



CVFIBER EXECUTIVE COMMITTEE MEETING MINUTES

Virtually on MS Teams

February 20, 2024

Minutes Short Summary

The Executive Committee approved meeting minutes for February 6, 2024. Jennille Smith reported that CVFiber has 1,787 service points passed with 231 miles completed and 113 subscribers. David Healy asked about negotiations with Straight Line Broadband and NEK, and Jennille Smith responded that she gave Straight Line Broadband the 90-day notice today and she anticipates a smooth handoff to NEK. Jennille Smith reported that CVFiber will finish all the active RS01, RS02, CL01, and CL02 by October, assuming a 41.9% take rate, and when CL03 is open, we expect to have the installations done by March 2025. Jennille Smith reminded the Executive Committee that HR Happens will lead a Leaders Training in Barre on February 23rd at 8:30am, followed by an optional afternoon visit to the Warehouse from 1-2:30pm. Siobhan Perricone will establish a working group to formulate a drops policy based on the data gathered. Jennille Smith suggested that the Governing Board delegate more authority to the Executive Committee, which is smaller and meets more frequently, and she will research how ECFiber, Maple Broadband and NEK parse out these responsibilities and make a specific proposal. CVFiber received \$144,600 for our BEAD application, to do, for example, a match analysis and GIS work, to strengthen our application.

Executive Committee Members:

Present:

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

Others Present: Jennille Smith (Executive Director), Laurie Beth Putnam (Treasurer), Sybil Schlesinger (Note taker; Moretown Alternate), Linda Gravell (Waterbury), Jerry Diamantides (Berlin) and John Russell (Worcester)

Call to order: Tom Fisher called the meeting to order at 5:05pm.

Additions to the agenda:

- None

Public comment

- None

Prior Meeting Minutes

- MOTION (JeremyMatt, Second Allen Gilbert)
Move to approve the minutes for the February 6, 2024 Executive Committee meeting with minor corrections by Allen Gilbert.
Passed unanimously.

Construction, Materials and Warehousing Update & Outlook

- Jennille Smith reported that CVFiber has 1,787 service points passed with 231 miles completed and 113 subscribers. We have reached out to the Public Service Department to let them know that we intend to file a formal complaint about Hardwick Electric, and Hardwick Electric responded that they will have the make-ready done by the end of next month, but we still have the formal complaint ready to go on March 1.
- Jerry Diamantides asked if we could confirm that Hardwick Electric has done the required work, and Jennille Smith has enlisted Patrick Maye, the Construction Manager at NRTC, to confirm if the work is being done and then completed.
- David Healy asked about the audit in Finale, and Jennille Smith reported that the updates are on-going and this is a priority.
- David asked how many crews were out in the field, and Jennille Smith said two are in construction. RS01 and RS02 are released. As Hardwick Electric finishes, we can complete CL03.

Operations Update and Outlook

- Jennille Smith added that we are discussing with Waitsfield and NRTC to determine the numbers for the drops that are longer than 400 feet.
- David Healy asked about negotiations with Straight Line Broadband and NEK, and Jennille Smith responded that she gave Straight Line Broadband the 90-day notice today, and she anticipates a smooth handoff.

Marketing Update & Outlook

- Jennille Smith reported that the take rate is already 18% in RS01 and RS02. At the current rate of 15 installations/week, we will finish all the active RS01 and RS02, CL01, and C102 by October, assuming a 41.9% take rate. When we open CL03, we expect to have the installations done by March 2025. The bigger push is now how quickly we can get the drops and the installations done.

Human Resources Update – Training Reminder

- Jennille Smith reminded Leadership that HR Happens will lead a Leaders Training in Barre on February 23rd at 8:30am, followed by an optional afternoon visit to the Warehouse from 1-2:30pm. All Chairs and Vice Chairs and managers are expected to attend.
- Jennille Smith also reported that she is reviewing all insurances, including long and short-term liability.

Drops Policy

- Siobhan Perricone noted that we do not yet have the data to establish the drops policy.
- Allen Gilbert wondered if the drops policy on the website is accurate and if it is, CVFiber may be headed in a direction, we do not want. He feels that this damages equity of access. The website makes the program look fully developed. The second problem is that the pricing is illogical because the MST distributing box location is not dependent on the customer's residence. Allen Gilbert is concerned about the possibility of lawsuits because CVFiber needs to ensure that towns get back what they gave as the ARPA funds need to be spent in each town. CVFiber also needs to be careful not to lose customer confidence because we have already had three versions of this policy on the website, and it is still not clearly stated. In Worcester, Allen Gilbert has had three people state they are going to stay with Starlink. Allen Gilbert is concerned CVFiber will lose customers because of these high fees.
- There followed extensive discussion regarding drops, pricing equity, and how to handle and discuss the cases where houses are outside the design distance covered by CVFiber's standard installation fee. The general consensus is that the problem of how to describe drop distance is challenging and could result in ill-will towards the CVFiber brand if handled poorly. We believe that this is a rare problem and are working to collect the information to assess the situation.
- Chuck Burt noted that on ARPA funds, Moretown stipulated that the funds could not be used for drops, so towns had the option to do this. Chuck Burt also thinks that only a few subscribers actually pay that much attention to websites, so he is unconcerned by website changes, but he is concerned by the language's lack of clarity. Start-ups do change pricing to respond to costs and stability. Starlinks service is good enough so that some customers will opt not to have to pay another installation fee.
- Tom Fisher expressed concern that ARPA funds are being spent to cover the drops in a particular town, that is benefitting CVFiber towns as a whole, not each specific town that allocated ARPA funds. Jerry Diamantides noted that the distribution is equitable; each town is treated the same way. We have been holding the matching ARPA funds to cover the costs of drops. This is supplemented by the town's contribution. Tom Fisher argued that this doesn't actually benefit the town because towns that did not donate still get drops.
- There followed extensive discussion regarding how the ARPA funds are being spent.
- John Russell suggested that Tom Fisher, Jerry Diamantides and others interested should form a working group to formulate a solution. Jennille Smith and Siobhan will also be in the group, but Jerry Diamantides doesn't have time to be a formal member. Siobhan Perricone will take care of establishing this group.

Executive Committee Authority

- Jennille Smith noted that with big decisions, we have put the authority into the Board as a whole, but she wanted to consider giving the Executive Committee more authority as this committee meets twice/month. Governing Board member attendance is also not stable.
- David Healy supports this suggestion. Jennille Smith noted that NEK Broadband does this as they have over 50 towns.
- Chuck Burt generally supports this move, but he would need more detail. He asked Jennille Smith to find out what NEK has done and perhaps other sister CUDs. He would

like to know what remains at the Board level. Jennille Smith will talk to ECFiber, and Maple Broadband, as well as NEK to find out how they have handled this.

Finance Update and Outlook

- Jennille Smith reported that CVFiber is working to optimize BEAD funding. We are looking at an amendment with VCCB to build with ARPA funds sooner and BEAD funds later, when the funds are available. We are also still looking into private loans; bond counsel has drafted some language for a loan opportunity. This loan would be a backstop, as we want to minimize borrowing. We received \$144,600 for our BEAD application, to do, for example, a match analysis and GIS work, to strengthen our application.
- Jeremy Matt asked if we don't use the loan, would having the loan on our books cause us problems to get financing at a better rate in future years. Jennille Smith said a loan would benefit CVFiber because it shows we have a willing lender, and if we borrow a small amount and can pay it back, that would also benefit CVFiber to put us in a better position to go to the bond market in several years.
- Siobhan Perricone noted that Consolidated is going from a public company to a private one as a provider of rural landlines to make them more competitive for BEAD funding. She is alarmed. VCUDA has also put in a joint application to be an intervener, and Jennille Smith has signed on, so CVFiber can have input.
- Allen Gilbert asked if anything came up about Consolidated selling themselves off. Jennille Smith said she hasn't heard about this.

Adjourn at 6:15pm

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

Respectfully submitted,
Jeremy Matt, Clerk