



December 11, 2018 Governing Board Meeting

Berlin Elementary School
372 Paine Turnpike N, Berlin, VT

6:00pm

Minutes

Present: Governing Board Delegates: Elliott Bent (Barre City for Chris Riddell), Joshua Jarvis (Barre Town), Jeremy Hansen (Chair, Berlin), Andrew Gilbert (Cabot), David Healy (Calais), Bob Klein (East Montpelier), Robert Burley (Elmore – arrived at 6:31), Lauri Scharf (for Phil Hyjek, Middlesex), Siobhan Perricone (Orange), Michael Birnbaum (Plainfield), Rama Schneider (Williamstown), Allen Gilbert (Worcester); **Alternates:** Jerry Diamantides (Berlin), Tom Fisher (East Montpelier); **Other Officers:** Becca Schrader (Clerk and Treasurer); **Other Attendees:** Christine Hallquist, Jared Thomas (public from Calais), ORCA camera person

Absent: Jim Barlow (Marshfield), Dan Jones (Montpelier), John Quinn (Northfield), Jon Guiffre (Roxbury)

Meeting call to order:

Meeting was called to order by Jeremy Hansen at 6:01 PM and quorum was determined.

Additions or changes to the agenda:

Perricone submitted the addition of discussion of putting the informal motto on the website.

Public comment:

There was no public comment.

Group photo:

A group photo of the governing board was taken.

Treasurer's Report, Becca Schrader:

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Treasurer's report was given, including update on donations received today. Checking account balance is \$941.83 and the savings account balance is \$25. \$491.83 has been received in online donations through the Snowball Fundraising platform. \$2900 in checks was received today.

Christine Hallquist Discussion:

Two assumptions:

- Fiber is the only feasible option
- Penetration rate of 12 customers per mile or more to make it break even

We can't grow business without connectivity. Affordability model for fiber (has been done in other parts of the U.S., she will send links): electric utility owns the fiber, maintains the fiber, and has the responsibility to deliver the service (uses the same poles so saves money). Public utilities can borrow over long terms and at better rates, so you can cut the breakeven to 4 customers per mile. Also regulated so you can charge a standardized rate over the whole system.

Discussion included challenging the assumptions, question about who would fight this plan, and risk aversion by utilities. Lineworkers need to be sold on the new work and new technology. Customer service component is challenging with this service. Hallquist argument is that connectivity is as essential as electricity and public utilities have an obligation to serve. Discussion of what greatest roadblocks are, Hallquist opinion is mostly education. Model would be to mandate the service. Concerns about litigation from Comcast and that legislation might get pre-empted. Hallquist agrees those are both possible, but thinks it is worth the fight.

Discussion of Informal Motto:

Perricone would like to have the Latin informal motto put on our website. Gilbert (Worcester) is concerned that potential investors might think we're not taking ourselves seriously enough.

Finance Committee report:

Chair Rama Schneider reported on the committee's efforts at further development of financial policies and procedures. The committee feels it needs a firmer sense from the board of what CVI's operating structure will be. Discussion about different operating models for small nonprofits like us ensued. Hansen described a model of piece-meal contracting for specific business functions. Bent added that an executive director is needed to run an operation like this. He said that he's pulling together a timeline that will move us closer to putting out RFPs to perform the activities we want. Birnbaum described the "Readi-Net model," in which Craftsbury asked Fairpoint Communications to come up with a bid for building the high-speed system the town wanted. He then noted that there is also the utility model that Hallquist had talked about earlier at the meeting. Burley said that if we're going to go the out-sourcing route (and he likes the out-sourcing route), we must remember the importance of managing all the vendors so they work well together. Consensus is that integration is key. Schneider returned to the focus of the Finance Committee's report: What shall we do about further development of financial policies and procedures? Gilbert (Worcester) said that we still don't know what we're doing, in terms of what we'll be operating and how. Consequently, it's hard right now to develop policies and procedures that will cover all the different operational models we're considering. Birnbaum said he agreed; we're continuing to learn about various approaches and options for how we can do our work. We have to be patient, and that's hard, he said. Schneider said that the committee will have to continue to monitor the situation regarding development of further policies and procedures. Schneider then finished his report by noting that the Finance Committee authorized the treasurer to spend necessary funds to buy checks and various office supplies

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up to a total of \$300.

Bylaws/Policy Committee report:

Chair Jim Barlow wasn't present. He had communicated to Hansen, though, that the committee hadn't met so there was nothing to report. Hansen noted that Barlow had said we need to be assiduous about meeting the 48-hour statutory requirement for the posting of meeting agendas.

Business Development Committee report:

Diamantides reported the committee has undertaken an end-of-year fundraiser -- appeals have been mailed to all governing board delegates and alternates. Please respond, he urged. He noted that a recent state grant application CVI has filed, if successful, could enable us to hire a grant-writer. That might lead to helping us hire people who can work on a business development plan for the organization. Diamantides asked what leeway the Business Development Committee has in shaping RFPs seeking bids for certain services. Consensus is the committee has broad leeway. Healy noted that he has written a report describing CVI's actions for his town report; he's happy to share that with others. A short discussion ensued about how thank-you's will be sent out when a contribution is received. Goal is to have local town delegates sign any thank-you letters going to residents in their towns, the Business Development Committee will formulate the letters. Bent reported on work underway on enhancing the CVI website's look and content and adding an update feature that will inform subscribers of new developments.

Reports back from various meetings.

Hansen reported that he met recently with personnel at the Central Vermont Economic Development Corp. to explore grants that might be available to us. The grants, provided through the U.S. Department of Agriculture, are for building infrastructure, not planning. We might be good candidates for their grants (through a revolving loan fund) as we move forward. Hansen also met with the Central Vermont Regional Planning Commission. They strongly advised us to work to integrate broadband development into town plans. Hansen also reported he went to a connectivity summit in Brattleboro that was examining build-out of broadband services to rural areas. Hansen noted he had also spoken to the chief information officer at Norwich (where Hansen is employed) who had helped build fiber optic cable into rural Virginia areas; Hansen recruited him to serve as a board alternate from Williamstown. Hansen also met with Bill Powell at Washington Electric Coop to scope out possible partnerships between CVI and WEC. Discussion ensued on how best to approach WEC. Finally, Hansen noted that he has a meeting Dec. 14 with RB Technologies, a private IT vendor, to discuss whether they might be a potential operator for us.

Hansen reported that he met recently with personnel at the Central Vermont Economic Development Corp. to explore loans that might be available to us. The revolving loan fund, provided through a grant to CVEDC by the U.S. Department of Agriculture, is for building infrastructure, not planning. We might be good candidates for a loan as we move forward. Hansen also met with the Central Vermont Regional Planning Commission. They strongly advised us to work to integrate broadband development into town plans. Hansen also reported he, Birnbaum, and K. Jones (Montpelier) went to a connectivity summit in West Dover that was examining build-out of broadband services to rural areas. Hansen noted he had also spoken to the chief information officer at Norwich (where Hansen is employed) who had helped build fiber optic cable into rural Virginia areas; Hansen recruited him to serve as a board alternate from Williamstown. Hansen and Birnbaum also met with Bill Powell at Washington Electric Coop to scope out possible partnerships between

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CVI and WEC. Discussion ensued on how best to approach WEC. Finally, Hansen noted that he has a meeting Dec. 14 with RB Technologies, a private IT vendor, to discuss whether they might be a potential network administration contractor for us.

Vermont Telecommunications Plan:

Hansen noted that meetings are being held now statewide on updates to the plan.

Budget adoption and next steps going into 2019.

ACTION: Hansen moved and Schneider seconded a motion that the CVI board adopt a budget of \$305,760 for 2019. Approval was unanimous.

Review of back-burner items, committee assignments and memberships.

It was noted that the Business Development Committee will meet the last Thursday of this month, as planned.

Approval of Nov. 13 meeting minutes.

ACTION: Hansen moved and Bent seconded a motion to approve the minutes of the Nov. 13 CVI board meeting as written. Approval was unanimous.

Roundtable.

Concern was expressed by Gilbert (Cabot) about time, and our need to raise capital. Diamantides echoed Gilbert's concern, but he believes things will begin to happen relatively fast for CVI over the next six months. Klein noted that we've raised a few thousand dollars; we now need to ramp up and raise a few *million* dollars. Klein worried that we're using an old strategy to provide internet service to all when we should be urging that the legislature mandate utilities to provide the wires that can bring high-speed connectivity to every homeowner and business, with choice of providers – an "open-access" model.

Adjourn.

ACTION: Adjournment was by consensus at 8:30 p.m.

Next Meeting: January 8th, 2019 at 6 PM at Berlin Elementary

Back burner

- Net neutrality