



Colchester
VERMONT

MEMO From the Manager's Office

To: Colchester Selectboard
From: Aaron Frank, Town Manager
Date: March 9, 2023
Re: Communications Union District (CUD) Reconsideration

Issue: Over the past eight months, Town of Colchester staff has continued to monitor opportunities to achieve high quality broadband expansion within the Town. Recently, a Communications Union District (CUD) was created when five Chittenden County communities (South Burlington, Williston, Essex Junction, Shelburne, and Essex Town) held public votes in November 2022 in which their voters approved the CUD creation. . Since then, three additional towns (Westford, Underhill, and Jericho) have joined the Chittenden County CUD (CCCUD) through votes by their respective Selectboards. Given these recent developments, it may be time for Colchester to reconsider joining.

Background: The Chittenden County Regional Planning Commission (CCRPC) describes a Communications Union District (CUD) as a municipal organization made of two or more towns for the purpose of building, or causing to be built, and managing communication infrastructure that will provide high speed internet. CCRPC and the Vermont Community Broadband Board (VCBB) have suggested that by working together, municipalities are more likely to attract a provider and leverage financial resources, making the CUD's main function to deliver public funds to the providers to build the network and to provide public oversight, ensuring broadband service to underserved locations at speeds of at least 100/100 Mbps in accordance with Act 71. After the formation of the CUD, other municipalities can join the CUD with a vote of their legislative body.

The CCRPC discussed this further at their [July 20, 2022](#) meeting, at which they noted that Chittenden County is mostly cable, and in order to support expansion of broadband/fiber service, a CUD needed to be established and that it would provide the opportunity to get service to the underserved areas and provide fiber options of existing cable users. Current minutes from the Chittenden County Communications Union District (CCCUD) can be found here: <https://www.ccrpcvt.org/our-work/broadband/>.

The idea of joining a CUD last came to the Selectboard on [June 28, 2022](#) where the [following information](#) was shared. Town staff discussed the benefits of joining a CUD, including increased opportunities to attract a broadband provider and gain financial resources, but the Selectboard was ultimately not interested in bringing the joining of a CUD to a public vote at that time due to concerns with a significant lack of funding to achieve the stated goals of joining a CUD.

A February 22nd memo from Ann Janda of CCRPC staff indicates several reasons why now may be a prudent time for Colchester to reconsider its membership in the Chittenden County CUD.

- 1) Upon its formation in November 2022, the CCCUD received a Feasibility Analysis & Business Plan prepared by Rural Innovation Strategies, Inc, which had been commissioned by the VCBB. The Feasibility Analysis & Business Plan provided initial cost and design concepts. This document included Colchester in hopes that we might join, and notes that Colchester has 106 unserved or underserved residences. The CCCUD has received a \$300,000 pre-construction grant from the VCBB which will fund the next steps in the design process. If Colchester wishes to be eligible for future construction grants, it will need to officially join the CUD.
- 2) As noted in staff's June 23, 2022 memo, Colchester has been allocated a portion of the State's broadband construction grant funds. As of December 22, 2022, Colchester's allocation is \$323,297. These grant funds come from the State's ARPA allocation and therefore have a deadline for obligation. The only foreseeable way for Colchester to access these construction grant funds is through membership in a CUD. If Colchester does not opt to join a CUD in the near future, it is likely its share of the construction grant funds will be reallocated elsewhere in the state.

Recommendation: At this time, Town staff recommends that the Selectboard reconsider joining a CUD. Now that the CCCUD has been created, the Colchester Selectboard could vote to join without a public vote. The Town would then be included in plans and funding requests to connect the 100-150 addresses that do not have 25/100 Mbps speed internet. This in turn may result in state or state-provided federal funding to pay an existing service provider to provide access to internet to those addresses.

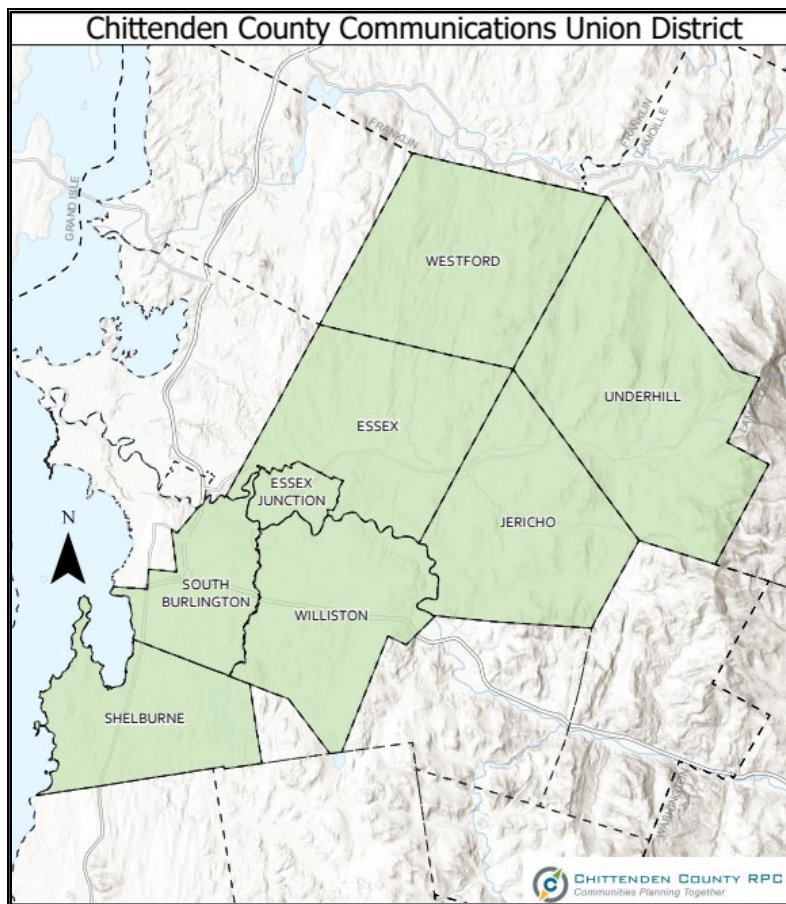
Due to the way that the State Statues are constructed, unless we join a CUD, we have no possibility of receiving state or state-provided federal funding to connect any of the 100-150 addresses in Colchester without access to 25/100 Mbps internet service. We recommend reconsidering this option as there is no risk but rather only an opportunity. There is still a lack of funding for construction, with the State only identifying \$323,297 in funding to connect the unserved and underserved addresses in Colchester. (For perspective, a project to connect about 35 more highly concentrated unserved and underserved addresses around Middle and Galvin Hill Road cost about \$235,000. However, there are no financial commitments on behalf of the Town or our taxpayers and the Town can join without a public vote and the need to set expectations for an outcome beyond planning and grant applications. Should the Selectboard vote to join the Chittenden County CUD, we recommend assigning staff to the board as the goal would be to participate with caution until a non-local tax based funding mechanism is identified.

We should also disclose that although the Selectboard can join a CUD, only the voters can approve leaving a CUD. However, the Town Attorney has reviewed this memo and the opportunity offered for Colchester to join the CCCUD and concurred there is no financial risk to the Town or its taxpayers beyond staff time.

Should the Selectboard be interested in joining, we would schedule a future agenda item for a vote of the Selectboard to join the Chittenden County CUD.

Date: February 22, 2023
TO: Aaron Frank, Colchester Town Manager
FROM: Ann Janda, Senior Energy Project Manager, CCRPC and CCCUD Clerk
RE: Membership in Chittenden County Communications Union District

The Chittenden County Communications Union District (CCCUD) was formed to allow the opportunity to provide accessible, affordable, and ubiquitous broadband throughout the Chittenden County region. The CCCUD is currently made up of eight municipalities: Essex, Essex Junction, Jericho, Shelburne, South Burlington, Underhill, Westford, and Williston. The CCCUD is committed bringing 100/100 mbps service to every unserved and underserved E911 address on the electrical grid in its member towns.



Upon organization in January 2023, the CCCUD received a Feasibility Analysis & Business Plan prepared by Rural Innovation Strategies Inc. The strategy to reach every unserved address will

involve extending existing infrastructure in the member towns. This does not require CCCUD to build an entire network.

The Vermont Communications Broadband Board (VCBB) has approved a \$300K grant to CCCUD for preconstruction funding to hire an executive director to oversee the CUD, hire consultant assistance, and pay for administrative costs. See timeline of next steps below.

Project	Task/Milestone	Start Date	Completion Date
<u>Hire ED</u>	<i>Job Description, Ad</i>	<i>March, 2023</i>	<i>May 1, 2023</i>
	<i>Interviews</i>	<i>June 2023</i>	<i>June 2023</i>
	<i>Governing Board hires ED</i>	<i>July 1, 2023</i>	<i>July 1 2023</i>
<u>RFP Process</u>	<i>Procurement process to hire RFP consultant</i>	<i>March, 1, 2023</i>	<i>March 15, 2023</i>
	<i>Hire RFP Consultant</i>	<i>April 1, 2023</i>	<i>April 1, 2023</i>
	<i>Release RFP</i>	<i>June 1, 2023</i>	<i>June 1, 2023</i>
	<i>Review RFPs</i>	<i>July 1, 2023</i>	<i>August 15, 2023</i>
<u>Data Validation</u>	<i>Procurement process to hire data Validation Consultant</i>	<i>April 1, 2023</i>	<i>May 1, 2023</i>
	<i>Hire Consultant to validate data</i>	<i>July 1, 2023</i>	<i>August 1, 2023</i>
<u>Finalize contract(s)</u>	<i>Negotiate contracts</i>	<i>August 1, 2023</i>	<i>October 1, 2023</i>
	<i>Execute contracts</i>	<i>November 1, 2023</i>	<i>December 1, 2023</i>

Once preconstruction activities are complete, the CCCUD will apply to the VCBB for a construction grant. The VCBB has already allocated funds for each potential member town for this purpose based on estimated miles of fiber needed. Since each town has their own allocation, Colchester’s decision to join neither harms nor helps the current member towns. However, it will forward the CCCUD’s goal to provide ubiquitous broadband throughout the Chittenden County region, which is also VCBB’s goal. Another potential benefit would be better ability to negotiate with providers that may also be looking to serve other towns beyond Colchester.

Since the preconstruction funds are State ARPA dollars, the amount allocated to Colchester will be reallocated elsewhere soon to meet ARPA requirements. The CCCUD hopes to add construction funding from the Federal BEAD program when they announce their next funding opportunity.

CCCUD will be working to serve every unserved and underserved address in its member towns. Joining the CUD is the most effective way to obtain meaningful funds and get providers to respond in the effort to create universal service.

If Colchester would like to join the CCCUD, its Selectboard should vote to join and send a letter requesting membership to the Clerk of CCCUD. The CCCUD will then vote to approve membership at its next governing board meeting.