Introduction to the Windham Region Broadband Project

Project Partners: Windham Regional Commission
Center on Rural Innovation
Valley Net

January 16, 2020
Today’s Agenda

- Introduction to Project Team
- Purpose and Scope of Broadband Project
- Communication Union Districts
- Town Participation and Expectations
- Timeline
- Questions
Introduction to the Project Team

- Windham Regional Commission
- Rural Innovation Strategies, Inc
- ValleyNet
- Funded by a Broadband Innovation Grant from the Vermont Department of Public Service
The Windham Regional Commission

- Established in 1965.
- Serves 27 towns in Windham, Bennington and Windsor counties over a 920 square mile area of southeastern VT.
- Our mission is to assist towns to provide effective local government and work cooperatively with them to address regional issues.
- In the absence of county government, we provide the essential link between local, state and federal government.
Rural Innovation Strategies, Inc

- Sister organization of the Center on Rural Innovation
- Nonprofit dedicated to bridging rural-urban economic and opportunity divides
- Working with rural towns across the country to establish foundations for digital economy ecosystems
- With ValleyNet, providing strategy, policy, and market analysis for fiber deployment feasibility and business plan

ECFiber – East Central Vermont Telecommunications District
- 1,000+ miles of FTTP network, > 4200 customers, capital expansion currently funded by revenue bonds

LymeFiber – LLC, Privately funded, construction to begin May 2020, 50% of premises already subscribed.
Purpose and Scope of the Windham Region Broadband Project
Ultimate Goal of the Project

This project will provide participating Windham Region towns with the strategy and plan they need to deploy fiber broadband to residents and businesses.

The end product of this project will be a Feasibility Study and Business Plan.
Elements of the Feasibility Study

- Take-rate survey
- Analysis of served and underserved areas
- Bandwidth needs
- Vertical asset inventory
- Backhaul provider analysis
- Deployment routes and methods
- Identification of potential Communication Union Districts where the critical mass makes the CUD feasible in the long term.
- Technical design with enough detail to estimate project cost
Elements of the Business Plan

- High level engineering and design plans
- Market analysis
- Financing models, 3 year pro forma projections
- Estimated construction costs
- Ideal operational models
- Risk management plan
Communications Union Districts
Communications Union Districts

- CUD is a Communications Union District, allowing two or more towns to bond together as a municipal entity for a means of building communication infrastructure together. For more information see Title 30: Public Service, Chapter 82: Communications Union Districts in Vermont state statutes.

Other types of Municipal Districts:
- Solid Waste Districts
- Consolidated Sewer Districts
- Emergency Medical Service Districts
- Natural Resources Conservation Districts
- Consolidated Water Districts
Communications Union Districts

Why create a CUD?

- **Aggregate Demand** – Mixing dense and less dense towns makes the project more attractive to providers/ AND MORE NEGOTIATING POWER.
- **Entire region can benefit** – Doing one town at a time, can increase digital divide.
- **Funders are familiar with Municipal Districts**
- **Efficiency** - Network design, construction, and operation can all be more efficient when planned from the onset.
- **Town boundaries are irrelevant** – Roads, topography, and settlement patterns are more important.
- **Risk Mitigation** – Individual towns are not on the hook
- **Additional Funding Opportunities** – Easier access to federal state grants and loans that require providing services to those least served. VEDA Loan Program.
- **Don’t reinvent the wheel** – Share resources, lessons
Communications Union Districts

- **How many towns should be in a CUD?**
  - At least two towns are required to start, but there is no limit.
  - Member towns do not need to be contiguous.

- **How to determine CUD boundaries?**
  - What is the critical mass? You need people, area, subscribers – more towns = increased negotiating power.
  - What towns in your area typically work well together on projects?
  - Topography and geography – Are towns connected by roads?

“economies of scale”

Bennington Communications Union District?
Communications Union Districts

What is the cost to the taxpayer and town?
- The taxpayer and town are not required to pay anything to be a part of a CUD. A CUD may ask the town to provide space for a communications plant to store fiber optic cable, electronics and other assets required to operate a network.

Is the taxpayer or town liable if the CUD goes belly up?
- The state statute (specifically - § 3056. Limitations; taxes; indebtedness and § 3083. Dissolution) make it quite clear that the taxpayer and towns may not be held liable in anyway for the debts of the CUD.
- All fiber assets and built infrastructure of the CUD are liable to seizure.
Communications Union Districts

How does a town join the CUD?

- A town can join a CUD in two ways:
  - The initial CUD must be established through a town meeting vote in all towns that are founding members.
  - After initial CUD is formed a member town can be added through a Selectboard vote.
Communications Union Districts

Sample Language for Town Meeting

“Shall the Town of [insert municipality] enter into a communications union district (CUD) to be known as [insert name of CUD], under the provisions of 30 V.S.A. Ch 82?”

[Insert name of CUD] is a municipal entity, made up of 2 or more towns, with the specific purpose to build out, maintain, and operate broadband infrastructure in order to provide a last mile, Fiber-To-The-Home (FTTH) network for [Insert name of region(s)], which will provide high speed internet (up to 100mbps) to all residents in member communities. Membership in the CUD poses no financial risk to the Town of [insert municipality] or individual taxpayers within [insert municipality] any and all costs associated with the investment in communications infrastructure, are not borne by the taxpayers of district members. All towns that approve this ballot measure will become members of the CUD and each member town must appoint a representative to the CUD board of directors.
Town Participation & Expectations
First Steps for Towns

- Selectboard to discuss & decide if your town wants to participate
- Pass a simple resolution stating your intent to participate
- Designate an official broadband point of contact
- Send this information to Sue Westa at WRC, swesta@windhamregional.org

Next Steps
- Survey deployment – February 6th meeting
- WE NEED YOUR HELP!
More Information on the Survey

- Take-rate survey underpins all other work
- Survey (physical and online) will be created by WRC/RISI/Valley Net
- Questions will address current internet services, demand for fiber, pricing thresholds, and more
- Assistance with dissemination will be provided
- Everyone will need to work hard to ensure sufficient responses
Windham Regional Commission
Assistance to Towns

- Convening communities to share project progress & results
- Development of survey
- Use of internet-based survey account & paper version, as needed
- Survey cards to towns for use at Town Meeting & at other town gathering places
- Processing of survey information
- Meeting with towns to explain this project if necessary (time limitation).
Summary of Timeline
The entire project is to be completed by July – August 2020.

- Broadband needs survey training for towns February 6th.
- All surveys must be received by March 17, 2020.
- Feasibility Study to be completed by the end of April 2020.
- Business Plan to be completed by 2-3 months following VT DPS approval of Feasibility Study.
Questions?