



CVFIBER GOVERNING BOARD MEETING MINUTES

Virtually on MS Teams
June 13, 2023

Minutes Short Summary

The Governing Board approved the May 9, 2023 Governing Board Meeting Minutes. Ray Pelletier reported that there is \$9.3 million in the bank, with other assets of \$3.6 million, of which \$2.8 million represents materials and inventory. The Executive Committee has approved the engagement of NRTC and PFM to assist in obtaining federal grants, as well as loans. The Governing Board approved Commercial Rates of \$179 per month for service of 1 Gig and \$259 per month for service of 2 Gig. The website for subscribers should be live within the next several weeks and brochures for construction crews and CVFiber committee members should also be available. Jennille Smith reported that 26 miles of fiber have been constructed and we are hoping for another notice to proceed for Eustis. The Governing Board approved 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. The Governing Board approved 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 is absent and so long as the Committee 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 discussion and approval of the Personnel Policy was tabled until the next Board meeting. The Governing Board approved Jennille Smith as executive director and Jerry Diamantides as governing board chair be recognized as the authorized users of CVFiber's bank accounts.

Present:

Governing Committee Delegates:

Allen Gilbert (Worcester), Siobhan Perricone (Orange), Henry Amistadi (Duxbury), Jeremy Matt (Plainfield), Linda Gravell (Waterbury), John Morris (Marshfield), Chuck Burt (Moretown), Tom Fisher (East Montpelier), Jerry Diamantides (Berlin), Tim Sullivan (Roxbury), Michael Gray (Woodbury), Ray Pelletier (Northfield)

Alternate delegates:

Jared Thomas (Calais - Alternate), Seth O'Brien (Cabot - Alternate)

Others Present:

Jennille Smith (Executive Director), Lucas Stubbs (Operations Manager), Maggie Tuck-Sauer (Community Relations Manager), ORCA, Callie Chase (Auditor – Nathan Wechsler), Kelli D'Amore (Auditor – Nathan Wechsler)

Town Representation (14/21 towns represented)				
Barre City	Barre Town	Berlin	Cabot	Calais
Absent	Absent	Present	Present	Present
Duxbury	East Montpelier	Elmore (left)	Marshfield	Middlesex
Present	Present	Absent	Present	Absent
Montpelier	Moretown	Northfield	Orange	Plainfield
Absent	Present	Present	Present	Present
Roxbury	Waterbury	Washington	Williamstown	Woodbury
Present	Present	Absent	Absent	Present
Worcester				
Present				

Call to order: Board chair, Jerry Diamantides, called the meeting to order at 6:01PM

Additions or changes to the agenda

- None

Public Comments

- None

Meeting Minutes Approval

- MOTION (Jeremy Matt. Second Siobhan Perricone)
To approve the May 9, 2023 meeting minutes as drafted with minor edits by Allen Gilbert. Passed unanimously. No discussion.

Auditor’s Report

- This item was delayed while waiting for the Auditor to connect at 6:15PM (see below).
- Kelli D’Amore and Callie Chase presented the results of the 2022 audit. Two audits were performed. First, the Financial Statement Audit is driven by the grant funding, based on expenditures; as CVFiber’s are above a specific amount, an additional Special Single Audit is necessary which has more detailed stringent requirements. CVFiber’s Financial Statement Audit has a clean or unmodified opinion, meaning that the financials allow the auditors to form a clear opinion.
- Callie Chase discussed some of the specific findings. Overall there were very few issues, but two “material weakness” findings and one “significant deficiency” finding were made. These findings were not severe enough to require reporting and have already been corrected.
- The next steps are CVFiber’s final approval, and then the auditors will receive a representation letter to release the report. This needs to be released to the federal clearinghouse within a specific timeframe and Callie Chase can assist.

- Ray Pelletier noted that involved towns must also get a copy of the audit.

Treasurer’s Report

- Ray Pelletier noted that there is \$9.3 million in the bank, with other assets of \$3.6 million, of which \$2.8 million represents materials and inventory. We also received the Plainfield ARPA contribution of \$30K. Expenses includes \$87K for Administration, Total Construction is \$1.4 million, Pre-construction is about \$350K, giving us total expenses of \$1.8 million for the month. Ray Pelletier also reviewed expenses by vendor.

Financial and Grant Support Update

- Ray Pelletier noted that there is a grant gap because the timeframe and amount of the BEAD grants is currently unknown. These funds are competitive and the regions have not yet been defined. To continue with construction into 2024, the Executive Committee has approved the engagement of NRTC and PFM to assist in obtaining federal grants, as well as loans. CVFiber will not execute any long-term debt without the Governing Board’s approval. Preparatory work will come back to the Board for approval.
- Jerry Diamantides added that he and Jennille Smith discussed with the VCCB this morning CVFiber’s request for grant disbursement. We asked for \$1.45 million with \$.5 million remaining, which we can request later. The remainder covers administrative costs for 2024 in case no additional monies come in.

Services, Fees, & Affordability

- Jerry Diamantides discussed affordability as a CVFiber goal, and we have been in contact with the EAB for Vermont. We have received a proposal from them, which we are evaluating, and it is our intention to work with them. We strongly believe in making our services as affordable as possible. When it comes time to contribute to the EAB, we will return to the Board for approval. We are also hoping to qualify for the federal affordability program through Waitsfield. We can combine these two for a \$50 reduction for our subscribers.
- Ray Pelletier noted that the Governing Board has approved rates for residential services and now needs to approve commercial rates for 1G and 2G service.
- **MOTION** (Ray Pelletier, Second Jeremy Matt)

Move that the Governing Board approve Commercial Rates of \$179 per month for service of 1 Gig and \$259 per month for service of 2 Gig.

Motion passed (roll call vote):

Name	Vote	Name	Vote	Name	Vote
Allen Gilbert	Nay	John Morris	Nay	Michael Gray	Nay
Siobhan Perricone	Abstain	Chuck Burt	Nay	Ray Pelletier	Nay
Henry Amistadi	Nay	Tom Fisher	Abstain	Jared Thomas	Nay
Jeremy Matt	Nay	Jerry Diamantides	Nay	Seth O’Brien	Nay
Linda Gravell	Aye	Tim Sullivan	Not		

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Discussion:

- Linda Gravell suggested that overlapping residential and commercial rates would take revenue away from the Commercial. Jerry Diamantides pointed out that anything over 2G is negotiated. Residential service for 1G is not the same service that will be provided for commercial service.
- Chuck Burt noted: 1) that businesses end a price in “9,” so people inadvertently believe that this is cheaper; however, if a business is trying to establish a long-term customer relationship to foster trust, it is better to use even pricing; 2) there could be some small businesses with limited budgets that might be priced out, and 3) it isn’t clear what customers get for an additional \$60/month. Jennille Smith clarified that these customers go to the front of the line.
- Maggie Tuck-Sauer said that originally there were also other special privileges, which were dropped. From a marketing standpoint, Chuck’s point about price is on target.

MOTION (Linda Gravell, Second Chuck Burt)

Move to amend the above motion to remove the 1-gig service level from the motion. The new motion would read, “Move that the Governing Board approve a Commercial Rate of \$259 per month for service of 2 Gig.”

Motion did not pass (roll call vote): *QUERY: Of 13 delegates present, 8 delegates voted “aye,” 3 delegates voted “nay,” and 2 delegates abstained. Why is this reported as a failed vote?*

Name	Vote	Name	Vote	Name	Vote
Allen Gilbert	Aye	John Morris	Aye	Michael Gray	Aye
Siobhan Perricone	Abstain	Chuck Burt	Nay	Ray Pelletier	Aye
Henry Amistadi	Abstain	Tom Fisher	Nay	Jared Thomas	Aye
Jeremy Matt	Aye	Jerry Diamantides	Aye	Seth O’Brien	Aye
Linda Gravell	Nay	Tim Sullivan	Not Present		

- Discussion: Maggie Tuck-Sauer said the point about small companies that won’t know that using residential is an option is true so we do need to think about this.
- Discussion suspended to hear the Auditor’s report (see above).
- Discussion resumed with Maggie Tuck-Sauer requesting that this motion be approved as customers are waiting to sign up.
- Linda Gravell requested that approval be done for residential but that more research is needed for commercial, particularly to find out what attracts commercial customers. Jerry Diamantides said that CVFiber does not expect many commercial customers and the intent was to handle them individually.

- Maggie Tuck-Sauer pointed out that Crawford did less marketing research on commercial because there are simply fewer. Ben and Jerry’s is the exception. There isn’t more information that will make a difference.
 - Chuck Burt noted that in CLO1 only 0.78% or 1 out of 128 customers total wanted a commercial account; we could therefore remove the commercial option from the drop down choices on the website. He intends to vote no because he believes CVFiber needs to have a better sense of what the customer is getting for the additional charge.
 - Maggie Tuck-Sauer suggested that this should go back to the Communications Committee as Chuck Burt is on point.
 - Jerry Diamantides pointed out that residential rates were developed through the Finance Committee because these rates are driven by costs and projected takes.
 - Ray Pelletier said at this point we do not know what the demand will be; current demand does not tell us what demand will be. The Finance Committee made this decision because the higher rates will help us be financially sustainable; therefore Ray Pelletier will support the original motion.
 - Jared Thomas said that in his work he deals with many small business owners who definitely want commercial service and the additional offer is well worth it to them.
- **MOTION** (Jeremy Matt, Second Chuck Burt)

Whereas our Community Relations Manager has shared her professional opinion that having prices ending in "9" may make CVFiber seem untrustworthy, and

Whereas we hired out Community Relations Manager to advise the Governing Board on marketing and public relations matters,

Move that *we revise all of our rates for both residential and commercial services while maintaining our current ARPU approximately and the add-ons to be "round numbers" ending in 0 or 5 as recommended by our Community Relations Manager.*

Motion did not pass (roll call vote):

Name	Vote	Name	Vote	Name	Vote
Allen Gilbert	Nay	John Morris	Nay	Michael Gray	Abstain
Siobhan Perricone	Aye	Chuck Burt	Aye	Ray Pelletier	Nay
Henry Amistadi	Nay	Tom Fisher	Nay	Jared Thomas	Nay
Jeremy Matt	Aye	Jerry Diamantides	Nay	Seth O’Brien	Aye
Linda Gravell	Aye	Tim Sullivan	Not Present		

Discussion:

- Ray Pelletier suggested that the motion is out of order since it has not been warned.
- MOTION (Ray Pelletier, no second)

Move to table the Motion

- Allen Gilbert said he thought the item wasn't warned.
- Jeremy Matt and Chuck Burt noted that the warned item is broad and that the item was listed as "action expected."
- There followed additional discussion on rates and trust.

Auditor's Report

- Kelli D'Amore provided a summary of the audit findings: see above.

Website & Marketing Update and Outlook

- Discussion: Chuck Burt reported that the website is ready to take the subscription options live. We will ask the Communications Committee to approve this and expect to go live in about two weeks. Maggie Tuck-Sauer noted that information brochures are being readied for the printer; these will go to our crews in the field and also all of us should use them as well. Jerry Diamantides has also asked for a flowchart and expects an update at the next meeting.

Construction Update and Outlook

- Discussion: Jennille Smith reported 26 miles of fiber and we are hoping for another notice to proceed for Eustis. Today we started laying down the pad in Calais. Lucas Stubbs reported that CVFiber is ready to start splicing in the near future.

Construction SOWs & RFP

- Jerry Diamantides said that there are new companies that want to work for CVFiber so we have updated our RFP and reposted it.
- Ray Pelletier explained that CLO1 and CLO2 now have eight crews and all the make ready work is done in the Rumney School district, and this is about 80 miles of work and the costs are greater than a million dollars so it falls under the Board's authority to authorize the engagement of Eustis.
- **MOTION** (Ray Pelletier, Second Jeremy Matt)

It is moved that 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.

Executive Committee Charter

- Chuck Burt explained that as a member of our Board and Committees has been absent that we need to create a way to have redundancies to handle this situation.
- **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, 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, and

Whereas the Executive Committee on 6 June 2023 unanimously voted to recommend the following action to the Governing Board,

It is moved that the Governing Board 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 is absent and so long as the Committee 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 (as amended).

- Discussion: Allen suggested a minor grammatical revision. Accepted as a friendly amendment.
- Ray Pelletier suggested changing “is unable to serve” to “is absent.” Accepted as a friendly amendment.

Personnel Policy

- Discussion: Allen Gilbert noted that time is of the essence, so he asked that everyone review the proposed policy and if members have comments, please send them to Allen Gilbert by noon on Monday, June 19, then the next Executive Committee meeting will take up the comments, and then approve the policy to forward to the Governing Board for approval. Jennille Smith pointed out that the Policy comes from the Vermont League of Cities and Towns. Michael Gray suggested that VLCT provide a legal review of the plan as well.

Bank Authorization

- Discussion: Ray Pelletier noted that this is a technical correction regarding our name, our EIN and the authorized personnel for the bank account. Jennille Smith confirmed that this is the correct action to take as the update is needed.
- **MOTION** (Ray Pelletier, Second Siobhan Perricone)

Whereas CVFiber's bank account with VSECU needs to be updated from its previous name Central Vermont Internet and prior EIN to its legal name CVFiber with current EIN

Whereas authorized users under the account are outdated and need to be updated to the current authorized users of the account,

It is moved that Jennille Smith as executive director and Jerry Diamantides as governing board chair be recognized as the authorized users of the account with VSECU under the legal name CVFiber and its current EIN.

Passed Unanimously. No discussion.

The Chair adjourned the meeting at 8:04 PM.

Respectfully Submitted,

Jeremy Matt, Clerk