

## Midcoast Internet Coalition Meeting

April 14, 2021

5:00pm

Zoom (during COVID-19 Pandemic)

### Minutes

#### 1. Call to Order by Debra Hall at 5:03pm

Participants:

Chair: Debra Hall (Rockport); Vice Chair: Matt Siegel (Camden)

Representatives:

Camden: Marc Ratner (Camden), Jeremy Martin, Planning Director

Cushing: Crag Currie (SB) (Guest)

Hope: Sarah Ann Smith (SB), Melissa Foster Hall (BC)

Lincolnton: Josh Gerritsen (SB), Jordan Barnett-Parker (SB), Steve Koltai

Northport: Ann Frenning Kossuth (BC)

Owls Head: Jacob Post (BC)

Rockland: Ben Dorr, City Council

Rockport: Denise Munger (SB), John Viehman, Joe Sternowski

Searsmont: Peter Milinazzo (SB)

South Thomaston: Cliff Dacso

Thomaston: Sandy Moore (SB), Brian Doyle, ECD

Union: John Gibbons (BC)

Note: (SB) means Select Board; (BC) means Broadband Committee

#### 2. Action Item – Motion to Approve March 10, 2021 Minutes

The draft March 10, 2021 minutes were distributed prior to the April 14, 2021 meeting.

Motion: To approve the minutes from the March 10<sup>th</sup> meeting, from Marc Ratner, 2<sup>nd</sup> Matt Siegel

Vote taken: Approved by voice consensus

#### 3. Updates on Prior Action Items

**Debra Hall** – Connected with GWI regarding naming of coalition to “Midcoast Internet.” GWI has confirmed, in writing, they have no issues with our use of the name and website URL.

“Homework Assignments”

Purpose to identify number of passings and road miles. Each town has submitted this to Debra, she’s provided this to Finley. Midcoast Internet has not chosen to go with Finley yet, however they are to provide a table to help us ascertain a cost based on what towns are involved. Since it’s not clear which towns are in or out, we need to estimate the cost of the feasibility study. Finley will get back to us with a spreadsheet, but they haven’t done it yet.

### **Update on “Guiding Principles”**

- Currently lists towns on bottom of document that have accepted and date adopted
- Most recently adopted by Union (4/6) and Rockland (4/12)

**Debra Hall** – What was the response of the towns who have or haven’t accepted the Guiding Principles – push back? Pretty unanimous? Questions arise? What’s the feedback?

**Ben Dorr** – Matt presented to Rockland, questions asked were mostly technical, re: fiber in general. Unanimous vote on principles and not any conversation about the intent of coalition. Didn’t get into the financials since it’s so far out.

**Marc Ratner** – Camden is 100% behind it.

**Sarah Smith** – Hope has a lot of questions. Sarah supports it but needs to get SB members on board. They need questions answered re: timeframe. They will be having a special SB meeting for budget, but LCI needs answers re: grant, so Hope will discuss at next meeting. Would like someone from Midcoast Internet to be there to explain.

**Debra Hall** – We’re happy to do that. Matt met with Rockland at City Council & Thomaston at Select Board meetings.

**Marc Ratner** – Camden will have two new SB members, July 1<sup>st</sup>. He’s unsure about their thoughts on Midcoast Internet Coalition. What about new Rockport board members?

**Debra Hall** – We have no idea what new SB members will do re broadband, but Camden will be approving warrant on ballot in June, as is Rockport. Warrants on both town ballots to determine whether Midcoast Internet can become a legal structure. If so, it will have its own Board of Directors. We should be thinking about (Camden & Rockport) whether we need that legal structure in place before naming the Board of Directors.

**Ben Dorr** – Are you expecting the Municipalities to nominate their own representatives for the Board?

**Debra Hall** – Yes, the Interlocal Agreement states that each Municipality will elect one representative, but will not necessarily choose a new one each year. We need to create consistency, build longer terms into by-laws. Agreement is currently high level, simple. Every town that is part of the Regional Utility has one vote, equally weighted. The Municipality elects the individual. Select board membership is not necessary to be on the Board.

**John Gibbons** – Are we required to elect a representative by voters or can Selectmen do it?

**Debra Hall** – Select board determines this. Once town puts this on the warrant and voters approve the Interlocal Agreement, they should never have to go back to the voters again on this topic.

The Utility Board of Directors must accept town, since this entity needs to be economically viable. We need a staged approach to accept towns to ensure economic feasibility. The Regional Utility Board of Directors needs to unanimously vote to let a town in, also, the town’s voters need to vote “yes” to be in the Regional Utility (except with a city council form of government like Rockland).

**Ben Dorr** – Those two things can happen in either order?

**Debra Hall** – Yes.

#### **4. Report by the Chair/Vice Chair – Discussion Item**

Chair Hall, Vice Chair Siegel, and Munger report on activities since last MIC meeting Denise has been very active, and hopefully will be on Board for Rockport. She found book “Fiber” by Susan Crawford to be very interesting and informative.

The Maine Broadband Caucus met this last week and decided they should read it. It contains critical pieces of background information.

**Debra Hall** – We met with Legislative representatives regarding the ARP funds, block grants for towns & counties, we expressed concerns that the ISP’s are being preferred for grants generally, we believe that with incoming funding there needs to be preference for municipal and regional networks.

Federal ARP funds to the States are earmarked specifically for broadband, estimated for Maine to be about \$120 million. How it gets distributed is a different story, whether the funds will go to profit entities, underserved populations or other.

Additionally, municipal block grants go to each town and county based on population. According to the American Rescue Plan, funds can be spent on three types of infrastructure: water, sewer and broadband. This is intended to be a one-time, post-COVID, “let’s get things going” payment to – not routine, intended to be transformative in terms of our lives and economic development. The Regional Utility will need seed money to obtain municipal loans or issue revenue bonds. It could take several years otherwise to raise the seed money through private investment.

Knox & Waldo counties are receiving \$7.7 million each. A majority of the towns supporting the MIC are in Knox County, which is the argument for why Knox should put that money into the Broadband infrastructure.

We'll draft a bulleted letter to the County Commissioners asking towns to support this use of the county funds for broadband and publicly owned infrastructure regardless of whether the town signs onto the Interlocal Agreement. They got \$18 million of CARES Act money for the airport that hasn't been fully spent. This support can be considered a 3-generational investment.

**Matt Siegel** – regarding Broadband, what's the initial reaction? How do you think the SB or Broadband members feel about using this money for Broadband?

**Sarah Smith** – Budget and SB members will be hard to convince to use the municipal funds on broadband when they need to put some toward roads. There's a major turnover in Hope SB. The good news is some coming back are previous SB members but may tend to be conservative and not sure how many will take this opportunity. Sarah was not confident they will be willing to use 100% or even 50% of municipal funds on broadband. There needs to be a lot of education around what this agreement can do and how soon.

Sarah explained LCI approach requirements. Compared the 12-18 months to get things going with LCI vs. no clear timeline for Regional Utility. It's going to be a tough sell.

**Debra Hall** – We need to convince our SB that this is a one-time windfall intended for economic development. Broadband is #1 question that realtors get from people when deciding to relocate, no longer schools.

We're only asking money from the towns that accept the Interlocal Agreement. We're not going to tax taxpayers for this. There may be a requirement of a certain amount for towns to contribute in order to be part of the Regional Utility.

Think ahead about this before putting money to roads for infrastructure, so the amount you need is available when you want to join. Additionally, according to the law itself, these funds do not appear to be available for roads. However, Treasury Guidance is supposed to expand on this.

**Josh Gerritsen** – In the packet regarding the money from the State, "water, sewer, and broadband as well as lost wages, etc" are listed, not roads.

**Sarah Smith** – with a narrower list of options, broadband has a better shot.

**Jordan Barnett-Parker** – going with LCI to get grant will not change anything in town. The only thing it will do is give them money. They will not install it to anyone's homes, getting extra money to them will not change anyone's position. They're still going to have to pay \$1200 to get it installed to their house, by putting support behind them you're taking money out of the hands of another municipality or maybe yourself if Hope is going after these funds. It is emboldening LCI's position by relinquishing your power.

March 22<sup>nd</sup> Select Board meeting, they were asked how receiving grant money would affect their service. They said it would make it worse since they don't have the staff, they're overwhelmed, by building out in different towns, it would hurt that service. 1:45 minutes is where you can find that discussion.

**Sarah Smith** – that's why we want Debra or Matt to come to Hope's meeting to explain the details to help them understand.

**Debra Hall** – We are happy to do that, however we are not the ones to “weigh in” on LCI.

**Sarah Smith** – We need Debra and Matt to explain what the public utility is about. We were able to get LCI to commit to getting fiber to the end of the road, but not more than that.

**Melissa Foster Hall** – I asked specifically if it would go to every home and they said “no.” And then they referred to writing the grant. They will choose a number. They are not providing 100% coverage or to every house. The grant is a 12-month grant but can be extended. LCI was asked to enter a contract stipulating a certain number of goals by a timeframe. The concerns are LCI is overextending themselves to other towns and may not be able to deliver.

**Debra Hall** – This is good information and Lincolntonville & Hope are good at sharing this information with other towns but I suggest you have these LCI discussions offline as we need to move on.

**Ben Dorr** – Rockland's perspective – a number of them are excited about the prospect of this project, in terms of financial commitment, they expect it's not going to be more difficult than any other to commit to the sum we're asking for, but there are other projects Rockland is interested in using the money for.

**Sandy Moore** – Thomaston SB agreed unanimously to send warrant to voters in June. There are a lot of questions, so we're scheduling a workshop and will have a speaker to address questions.

**Debra Hall** – I hope we can all agree, especially those in Knox county, that if we put together a detailed rationale why \$7.7 million ought to go to broadband infrastructure, hopefully the towns sign on to that. Since it doesn't affect the money that is coming to your individual communities. The first portion of the funding is to come this summer.

**Denise Munger** – The Treasurer is to issue guidance by May 11<sup>th</sup>.

**Josh Gerritsen** – Money needs to be spent by 2024 or it goes back.

**Ben Dorr** – If we convince the county to give us the \$7.7 million does that relinquish the burden of towns to use their own funds?

**Debra Hall** – It may very well be that if we can get county funds, we won't have to worry about municipal funds. The Commissioners really make the decision, so that's what we really need to focus on.

**Matt Siegel** – Ben, the number like \$7.71 million puts us well beyond the 18-20% threshold that we would need in reserve for favorable status for both revenue bonds or low interest muni-loans, so it takes a lot of pressure off towns in terms of creating our financial model.

**Debra** – You can expect that this entity is going to be bleeding money for the first few years. In terms of operational costs vs. revenue coming in, so the more money we have, the more we have to survive. While those funds take us to the level we need for seed money for loans and bonds, operational expenses for the first few years are a different story.

**Brian Doyle** – If we can acquire capital resources upfront (larger sources, county) we'll be on the path to success. We need education to make the best decisions.

**Debra Hall** – Estimated \$120 million earmarked for broadband going to ConnectME which historically is predominantly for unserved communities and the money goes essentially to the ISP's, instead of municipalities and regions. We are urging legislators to acknowledge that giving to ISP's worked when the town's weren't up to speed, but when you have towns that agree to Guiding Principles, and want options, why should the money go directly to ISP's?

"Gigabit Fund" may create new rules for distribution of the \$120 million. We are trying to get access for regions & municipalities to that \$120 million instead of the ISP's.

**Brian Doyle** – Speed test is critical to find those that are underserved so pockets of money can become available for them.

**Denise Munger** – ConnectME Board meeting - the Board asked staff to consider what the definition of broadband is, and it seems they are pushing them to go with 100 over 100, which would change the "underserved" landscape.

**Melissa Foster Hall** – Can towns apply for Connect ME money with intent of that money going to Coalition?

**Debra** – Community driven grants are supposed to be town focused, not expansion grants. The ConnectME website says money can go to either municipality or other recognized state entity, so once two towns accept the Interlocal Agreement, then regional utility is a recognized entity that could receive that funding.

**Interlocal Agreement** – Rockport and Camden setup as Charter Municipalities, which means these towns will always have a place on the Executive Committee. There's a difference between the Letter of Intent and Interlocal Agreement:

**Interlocal Agreement** – has bylaws, legal entity, not for profit, will have own articles of incorporation, which we will quickly file with Secretary of State. Bylaws to be adopted by initial Board of Directors. Once you join the Interlocal Agreement, you are “in.” That is a legal commitment to the group.

**Letter of Intent** – simply, non-legal, non-binding letter that says to Coalition “We’re serious about going down this route with you, and if we do sign the letter of intent, we won’t jump ship and take the money elsewhere.” It gives time for town and Coalition to look at feasibility to bring your town in.

**Steve Koltai** – Key challenge we face is public connection and explanation of buy-in. Starts with SB but extends beyond. Would it be useful to have fact sheet with bullet-points, plain English, to explain what we’re about? Key question will be “Will there be a financial commitment attached to either of these two documents?”

**Debra Hall** – We have been talking about the need for such documents, John V heads up Marketing Committee.

**Sarah Smith** – If Hope SB decides to support LCI, are we forever banned?

**Debra Hall** – I wouldn’t use term “locked out” but we do need to look at the Board which will need to have financial welfare of the utility in mind. Overbuilding of fiber is highly discouraged and may discourage money coming in from investors.

**Matt Siegel** – We hope Coalition is there to help you make informed decisions. That’s one of our roles as a Coalition.

**Cliff Dacso** – Support point of consistency of information flow so that we can speak with one voice when we go back to our towns.

**Josh Gerritsen** – Matt & I will make at least one video (3 min) to be shared.

**Debra, Denise & Matt** – met with Axiom Technologies, Mark Ouellette, asked him to give us a number for feasibility study for a certain group of towns. We expect information by Friday. Very interesting call, build issues, wealth of information. We will send report of information we gleaned. Axiom lays fiber sometimes on the ground. This is the perfect example of how to get down the “mile long driveway.”

**Jacob Post** – “Squirrel Island” project, literally cable placed on the ground and they find that after a year that cable is buried.

**Debra Hall** – the cable is non-electrical so there's no danger and is less problematic for cable on the ground than on poles. Axiom is very clear on website.

**Matt Siegel** – There are two hurdles: workforce shortage and material shortage

**Material Shortage** – Don't have much control since Corning is the provider of fiber optic. They are 18 months behind. But every provider will be in the same boat unless they have stockpiles of fiber optic cable.

**Workforce Shortage** – Need to train local workforce. The current ISPs have expressed that they just won't have enough people to build this out, so we need to try to support them by working with MDOL (John D. and Jason Judd, MaineSpark) putting together a \$6 million Federal grant specifically for STEM workforce. Added Fiber Technician to this grant. Partners include LCI, GWI, Pioneer & Axiom being brought to the table to MDOL.

#### **Action Plan – Discussion Item**

\*Add Axiom under Feasibility

VetroFiber mapping – they will give us more exact costs. Can do an auto-draw feature to give you approximations for cost, profit, business drops, etc. Gives us an opportunity to do comparison by putting towns in or out. Will be working closer with them.

#### **Marketing Committee**

**John V** – Identified three major marketing goals. Need to be ready to support the following with marketing efforts:

- June vote Rockport & Camden
- Identify minimum take rate 35%
- November votes

Marketing efforts:

- Need to drive people to website
- Social/digital media
- Print media
- Community networking, where can we get our information out
- Develop the "pitch" and "the close"
- Looking at two strong vendors re: branding

Joe & Steve stepped up to help, Cliff, we'll lean on you for your FAQ's and info sheets

**Debra Hall** – we need people with financial skills to help on finance committee

**Steve Koltai** – What are other Committees?



**Debra Hall** – Governance, Marketing/Communications, Finance are the only committees identified thus far.

**Debra** – Maine Broadband Coalition has organized the broadband caucus. Recordings can be found on the Maine Broadband Coalition site. These meetings typically do not have public weigh in, but their meetings are interesting.

First meeting – Each Legislator talks about their interest & level of familiarity with broadband which helped us identify who to talk to regarding funding. Coalition reaching out to counties to bring them together to leverage money.

Motion to Adjourn by Cliff Dacso, Second by Josh Gerritsen.

Vote: All in favor by voice consensus at 6:45pm