



CV FIBER GOVERNING BOARD MEETING MINUTES

GoToMeeting (virtual meeting only)

May 26, 2020

Present:

Governing board delegates: John Russell (Worcester), Michael Birnbaum (Plainfield), Andrew Gilbert (Cabot), Chuck Burt (Moretown), David Healy (Calais), Joshua Jarvis (Barre Town), Philip Hyjek (Middlesex), Jeremy Hansen (Berlin), Siobhan Perricone (Orange), Trevor Thorpe (Woodbury), Ray Pelletier (Northfield), Tom Fisher (East Montpelier), Ken Jones (Montpelier), Richard Baker (Marshfield).

Alternate delegates: Allen Gilbert (Worcester), Jerry Diamantides (Berlin), Jeremy Matt (Plainfield)

Others: ORCA, John Morris (Marshfield)

Called to order: 6:02PM by Jeremy Hansen via GoToWebinar

Public comment: None

Additions to the agenda:

- RDOF ISP Update (NOTE: This was discussed along with the rest of the RDOF update)
- Introductions of new and potential board members

Reports back about recent meetings

- Michael Birnbaum reported on the following meetings:
 - The House Energy and Technology committee met to discuss broadband support funding as part of the federal COVID-19 response. The federal guidelines on how this money can be spent are changing, with the summary that much of the items that CVFiber had hoped to get funded probably will not be allowed. There still might be some opportunities, but they are likely to be limited. Michael also noted that there are a lot of other organizations hoping to get funding. He said that funding for fixed wireless will likely go through as a short-term solution.
 - Jeremy Hansen reported that Comcast was at this meeting and claimed to have a gigabit offering. This offering was not available for the section of Montpelier that Jeremy checked. His takeaway from this meeting is that it doesn't look good in terms of getting funding for CVFiber

- Ray Pelletier asked for an explanation of the difference between Phil Scott's proposed broadband funding and the federal funding for broadband. Michael said that they are the same thing.
 - A meeting with WEC regarding RDOF bidding. WEC now seems very excited about going after RDOF funding to build fiber on their poles. They also are very interested in working with CVFiber on this. They have decided to join a consortium to go after RDOF funding and suggested that CVFiber should also join.
- Jeremy Hansen reported on the following meetings:
 - A meeting regarding the CUD consortium (see the later agenda item for more details)
 - He touched base with Interisle about the status of the business plan and it looks like it is coming along well. Interisle is hoping to get a DRAFT to the CVFiber board sometime next week. This plan includes the flexibility to adjust assumptions to see how (for example) different take rates would affect CVFiber's projected bottom line.
 - Based on testimony from Mansfield, the VEDA turnaround to approve CVFiber for a loan could be on the order of weeks. Ken Jones noted that CVFiber is in a different position and may require additional vetting before a loan can be approved. David Healy noted that securing VEDA funding could take as long as 2 months and that the public service board would need to approve the CVFiber business plan first.

Update/discussion about private fundraising/loans

- Phil Hyjek didn't have much to report, only that he looked at the forms ECFiber used, and that those forms did not seem overly complicated.
- Chuck Burt met with the Vermont Community Foundation (VCF) regarding funding for CUDs. VCF is planning on focusing much of its philanthropic spending on CUDs. They are hoping to spend money on efforts that will have a state-wide impact however, rather than funding specific projects. Suggestions that came up included funding for grant writers, etc. He did not get a strong sense of how much funding they have available.
- Jeremy Hansen reported that John Roy (one of the founders of ECFiber) is going to present regarding his experiences with fund raising for ECFiber. This meeting is going to occur on Monday 2020-06-15 from 2PM to 4PM. Chuck Burt said that he can attend this presentation.

RDOF partnership update

- Michael Birnbaum reported that CVFiber has received letters of interest from Tilson, Cloud Alliance/Kingdom Fiber, WEC, but that CVFiber doesn't have a response from ValleyNet yet.
 - Jeremy Hansen suggested that the lack of response from ValleyNet may be because they are looking at working with a consortium of CUDs rather than just CVFiber
 - Michael Birnbaum noted that CVFiber may need to decide soon who to partner with when going after RDOF funding.
 - Jeremy Hansen noted that this is something that should be evaluated in the next business development committee meeting. He also noted that the CVFiber governing board will need to meet again in June to decide on this. He noted that CVFiber's realistic options appear to be:
 - WEC
 - Cloud Alliance/Kingdom Fiber

- ValleyNet

Tilson does not seem to be as viable an alternative in his opinion. Jeremy then asked the board what criteria or issues should be considered when evaluating these options.

- Siobhan Perricone asked if CVFiber could partner with both WEC and ValleyNet.
- Jeremy Hansen replied that there are anti-collusion provisions and that if there appears to be any collusion then both parties are removed from the auction. This includes provisions against divvying up territories. This means that partnering with both WEC and ValleyNet for the RDOF auction isn't really an option. However, partnering with WEC for RDOF does not preclude using ValleyNet as CVFiber's ISP or working with them in some other fashion after the auction is complete.
- Jeremy Matt noted that partnering with WEC means that CVFiber is only going to pursue RDOF funding for RDOF-eligible areas in the CVFiber territory that has WEC poles. Going after RDOF funding with ValleyNet means going after funding for all RDOF-eligible areas in CVFiber's territory. Jeremy then asked how Cloud Alliance/Kingdom Fiber compared and asked if Michael Birnbaum might be able to answer that
 - Michael responded by highlighting his conflict of interest in this matter (he is the owner of Cloud Alliance/Kingdom Fiber and is proposing a business relationship with CVFiber). He then said that to avoid this conflict of interest he was going to avoid both speaking positively of his proposal and speaking negatively of the other proposals.
- The business development committee will evaluate the proposals/options during their next meeting and will come back to the governing board with a recommendation regarding how to proceed.

Interest from other towns

- Jeremy Hansen noted that Duxbury seems fairly likely to be joining CVFiber, but that this decision likely won't happen until August or September.
- Washington may be willing to join, but CVFiber will need to determine how to handle this addition as they are late to the game. Siobhan Perricone will go to their select board meeting in July.

CUD consortium Agreement

- Jeremy Hansen summarized the consortium agreement by noting that it is attempting to be a skeleton agreement facilitating coordination but that it is trying to be light in terms of requirements from member CUDs. The idea is to create a lightweight, agile organization that does not usurp CUD's authority in their territories and stays out of CUD vs. CUD conflicts.
- Jeremy Matt asked if someone on the CVFiber board would have the time to spend serving on the board of the consortium. Jeremy Hansen said that he thinks it wouldn't be a problem as someone would likely be going to the consortium meetings regardless
- Phil Hyjek noted that he liked the VCUDA acronym
- Richard Baker noted that this sort of an organization could be a good way to amplify CUD-related messaging by making sure that representatives across the State get a consistent message.
- Michael Birnbaum noted he doesn't think for-profit entities should be allowed to join but said that he thinks other non-profit municipal organizations should be included.

- Ken Jones provided a note of caution by saying that the presence of the consortium may change how State funding is distributed to CUDs
- Chuck Burt suggested that a provision be added preventing the consortium from acting as a conduit for funding in addition to the provision preventing the consortium from taking on debt on behalf of the member CUDs
- Michael Birnbaum noted that there will be CUDs in very different stages of development and with different needs, so it may be difficult to direct funding in a way which is equitable. He noted that he agrees with Ken that this might need some caution and is uncomfortable with the idea of the consortium potentially having power over CVFiber's finances
- Ken Jones noted that the State might want the consortium to act as a conduit for funding, and that that funding may benefit others, not CVFiber (for example, the funding may be for start-up assistance that CVFiber doesn't need)
- Siobhan Perricone said that she was fine with the consortium acting as a conduit for funding for technical assistance (grant writing, etc.) but that she agreed with Chuck Burt that that CUDs should be getting their own construction funding
- Richard Baker noted the parallel with the Vermont League of Cities and Towns and asked if CVFiber could piggyback off them. Jeremy Hansen responded that CVFiber already has investigated joining the league, but that since CVFiber is not not actually a town CVFiber could only join as an "associate member", which basically means that CVFiber wouldn't be eligible for any of the benefits of joining the league.
- Jerry Diamantides noted that he's concerned about adding another variable to CVFiber's decision making process
- Jeremy Matt asked if there was the potential for conflicts of interest if (for example) CVFiber shares an executive director with other CUDs. Jeremy Hansen responded that this is a possibility. He also noted that CVFiber may not like what the CUD consortium decides to do. Jeremy Matt noted that he thinks joining the consortium would likely provide benefits that outweigh the potential cost of the consortium doing something CVFiber doesn't like
- Michael Birnbaum said he thinks it is worth CVFiber joining the consortium, but that he doesn't want the consortium to have financial distribution power

Approval of minutes:

- MOTION (Michael Birnbaum, second Phil Hyjek): to approve the April 14, 2020 and May 26, 2020 meeting minutes. No discussion, motion passed by unanimous consent.

Roundtable:

- Jeremy Hansen noted that CVFiber will be having a meeting on Tuesday, June 23rd.
- David Healy noted that the Northern Borders Regional Commission grant application in the amount of \$675,000 has been submitted and that CVFiber should know by the end of August if that will be approved.

Meeting Adjourned at 7:27PM

Respectfully submitted,
Jeremy Matt, Clerk