



Annual Report 2022

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, 2022, the NWCUD represents 22 Northwest municipalities: Alburgh, Bakersfield, Berkshire, Enosburgh, Fairfield, Franklin, Fairfax, Georgia, Grand Isle, Highgate, Isle la Motte, Milton, Montgomery, North Hero, Richford, Sheldon, South Hero, Swanton, Village of Alburgh, Village of Enosburg Falls and Village of Swanton.

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."

This year the NWCUD received \$718,529 in grants from the VT Community Broadband Board (H360) to support broadband expansion and capacity building.

Activities of the Northwest Communications Union District

ISP Partnership/Tenants

NWCUD, in partnership with Lamoille CUD, was actively pursuing a deal with Google Fiber. In August, while close to finalizing the deal when we were notified that the financial viability of Lamoille CUD was of concern. As a result, the Google Fiber proposal proved to be unsustainable for Lamoille CUD, and negotiations could not continue. While this was disappointing, we quickly refocused and are seeking new network tenants. Rest assured that NWCUD staff and your appointed governing board representatives are hard at work pushing forward with a broadband solution that will bring significant changes to our communities.

Staff

In January, the NWCUD hired two additional employees to support the organization and our mission. Mary Kay Raymond of Fairfax was hired as the Operations Project Manager and is accountable for pre-construction activities and construction efforts, including managing our contractors, data, facilities, and materials. Her experience and knowledge have been a win for NWCUD and CUDs across the state.

Also in January, Chasidy Benjamin of Swanton was hired as a part-time Administrative Assistant. Chasidy has filled the administrative role previously provided by NRPC and has quickly grown to be a vital team asset to ensure NWCUD complies with many of our statutory and regulatory requirements.



NORTHWEST FIBERWORX

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Broadband Planning Activities

Pre-construction planning efforts are underway with the help of our friends at the National Rural Telecommunications Cooperative (NRTC). NRTC provides us with financial modeling, technical advising, and network engineering. As of October, modeling is completed, build-out sequencing is completed, permitting and make-ready kick-off, and Phase 1 of network engineering has begun. In short, what this all means is that we are on track to begin network construction in the Spring of 2023, as anticipated.

This winter, additional pre-construction activities will continue, including site surveys for network distribution points, utility pole data collection, make-ready, and permitting.

Denotes new categories in 2022

Denotes budget categories no longer in use

Revenues	FY 2022 Est. Actuals	FY2023 Budget
Item		
Philanthropic donations	\$ -	\$ -
Promissory notes issued	\$ -	\$ -
Pre Construction Grants	\$ 329,572	\$ 393,349
Construction Grants	\$ -	\$ 22,750,000
Prior Year Surplus	\$ 388,957	\$ 166,700
Interest Earned	\$ 550	\$ 10,000
TOTAL REVENUES	\$ 719,079	\$ 23,320,049
Debt	FY 2022 Est. Actuals	FY2023 Budget
Loans	\$ -	\$ -
Total Cash Receipts	\$ 719,079	\$ 23,320,049

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Expenditures	FY 2022 Est. Actuals	FY2023 Budget
Capital		
Pole Survey	\$ 139,000	\$ 450,000
Project & Construction Management	\$ -	\$ 1,142,000
Design & Engineering	\$ 198,940	\$ 4,000,000
Headend	\$ -	\$ 608,000
Field Network Equipment	\$ -	\$ 329,000
Aerial Construction	\$ -	\$ 11,570,000
Underground Construction	\$ -	\$ 3,135,000
Network O&M	\$ -	\$ 489,000
Construction Contingency	\$ -	\$ 1,017,000
Loan	\$ -	\$ -
Debt service	\$ -	\$ -
Audit	\$ 10,000	\$ 10,000
Subtotal Capital	\$ 347,940	\$ 22,750,000
Operational		
External business development services (incl. business plan consulting)	\$ 62,500	\$ 40,000
Accounting Fees	\$ 7,000	\$ 10,500
Other Financial (bank fees)	\$ 25	\$ 1,000
Insurance - Cyber Network	\$ 1,557	\$ 1,623
Insurance - General Liability	\$ 527	\$ 1,256
Insurance - Liability, D and O	\$ 1,894	\$ 1,947
Insurance - Umbrella	\$ 1,559	\$ 2,500
Insurance - Assets/Inventory	\$ -	\$ 10,000
Postage, Mailing Services	\$ 516	\$ 1,000
Office Supplies	\$ 338	\$ 1,000
Legal	\$ 27,310	\$ 40,000
Advertising	\$ 161	\$ 1,500
Survey	\$ -	\$ -
Website (Domain and hosting service)	\$ 180	\$ 180
Administration Support	\$ 20,182	\$ -
Association Fees	\$ 7,440	\$ 10,000

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Phone Service	\$	1,595	\$	2,500
Microsoft Business Suite	\$	1,466	\$	2,500
Google Suite	\$	263	\$	-
Adobe Creative Cloud	\$	1,028	\$	1,028
Software - Other	\$	420	\$	1,000
Travel	\$	3,113	\$	5,000
Conference, Convention, Meetings	\$	3,765	\$	5,000
Zoom Software	\$	160	\$	200
Docusign Software	\$	120	\$	120
VPN	\$	100	\$	100
VETRO Fibermap	\$	30,000	\$	25,000
Contingency	\$	1,000	\$	2,500
Chair / Vice Chair Stipends	\$	1,750	\$	1,750
Subtotal Operational	\$	175,968	\$	169,204
Staff				
Payroll	\$	258,882	\$	297,714
Health Insurance	\$	40,687	\$	52,000
Dental	\$	2,588	\$	3,000
Retirement Contribution	\$	17,000	\$	19,550
Life/Disability	\$	2,353	\$	2,500
Worker's Comp	\$	1,192	\$	1,192
Taxes/Withholdings	\$	18,022	\$	18,022
Payroll Service	\$	695	\$	800
Subtotal Capital	\$	341,419	\$	394,778
Technology				
Equipment (Laptop, phone)	\$	6,778	\$	5,500
Subtotal Capital	\$	6,778	\$	5,500

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Totals	FY 2022 Est. Actuals		FY2023 Budget	
TOTAL CAPEX	\$	347,940	\$	22,750,000
TOTAL OPEX	\$	524,165	\$	569,482
TOTAL EXPENDITURES	\$	872,105	\$	23,319,482
Net Income	\$	(153,026)	\$	567
Net Cash	\$	(153,026)	\$	567

Notes:

- Drafted on 10/04/2022
- Approved for Distribution on 10/20/2022
- Adopted by NWCUD Governing Board on 11/17/2022

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.