



CV FIBER GOVERNING BOARD MEETING MINUTES

GoToMeeting (virtual meeting only)

October 20, 2020

Present:

Governing board delegates: Allen Gilbert (Worcester), Michael Birnbaum (Plainfield), Andrew Gilbert (Cabot), Chuck Burt (Moretown), David Healy (Calais), Jeremy Hansen (Berlin), Siobhan Perricone (Orange), Ray Pelletier (Northfield), Tom Fisher (East Montpelier), Henry Amistadi (Duxbury), Ken Jones (Montpelier), Josh Jarvis (Barre Town), John Morris (Marshfield), Frank Moore (Williamstown), Katharina Mack (Washington).

Alternate delegates: Jeremy Matt (Plainfield), Lauri Scharf (Middlesex)

Others: Tim Shea, Sam Rosenberg, Paraiyar

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

Additions to the agenda:

- Jeremy Matt suggested discussing a shared file storage solution
- Jeremy Matt suggested approval of the October 13, 2020 meeting minutes

Public comment:

- None

Update on RFP responses:

- Tim Shea reported that he sent RFP to 18 entities and that we got 7 responses (from FirstLight, Hub66, Waitsfield Champlain Valley Telecom, Kingdom Fiber/Cloud Alliance, ValleyNet, GWI, and Tilson). The RFP sked for capabilities and interests and Tim believes that we received helpful information from this RFP process in terms of who is out there and what they can do.
- Jeremy Hansen asked if the next step is for Business Development Committee to review and discuss these entities. Tim Shea responded that he thinks it is

VEDA Loan update:

- Tim Shea reported that he has had discussions with Eun-Young Denny (senior loan officer at VEDA). He is working with her on defining exactly what the expectations are for the application process as it applies to CVFiber and how to get us in the strongest position possible. It looks promising and she didn't identify any red flags. Things are progressing, but we need to do some work on the financial front.
- Ray Pelletier asked if we have a goal/deadline/date by which we need to submit an application, what the timeline looks like, and what do we need to do to get there. Jeremy Hansen responded that he would like us to have an application in by the end of the year. Something that might hold us back is that we still need to do the financial audit completed. Another thing is to get commitment from the State that we are going to get the matching funds. Jeremy isn't sure what the process on that is and he thinks that the Department of Public Service hasn't figured that out either, but he doesn't think it is going to be too onerous. The statute said that VEDA would defer to Department of Public Service so that may make the VEDA application easier if we just need to convince the Department. Ray Pelletier asked for an update on the status of the financial audit. Tim Shea said that he is discussing with an accounting firm, Batchelder Associates, but doesn't have a specific update. Ray Pelletier said that it seems that we need to get Batchelder under contract by around December first to give them time to get this done within our timeline. Jeremy Hansen said that the audit probably isn't going to be a big lift because we have very few transactions. He thinks that Batchelder will probably end up writing more about our process for receiving and paying invoices and giving suggestions there.

Grant funding update & CARES funding options:

- David Healy reported that he got an email back from Rob Fish saying that the Department of Public Service be getting us application guidelines/requirements for the additional \$300,000 in CARES act funding tomorrow. David also got some feedback from Rob Fish on how to revise our proposed projects to get them approved. David said that there are lots of moving parts to get these projects completed and we have a short time. Therefore he recommended that the Governing Board authorize a committee vet and to hire contractors as we probably won't have time put out RFPs or to get input from the full board.
- Ken Jones said that there are number of steps that we need to complete in terms of setting up contracts ECFiber and/or Waitsfield Champlain Valley Telecom. He thinks that us owning the infrastructure would be a big ask for both of those organizations. He also said that we should establish a negotiating team. He thinks that the canvassing effort should be both gathering info from customers but also used as a way to start to build a relationship. In order to develop a relationship, we need to develop content, including a pricing package. The pricing package would also be required for the VEDA application.
- Ray Pelletier said that he doesn't care about the wires, but he thinks that the subscribers should belong to us
- David Healy said that he doesn't think that Waitsfield Champlain Valley Telecom or ECFiber will agree with that.
- Michael Birnbaum said that he thinks that most providers will not agree to CVFiber owning either the customers or the fiber. He thinks that's probably a dealbreaker, especially for Waitsfield Champlain Valley Telecom.
- Jeremy Hansen said that he thinks that Waitsfield Champlain Valley Telecom might be more willing to work with us. He then said that this is really a question of philosophy – should the public CARES act money go to build public infrastructure or should it just go to getting people connected?

- Ray Pelletier think our negotiating position should be that we want to hire them to build & operate and we eventually take over. Take it or leave it.
- Henry Amistadi noted that he sent out an analysis of what percentage of eligible locations were served by connectivity initiatives. He thinks that if we don't end up owning the customers we'll just exacerbate the problem with incumbent providers building the denser areas and ignoring the fringes, making building fiber even more of an uphill battle.
- Michael Birnbaum said that he thinks the viewpoint is that the CARES act is to bridge the gap. Much of the CARES act was spent on wireless which is likely to be overbuilt by fiber eventually. He also thinks that another way to look at this situation is that we use the money as leverage to ask for them to build out other areas
- Jeremy Hansen noted that we should keep in mind that this discussion should only relate to the CARES funding – he think that for the VEDA loan we should own both the infrastructure and the customers.
- Allen Gilbert asked what sort of risk are we looking at and what do we need to do to make sure that we aren't bankrupted by the clawback provision. Jeremy Hansen said that there would have to be a pass-through of the risk. Allen Gilbert said that he's not sure that we can completely avoid the risk.
- Ken Jones noted that the Department of Public Service will also likely be on the hook so they will also need to be comfortable. We need to have negotiating discussions to work out these points, but this isn't a reason to not go forward with exploring these options. We won't take the money if we can't be sure we can deliver, but we can decide that later.
- Jeremy Matt said that he could go either way in terms of owning the customers and the fiber, but said he thinks we need to get something of value in return if we do not own the customers and infrastructure. He asked if the State have any requirements about who owns what?
- Ray Pelletier said that he thinks this whole discussion should be in executive session
- Chuck Burt said that he thinks that the Waitsfield Champlain Valley Telecom project may hinder one of the Feasibility Study routes, and that he thinks that we need to do whatever is best for Moretown as a whole
- Michael Birnbaum noted that he doesn't think he has a conflict of interest with respect to the potential wireless projects because he's not looking for the wireless projects to happen. He also expressed uncertainty about whether or not whether or not he would be able to complete them as he is currently very busy with his own projects.
- Jeremy Hansen said he thinks that we should designate a point person for negotiating and that we should go into executive session later to discuss the details of our negotiating position
- Jeremy Matt noted that in this discussion we're treating Waitsfield Champlain Valley Telecom and ECFiber the same. However, they're different types of entities, and he noted that he would be more comfortable with just giving ECFiber the funding directly to get people connected. He also asked if ECFiber could just apply directly to build this project as they're a CUD as well. Jeremy Hansen said that they're already applying for money and will likely hit the \$300,000 limit.
- MOTION (Ray Pelletier second Chuck Burt) to have Tim be the negotiating lead and to pull in board members as necessary. Passed unanimously. No discussion
- Jeremy Hansen said that we might be able to ask for money from the Montpelier community fund. Ken Jones thinks that it would be a big ask right now, but maybe in a few years as we get closer to building in Montpelier that might be an option.

- Jeremy Hansen said that there is a USDA community connect grant due December 23rd and that we should have Tim Shea apply for that.
- Jeremy Hansen said that there is also USDA rural development money (application due in March/April) that we could conceivably go after as well as Northern Border's grant next year. We should have Tim look into what we need to do to apply for these grants.
- Henry Amistadi said that he would like an update to RDOF while we're in executive session. Jeremy Hansen we can't do that, it would need to be a separate item.

Hiring consultants for canvassing, WEC MOU, website:

- David Healy said that there is a short timeframe for hiring and that he thinks that the board should give authorization to committees to determine needs and select contractors. We also have work to do to figure out the messaging for the door-to-door effort: we should have branding, literature to hand out, etc.
- David Healy said that we also need to discuss the WEC MOU, possibly in executive session. Many of the same items as we need to discuss for the Waitsfield Champlain Valley Telecom projects.
- MOTION (Jeremy Hansen second Siobhan Perricone) Move to authorize Communications Committee to contract with whatever parties they need to do canvassing and other outreach as described in our grant application, including Website Development, for an amount not to exceed \$60,000, contingent on state funding and including a provision to claw back funds from the contracts in the event of non-delivery. Passed unanimously. Discussion:
 - Ray Pelletier said he thinks that contracts need to be with CVFiber and not with the Communications Committee. Jeremy Hansen said that it is implicit in the motion that Communications Committee is contracting on behalf of the CVFiber organization.
- MOTION (Jeremy Hansen second Siobhan Perricone): Move to authorize Business Development Committee to contract with whatever parties they need to produce an MOU with WEC, for an amount not to exceed \$3,000, contingent on state funding and including a provision to claw back funds from the contracts in the event of non-delivery. Passed unanimously. No discussion
- Jeremy Hansen asked that all invoices go to him so he can pay them

Approval of October 13, 2020 minutes:

- MOTION (Jeremy Hansen second Siobhan Perricone) to approve the October 13, 2020 meeting minutes. No discussion. Passed unanimously.

Discussion of file storage:

- Jeremy Hansen said that we have a Google drive directory that hasn't been kept up to date
- Jeremy Matt noted that he has a drive for Clerk files, that Chuck has a drive for Communications Committee files, and that he thinks that having multiple drives is fragmenting things and hard to keep organized. He is also concerned about the potential for data loss if an account owner gets in an accident.
- Chuck Burt responded that multiple people have read/write access so the data can be recovered.

Executive session to discuss negotiating strategies:

- Michael Birnbaum said that he is going to recuse himself because of a potential conflict of interest in the event that wireless projects are discussed. Therefore Jeremy Matt is acting as Plainfield representative for the remainder of the meeting.
- MOTION (Jeremy Hansen second Jeremy Matt) that the Governing Board find that premature discovery of our negotiating position would put us at substantial disadvantage. Passed unanimously. No discussion.
- MOTION (Jeremy Hansen second Josh Jarvis) that we go into executive session pursuant to 1 V.S.A. § 313(a)(1)(A) to discuss our negotiation strategy with respect to the potential FTTP and fixed wireless projects. Passed unanimously. No discussion.
- Entered executive session at 7:50
- Exited executive session at 8:56

Roundtable:

- None

Meeting Adjourned at 8:57PM

Respectfully submitted,
Jeremy Matt, Clerk