



Date Approved: July 29, 2021

Addison County Communications Union District dba Maple Broadband

Executive Committee Meeting Minutes

July 8, 2021

3:30 PM - 5:30 PM

Location: 14 Seminary Street, Middlebury, VT
VIA ZOOM

1. Call to order

Steve Huffaker, the Chair of the Addison County Communications Union District (“ACCUD”) dba Maple Broadband, welcomed the representatives of the Executive Committee to the meeting, and called the meeting to order at 3:32 pm.

Steve Huffaker, Chair, Ferrisburgh;
Nancy Cornell, Vice Chair, Starksboro;
Ellie Hagopian, at large representative from New Haven;
Dan Sonneborn, at large representative from Bristol;
Magna Dodge, at large representative from Cornwall;
Arabella Holzapfel, Treasurer, ex-officio representative from Ferrisburgh;
Adam Lougee, Clerk, ACRPC;
Cy Tall, Bookkeeper;
Fyn Fernandez, Intern;
Robyn King, Minute Taker.

2. Approve the Agenda

Magna Dodge made a motion and Dan Sonneborn seconded to accept the meeting agenda, all members present consented to the agenda.

3. Previous meeting minutes approval - June 22, July 1

Steve Huffaker noted there was one slight adjustment to the July 1 meeting minutes regarding an accounting firm mentioned, and all members present consented to the approval of the June 22 and revised July 1 meeting minutes.

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4. Financial Report

a. Grants

i. CARES grant close-out

Steve Huffaker noted this had been closed out without feedback.

ii. DPS Grants pending

Steve Huffaker noted that there were Round 1 and 2 grants and there was email communication that these both had been approved, but there was no further direction from the Department of Public Service.

iii. Monthly Report due for ALL State of Vermont CUD Grants, Grant reporting planning

Steve Huffaker noted that this would be covered after the rest of the agenda items were covered.

b. Treasurer

Arabella Holzapfel explained that the current balance was \$26,405.61.

c. Accounting changes update

Magna Dodge noted that this is something she is working on currently and will have updates in the future.

d. Procurement Policy

Steve Huffaker noted that they should proceed with this, but there is not any urgency. Steve Huffaker noted he had performed a cursory review, and he suggested they could approach it similar to other documents they had reviewed as a group. Magna Dodge noted that at the VCUDA Meeting, it was noted that the Vermont League Cities and Towns document needed to be adjusted for ARPA requirements and other CUDs were working on these adjustments to be in alignment with the federal requirements. Adam Lougee noted that he was unsure if ARPA guidelines were fully released and explained he was unsure that there was sufficient information to adjust the document currently. Adam Lougee noted they may want to wait until these guidelines were released and adjust accordingly.

Magna Dodge asked if there were other federal guidelines that they could pay attention to in terms of the procurement policy and Steve Huffaker noted that Cy Tall did place some of these requirements in the language. Steve Huffaker

noted they needed to sort through this content, and explained they could take what they needed for the moment and revise as necessary. Steve Huffaker noted that they could mark up the document as a group and re-issue as needed as more comments were added. Cy Tall agreed to taking comments from the group and marking the document up as needed.

Steve Huffaker noted there were two buckets for purchases as written, minor and major and explained some of the early operational expenses and noted that there may not need to be Full Governing Board approval or Executive Committee approval for each. Magna Dodge noted that the Governing Board would need to oversee the annual budget and if these line items were included in the budget there may not need to be this oversight. Cy Tall explained there are incidental, minor purchases, or major purchases and incidental purchases did not need Governing Board approval if they did not go above what was approved in the budget. Steve Huffaker noted it was a good method, and explained he understood major purchases such as pre-construction costs would need review.

Steve Huffaker noted that there is a category for purchases made with federal funds, but not one for state funds and questioned the source of the funds from the Department of Public Service, given they are federal funds administered by the state. Adam Lougee noted that the contract would point to the administrative procedures that needed to be followed.

Steve Huffaker noted there are items related to conflict of interest, but it should be noted in the document that if there is a Member with a relationship with a potential vendor, there should be a recusal on decision-making for that Member. Steve Huffaker noted there is some content that is likely not appropriate for Maple Broadband and is more appropriate for Selectboards, such as sealed bids as opposed to email receipt. Steve Huffaker noted this could be adjusted to account for practices around digital receipt. Cy Tall explained she could adjust this based on preference, and Steve Huffaker noted a process to review changes requested by members.

Dan Sonneborn asked if they can approve the Procurement Policy and PR Policy simultaneously and gave some background on the document. Steve Huffaker noted that it seemed appropriate to review both documents simultaneously and approve both. Magna Dodge noted that the Accounting Policies would also be

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good to include and noted she could work through this fairly shortly. Steve Huffaker confirmed that Accounting, Purchasing, and PR could be done together as policy items.

e. **Audit RFP**

Steve Huffaker noted that there was no rush on this item and explained Ellie Hagopian would give updates as needed. Ellie Hagopian noted she had received the ACRPC document and had what she needed to get started.

5. Operations Report

Ellie Hagopian noted there were three additional sign-ups for the newsletter from Middlebury, Bristol and Salisbury and the Salisbury resident also signed up as being interested in fiber. Ellie Hagopian noted there would be a Committee Meeting on Tuesday and there would be more to report next week.

6. Marketing Report

Dan Sonneborn noted there was a meeting with the potential operating partner on marketing activities which was very productive. Dan Sonneborn noted that Fyn had been helpful in creating narrative based on the content calendar for publication in social media platforms, the newsletter and Front Porch Forum. Dan noted that a hope in the next week is to put together the first monthly newsletter on discussion points of who Maple Broadband is and what they do and give an update on when service might be available.

Steve Huffaker noted there is high-level feedback from ValleyNet on how much should be allocated for marketing costs and there is a top-of-the-head number of \$200 per customer and there is not clarity on how that would be spent. Steve Huffaker noted that this figure is in the model, and Magna Dodge noted that they could speak to the potential operating partner about this. It was noted that there may be different expectations and there could be a range on this figure.

Arabella Holzapfel asked if this was \$200 per customer per year, and Steve Huffaker noted it was a one-time expense. Dan Sonneborn explained that this could be interpreted as a customer acquisition cost. Magna Dodge noted that this could be explained as number of miles per year built, number of passings, and the customer acquisition expense and then the aggregate of these expenses.

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Steve Huffaker noted the need to come to consensus on a figure in the near-term future and an understanding of how these costs might be divided amongst the operating partner and Maple Broadband. Dan Sonneborn noted he was unsure if there were dependencies of these costs. Magna Dodge noted that if the operating partner was going to provide services, Maple Broadband would have to reimburse and this would be part of the management agreement. Magna Dodge noted that with progress made, she imagined that there might be an agreement in place at the end of the month.

Prompted by Steve Huffaker, Magna Dodge explained they would ask the potential operating partner how much they spend on customer acquisition, and they have some figures from ValleyNet and they could triangulate on a final figure. Magna Dodge noted there was another question on what the potential operating partner would provide on an ongoing basis in terms of marketing services and how much that would cost. Steve Huffaker noted that he had explained a list of marketing activities, and asked if this could be a basis for cost estimates. Magna Dodge noted it may be helpful to include financial representatives in these conversations.

Magna Dodge noted that in the list of marketing services, Dan could provide feedback on what could be outsourced. Dan Sonneborn noted that he was unsure of whether or not they would want to lean on the operating partner for these services as opposed to a marketing company. Steve Huffaker asked about the figure of \$200 per customer as an adequate figure, and Magna Dodge noted that that seemed high as an ongoing figure as opposed to an acquisition cost. It was discussed that over time, marketing costs per customer would decrease as the customer base increases. Magna Dodge noted that there could be a per customer underlying assumption or there could be a bulk estimate per year.

Steve Huffaker noted that he and Magna needed to create a means to move forward with the operating partner in discussions on this topic. Steve Huffaker noted that there was a suggestion of two marketing firms that are specific to the industry and asked if an RFP was needed and if it would be good timing for this. Dan Sonneborn noted that it would be good to identify the scope of the operating partner so that the RFP could be tailored. Steve Huffaker asked if in conversations with the operating partner, this work scope could be isolated by Dan Sonneborn. Steve Huffaker noted that the potential operating partner had been very helpful and imagined that they may be interested in helping with the RFP.

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Nancy Cornell asked if it was worthwhile to market for each other with the operating partner, such as co-marketing activities. Steve Huffaker noted that there are blurry lines between the partners and that he imagined that this could be an appropriate strategy. Cy Tall noted that some of the calculation of per-customer expenses, there could be an expectation of a per-customer revenue stream and then how much would organization would want to spend per customer. Dan Sonneborn noted that he appreciated this thought, as it's tied to the lifetime revenue of the customer.

Magna Dodge asked for Cy Tall's advice on benchmarks, and Cy Tall noted that in the retail world, her average was 20% spend per lifetime customer. Magna Dodge noted there could be questions asked of operating partners or others on what is typical of broadband companies. There was discussion of sources for these types of questions, and it was noted there may be unbiased entities such as ValleyNet. Ellie Hagopian noted that the feasibility study pointed out that single most important factor identified for penetration rates was time elapsed since the network was installed, suggesting that efficacy of marketing is important to understand. Nancy Cornell gave her experience on signing up for internet service, and explained that tabling could be a good strategy.

Steve Huffaker noted that while VPS is doing a pole survey, there was a suggestion that there could be magnetic signs purchased for the vehicles going around conducting the pole surveys for brand awareness.

7. Other Business

Steve Huffaker noted that he had shared draft language furnished by an individual who helped legally set up standards for remote meetings for CUDs as it pertains to Open Meetings Law. Steve Huffaker asked for opinions from the Members on this language, as the Executive Committee could state they would like to adopt this approach of non-physical meetings and meet with the Governing Board to state the adoption of the approach and gain consensus and approval.

Steve Huffaker made a motion that the Executive Committee adopt the Resolution provided by Piper, Primer, Eccleston and Cramer regarding the decision and defense of not holding physical meeting locations in the future, which was seconded by Magna Dodge.

Arabella Holzapfel asked if adoption of the Resolution would apply to the Governing Board and the Executive Committee together. Steve Huffaker noted that they could

decide to do this, and ask the Governing Board to do the same and if the Governing Board said no, that could be an agreeable outcome. Steve Huffaker noted that this may alter perception, so there may be a sense that it should be all or none. Steve Huffaker noted that they would start with the Executive Committee, and if it was agreeable it would move forward and until it's agreed upon by all they would continue to have a physical presence.

Nancy Cornell noted there was a spirited meeting about this topic at the VCUDA meeting, and it was decided that there could be physical rotating meetings for the VCUDA meeting. Nancy Cornell noted that there could be an issue with the Executive Committee and the full Governing Board, and given the time of the meeting, ACRPC has agreed to host the meeting physically. Nancy Cornell continued that they were secure in a physical location for the Executive Committee, it was less clear for the Governing Board. Nancy Cornell noted that while the Resolution was legal, the mission was to get fast internet to all including those who currently do not have it and not having a physical location seemed to be in contrast to enabling access. Nancy Cornell explained that the optics would not be ideal, and the DPS representative at the VCUDA meeting pointed out that there are supporters and skeptics across the state on topics around CUDs and virtual meetings may increase skepticism. Nancy Cornell noted that there could be a location secured for the Governing Board meetings, even if folks do not show up.

Steve Huffaker noted that ACRPC's offices would be available for Governing Board meetings, thanks to a provision by Adam Lougee. Nancy Cornell explained this seemed to resolve the issue, and Magna Dodge noted that it was not resolved as there was optionality which is to have physical meetings or continue via Zoom.

Dan Sonneborn asked if the Resolution provided for someone to request a physical presence and have that request granted. Cy Tall noted this was included in the Resolution as it is recommended that someone contact the clerk if they would like a physical location to attend the meeting.

Dan Sonneborn asked about the hardship of having a physical location, and Steve Huffaker noted that the hardship was requesting that Adam Lougee keep the ACRPC offices open past 5 pm. Steve Huffaker noted that Adam Lougee had been gracious and supportive which he was thankful for, but he wanted to work on finding a means to relieve Adam of these obligations. Steve Huffaker noted he would be asking the Ferrisburgh Town Selectboard if they would be willing to host meetings. Dan

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Sonneborn asked if they could find alternatives if there was an issue with ACRPC and Adam Lougee taking the lead on hosting. Adam Lougee noted that he found it important for there to be a physical presence and follow the Open Meeting Law closely. Adam Lougee explained he was the Clerk and was taking meeting minutes for the Governing Board meeting and is willing to be in this role. Adam Lougee noted the downside to not having a physical location seemed greater than to not have one.

Arabella Holzapfel noted that when she read this resolution, she thought it was done intelligently, but she agreed that optics are important and that given the mission of the organization it may be sensible to provide access. Cy Tall noted that Open Meetings and accessibility is important and pointed out the benefits of one location versus rotating meetings for increased accessibility among towns. Cy Tall noted that transparency is important and therefore accessibility is important.

Magna Dodge expressed that the greatest accessibility option seemingly was Zoom, given that interested participants could use phones to access meetings. Magna Dodge noted that given the public boards that she has been involved with over time, she has observed that there is very little public involvement in meetings and that a physical presence is likely not going to inhibit any attendance. Arabella Holzapfel noted that she has witnessed in the Ferrisburgh public board meetings, there is more public engagement since transitioning to Zoom. Fyn Fernandez noted he understood opportunities for people to be in-person with possibly different discussions happening in person, but that access to Zoom is pretty easy and provides a level playing ground for accessibility. Fyn Fernandez noted it would be good for some to have a physical location, and it would be a burden if there needs to be more travelling.

Ellie Hagopian noted that the question is whether there needed to be an in-person option or not, and that she found Zoom to be more accessible. Ellie Hagopian noted that if travel was involved, she may not be able to participate in the way she currently is. Ellie Hagopian noted that having a physical option may be an assumption of solving a problem that does not currently exist and the Resolution does provide an opportunity for there to be a physical presence if someone requests it, which is a solution. Steve Huffaker explained the Resolution may need to be more blended.

Nancy Cornell noted that she imagined people would be more inclined to show up at a meeting than to reach out to note they would like to attend. Nancy Cornell explained this would not be as conducive as an option to simply show up.

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Steve Huffaker noted he would like to rephrase as if there should be an in-person option. Steve Huffaker continued to note if the decision is that there should not be an in-person option, there would need to be consideration by the Governing Board at which time they would need to agree that they do not see a need for an in-person option for unanimous approval. Dan Sonneborn explained there is an in-person option in the current Resolution if someone requests it. Steve Huffaker noted that the vote is in support of the language in the Resolution, which was agreeable to all.

Steve Huffaker asked for a vote, which passed by a voice vote/show of hands. Steve Huffaker noted that they would bring this to the Governing Board, and then it would be decided what would happen as a whole with Maple Broadband.

Steve Huffaker noted that at the most recent Governing Board meeting, it was discussed what progress had been made with the potential operating partner. Steve Huffaker explained that there was a proposed financial structure submitted by the operating partner which was reviewed by ValleyNet and there was a counter by ValleyNet noting that the proposed structure is not feasible. Steve Huffaker explained that there was an understanding between the parties that they wanted to move forward to come to an agreement.

Steve Huffaker continued to note there was a draft agreement received from the potential operating partner and there was a four-hour review session with Maple Broadband's lawyer to review the agreement. Steve Huffaker noted there were revisions to this draft partially in order to be able to approach the municipal bond market and that the plan would be to get it back in the hands of the potential operating partner ahead of their upcoming meeting for discussion. Magna Dodge clarified that there were two roles identified for the potential operating partner, one being a network manager and the other being a provider of retail services. Magna Dodge noted that these roles were not as sharply defined in the document, and there was not a clear distinction between a wholesale provider using Maple Broadband's fiber and a wholesale operator providing retail services. Magna Dodge noted the intent was to bring the document into sharper focus so that there is stability in understanding obligations and roles in the future.

Arabella Holzapfel noted an appreciation for Steve and Magna's work on this effort and noted an expectation for a higher-than-average legal invoice. Steve Huffaker noted that both Maple Broadband's lawyer and the potential operating partner's lawyer worked at the same firm, and it was discussed early on that there is not a

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conflict. Steve Huffaker explained that Maple Broadband’s lawyer was experienced and a good fit based on Maple Broadband’s structure.

8. Grant Planning Discussion

Steve Huffaker noted that they were planning on hashing out details on how this work would progress long-term and encouraged members to stay if they would like, but noted there was no obligation to stay on.

Steve Huffaker, Magna Dodge, Nancy Cornell, Arabella Holzapfel and Cy Tall remained on the call, discussing approaches to grants management. At the conclusion of the discussion, the group set some preliminary next steps and agreed to continue refining the process.

9. Future Meeting: July 15

10. Adjourn

The remaining Executive Committee members adjourned the meeting at 5:42 pm by consensus.

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