III-VI are in progress.

Otter Creek

Otter Creek CUD is partnering with Consolidated Communications and GoNetspeed to build out fiber to every address in its district. This was nearly completed in 2024, with a few remaining addresses that GoNetspeed plans to have completed by March 2025. In February 2024 Otter Creek CUD leaders signed a Final Master Services Contract with Consolidated and a Final Network Construction & Operating Agreement with GoNetspeed. Otter Creek collaborated with Lamoille Fiber CUD and Southern Vermont CUD to develop a ten-year sustainability plan for its operations through 2034. Otter Creek CUD officially relinquished its unused allocated funds to the VCBB in September 2024. Total allocated funds relinquished = \$1,610,431.00. Otter Creek CUD is not seeking further funds because its USP is complete.

Southern Vermont

The Southern Vermont Communications Union District (SoVT CUD) has executed plans to achieve long-term financial stability through several means. First, by entering into a joint sustainability plan with the Otter Creek and Lamoille Valley CUDs. This plan

outlines a transition to a tri-CUD model of joint compliance administration and oversight of CCI that enables SoVT CUD to ensure efficient use of financial resources through the length of its operating agreement with CCI. Secondly, SoVT CUD secured \$220,000 from its remaining Preconstruction Grant funding to cover operational expenses through the period (2025—2026) when Otter Creek and Lamoille Valley CUDs will complete their fiber network builds. Finally, with the development of the joint sustainability plan, the three CUDs executed an agreement with CCI to fund administration and compliance from 2027-2034.

Beyond the Federally supported Pre-Construction Grant, SoVT CUD will not need additional Federal Funds beyond those that we understand will be supplied through the BEAD program to reach the last 17 911 addresses in the district that are served by providers out of New York and Massachusetts. With the inclusion of these addresses in the BEAD program, SoVT CUD will have met the State's goal of ensuring every E-911 location has access to broadband capable of delivering a minimum of 100 Mbps symmetrical service.

Chittenden County CUD

The CCCUD long-term sustainability plan will be based on the chosen partner funding the administrative operating expenses for the duration of the partnership following the exhaustion of our Preconstruction funds. The details will be worked out during the finalization of our contract with the partner over the coming months.

The CCCUD has arranged for its partners to seek any additional funds it will need through existing or new grant fund opportunities to complete our Universal Service Plan.

The CCCUD expects that all underserved or unserved addresses will have 100Meg or better symmetrical broadband services available to them, but because of the tiny fraction of addresses in our USP compared to the enormous amount of addresses in our member towns, we only expect full 100Meg symmetric or better service plans to be available if the major national carriers that dominate our towns upgrade their technologies to support these speeds. We expect that the one remaining national provider that cannot currently offer these speeds will be forced to upgrade as they will face an eroding market share if they do not.

Maple Broadband

Maple Broadband has grown our subscriber count from 144 at the beginning of the year to 476 as of the date of this letter, and we expect to exceed 500 subscribers by the end of the year. Annual revenues exceed \$300,000. We have been able to build over 225 miles of fiber-optic broadband exclusively using grant funding (and therefore no debt) and are continuing to add customers every week. Disconnection and churn rates are very low. The district plans to achieve operational break-even in 2025.

Maple Broadband has been an active and engaged participant in the public comment process for various Broadband Equity, Access, and Deployment (BEAD) materials. We have spent the better portion of this year gaining a detailed understanding of the BEAD process as we prepare to participate in the BEAD program, with hopes to be successful when awards are announced in 2025.

Maple Broadband is currently positioned to offer fiber-optic broadband service to 3,380 E-911 locations, of which 1,703 were unserved or underserved in 2022 when we received our grant award.

Lamoille FiberNet

The three CCI-partnered CUDs - Lamoille Fibernet, Otter Creek CUD, and Southern Vermont CUD - collaborated to develop a long-term strategic sustainability plan which aligns compliance, shares costs, and streamlines grant administration. Their common partner, CCI agreed to fund the alliance for at least eight years.

In 2024, LFCUD secured an additional \$765k private capital and \$817k in VCBB Construction Grant (ARPA) to complete its Universal Service Plan in 2025. With Phase 2 fully funded, LFCUD does not intend to apply for BEAD funding.

In 2024, LFCUD and its partner CCI timely completed Phase 1 of its 2-phase Universal Service Plan, constructing well over 300 miles and bringing fiber access to more than 4,500 previously unserved and underserved addresses in Lamoille County. Above and beyond the grant effort, CCI made significant additional investments to reach several hundred unserved addresses in Cambridge and Stowe. As a result, LFCUD's Universal Service Plan is now 95% complete and 100% of the previously unserved and underserved E-911 addresses in Belvidere, Eden, Cambridge, Johnson and Waterville are now served by Fidium fiber with speeds of at least 100/100mbps and up to 2 Gigabits symmetrical. With only 26 miles and just under two hundred unserved addresses left to build, LFCUD is on track to complete Phase 2 by year-end 2025.

DVFiber

DVFiber has made significant progress with its construction of its network. We have constructed and lit more than 200 miles of our network which allows us to offer service to more than 2,500 locations. The consistent increase over the year of customer revenue and ongoing construction to expand our network are milestone steps towards long-term financial viability and independence from public funds.

In the past, DVFiber has applied for other federal funds, namely the Northern Border Regional Commission Catalyst Program. We continue to research and actively pursue additional federal programs, such as BEAD, that may be applicable to this project.

DVFiber's currently constructed network, which is capable of providing at least 100/100 Mbps service, offers service to more than 2,150 previously unserved or underserved locations in its district.

NEKCV

NEK Community Broadband dba NEKCV is now a 71 municipal communications union district as a result of a merger with CVFiber facilitated by S.199's passage last legislative session. This increases the administrative efficiency and long-term financial sustainability of the CUD. The district has over 600 miles of infrastructure across 50 towns, serving 6,000 addresses with thousands more being able to access service within the next few months. Customer count exceeds 1,100 with 1,200 projected for the end of 2024. NEKCV has grown its workforce to 14 employees with a workforce development program in place to build a local workforce for the future.

NEKCV has invested in securing additional federal funds for broadband deployment and is proud to have helped bring to Vermont a total of \$20,321,276 in United States Department of Agriculture Rural Development funding. This includes \$2,847,276 awarded in 2024 through the Community Connect Grant program which is for an area where there isn't a single address with 10/1 Mbps service that demonstrates considerable community involvement and support. This is in addition to the USDA ReConnect4 grant of \$17,474,000, which we received in 2023 and were able to kick off this year after securing all environment approvals.

The Vermont Community Broadband Board (VCBB) approved an additional \$4M in Construction Grants and \$21M as a match for our Broadband Equity, Access, and Deployment Grant Application coming later this year. This brings our foundational support to over \$73 million for the Northeast Kingdom Region and over \$20 million in Central Vermont.

Next Steps

Digital Equity (DE)

Vermont received our \$5.3 million Capacity Grant in November 2024. These funds will support Vermont's efforts to ensure every individual in Vermont—regardless of identity, community, or economic challenges—has high-quality, accessible, and affordable technology resources. The VCBB identified five programs and/or activities to implement the digital equity plan in a way that is meaningful, has potential to be long lasting, and can be measured and flexible.

The first year of implementation will focus on research. This research is intended to ensure proper baselines, set benchmarks and address the current limitations to our data.

Three programs will be launched during the second year of implementation.

The first program is a capacity building subgrant program. This program is intended to provide funding for local organizations representing and serving one or more of eight

populations that have been determined to be most negatively impacted by the digital divide called covered populations. These organizations will be either conducting or committed to conducting digital inclusion related work. This program will invest in organizations that may not have access/capacity to apply for state funding and increase their ability to do so while providing skill-building and increased access to resources to help communities participate in Digital Inclusion Programs.

The second program to be launched during year two is a regional program to support access to appropriate devices. This work will focus on incorporating access to new and refurbished devices and loaner programs.

Our third program for year two implementation will be a state-wide digital navigator program. This program will be a community-based digital skilling and technical support program in partnerships with Community Anchor Institutions (CAI).

The third year of implementation will expand on our existing workforce development program to incorporate digital inclusion specific efforts. These efforts will include providing digital skills to increase Vermonters' competitiveness in broadband, tech jobs, and other workforce opportunities.

Broadband Equity, Access, and Deployment (BEAD) Program

VCBB is preparing for the additional \$218 million in federal funds from the BEAD Program to help complete the state's broadband buildout. The timeline is:

- Pre-qualification round of bids starts in December 2024
- Full proposals in late winter 2025
- Selection of winning bids in late spring 2025
- Final approval from the NTIA in the fall of 2025
- Construction to enable connectivity to final addresses in the fall of 2025

Long Drop Program

The buildout of broadband is well underway in Vermont, with eight (8) out of the State's ten (10) CUDs currently connecting customers. Vermonters who live more than 400 feet from the fiber line along the road, connection can come at a cost that's unaffordable.

The VCBB approved a staff proposal to develop a new Long Drop Program to address this issue and help low-income Vermonters get connected to broadband. The Board voted unanimously to allow VCBB to develop a program that would provide funds to qualified providers (such as a CUD) to cover the extra cost to connect low-income Vermonters who live more than 400 feet from the fiber that runs along their road, including underground drops. Depending on the length, the cost can be up to several

thousands of dollars for aerial drops and higher for underground drops where required, such as in manufactured home communities.

In addition to directly moving an inhibiting cost for lower income Vermonters, the effort will simultaneously increase take-rates. This will improve CUD business plans. As such, the improvement in the business practices may result in cost savings for municipalities that can be passed on to customers.

The VCBB is in the process of developing the program. The program may be paired with gating criteria that will further contribute to ensuring access to networks that are affordable to all Vermonters. This effort, as well as future efforts are steps to implement the Board's [Affordability Policy](#).

Additional \$8 Million

In the fall of 2024, an additional \$8 million became available from interest earned on initial American Rescue Plan Act (ARPA) money that the General Assembly entrusted to the Vermont Community Broadband Fund. VCBB will be developing proposals on the best use of the \$8 million for the Board's consideration in the near future.

The Board and Staff will work carefully and extensively to develop proposals for utilizing these funds to ensure the sustainability, affordability, and longevity of Vermont's community broadband expansion efforts enacted under [Act 71](#).