



CV FIBER GOVERNING BOARD MEETING MINUTES

GoToMeeting (virtual meeting only)

August 25, 2020

Present:

Governing board delegates: John Morris (Marshfield), Allen Gilbert (Worcester), Michael Birnbaum (Plainfield), Andrew Gilbert (Cabot), Chuck Burt (Moretown), David Healy (Calais), Philip Hyjek (Middlesex), Jeremy Hansen (Berlin), Siobhan Perricone (Orange), Ray Pelletier (Northfield), Ken Jones (Montpelier), Tom Fisher (East Montpelier), Hendy Amistadi (Duxbury), Greg Kelly (Barre City), Katharina Mack (Washington), Tim Sullivan (Roxbury), Josh Jarvis (Barre Town).

Alternate delegates: Jerry Diamantides (Berlin), Jeremy Matt (Plainfield), John Russell (Worcester)

Others: ORCA, Lee Youngman (Treasurer), Sam Rosenberg

Called to order: 6:00PM by Jeremy Hansen via GoToWebinar

Additions to the agenda:

- Jeremy Matt suggested approval of the August 11, 2020 Governing Board meeting minutes
- Jeremy Matt suggested the addition of a roundtable
- Michael Birnbaum suggested discussion of philosophy for responding to the line extensions in our territory. Do we want to support projects that would get people to be served sooner or do we want to protect CVFiber business interests?

Public comment:

- None

Approve meeting minutes:

- **MOTION** (Jeremy Hansen second Siobhan Perricone) to approve the August 11 meeting minutes. No discussion. Passed by unanimous consent.

Subcontractor policy:

- **MOTION** (Jeremy Hansen, second Ray Pelletier): to table discussion of the Subcontractor policy and refer it to the Policy Committee. No discussion. Passed by unanimous consent.

- MOTION (Jeremy Hansen second Phil Hyjek) motion to appoint John Morris, Allen Gilbert, Siobhan Perricone, Ray Pelletier, and Phil Hyjek to the Policy Committee. No discussion. Passed by unanimous consent.

Grant/funding update:

- Jeremy Hansen reported that we have officially received the \$100,000 grant from the CARES funding and are just waiting for a check. The Department of Public Service is also going to get us the rest of the Broadband Innovation Grant funding.
- David Healy asked if we get the grant for 10k from the Vermont Community Fund
- Henry Amistadi asked if we talked about the Northern Borders Regional Commission (NBRC) grant. Jeremy Hansen responded that we mentioned last meeting that we did not get the NBRC grant.
- Jeremy Hansen noted that there is a meeting of Senate Finance to discuss \$2 million included in the Governor's budget for funding CUDs and suggested that people should let Anne Cummings know that we could really use a chunk of that funding.
- Henry Amistadi noted that part of NBRC's rejection reasoning was that we are not mature as an organization and asked if we should discuss our business organization and finalize that? Jeremy Hansen said that we have made some of those decisions and have discussed it to some extent.
- David Healy (CHAT) said that NRBC did not have our business plan when reviewing the application
- Michael Birnbaum thinks that the Fletcher project funded by NBRC was a construction grant, not a matching grant for a loan. There will also be public hearings on the Governor's budget that we can comment on.

Philosophy of approving projects:

- Michael Birnbaum noted that there is a competition between two good ideas going on in the group tasked with responding to line extension requests.
- Jerry Diamantides pointed out that our mission is to get people served by better internet and that we are in the middle of an emergency. People need better internet now. The projects proposed for funding under the CARES project will get people connected before the end of the year. For many of the people in our territory, we will not be connecting them for 18-months or more. We should not stand in the way of projects that get people better internet sooner
- Jeremy Matt pointed out that the incumbent for-profit providers have historically shown a consistent reluctance to expand into rural areas and said he thinks that trend is likely to continue unless they continue to get free money from somewhere. Having a cable project built right in the densest portion of one of our proposed routes hurts CVFiber's ability to build out into the less-dense areas and will keep those people unconnected even longer. It is a situation of short-term gain for a few people but long-term pain for a lot more people.
- Ray noted that serving the people at the fringes is the reason we are here. We should get as much grant funding as we can
- John Morris agree with Jeremy Matt that helping people in the short term is good but should not get in the way of serving people in the long term
- Siobhan Perricone asked if cable is built in an area, does this mean that we cannot go there? What does this mean? Jeremy Hansen responded that it essentially changes our take rate from around 40% to 15%.

- Henry Amistadi noted that the State is giving the incumbent providers the opportunity to cherry-pick where they want to expand. This is something we need to consider
- Ken Jones (CHAT) We are not alone. This topic requires a broader discussion and it is possible (especially if we push) for the short term planning the Department is funding to address this path between the emergency and the long-term connectivity future.
- Ken Jones suggested that perhaps could push the legislature to more heavily subsidize CUDs that are going to be building in previously subsidized areas. June Tierney has said she thinks that CUDs are going to be the providers of last resort and that they might need to be subsidized.
- Henry Amistadi asked if we should mention that these projects if funded will reduce CVFiber's take rate when providing responses to the Public Service Department.
- Jeremy Hansen agreed with the idea of saying that while we don't oppose these projects in the short term, if this is funded it'll make it more expensive for us in the long term and we will need help to build there
- Michael Birnbaum noted that the legislature clearly wants to protect CUDs and does not want us to be sabotaged. He also noted that the Interisle report shows that we are very close to the break-even point on our projects and that having some of these projects get build might make it harder to go on the bond market.
- Andrew Gilbert (CHAT) There is a time problem here as well. Full fiber-to-the-premises is going to take a long time, absent massive capital. You cannot leave people grossly underserved for another 10 years.
- Ray Pelletier suggested that we suggest to the Department of Public Service that smaller subsidies (IE 1/3 of the total project cost) rather than 100% funding be provided for projects that would interfere with CUDs
- Josh Jarvis noted that the big ISPs provide poor service, and people will switch to municipal organizations anyway because they like the idea
- Andrew Gilbert thinks that we should get people served as soon as possible.

Appointment of Executive Director:

- MOTION (Jeremy Hansen, second Siobhan Perricone) to go into executive session pursuant to 1 V.S.A. § 313(a)(3) to appoint a Project Manager. No discussion. Passed by unanimous consent.
- Entered Executive session at approximately 6:58
- Exited Executive Session at approximately 7:57
- MOTION (Ray Pelletier second Josh Jarvis) motion to appoint Jeremy Hansen to negotiate with Tim Shea with the intention of hiring him as the CVFiber Project Manager. No Discussion. Passed by unanimous consent (Katharina Mack abstaining)
- MOTION (Ken Jones second Chuck Burt) motion have Jeremy Hansen utilize funds to have the contract reviewed by an attorney. No discussion. Passed by unanimous consent.

Roundtable:

- Chuck Burt reiterated that we are a startup and in a very tough business with thin margins. Anything could jeopardize our success, including incumbent providers skimming off a few of the densest areas from our proposed routes

Meeting Adjourned at 8:06PM

Respectfully submitted,
Jeremy Matt, Clerk

DRAFT