



CVFIBER EXECUTIVE COMMITTEE MEETING MINUTES

Virtually on MS Teams

June 6, 2023

Minutes Short Summary

The minutes for the May 2 and May 16th Executive Committee meetings were approved. The Treasurer's Report showed about \$9 million currently in the bank. The results of single audit show no instances of non-compliance that require reporting under government auditing standards. Funding needs for the next six to eighteen months were discussed. The Executive Committee unanimously moved to approve the engagement of NRTC to assist with the evaluation, technical analysis, and grant preparation for applications for qualifying USDA and other grant and loan programs in 2023. The Executive Committee unanimously moved to approve the engagement of PFM to assist CVFiber with the identification, evaluation, and qualification for various financing alternatives such as bridge loans and private placements. The Executive Committee unanimously passed a motion to recommend to the Governing Board to adopt the commercial rates public prices for 1G at \$179 and 2G for \$259/month, with the installation fee of \$99. The Executive Committee unanimously approved the material that has already been published on the website, and that concerns the non-standard drops, the payment plans, the conduit costs, etc., as well as the \$35 per phone line for commercial, and the \$30 set up fee for each for both commercial and residential, plus wiring fees if required following a site assessment, as well as Wi-Fi extenders at \$6/month per extender or \$99 per extender to buy, subject to site assessment, and static IP addresses for \$99/month for both residential and commercial. Jennille Smith reported that CVFiber has "trued up" the materials for 400 miles and during this process has identified additional materials that we need to order. Lucas Stubbs reported that as of last Wednesday, CVFiber had 32 miles of strand and 23 miles of fiber with 220 passes. The Executive Committee unanimously passed the following three motions: 1) that the Executive Committee recommend the Governing Board approve the engagement of Eustis Cabling Enterprises for the Rumney-Middlesex RS-01 and RS-02 Statements of Work, subject to the Executive Committee's authorization of Notices to Proceed; 2) that the Executive Committee authorizes the Chair to approve Notices to Proceed for Rumney-Middlesex RS-01 and RS-02 Statements of Work subject to the Board approval of the engagement of Eustis Cabling Enterprises for the Rumney-Middlesex RS-01 and RS-02 Statements of Work; and 3) that the Executive Committee reopen and publish the CVFiber Construction RFP. CVFiber has earmarked the necessary funding to implement the recently developed marketing plan pending approval by the Communications Committee. Eight friendlies are currently testing both the website and our service through Waitsfield. The Executive Committee unanimously

approved the motion to recommend to the board to approve a change to the Executive Committee charter a) to allow Committee Vice Chairs to serve as alternate members of the Executive Committee for quorum and voting purposes should the Chair of the same committee be unable to attend and so long as the Vice Chair is also a member of the board; and b) that the Vice Chair of the Governing Board be recognized as the Vice Chair of the Executive Committee. The 14 June 2023 webinar is cancelled.

Present:

Executive Committee Delegates: Jerry Diamantides (Berlin), Siobhan Perricone (Orange), Ray Pelletier (Northfield), Chuck Burt (Moretown), Allen Gilbert (Worcester), Jeremy Matt (Plainfield), Linda Gravell (Waterbury)

Absent: David Healey (Calais), David Lawrence (Middlesex)

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Lucas Stubbs (Operations Manager), and Maggie Tuck-Sauer (Community Relations Manager)

Call to order: Jerry Diamantides called the meeting to order at 5:03pm.

Additions to the agenda:

- None

Public comment

- None

Prior Meeting Minutes

- MOTION (Jeremy Matt, Second Siobhan Perricone)
To approve the minutes for the May 2 and 16, 2023 meetings as drafted with minor grammatical corrections.
Passed Unanimously.

Treasurer's Report & Bills to Pay

- Discussion: Ray Pelletier reviewed the financial statement, noting about \$9 million in the bank with some outstanding grant funds on the way. Insurance costs are going up, as is payroll. Total administration is \$80K. Materials cost \$1.3 million with about the same amount outstanding. Eustis is doing the cable work, and as the weather improves, these costs will go up with seven crews now in the field. There will also be costs for more railroad crossing permits. Wild Blue Yonder, the managers of the warehouse, receive about \$28K/month. Jennille Smith noted that they would also be providing audit support so the costs will rise for Wild Blue Yonder for the next several months at least.

Single Audit Update

- Discussion: Jerry Diamantides noted that within the last half hour, CVFiber has received a draft of our single audit. A single material weakness was identified, but the results show no instance of non-compliance under government auditing standards and this weakness is not severe enough to trigger reporting requirements. The auditor will present

the audit results at the Governing Board meeting. CVFiber will then have ten business days to send the audit to the Towns.

Budget Outlook and Expenditure Forecast

- Discussion: Jerry Diamantides clarified the current financial situation at CVFiber; there is a certain amount of money in hand, and we have gone through all the analysis necessary to determine where this money is going for the next six to eighteen months. This effort has taken months and involved multiple people. NRTC has been running specific modeling forecasts, for example. We are working with accounting to ensure all is coded properly. We are working with VCUDA on debt financing. This is a daily exercise easily using up 40 hours/week.
- Allen Gilbert asked if any of the other CUDs have completed their audits. Jerry Diamantides reported that NEK has, probably with a similar result.

USDA Loan And Application Support

- Discussion: Jerry Diamantides noted that grants are the priority and opportunities are opening up. These are competitive and the requirements can be complex. We want to be in a position to move quickly once the applications are available. We have been discussing this with the relevant stakeholders, but up until now, we have not gone forward.
- Ray Pelletier noted NRTC is one partner in identifying grants we qualify for. Our other partner is PFM, which has a contract with VCUDA to aid CUDs with debt assistance. NRTC is also going to be involved with debt financing.
- Jerry Diamantides said that the problem to be solved is a higher order complexity problem because we want as many subscribers as possible as soon as possible, but we need to maximize our grant income and minimize loans. We are working on approximating the best answer to optimize our funding strategy.
- Jennille Smith added that NRTC is going to help us with grant preparedness as their first scope of work. Very low interest loans are also attractive and will be available.
- Ray Pelletier noted that the grants and loans would become available in the fall. We may also find that we don't meet the requirements for some of the grants, and applying doesn't mean CVFiber will get the grant.
- Linda Gravell asked if the money on hand would support the construction season. CVFiber is also setting aside a year of salary for 2024 for our staff in place and to keep the warehouse operational for the worse case scenario. We are husbanding our funds.
- **MOTION:** (Ray Pelletier, Second Jeremy Matt)
Move that the Executive Committee approve the engagement of NRTC to assist with the evaluation, technical analysis, and grant preparation for applications for qualifying USDA and other grant and loan programs in 2023.
Passed unanimously. No discussion.

Debt Financing Support

- Discussion: Jerry Diamantides noted that PFM is our fiduciary agent, working for us. They are municipal advisors (Public Financial Management).
- **MOTION:** (Ray Pelletier, Second Siobhan Perricone)

Move that the Executive Committee approve the engagement of PFM to assist CVFiber with the identification, evaluation, and qualification for various financing alternatives such as bridge loans, private placements.

Passed unanimously. No discussion.

Service Offerings Approval

Discussion: Jennille Smith said CVFiber has been in conversation with sister CUDs and Waitsfield about add-ons, such as telephone for residential, mesh routers for Wi-Fi everywhere for entire home coverage, including external buildings, static IP addresses, costs for installations and drops, plus taxes and fees. Payment plans are available. In the future we might offer phones and other hardware, but these must be approved before we put them on our website. We need to make decisions about add-on costs. Waitsfield is our operator and they know our customers. We talked to them about what our costs will be to determine how much to charge our customers.

- Allen Gilbert asked if the telephone rates would be for customers who have Internet and also want a phone. Jennille Smith replied that we are not currently offering just phone because it would cost \$80/month which is high for simply phone service, plus whatever wiring fee would be needed.
- Ray Pelletier said that our drops cost \$1,500 whether for Internet or phone. Customers who want phone will need to get Internet. Jennille Smith said that the add-on for phone is \$29/month for residential.
- Chuck Burt noted that there are third-party providers that offer phone for \$30/month. Jennille Smith explained that Waitsfield advised not to go lower than \$25/month.
- Ray Pelletier said that it was estimated that 15% would take phone service, so we have to be careful not to price this too low.
- Ray Pelletier and Jennille Smith agreed that some of the commercial rates are too low as stated and approved to date. Our competition is charging much higher rates. Ray Pelletier would like a friendly amendment to only include residential fees. Chuck Burt agreed that some commercial rates should be higher. We also don't know if CrowdFiber can support these.
- **MOTION** (Ray Pelletier, Second Jeremy Matt)

Move that the Executive Committee recommend to the Governing Board to adopt the commercial rates public prices for 1G at \$179 and 2G for \$259/month, with the installation fee of \$99.

Passed unanimously.

- **MOTION** (Ray Pelletier, Second Siobhan Perricone)
Move that the Executive Committee approve the material that has already been published on the website, and that concerns the non-standard drops, the payment plans, the conduit costs, etc., as well as the \$35 per phone line for commercial, and the \$30 set up fee for each for both commercial and residential, plus wiring fees if required following a site assessment, as well as Wi-Fi extenders at \$6/month per extender or \$99 per extender to buy, subject to site assessment, and static IP addresses for \$99/month for both residential and commercial.

Passed unanimously.

Design and Materials Update

- Discussion: Jennille Smith said we have updates but no action is required at this point. We have our materials for 400 miles of fiber true up meaning we have identified materials that were not ordered in sufficient quantities. We have put this out to five companies and now await their bids. Jerry Diamantides noted that we will always need to true up.

Construction Update and Outlook

- Discussion: Lucas Stubbs reported that we are readying the OLT site in Calais. The connection to Waitsfield might not happen until early July. We are also trying to wrap up construction, and we are waiting on permitting. As of last Wednesday, we had 32 miles of strand and 23 miles of fiber with 220 passes. We are really looking forward to opening up another DA.
- Jerry Diamantides noted that we've been talking with VELCO and First Light for at least 18 months but it has taken this long. We will have light when we need it. Lucas Stubbs said this is not unusual. He is also impressed with the progress that has been made.

Construction RFP, SOW and Costs

- Discussion: Ray Pelletier reported that we are going to engage Eustis to do the statement of work in Rumney. The costs for Rumney School will be about \$2 million, which we hope to have the Governing Board approve these next Tuesday. We would like the Executive Committee to authorize Eustis to proceed.
- Jerry Diamantides explained that there are companies that have stepped up to do the work so we want to reopen the RFP process.
- Jerry Diamantides also noted that costs are increasing, and are higher than original estimates, sometimes as much as 10% both because of inflation but also because more work needs to be done.
- **MOTION** (Ray Pelletier, Second Siobhan Perricone)
Move that the Executive Committee recommend the Governing Board approve the engagement of Eustis Cabling Enterprises for the Rumney-Middlesex RS-01 and RS-02 Statements of Work, subject to the Executive Committee's authorization of Notices to Proceed.
Passed Unanimously. No discussion.
- **MOTION** (Ray Pelletier, Second Jeremy Matt)
Move that the Executive Committee authorizes the Chair to approve Notices to Proceed for Rumney-Middlesex RS-01 and RS-02 Statements of Work subject to the Board approval of the engagement of Eustis Cabling Enterprises for the Rumney-Middlesex RS-01 and RS-02 Statements of Work.
Passed unanimously. No discussion.
- **MOTION** (Ray Pelletier, Second Jeremy Matt) **check out around 1 hour 14**
Move that the Executive Committee reopen and publish the CVFiber Construction RFP.
Passed unanimously. No discussion.

Marketing Budget Update and Outlook

- Discussion: Jerry Diamantides noted that we have approved the marketing budget, but this evening we want to preserve a section of our marketing budget for the remainder of the fiscal year to fund our Marketing Plan.
- Maggie Tuck-Sauer sent out her marketing plan for review for June to December. We are going to be able to do more for a lot less than the Crawford plan. The plan needs the approval of the Communications Committee.

Subscriptions/ISP Update and Outlook

- Discussion: Jennille Smith noted we have eight friendlies ready to test for us, and Waitsfield has done initial assessments on six. On the CrowdFiber front, it does look good. If someone signs up, they will get a notice that they are going to get a site visit. We expect to be able to sign up additional customers by the end of July.
- Linda Gravell noted that Waitsfield has asked us to use our website for the friendlies, so Jennille Smith added that the friendlies will be testing both the website and the service.

Committee Budgets and Officers

- Discussion: Jerry Diamantides reminded the committees that each needs to develop a budget.
- Chuck Burt pointed out that if critical members are unable to serve, it causes problems. We would like to have committees be allowed to have their Vice Chairs serve as Chairs if the Chair cannot attend. We currently require the Board to approve the Chairs because they do serve on the Executive Committee. Chuck also noted that Executive Committee members are supposed to be serving staggered terms.
- Maggie Tuck-Sauer explained that staggered terms means that members' terms of service vary from one year to two and three year terms.
- Siobhan Perricone noted that by statute we are required to reappoint positions every year and Jeremy Matt thought CVFiber might have trouble finding people to serve terms longer than one year. Linda Gravell noted that there have been problems getting members to serve as Vice Chairs. Siobhan Perricone thought staggered terms might be too complicated to be functional, as some towns cannot even get alternates.
- Maggie Tuck-Sauer asked if it might be possible to elect chairs at one point in the year and then vice chairs six months later. This would serve the function of staggering.
- Allen Gilbert pointed out our Rules of Procedure include delegates and alternates as Board members. We can also ask Town select boards to appoint more than one alternate so a person could be a Vice Chair.
- Ray Pelletier noted that the Executive Committee is the most informed group in CVFiber, and a Vice Chair who is out of the loop is not going to be well-positioned to make informed decisions. We need to be sure we actually do work with our Vice Chairs.
- Jerry Diamantides suggested taking up staggered terms outside meeting time to bring back to the agenda at a later date.
- **MOTION** (Chuck Burt, Second Jeremy Matt)
Whereas the Governing Board on 9 March 2021 approved the creation of an Executive Committee through the approval of an Executive Committee Charter (as later amended 12 April, 2022), and

Whereas 30 V.S.A. § 3071 states that members of an Executive Committee shall be board members, and

Whereas in the same 9 March 2021 approval, the approved charter states that a) membership for quorum and voting purposes shall include the Chair, Vice Chair, Committee Chairs, and the Clerk, if a member of the Board; b) the Executive Director and Treasurer will be ex-officio, non-voting members of the Executive Committee, as will the Clerk, if not a member of the Board; and c) the Chair of the Governing Board shall be the Chair of the Executive Committee, and

Whereas ensuring quorum of all Executive Committee meetings is critical so that CVFiber's time-sensitive business can be carried forward quickly and with haste, and

Whereas having redundancy for individual committee members is critical for preserving continuity of each committee's business,

It is moved that the Executive Committee recommend to the board to approve a change to the Executive Committee charter a) to allow Committee Vice Chairs to serve as alternate members of the Executive Committee for quorum and voting purposes should the Chair of the same committee be unable to attend and so long as the Vice Chair is also a member of the board; and b) that the Vice Chair of the Governing Board be recognized as the Vice Chair of the Executive Committee.

Passed Unanimously. No discussion.

Webinar 14June23

- Discussion: Jerry Diamantides suggested we should cancel the webinar, as information we would provide is that we are late again, we haven't done the fanfare to promote the webinar, and we haven't had time to re-stylize it to be more informative and engaging.
- Ray Pelletier thinks that just because we have bad news should not mean we don't go forward. Linda Gravell said she is getting messages from the public that CVFiber is posting too many notices. Maggie Tuck-Sauer said there are many ways to build trust and that the marketing plan is focused on going into communities instead of webinars.
- Allen Gilbert noted that he gets questions from the public about construction, which he cannot answer. He suggested an activity page on the website which could be updated regularly. Jerry Diamantides said that this has been discussed before, but it is a difficult and time-consuming task. Jennille Smith pointed out that this is Maggie Tuck-Sauer's job and we should defer to her. Jeremy Matt agreed but said he would like the basic information of what we have constructed and next steps on the web.
- Linda Gravell announced that David, Lucas and Linda have already been working on a construction map, which changes weekly. David makes the changes and we send them to Maggie Tuck-Sauer for review. This is a location rather than a timeline update.
- Maggie Tuck-Sauer thinks the map will solve 75% of customer questions and be helpful to all town delegates. Lucas Stubbs has the answers for construction updates, so please reach out to him.

Adjourn at 7:06pm

- **Motion to Adjourn:** Jerry Diamantides.

Respectfully submitted,
Jeremy Matt, Clerk