



CVFIBER GOVERNING BOARD MEETING MINUTES

Virtually on MS Teams
July 9, 2024

Minutes Short Summary

The Governing Board unanimously approved the minutes for the June 11, 2024 meeting. Bonnie Batchelder noted that the financial reports for May have been submitted and approved by Laurie Beth Putnam. Jennille Smith reported that the expectation is that CL03 will be open by the end of July. Jennille Smith reported 371 completed installations with 17 in the queue. Olivia Kantyka reported CVFiber had a major event at the Worcester Town Hall, with special thanks to Allen Gilbert, the Worcester delegate. Jeremy Matt was confirmed as the alternate VCUDA representative, Tom Davis as the delegate for Northfield, and John Reid was confirmed as the Chair of the Operations and Planning Committee. The Board discussed benefits and concerns of the proposed merger with NEK Broadband, entered into Executive Session and Exited with No Action Taken, and voted unanimously (13-0) to proceed with the merger plan.

Present:

Governing Board Delegates:

Jeremy Matt (Plainfield), Tom Fisher (East Montpelier), Ted Barnett (Williamstown), John Reid (Woodbury), Siobhan Perricone (Orange), Henry Amistadi (Duxbury), Allen Gilbert (Worcester), Jared Thomas (Calais), John Morris (Marshfield), R.D. Eno (Cabot), Christopher Shenk (Waterbury), Chuck Burt (Moretown), David Lawrence (Middlesex)

Alternate delegates: Sybil Schlesinger (Moretown Alternate), David Mannix (Marshfield Alternate), John Russell (Worcester Alternate), David Healy (Calais)

Others Present:

Jennille Smith (Executive Director), Olivia Kantyka (Community Relations Manager), Lucas Stubbs (Operations Manager), Laurie Beth Putnam (Treasurer), ORCA Media, Bonnie Batchelder (Accountant), Christa Shute (NEK Broadband), Nick Anzalone (NEK Broadband)

Town Representation on 7-9-2024 (13/21 towns represented)				
Barre City	Barre Town	Berlin	Cabot	Calais
Absent	Absent	Absent	Present	Present
Duxbury	East Montpelier	Elmore (left)	Marshfield	Middlesex
Present	Present	Absent	Present	Present
Montpelier	Moretown	Northfield	Orange	Plainfield
Absent	Present	Absent	Present	Present
Roxbury	Waterbury	Washington	Williamstown	Woodbury
Absent	Present	Absent	Present	Present
Worcester				
Present				

Call to order: Board Chair, Siobhan Perricone, called the meeting to order at 6:04PM

Additions or changes to the agenda

- None.

Public Comments

- Jeremy Matt met with the Plainfield selectboard to give them an update and brief them on the merger.

Meeting Minutes Approval

- MOTION (Jeremy Matt, Second R.D. Eno)
To approve the minutes for the June 11, 2024 meetings as drafted with a correction by John Morris.
 Passed unanimously.

Treasurer’s Report

- Bonnie Batchelder noted that the financial reports for May have been submitted and approved by Laurie Beth Putnam. CVFiber has \$3.5million on hand. Additional funds have been received in June. \$1.957 million have been spent on construction to date. May had 59 installations. At the end of June, total installations were 353. CVFiber is in a good cash position and in line with projections.
- R. D. Eno asked if the Treasurer’s Report is available on-line and Bonnie Batchelder said once the reports are approved by the Finance Committee, they are put on the CVFiber share drive. They are not made public.

Construction, Materials, Warehousing, Update and Outlook

- Jennille Smith reported that CVFiber is doing gig work for CL03, including testing for the last construction area for the season. We expect CL03 to be open by the end of July.

- We have been working with NEK Broadband at the Montpelier warehouse and the materials are well cared for, with some are being transferred for NEK to use once and if the merger is completed.

Operations Update and Outlook

- Jennille Smith reported 371 installations with 17 in the queue. This is in-line with projections. We have gotten ahead of some of the rodding that was holding us back. We do expect to install 40/month until the end of 2024. We have weekly calls with Waitsfield. Our customers are giving us very positive feedback.
- Siobhan Perricone asked what is happening with conduit installations. Lucas Stubbs noted that this could be a sore point. Some customers want aerial drops which may not always be doable. Olivia Kantyka is putting together a conduit survey to address customer concerns.
- R. D. Eno asked why customers prefer aerial and the response was that it was generally less expensive and faster to install.
- Henri Amistadi asked what the current policy is on conduit and who covers the cost. CVFiber's current policy is that the customer is responsible for paying for and arranging for conduit installation.

Marketing Update and Outlook

- Olivia Kantyka reported CVFiber had a major event at the Worcester Town Hall, with special thanks to Allen Gilbert. Allen Gilbert noted that the event was successful, encouraging lots of conversation. The lesson he learned was many people have a lot of questions who are not always comfortable asking. He congratulated Olivia Kantyka for putting the event together.
- Olivia Kantyka noted that website security was audited. With the exception of two minor administration steps, the website was clean.
- Henri Amistadi congratulated Olivia Kantyka on completing this audit.
- Olivia Kantyka has been working on media coverage for the merger with the *Times Argus*. She will also be sending notices to Town Clerks and Front Porch Forum. This notices our July 16 meeting at 6pm.

Committee, VCUDA and Board Appointments

- Siobhan Perricone noted that Jeremy Matt has stepped up to be the VCUDA alternate to attend meetings every other Tuesday.
- Tom Fisher nominated Jeremy Matt to be the VCUDA alternate. Siobhan Perricone cast the lone vote for the single candidate and confirmed Jeremy Matt.
- Siobhan Perricone noted that Tom Davis has been selected as the delegate for the Town of Northfield.
- Siobhan Perricone noted that the Finance Committee has adopted a set of procedures.
- MOTION (Jeremy Matt, Second Tom Fisher)

Motion to accept John Reid as Chair of the Operations and Planning Committee.

Passed unanimously.

Acknowledgement of Service Event

- Siobhan Perricone encouraged delegates and Board members to attend events and noted the success of the Worcester Town Hall event.

Merger Update and Vote

- Jennille Smith noted that she sent around a deck to update the Board on the merger. The Board needs to vote this evening because the BEAD application requires that we work together as a merged entity. Any concerns should be voiced now.
- Tom Fisher noted that if we vote one way now and another way in August, this would do damage to our organization even though this is a preliminary vote.
- David Lawrence asked about the new name and branding. Chuck Burt noted there is a working group attending to both naming and branding. Olivia Kantyka is spearheading the branding group with Tonya Ozone from NEK. A process is in place. This will be shared when appropriate. Christa Shute noted that the proposed by-laws give the Governing Board the authority to determine branding.
- R. D. Eno asked Olivia Kantyka to describe the steps and importance of branding. Olivia Kantyka described this process. Chuck Burt added that because the organization will have a brand, we want to be sure it is crafted to benefit the organization.
- Jeremy Matt asked if there is any new information which might make the merger not the way to go.
- Christopher Shenk noted that he has concerns about culture and employee benefits, but he intends to support the merger.
- Ted Barnett noted that Consolidated was promising to come to his town soon. He noted that if we remain smaller this will make Consolidated look stronger. Ted Barnett believes the merger is the best way forward.
- Allen Gilbert noted that he has nine questions, but he does not feel there is a better option than merger. On page one, “NEK and CVFiber will merge and NEK will survive as the merged entity.” On page three, CVFiber’s name is dropped and the name of NEK Broadband kept. CVFiber will no longer exist as a corporate entity.
- Jeremy Matt noted that his understanding of the primary reason for keeping NEK as the surviving legal entity is of the number of outstanding grants NEK has. Updating these grants would be time consuming and problematic; it is not that CVFiber “failed.” CVFiber will provide substantial value to the merged organization.
- On page 4, Allen Gilbert noted that NEK will be involved in the construction plans for CVFiber’s use of ARPA funds and our towns and needs to approve these in 2024. Jennille Smith noted that this ensures that we not spend our remaining constructions funds. Allen Gilbert noted that the use of ARPA funds is binding with the towns. Christa Shute noted that the reference is to the VCBB ARPA funds, not the Town ARPA funds, but the main piece is that NEK invested time and energy to enable CVFiber to meet its grant obligations with CVFiber’s remaining funding. We did this by keeping the unserved number the same but the miles fewer. This refers to the strategy set up to reduce construction costs liability. Allen Gilbert thought that NRTC should have solved

this problem, not NEK. Christa Shute noted that NRTC doesn't manage CVFiber's grants. They designed a construction plan but some of it will never be built because the plan does not qualify under the available grants. We have extended the grant to 2026 as well.

- Allen Gilbert asked if offers and benefit packages had gone to all NEK and CVFiber staff. Christa Shute said this should go out tomorrow, along with job descriptions to “try on” for the next 4-6 weeks. Jennille Smith has been working with Christa Shute to describe pathways for Jennille Smith to continue to work within the organization. The job descriptions will be for the entire organization and how it will best function. Allen Gilbert voiced concern for the Board to have little oversight on the end results because of time constraints.
- Christa Shute noted that staffing decisions are in the purview of the Executive Director. The decision is based on value and what the organization needs, or replacing higher costs from consultants, and all are connected to accountability. We've been cognizant of right sizing salaries aligned with benefits. An NEK and CVFiber working group has been working to align the two. From a policy perspective, we intend to start with the CVFiber policy, which is robust, but there will be a few additions.
- Jeremy Matt noted that these documents seem to be still in production so the Board will not have the opportunity to review these before tonight's vote. Jeremy Matt asked if those CVFiber members on the HR working group found the new policies fair.
- Siobhan Perricone noted that there have been compromises on both sides.
- Christopher Shenk noted that the last two meetings went well, but earlier there was a meeting where he felt that CVFiber was not being heard. The last two meetings felt more collaborative. John Morris agreed that the earlier meeting was more contentious, but the last two more collaborative. He has confidence in this process.
- Christa Shute noted Siobhan Perricone's scalable point. If we bring on all the CVFiber employees, the new organization will have 13 employees plus planned additional hires. She will send out the document this week.
- Allen Gilbert asked if there has been an outside management consultant working with this group. NEK has an HR consultant and CVFiber also brought in a consultant.
- Allen Gilbert noted that the Governing Board By-laws, on page 1, section 3, “each such duly appointed delegate” is required to sign a confidentiality agreement and disclose any conflicts of interest. Christa Shute noted that there can be conflicts of interest, but they must be disclosed. We need to know when someone may need to recuse themselves. Allen Gilbert asked if the CUD has the ability to restrict what someone can and cannot say. Christa Shute says *SI99* does make this clear; items that must be public have to do with government but business information can be kept confidential.
- Allen Gilbert noted that CVFiber did not think that delegates should be kept to a confidentiality agreement other than that stipulated by law. Christa Shute said she would look into this. Jennille Smith noted that vendors are asked to sign confidentiality agreements. Allen Gilbert finds delegates to be a different category.
- Allen Gilbert questioned why two brand areas from each brand area and two digital equity experts are going to be selected. Christa Shute noted that these proposed positions

in the draft preliminary merger plan no longer exist. Instead, the policy works to ensure that all areas are fairly represented, perhaps by county instead of town.

- Allen Gilbert noted that the Governing Board can confirm receipt of and append comments to reports from the Executive Committee, but he questioned why the rights of third parties cannot be altered. Christa Shute noted that the purpose is that the Executive Committee is given the authority to act on behalf of the Board, the Board is given an action report by the Executive Committee to review, and the purpose of appending comments gives the Governing Board the opportunity to note they do not approve of some actions of the Executive Committee. The Governing Board is not ratifying what has been done. Giving more authority to the Executive Committee allows action to happen more quickly, but the Governing Board does have a voice.
- Allen Gilbert noted that he has questions about consensus management. He finds consensus management often means top-down management. Christa Shute noted that some Board delegates agree with Allen Gilbert's assessment. This language was trying to reassure that voices will be heard, all 71 towns. Tom Fisher noted that this language could be omitted to use CVFiber by-laws instead. Christa Shute agreed.
- Jeremy Matt questioned the meaning of some of the language on page 15. Christa Shute noted that if a county has more than two towns, then the town will have one representative. Tom Fisher noted that the representative is chosen by the people of that county, but the person selected does not have to live in the county. If there is a county with only one town, then the representative can participate in the selection of the delegate for another adjacent county.
- David Healy asked where the financial modeling for the two districts stands. Christa Shute has a model and will walk any interested parties through in Executive Session.
- Chuck Burt noted that outstanding vendors agreements do not include Vicory Hill, but this development group does CrowdFiber well and he thinks they should be retained.
- Christa Shute reviewed what would be included in the final merger plan to be voted on in August. She noted again that the organization will be harmed if there is a positive vote tonight and a negative vote in August.
- At the request of several delegates, it was agreed to go into Executive Session for an overview of Christa Shute's financial models.
- MOTION (Jeremy Matt, Second Chuck Burt)
Move that we find that holding a discussion of financial modeling as related to the potential merger with NEK would put CVFiber at a substantial competitive disadvantage in accordance with 1 V.S.A. § 313(a).
Passed unanimously. No discussion.
- MOTION (Jeremy Matt, Second Chuck Burt)
Whereas the Executive Committee has found that discussion of financial modeling as related to the potential merger with NEK in open session would put CVFiber at a competitive disadvantage,
Move that we enter executive session to discuss these topics and that CVFiber Board members, alternates, staff, and consultants, members of the NEK Governing Board, and

Christa Shute are invited into the executive session as they have information that is needed in accordance with 1 V.S.A. § 313(a)(1)(B).

Passed unanimously. No discussion.

- **Entered into Executive Session: 7:40pm**
- **Exited Executive Session: 8:05**
- No action was taken during executive session
- MOTION (Siobhan Perricone, Second Tom Fisher)

Move to approve continuation of the merger process with the understanding that staff is going to proceed as if we are merging in order to work on integration, BEAD preparation, partnerships, negotiations and other important business. A yes vote indicates that you will present and voting yes at the final vote on August 16th, barring the presentation of new information.

No discussion

Roll call vote:

Town	Delegate/Alternate	Vote
Cabot	R.D. Eno	Aye
Calais	David Healy	Aye
Duxbury	Henry Amistadi	Aye
East Montpelier	Tom Fisher	Aye
Marshfield	John Morris	Aye
Middlesex	David Lawrence	Aye
Moretown	Chuck Burt	Aye
Plainfield	Jeremy Matt	Aye
Orange	Siobhan Perricone	Aye
Waterbury	Christopher Shenk	Aye
Williamstown	Ted Barnett	Aye
Woodbury	John Reid	Aye
Worcester	Allen Gilbert	Aye

Vote of 13-0, motion passes unanimously.

The Chair adjourned the meeting at 8:08PM.

Respectfully Submitted,
Jeremy Matt, Clerk