

## **ConnectME Authority**

July 24, 2009 – Meeting Notes

### **1. Introduction**

Authority Members: Jean Wilson, Mitch Davis, Sharon Reishus

Staff: Phil Lindley, Amy Spelke, Kelly Arata

### **2. Third Round Grant Awards**

Phil Lindley stated that the ConnectME Authority received 11 grant applications and will recommend funding 10 out of the 11 applications. Mr. Lindley summarized all the applications received to date.

#### Premium Choice Broadband - \$362,500

Phil Lindley stated that Premium Choice Broadband filed six applications (Franklin, Hammond, Jackman, Mt. Abram, Rockwood, and South Rangeley) some of which may have potential overlap with incumbent providers. In regard to the overlap issues, the Authority should condition approval either by adjusting the project or prohibiting the applicant from putting in end-user radios in Time Warner Cable (TWC) or Fairpoint Communications (Fairpoint) territory.

Andy Vamvakias from Premium Choice Broadband understands the importance of community support but did not have time to go out and solicit official support. He wanted to make sure that they could get the grant. He agrees to work with Bruce Ballantyne from Fairpoint. Bruce concurred that they work well together. Jean Wilson asked if they would also work with Time Warner Cable (TWC) on any overlap issues. Mr. Vamvakias stated that he has not reached out yet to TWC but plans to do so. In addition, he has spoken anecdotally to some people in various communities but is still trying to mine out the data. Phil Lindley stated that Tom Federle's letter on behalf of TWC stated that they need more information but is willing to speak to the applicants about any potential overlap.

Mitch Davis asked if he can do all of these projects listed on their application. Mr. Vamvakias stated that they can complete all of these projects as they had already completed 40 this year. He further suggested that the Authority could move the pre-application process to start in January with applications in February so that work can be conducted during the summer months.

Jean Wilson asked what the total amount of all of the applications. Phil Lindley stated that the total requests came to \$847,000. They had originally projected to fund at least \$1 million.

Mitch Davis made a motion to approve Premium Choice Broadband's grant applications with conditions on not installing end-user radios and to work with Fairpoint and TWC on any overlap issues. All members present voted in favor of the motion.

Axiom Technologies - \$ 92,320

Phil Lindley stated that Axiom did not drive down to Augusta today, but he recommends approval of their application.

Sharon Reishus asked why their application was so expensive. Mr. Lindley stated that the cost is relative to the scarcity of residences in the area. Axiom has to build a number of their own towers.

Mitch Davis made a motion to approve Axiom's grant application. All members present voted in favor.

Town of Edgecomb - \$232,250

Phil Lindley stated that the Town of Edgecomb is working with Time Warner Cable and Lincolnville Communications to provide cable modem service from TWC and fiber-to-the-home service from Lincolnville in a small part of the town. Lincolnville is covering \$100,000 of the construction costs. Mr. Lindley further recommended approval of this grant application.

Mitch Davis heard that it was working well with TWC and Lincolnville. Stuart Smith from the Town of Edgecomb agreed. Phil Lindley asked what the Town of Edgecomb's contribution is on this project. Stuart Smith stated that the town would bend over backwards to assist on providing what is necessary, such as easements on town property. Mitch Davis asked what sort of interest has been expressed in their community. As an example, Mr. Smith stated that they have talked to 150 households on one road and they got over half of them. Phil Lindley stated that fiber-to-home prices are typically higher. Mr. Smith stated that the standard offer was good. They live in a desirable area and believe that businesses would relocate to their area. Sharon Reishus was glad to hear that fiber is attractive but asked why the Town of Edgecomb did not pick one with lower cost. Mr. Smith stated that a section on the Kay Road has no utility poles to get to River Road. TWC is not putting in the poles. This means that the Town of Edgecomb would have had to install their own poles but does not really want to own utilities. Mitch Davis stated that this was an opportunistic grant as they are taking advantage of the fact that there is fiber to the hospital.

Mitch Davis made a motion to approve the Town of Edgecomb's grant application. All members present voted in favor.

Fairpoint Communications-NNE – Town of Arrowsic - \$52,560

Phil Lindley stated that Fairpoint will serve all existing households in their area with DSL service and recommends approval.

Mitch Davis wanted to know how Arrowsic came to Fairpoint. RoJean Tulk, Fairpoint Communications stated that Fairpoint saw a newspaper article that made them take one last look at Arrowsic, and then determined that with a 50% grant that they could go in there and catch the whole town. Bruce Ballantyne stated that Fairpoint determined that it had room in their remote terminal sites. Bruce said that the company had not done this before but that they hope to do more of these in the future. Sharon Reishus asked why Fairpoint had considered this before. Bruce Ballantyne stated that the town would have been by-passed and would have needed to run fiber to serve the area. It was a customer-base v. cost issue.

Mitch Davis made a motion to approve the Fairpoint-Arrowsic grant application. All members present voted in favor of the motion.

Town of Jefferson – Midcoast Internet Solutions - \$52,550

Phil Lindley recommended approving this grant application with the condition that they not place end-user radios in Time-Warner Cable territory.

Mitch Davis recommended that Phil Lindley draft a standard letter that any of these companies would work together to avoid overlap. Joe Bodnar from the Town of Jefferson stated that houses within the standard installation area would not be eligible. He has already talked to Tom Federle regarding TWC's territory. Mr. Lindley will work with Tom Federle to draft a standard letter.

Cameron Kilton from Midcoast Internet Solutions stated that they did reach out to Edgecomb and is still trying to provide service in Edgecomb.

Jean Wilson asked what changes were made at Midcoast to better able to complete the project. Mr. Kilton stated that staffing changes were made and he is now building towers himself instead of contracting out that work. He proposes to use one of the existing towers and to build one tower.

Sharon Reishus asked if they were going to serve 95%. Mr. Kilton stated that they propose to serve 95%-100%.

Phil Lindley recommended that the Authority receive documentation before initial payments. Mr. Kilton stated that they are looking for no money upfront and will provide documentation upon completion.

Mitch Davis made a motion to approve with the condition that Midcoast Internet Solutions and TWC work together on overlap issues. All members present voted in favor of the motion.

### Maple Rock Systems – Durgintown - \$55,500

Phil Lindley stated that this grant application received good marks for the number of households served but received a low score because it lacked detail and was missing application items. After reviewing their application, Mr. Lindley followed up with an email with questions but no answer has been received to date. In addition, the Fund Administrator has no record of Maple Rock Systems as being an eligible company. Mitch Davis recommended going out to see them. Mr. Lindley recommends not funding this application at this time. Sharon Reishus asked when the Authority would have the fourth round of grant applications. Mr. Lindley stated probably around January of 2010.

Mitch Davis made a motion to not fund this application without prejudice. All members voted in favor of the motion.

Phil Lindley will follow up with Maple Rock Systems. Sharon Reishus stated that it would be good to work with them. Mitch Davis recalled that it was very informative when he visited Axiom Technologies.

### **3. Mapping Project**

Phil Lindley stated that they picked the top three bidders for interviews, and the team then agreed that the Sewall Company was the best bidder. Contract negotiations began three days ago to talk about state and federal requirements. It will be a two-part contract: (1) what the state needs for a price; and (2) federal requirements contingent on receiving a grant. Mr. Lindley believes that the mapping project can be completed with \$1 million with a state match of 20%. The floor is \$1.9 million but he doesn't think we need \$1.9 million to complete the project. The bid that the Authority received was \$450,000. We asked them to come back with a Part I and Part II proposal. We could do other mapping projects with \$1 million such as a website and a LIDAR.

Phil Lindley asked for authorization to sign a contract in a few weeks but will provide the numbers beforehand for their approval before he signs the contract. There are also annual updates. We could eventually look to see what is not served and go after it and not wait.

Sharon Reishus stated that it was important that we move forward and give Phil approval to sign. Chairman Reishus then made a motion to give the Executive Director the authority to sign the contract but to give the price to the Authority for sign off prior to signing.

#### **4. Executive Report**

##### Additional Staff

Dick Thompson and Phil Lindley have not worked out a draft of the job description that includes a salary of \$125,000 with benefits. There are a number of tasks: grant rounds, broadband strategy council, NTIA grant, mapping, Maine School and Library Network.

Jean Wilson asked if this is an incremental job and not a “net-add” job. As additional information, Phil Lindley stated that the Executive Director’s job is attached to OIT for head count. Sharon Reishus asked whether they had discussed having this position as a limited-time position with Dick Thompson. Phil Lindley answer was no. Chairman Reishus recommended that Phil do so.

##### Broadband Strategy Council

Phil Lindley stated that the Broadband Strategy Council’s first meeting is scheduled for that afternoon. Sharon Reishus noted that she will designate Vendean Vafiades as her designee on this council.

##### Financial Report

The financial report shows that the Authority has a deficit account but that is only because assessments come in on a quarterly basis. The Authority also has a carry forward. There is a reasonable cushion for the 2009 cash flow

##### Public Comment

There were no comments from the public.