

Southern Vermont Communications Union District

d/b/a Catamount Fiber

**2022 Annual Report - Draft**

#### Executive Summary:

The Southern Vermont Communications Union District (SoVT CUD) has had a very busy, and successful third year. The CUD worked with its partner, Consolidated Communications Inc. (CCI) to submit an application to the Act 71 Construction Grant Program, which was successfully funded in the amount of \$9,009,085. The CUD also signed a Master Services Agreement with CCI to begin construction of a fiber network in the CUD's service territory. In June, the CUD and CCI celebrated the [launch of Phase 1 of CCI's three-phase buildout in Bennington County](#), and in August, [the first customer was connected to the new fiber network](#). All 14 towns in the CUD are expected to be covered by the end of 2023.

#### 2022 Activities and Plans for 2023

In early 2022, the CUD received word that it's application with CCI to the National Telecommunications and Information Administration's Broadband Infrastructure Grant Program was not successful. The CUD and CCI quickly pivoted to the Act 71 Construction Grant application.

Throughout most of the year, the CUD worked with CCI to complete the Act 71 application while coordinating a three-phase buildout of fiber that will have most of the CUD's territory covered by 2023. The CUD also worked to identify and confirm the "hardest 100" addresses and develop a plan to serve those locations.

In July 2022, the CUD and CCI submitted their application to the Act 71 Construction Grant Program. Also in July, the CUD governing board approved a formal contract with CCI.

In September 2022, the CUD and CCI were awarded \$9,009,085 from the Act 71 Construction Grant Program, which will fund Phase 2A of CCI's fiber buildout in the region. CCI, in consultation with the CUD, has developed the following three-phase construction plan for the CUD territory:

- **Phase 1:** Currently underway, this phase is financed by CCI as part of their Rural Digital Opportunity Fund (RDOF) obligations and will cover most of the Southshire, including Bennington, Woodford, Glastenbury, and part of Pownal and Shaftsbury. Phase 1 is expected to be complete by the end of 2022.
- **Phase 2A:** This phase will be financed by the Act 71 Construction Grant. Set to begin in early 2023, this phase of the buildout will cover approximately 2000 unserved and underserved addresses in the CUD's territory. Most of SoVT CUD's territory will be covered at the conclusion of this phase.

- **Phase 2B:** Funded by CCI, the second part of Phase 2 will involve an overbuild of fiber to served addresses and is part of CCI’s RDOF obligations.
- **Phase 3:** The final phase will build out fiber to the “hardest 100” addresses in the CUD’s territory, which has since been narrowed to the “hardest 17” addresses.

In addition, \$160,000 of the Act 71 Construction Grant has been allocated for CUD administrative expenses. The grant has a 24-month performance period, and although Phase 2A construction is expected to be complete by the end of 2023, the CUD intends to use the \$160,000 over a two-year-period which is reflected in the FY23 budget.

As the year ends, the CUD looks forward to the deployment of high-quality fiber internet service in Bennington County, and the fulfillment of its mission to bring high-speed internet to Southern Vermont.

About the Southern VT CUD

Southern Vermont Communications Union District (SoVT CUD) was voted into existence in March 2019 by 12 towns in Bennington County. The number of member municipalities has since grown to 14.

Arlington	Peru
Bennington	Rupert
Dorset	Sandgate
Landgrove	Shaftsbury
Londonderry	Sunderland
Manchester	Winhall
Pownal	Woodford

A complete list of town representatives and alternates can be found on the CUD website: [Governing Board - SoVT CUD](#)

Public records for the CUD including bylaws, conflict of interest policy, meeting agendas, and minutes can also be found on the website: <https://public.sovtcud.net/>

The SoVT CUD governing board is led by:

- Chair, Eric Hatch.
- Vice-chair, Michael Corey.
- Clerk, Sheila Kearns.
- Treasurer, Al Bashevkin

## Acknowledgements

All the representatives, alternates, and officers have given significant time and effort to the CUD and deserve respect and gratitude. They have made for a successful third year.

The CUD has greatly benefited from our partnership with the Bennington County Regional Commission (BCRC). The administrative assistance and expertise in navigating the public funding arena provided by Community and Economic Development Specialist Jonathan Cooper and Regional Planner Callie Fishburn has been invaluable. The CUD is especially indebted to BCRC's ability to keep us grounded in the broad development efforts of the region.

SOUTHERN VERMONT COMMUNICATIONS UNION DISTRICT  
d/b/a CATAMOUNT FIBER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET FUND POSITION  
January 1, 2021- October 3, 2022

	Revenues, Expenses, and Changes in Net Fund Position  January 1, 2022-
OPERATING REVENUES:	
Opening Balance 1/1/22 (carryover from FY 2021)	3,417.47
Grant Income	139,500.00
Anticipated Grants	
Total operating revenues	<u>142,917.47</u>
OPERATING EXPENSES:	
Treasurer Salary	(4,500.00)
Insurance	(4,326.00)
Legal services	(3,324.50)
Consulting	(42,405.89)
VCUDA Membership Dues	(7,900.00)
Website	(459.95)
Advertising	(239.76)
Advertising & Promotion	(750.00)
Total operating expenses	<u>(63,906.10)</u>
NONOPERATING INCOME AND (EXPENSES):	
Interest income	54.69
Google Workspace	(1,020.27)
Meeting Transcription	(148.75)
Zoom Expenses	(134.91)
Miscellaneous expenses	(557.11)
Total Expenses	<u>(1,806.35)</u>
INCREASE (DECREASE) IN FUND NET POSITION AND NET POSITION	<u><u>77,205.02</u></u>

SOUTHERN VERMONT COMMUNICATIONS UNION DISTRICT  
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BUDGET  
Fiscal Year Ending December 31, 2023

Revenues		<b>Notes</b>
Act 71 Construction Grant *	9,009,085	Expected
Total Revenues	<u><b>9,009,085</b></u>	
Expenses		
<b><i>ACT 71 Construction Grant</i></b>		
<i>Materials</i>		
Wirecenter Upgrades	1,935,000	
Core Upgrades	1,143,000	
Aerial Fiber	4,652,953	
Underground Fiber	1,118,132	
<i>CUD Administration</i>		
BCRC Operational Support	38,000	
Legal Services	10,000	
General Operations & Admin	32,000	
Expenses Total	<b>8,929,085</b>	
Other income and (expense)		
Interest income	<u>65</u>	Estimate
Total other income (expense)	<u>65</u>	
Revenue - Expenses (under)		
	<b>80,065</b>	
Net position, beginning of year	71,205	Estimate
Net position, end of year	<u><b>151,270</b></u>	

Notes

\* These are grants that can change depending on dates and amount awarded