Infrastructure Grants - Cohort One

Last Mile Infrastructure Grants Committee

MAINE CONNECTIVITY AUTHORITY

Meeting Agenda - 03.20.2023 at 11:30 am

Objectives for Meeting:

- Confirm decisions for Connect the Ready conditional reviews to present to Board
- Update decision and process for Reach Me Line Extensions
- Update decisions for Connect the Ready Cohort 2 program refinements

1. **Welcome & Participant Introductions** - Carlos B (<5min)

2. **Recap - Grants Approval Process, including use of Executive Session,** 10min
    a. Conditional Reviews and update on Reach Me Incentives (BA / CB - 3 min)
    b. Role of LMIG Committee & Guidance on confidential topics (DW - 2 min)

3. **Recommendations Report & Approvals**, 20min
    a. Overview of recommendations from Staff Grant Committee - PUBLIC (5 min)
        i. Conditional Summary Report for Outstanding Connect The Ready Applications
            1. On 2.24.23 the Board of Directors requested additional information to assess the risk and viability of the conditionally approved projects proposed by the towns of Fayette and Wilton in partnership with Matrix Designs.
            2. Additional information was requested in part due to an accidental lack of full information included in the original application identified after the February LMIGC meeting. This lack of information prompted the need to conduct a more thorough review of Matrix financial and operating capability in the context of assumptions presented in the application materials.
            3. The combination of the lack of information; Matrix as a new ISP in the Maine Market required as thorough a conditional review as possible. Materials requested from Matrix have been reviewed by the Staff grants committee and are recommended to proceed for vote by the Board.
    b. MOTION TO ENTER EXECUTIVE SESSION (when relevant - 10min) - Zoom Link
        i. *Motion that this Committee enter an executive session as authorized by the Maine Freedom of Access Law (Title 1 of the Maine Revised Statutes (MRS), section 405) to consider matters designated as confidential information exempt from public disclosure. The executive session is needed to enable the Board members to review and discuss information designated confidential under ConnectMaine Authority ME law and rules pursuant to Title 1 MRS sections 402(3)(A), 405(6)(F), and Title 35-A MRS section 9207 and ConnectMaine Authority Rule Chapter 101, section 4). This information includes confidential data collected and mapped by ConnectMaine from mandatory reporting by communications service providers concerning both existing and planned infrastructure deployment, pricing and revenue data, service area and types of service.*

c. PROCESS POST EXECUTIVE SESSION
   i. Chair of the meeting to reiterate for the record that BoD conducted executive session, considered no other matters than in the motion to enter executive session, and took no final decision or vote on the matter during the executive session
d. Motion to Approve Grants, subject to future Board Ratification (<5min)
   i. Grants between $250k – $5 MM
   ii. Motion to approve the conditionally reviewed grants, subject to future Board Ratification

4. **Discussion of Refinements** - 20min
   a. Elements & timeline of refining Connect the Ready Grants ahead of 2nd cohort - SM
   b. Role of LMIG Committee - Carlos
      i. Input on the elements or milestones in the timeline, now & ongoing to SM
      ii. Plugging into engagement opportunities to give input on refinements, revised Guide

5. **Reach Me Line Extension Status and Updates (5 min) -** Chris Boniakowski & Brian Allenby

   Decisions will be made to present to the Committee and Board in April for the following reasons
   a. We are receiving increased visibility and availability with the new FCC data, and we want to ensure we're identifying all potential locations that are currently unserved.
   b. We would like to take the opportunity to assess project sustainability with regard to local engagement, minimizing potential conflict in project areas.
   c. Conversations with ISPs have been very fruitful, and we want to continue to use this process to understand where line extensions (and other future investments) can be made with maximum impact.
   d. We are continually processing additional information from ISPs, including new budgeting requirements. Costs were set almost 6 months ago and have been increasing. We are also seeing this happen with Connect the Ready awards.
   e. There is a learning curve for ISP's to use Vetro as well as the FCC Map.
   f. Administrative capacity is coming up to speed and will be further bolstered by April. The grant execution process wouldn't start until after April (after CTR is completed) in either case.
   g. This delay *could* provide additional time to support the development of additional financing options for publicly owned projects.

   Review Methodology
   - **Initial Application Review** - Applications are reviewed for program fit. Proposals for network expansions or other non-extension deployments are removed
   - **Route Segmentation** - Individual applications are separated into proposal groups by area and presumed deployment scale. Because the proposed line extensions applications do not always comprise contiguous networks; segmenting by network area allows for a more accurate ranking of specific extensions within a single provider's proposal.

- **Evaluation** - Individual groups are evaluated on a number of criteria including location density, provider financial commitment, potential secondary impacts of extensions, the service classification of the locations proposed.
- **Manual Review** - All applications are reviewed and adjusted based on the evaluation above, geographic area, program fit, and size of the project and MCA's ability to fund the projects within the $20M allocation.
- **Community Engagement Impact** - Communities in which there is a proposal for at least one line extension are identified ,and the potential relative impact of the line extensions as it relates to each of these efforts is evaluated.
- **Cost Estimation** - The total request for each proposal is updated based on the final selection of points and network routes, using each applicant's cost schedule, with some potential updates based on the new network design.
- **ISP Confirmation** - Individual applicants were asked to confirm network design and cost assumptions.

6. **LMIG Committee Schedule**
   a. Week of April 10 - date & time to be confirmed
      i. Review Reach Me proposals
      ii. Continued input on CTR refinements

Background for Last-Mile Infrastructure Grants (LMIG) Committee

Members will meet with understanding of the programs, which include goals & principles:

- **Program Goals:**
  - Everyone who wants a connection can get one by the end of 2024
  - High speed internet must be affordable for all
  - Community-driven solutions at a regional scale ensure sustainable investments
  - Scale and public benefit through public private partnerships
  - Consistent and clear processes through data-driven decision making
- **Program Principles:**
  - Leverage Investments: Work across silos and sectors to correct market failures due to low premise density
  - Seek Regional Equity: Emphasize geography that enables network-approach; Scale for speed of connecting as many as possible
  - Favor Future-Proof Networks: Enable innovation and new-value from public-private partnerships

The Grants Approval Plan, includes the voting members:

- Review all grants above $250k (or elevated by the Staff Grants Committee) for approval
  - Grants approved at or below $5 MM are then moved to Board level for ratification

  - Grants approved above $5 MM are then moved to Board level for review and approval
  - LMIG Committee has the ability to refer any grant to Board level if deemed appropriate
- Attendance:
  - Quorum: A majority of members are required for a quorum
  - Any potential conflicts of interest disclosed: