



CVFIBER EXECUTIVE COMMITTEE MEETING MINUTES

Virtually on MS Teams

March 6, 2024

Minutes Short Summary

The Executive Committee approved meeting minutes for February 20 and 23, 2024. Jennille Smith reported that as of today, CVFiber has 136 customers served, 232 miles of fiber hung, and 1,787 addresses passed. Jennille Smith reported that 39 drops were constructed in January and 38 were constructed in February. Jennille Smith reported there is a premier of a documentary about how our CUDs got started at the Montpelier Capitol Theater on March 13th. Siobhan Perricone reported that she is planning to withdraw from the Policy and Communications committees due to quorum complications. Jennille Smith reminded delegates that there is a remote Board member training on March 27 from 5:30pm-8pm. Committee members reviewed the Leadership training on February 29, 2024. Jennille Smith suggested those actions that impact the customer and that affect CVFiber as a whole should be in the purview of the Governing Board, or if an unbudgeted significant amount comes up, but otherwise decisions could move to the Executive Committee and relevant staff. Jennille Smith reported that the MOU has been signed, and we submitted a warehouse amendment and that the VCCB may be on board without needing to formally approve it. A working group is examining the drops policy and is considering a single cost for all drops.

Executive Committee Members:

Present:

Chuck Burt (Moretown), Jeremy Matt (Plainfield), Siobhan Perricone (Chair, Orange), Allen Gilbert (Worcester), David Mannix (Marshfield), and Tom Fisher (East Montpelier).

Absent: David Healy (Calais)

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Sybil Schlesinger (Note taker; Moretown Alternate), Linda Gravell (Waterbury), John Morris (Marshfield), David Lawrence (Middlesex), and John Reid (Woodbury)

Call to order: Siobhan Perricone called the meeting to order at 6:00pm.

Additions to the agenda:

- None

Public comment

- None

Prior Meeting Minutes

- MOTION (JeremyMatt, Second Tom Fisher)
Move to approve the minutes for the February 20 and February 23, 2024 Executive Committee meeting as drafted.
Passed unanimously.

Construction, Materials and Warehousing Update & Outlook

- Jennille Smith reported that we are continuing the warehouse audit to get the final inventory count with pricing reconciled in Finale.
- We are also transitioning to the new warehouse management structure over the next 90 days.
- We have also been ordering consumables that we recognize that we need. We have ordered almost all necessary materials for 400 miles, and we have built just over 200 miles.
- CVFiber now has 136 customers connected, 232 miles of fiber hung, and 1,787 addresses passed.
- We were running to the end of our green licenses, but Hardwick has stepped up allowing us to construct in those areas. The next step is to open new distribution areas.
- David Mannix asked if the Eustis bills from 2023 are cleared to be paid. Jennille Smith said she approved one today as she verified it as from 2023. She has set aside the money to pay Eustis for 2023 as they come in.
- Jeremy Matt asked if we can push Eustis to invoice us more promptly. Jennille Smith said she sets aside a 20% contingency, so although this does cause some uncertainty, CVFiber is not going to over commit and is risk adverse. Eustis is slow to invoice, and we are pushing them.
- David Mannix noted that the agreement doesn't include invoice timing. If Eustis is going to bill late, we have to take this into account for 2024.
- Jennille Smith suggested that we could in house source our billing on behalf of Eustis to speed up the process, for example.

Operations Update and Outlook

- Jennille Smith reported that there were 39 drop installations in January and 38 in February. We would like to have all four DAs installed by October. The installations are physically difficult. We may have to continue to focus on installations rather than new construction.

Marketing Update & Outlook

- Jennille Smith reported there is a premier of a documentary about how our CUDs got started at the Montpelier Capitol Theater on March 13th.
- At Town Meeting yesterday, several delegates reached out, and gave us some feedback.
- Our take rate in our open DAs are high, almost 41%. RS01 and RS02 are already at 18%. Jennille Smith, Lucas Stubbs, and Olivia Kantyka are doing analysis based on income, competition and other indicators to make a more realistic take rate for each future district.

Committee Membership

- Siobhan Perricone reported that she is intending to withdraw from the Policy and Communications committees over concerns that her presence on these committees could result in unanticipated committee quorums during other meetings.
- Tom Fisher asked if Siobhan Perricone could be on the committee as an *Ex Officio*.
- Chuck Burt shared Roberts Rules, and Siobhan Perricone concluded that she could attend all committee meetings *Ex Officio* and not affect quorum. This allows her to attend meetings without creating a quorum.
- Allen Gilbert asked if he could review CVFiber's rules before action is taken. Siobhan Perricone agreed to take this up again in April after Allen's review.

Human Resources Update – Training Reminder

- Jennille Smith reminded delegates that there is a Board member training on March 27 from 5:30pm-8pm. Leadership is also expected to attend, but it is also going to be recorded so this can be attended remotely and/or at another time.

Leadership HR Training – Critical Takeaways

- Linda Gravell said she thought the training would have more discussion by leadership, for example, she thought we would be discussing how we work together, rather than telling us the rules.
- Allen Gilbert noted that Mark used his own experience as examples instead of asking the group to bring up our internal examples. Tom Fisher noted that Mark began the training by saying that our internal issues would not be discussed so that the training would not become potentially emotional.
- Jeremy Matt thought the training was better than others he had attended although it was a bit long because all parties like to talk. He seconded the idea that talking about specific situations relating to CVFiber would be problematic in an open meeting.
- Jennille Smith wondered if this might be more of a workshop rather than a training, which would be a more hands on discussion in a lab setting with assistance.
- Siobhan Perricone said she felt she had learned about recent changes in the law, which she found very useful. She has concerns about how to have a workshop without having it an open meeting.
- Jeremy Matt noted that going into Executive Session concerning a human relations issue could give the impression that CVFiber is struggling with HR issues.
- Jennille Smith noted that this is an annual training as required by our federal grants.

Executive Committee Authority

- Jennille Smith reported that during the process of the recent MOU, CVFiber had to defer to the Governing Board and wait for its monthly meeting that CVFiber sometimes has trouble making quorum on Governing Board meetings, and that this could have resulted in problematic delays. She noted that other CUDs have elected to delegate much more authority to their Executive Committee and to their employees and suggested that following this lead would make CVFiber more nimble and responsive as an organization. She then asked what the Committee members thought of this idea.
- There followed extensive discussion. In general Committee members were supportive of the idea but were apprehensive of delegating too much authority. The general consensus was in support of the idea, but Committee members wanted more detailed information.

Jennille was asked to consider the points raised during the discussion and to come back to the Executive Committee with a proposal for what authorities should be delegated to whom and under what conditions.

MOU Update

- Jennille Smith reported that the MOU has been signed, and we submitted a warehouse amendment and that the VCCB may be on board without needing to formally approve it.
- Jeremy Matt asked how much should not be discussed publicly. Jennille Smith said we should avoid specific details. CVFiber is sharing resources with NEK, and we are in conversations with the VCCB about what will be allowed.
- Linda Gravell asked when the money would be available. Jennille Smith said the next step is to send the revised address list once it is formally approved. Part of the conversation is identifying the next DA to keep crews on the ground. We are also looking at loans for some DAs, which have a 90-day closing. All sequences are dictated by approval by the VCCB. Jennille Smith expects this to take about six weeks because approval also includes NEK review. We are also looking at a 2% loan for shared project areas, which might be opened up this year, with other areas pushed to BEAD for 2025. Current construction costs are covered. We are lining up funding to open up new districts.
- Jeremy Matt would like to see a discussion in Executive Session of the new plan once the details are in place. Jennille Smith suggested adding Build Sequence to the next Executive Committee agenda.

Finance Update, Drops Policy and Outlook

- David Mannix wanted to think about “take rate” as committed customers. Marketing take rate is not the same as installations and payment. This will mean smaller numbers.
- A work group put together an analysis of the drop policy. Our key findings, based on David Healy’s work, organized by DA and by length of drop. First takeaway is we need to be clearer about the definition of “drop.” Waitsfield is also asking for an increase in price; we have their suggestions but not yet an agreement. David Healy also looked at costs up to 1,000 feet, and then in other longer increments. Half of our customers are at less than 400 feet, while half are more. From 400-1,000 is \$500,000. If we covered everyone, it would cost an additional \$1.4 million.
- Jennille Smith said that if we pay the bill, we are also gaining customers, not just losing money. Another win is that we can use the entirety as constructions costs for our match position for BEAD. BEAD also says we need to bring fiber to every home. We haven’t yet been charged for long drops or charged customers for long drops. It is most streamlined not to charge extra. If we did not charge, our policy would match our current actions.
- Tom Fisher asked if this was based on the MST location, and David Mannix said yes. The annual income would increase \$300,000/year if we covered all costs so this is a good return. Tom Fisher also asked if we have included the revenue from charging for drops in the budget, and Jennille Smith said no. David Mannix added that ARPA funds that are matched will help offset the costs, and this should be part of the budget. David Mannix said the analysis was based on a 42% take rate in all DAs.
- David Mannix agreed that we need to look at take rates based on other variables in each DA. We do want to keep prices low, as the market is competitive.

- MOTION (Siobhan Perricone, Second Tom Fisher) *Move that we set a single installation fee for customers on the grid with no additional charge for customers who have long drops.*
Discussion:
 - There followed extensive discussion touching on topics of equity, the sustainability of CVFiber as an organization, and the costs and benefits of covering various lengths of drops. The consensus was that this is likely the right choice, both from an equity and a financial standpoint. However, more detailed information was required before moving forward with the motion. Siobhan withdrew her motion and David Mannix was tasked with forming a working group to formally evaluate the idea and develop a definite proposal.

Adjourn at 7:52pm

- **Motion to Adjourn:** Siobhan Perricone.

Respectfully submitted,
Jeremy Matt, Clerk