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## Annual Report 2021

### Introduction

Pursuant to 30 V.S.A. § 3075, the Northwest Vermont Communications Union District (NWCUD) is pleased to present its annual report and budget for your review. The NWCUD was officially formed on August 3, 2020. The NWCUD is a municipal body consisting of representatives from Northwest Vermont municipalities for the purposes of building communication infrastructure.

As of October 20, 2021, the NWCUD represents 15 Northwest municipalities: Alburgh, Bakersfield, Berkshire, Enosburgh, Fairfield, Fairfax, Georgia, Highgate, Isle la Motte, Montgomery, Richford, Sheldon, Swanton, Village of Alburgh, and Village of Enosburg Falls. It is expected that the NWCUD will continue to expand to new Franklin and Grand Isle County municipalities.

The mission of the NWCUD, as adopted by the Board of Representatives is:

*“Leverage partnerships and procure funding to connect Northwestern Vermont via Open Access Fiber to ensure opportunity for all homes and businesses in our region.”*

The NWCUD has received \$708,516 in grants from USDA, VT Department of Public Service (H315), and the VT Community Broadband Board (H360) to support broadband expansion and capacity building.

### Activities of the Northwest Communications Union District

#### Legislative Effort

In partnership with the VT CUD Association the NWCUD worked with and advocated for broadband funding for bills H315/H360/S118. The NWCUD representatives provided written and oral testimony to secure grant funds for network pre-construction and construction.

#### Completion of Feasibility

The NWCUD in collaboration with Northwest Regional Planning completed a feasibility study & analysis conduct by engineering consultants Matrix Designs. The next step in this project is the completion of a comprehensive business plan and high-level network design. The business plan is scheduled for completion before the end of 2021.

#### Staff

In October, the NWCUD hired their first employee, Executive Director – Sean Kio of Enosburgh. The Executive Director is responsible of the general management of the NWCUD and is the focal point for communications with state regulatory agencies, financing entities, and our communities. The Executive Director executes the CUD’s business plans and manages NWCUD staff, contractors, and



partners to reach the goal of establishing universal high performance broadband service in our communities. Additional staffing needs, including Project Management and Admin Support is expected in 2022.

*Broadband Planning Activities*

The NWCUD planned to hire various consultants, specializing in finance, legal, open access fiber management, and private-public partnerships. NWCUD held several discussions with local, regional, and national telecom providers regarding potential operational and service agreements. Lastly, the NWCUD meet with and will continue to collaborate with local electric utilities and neighboring CUDs seeking operational efficiencies and resource sharing opportunities to minimize project timelines and expense.

Revenues	2021 Est. Actuals	2022 Budget
<b>Item</b>		
Philanthropic donations	\$ -	\$ -
Promissory notes issued	\$ -	\$ -
Pre-Construction Grants	\$ 708,516	\$ 677,880
Construction Grants	\$ -	\$ 4,394,035
Prior Year Surplus	\$ -	\$ 368,990
<b>TOTAL REVENUES</b>	<b>\$ 708,516</b>	<b>\$ 5,440,905</b>
<b>Debt</b>	<b>2021 Est. Actuals</b>	<b>2022 Budget</b>
Loans	\$ -	\$ 2,000,000
<b>TOTAL CASH RECEIPTS</b>	<b>\$ -</b>	<b>\$ 7,440,905</b>
<b>Expenditures</b>	<b>2021 Est. Actuals</b>	<b>2022 Budget</b>
<b>Capital</b>		
Pole Survey	\$ 150,000	\$ -
Permitting, make ready	\$ 46,500	\$ 280,000
Design & Engineering	\$ -	\$ 397,880
Headend	\$ -	\$ 51,912
Field Network Equipment	\$ -	\$ 353,010
Aerial Construction	\$ -	\$ 2,867,130

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Underground Construction	\$ -	\$ 395,934
Construction Contingency 10%	\$ -	\$ 427,639
Loan	\$ -	\$ 2,000,000
Debt service	\$ -	\$ 50,000
Audit	\$ 10,000	\$ 10,000
<b>Subtotal Capital</b>	<b>\$ 206,500</b>	<b>\$ 6,833,505</b>
<b>Staff</b>		
Payroll	\$ 22,916	\$ 220,000
Health Insurance	\$ 5,414	\$ 51,976
Retirement Contribution	\$ 750	\$ 7,200
Employer Insurance	\$ 258	\$ 2,482
<b>Subtotal Capital</b>	<b>\$ 29,338</b>	<b>\$ 281,658</b>
<b>Technology</b>		
Equipment (Laptop, phone)	\$ 5,500	\$ 5,500
<b>Subtotal Capital</b>	<b>\$ 5,500</b>	<b>\$ 5,500</b>
<b>Operational</b>		
External business development services (incl. business plan consulting)	\$ 34,490	\$ 30,000
Financial (incl. accounting, bank fees)	\$ 4,000	\$ 5,000
Insurance	\$ 5,000	\$ 6,500
Office supplies (incl. PO Box, printing)	\$ -	\$ 1,000
Legal	\$ 9,000	\$ 32,400
Advertising	\$ 18,677	\$ 5,000
Survey	\$ -	\$ -
Website (Domain and hosting service)	\$ 275	\$ 275
Administration Support	\$ 19,864	\$ 31,200
Association Fees	\$ 1,165	\$ 2,500
Wi-Fi Hotspot Program	\$ -	\$ -
Payroll Service	\$ -	\$ 1,200
Phone Service	\$ 500	\$ 4,800
Microsoft Business Suite	\$ 113	\$ 450
Adobe Creative Cloud	\$ 960	\$ 960
Project Management Software	\$ -	\$ 180

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Travel	\$ 375	\$ 2,600
Firewall	\$ 1,480	\$ 1,480
Zoom Software	\$ 180	\$ 180
DocuSign Software	\$ 120	\$ 120
VPN	\$ 240	\$ 480
Contingency	\$ -	\$ 1,052
Chair / Vice Chair Stipends	\$ 1,750	\$ 1,750
<b>Subtotal Operational</b>	<b>\$ 98,189</b>	<b>\$ 129,127</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 339,527</b>	<b>\$ 7,249,790</b>
<b>NET INCOME</b>	<b>\$ 368,990</b>	<b>\$ (1,808,886)</b>
<b>NET CASH</b>		<b>\$ 191,115</b>

Notes:

30 V.S.A. § 3075 - The fiscal year of the district shall commence on January 1 and end on December 31 of each year.

(a) Annually, on or before October 21, the board shall approve and cause to be distributed to the legislative body of each district member for review and comment an annual report of its activities, together with a financial statement, a proposed district budget for the next fiscal year, and a forecast presenting anticipated year-end results. The proposed budget shall include reasonably detailed estimates of:

- (1) deficits and surpluses from prior fiscal years;
- (2) anticipated expenditures for the administration of the district;
- (3) anticipated expenditures for the operation and maintenance of any district communications plant

(b) Coincident with a regular meeting thereof, the board shall hold a public hearing on or before November 15 of each year to receive comments from the legislative bodies of district members and hear all other interested persons regarding the proposed budget.

(c) Annually, on or before December 15, the board shall adopt the budget and appropriate the sums it deems necessary to meet its obligations and operate and carry out the district's functions for the next ensuing fiscal year.