



CVFIBER FINANCE AND AUDIT COMMITTEE MEETING MINUTES

Virtually on MS Teams

July 6, 2023

Minutes Short Summary

Tom Fisher requested that a discussion of both the use of the town ARPA funds and also connection costs be added to agenda, and Philip Cecchini requested that a review of the status of the audit be discussed. The Finance Committee approved the minutes as drafted for the June 1, 2023 meeting. Ray Pelletier reviewed the preliminary January-June Financial Statement noting that total assets are \$16 million, while total expenses were \$5.9 million. The auditors have all they need from CVFiber to produce the final report, which will then be sent to the towns. Town ARPA funds will not be available for individuals, but rather spent as agreed to by each individual town. CVFiber is working on ways to make connection costs as equitable as possible, given design constraints. The Finance and Audit Committee entered into Executive Session to discuss the next two items on the agenda, the Grant and Loan Engagement Update, and the 2023-24 Strategic Plans and Funding.

Present

Finance Committee Delegates: Ray Pelletier (Chair, Northfield), Linda Gravell (Waterbury), Philip Cecchini (Community Volunteer), David Mannix (Marshfield), Tom Fisher (East Montpelier),

Absent: Ted Barnett (Williamstown), Jerry Diamantides (Berlin),

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer)

Call to order: Ray Pelletier called the meeting to order at 5:04pm.

Additions to the agenda:

- Discussion: Tom Fisher would like to discuss the town ARPA funds and also the hook up costs.
- Philip Cecchini asked if the Audit could be discussed.

Public comment

- None

Prior Meeting Minutes

- MOTION (Ray Pelletier, Second Tom Fisher)
To approve the 6/1/23 meeting minutes as drafted.
Passed unanimously.

Preliminary June Financial Statement

- Discussion: Ray Pelletier reported that for January through June 2023, total current assets are approximately \$16 million. Total administration costs were \$282, 581; total construction were \$3.555 million, and total expenses were \$5.9 million.
- Grant income received was \$1.5 million with an additional \$.5million held back for 2024.
- Philip Cecchini asked for the final May report after the Final Audit finished. Ray Pelletier replied that the final May report is not ready at this time.

Audit

- Discussion: Ray Pelletier reported that CVFiber has completed all necessary input and the auditors will incorporate these to produce the final report, which will then be ready to send out to the towns. Jennille Smith, Jerry Diamantides, Laurie Beth Putnam, and Ray Pelletier worked with the auditors.

Town ARPA Planning

- Tom Fisher asked what customers see about the use of town ARPA funds; how will the customer know how these funds are being used and how they can access them. Ray Pelletier noted that CVFiber is paying \$1,500 per customer, as well as a currently unknown amount to complete each connection.
- Jennille Smith said that we have signed MOUs which each town, and each has specified how these funds will be spent; it could be on drops, on right of ways, and/or on community facilities. Every town is a bit different and each town will get regular reports on how the funds are being spent. ARPA funds will not cover the costs of each drop, however, because of the expense of long drops. There are policy considerations that still need to be worked out in more detail once we have customers signing up.
- Tom Fisher understood that there would be no need for customers to apply for funds.

Equitable Connection Costs

- Tom Fisher pointed out that one resident may have a very inexpensive hook up because the pole is near while another neighbor has to pay significantly more because the pole is not near. Tom Fisher wanted to know if there is a plan to create more equity. Ray Pelletier said that this is an on-going conversation. We are talking with Waitsfield about cluster drops to cut this expense. WEC has a policy where the customer pays but over a period of time, WEC pays them back.
- Tom Fisher asked about the ARPU. Ray Pelletier said we have estimated the take rates based on experiences NRTC has had in similar rural environments of 40%. We are hoping for more.
- Philip Cecchini said he wanted to recap the discussion. Those homes not on the route because of the design, which is more advantageous to some than others, have to pay more. We build to a point.
- Tom Fisher said that the result is that we are asking customers to pay more because of circumstances completely beyond their control. Ray Pelletier said CVFiber is aware of

this issue and is exploring the options. Quantifying these costs is extremely difficult at this time.

Grant & Loan Engagement Update/2023-2024 Strategic Plans and Funding

MOTION (Ray Pelletier, Second Tom Fisher)

Move that we enter executive session to discuss records that are confidential pursuant to 1 V.S.A. § 313(a)(6), specifically financial details that relate to our strategic planning.

Entered Executive Session at 5:35 pm.

Executive Session ended at 6:08 pm.

Other Business

- Discussion:

Adjourned at 6:10 pm