



Governing Board Meeting Minutes - Approved June 22, 2024

May 30, 2024

In-Person Location: None - see note re ACT 78 below.

Attendees: See attached list.

5:54pm

Role Call & Agenda Review

The posted agenda had our standard meeting zoom link and the calendar invite had a different link. A member of the public made us aware of that and everyone was moved from the calendar invite link to the publicly posted link.

Public Session Presentation on a Merger of NEK Broadband and CVFiber to Create Northeast Central Broadband

- **Discussion Summary:** Executive Director, Christa Shute, noted that tonight's vote is the first step in the merger process. She described the proposed Northeast Central Broadband as a 71 town CUD committed to universal service to all the underserved locations in our communities in the most efficient and cost-effective way that will benefit our towns. Benefits of merging for both current CUDs include cash flow, grant advantages and organizational efficiencies. Six working groups have been involved in analyzing the potential merger - Governance, Legal, Communications, Human Resources, Operations, and Finance.

Siobhan Perricone entered at 6:15pm

Donna Dzugas-Smith entered at 6:17pm

NEK Broadband will continue to be the underlying legal entity because of the federal grants and loans that it has received and applied for which are hard to change. The merged CUD will operate under an assumed name of Northeast Central Broadband. Internal and external communications have been developed for the merger process to address the interests and concerns of each group of identified stakeholders. This includes a FAQ sheet. The transfer of the management of CVFiber's warehouse to NEK Broadband is permanent, regardless of the vote, because it replaces an expensive third party and allows for mutual efficiencies. The financial analysis so far has involved an in-depth review of the history of all the grants, a review of all the transactions of CVFiber, and a cash flow analysis. Assets and inventory items were evaluated as well as the comparison of budget to actuals.

Charles Conn entered at 6:22pm

The maps of both CUDs were then shown, which included the areas built as well as planned construction for this year. The merger will not slow down construction. The main delay of construction currently is the licensing process with local utilities, although NEK Broadband is still on target to hit 400 miles for the year. 133 miles have been built to date and another 250 miles are actively being worked on by three different construction companies. NEK Broadband also expects to provide service in portions of the ReConnect grant by the end of the year, specifically along portions of the former state-owned fiber, now owned or controlled by NEK Broadband. Miles built, passings, and current customers to date of the two CUDs were shown and compared. Highlighted was the parity in the number of customers, (a little over 300) even though NEK has built nearly double the miles. This is probably a combination of factors including NEKs drive to build the backbone first; CVFiber's higher population density and median incomes and CVFiber's branding efforts.

Once merged, the two Executive Committees will initially be merged and both brands will remain. After today's preliminary merger vote, there will be a public hearing on July 16, 2024, followed by final merger vote around August 15. Another meeting on July 11, 2024 will be held in which additional materials and analysis that have yet to be done will be discussed and voted on. The timeline is tight because of BEAD (Broadband Equity Access & Deployment) funding. The \$229 million for BEAD allocated to Vermont will be competitively distributed to those entities who commit to serving every unserved address in an entire district. The larger district will allow for a more competitive application. The merged CUD will have to be formed before the full BEAD proposal window starts, which is currently scheduled around Aug. 24.

If the merger goes through, the construction schedule, the ARPA grants, the current funding in the two areas, the town ARPA grants, the brands, the Executive and Finance Committees, and partners will not change. At the same time, the organization will expand to 71 towns, combine inventory, apply for BEAD, have access to the bond market faster (because of the doubling of customers), and combine administrative costs.

If the vote is affirmative today, an Executive Committee Charter working group will work on the Executive Committee structure to pare down the number of members to an odd number. Other working groups will address the Finance Committee charter, HR policies, culture and organization and the budget. In addition, the staff of the two organizations will start working together as one team starting June 3. Between now and early July, a primary task will be the development of a new business model with the help of JSI, a very experienced national consulting company, that will accommodate all the complexities we have in our current

situation and market. When it's ready, using the new business model will help answer the remaining analysis questions before Governing Board meetings to be scheduled for early July.

David Mannix and Andrew McGregor left at 6:35pm.

Executive Session Merger Presentation and Discussion

Entered 6:35pm

Motioned: Mike Strait Seconded: Sally Vallat	For	Against	Abstain
Motion: To go into Executive Session under the provisions of 1 VSA §313 with staff, consultants, and CV Fiber guests to discuss merger of NEK Broadband and CVFiber to create Northeast Central Broadband, finding that premature disclosure could substantially disadvantage the CUD if it were to be made public at this time.	Passed with no objections	0	0

Jeremy Matt entered during executive session at 6:51pm. During executive session, the following people left: Jennille Smith at 6:57pm, Jeremy Matt at 6:59pm; Siobhan Perricone at 7:02pm; Jeremy Hanson at 7:02pm; Christopher Shenk at 7:04pm; Mike Barrett at 7:11pm; John Morris at 7:11pm; and John Russell at 7:12pm.

Executive session ended 7:21pm

Andrew McGregor entered 7: 22pm

Vote to Approve the Preliminary Merger Plan and Ratify the Merger Agreement

Motioned: Paul Fixx Seconded: Bill Davis	For	Against	Abstain
Motion: To approve the preliminary merger plan between NEK Broadband and CV fiber for the formation of Northeast Central Broadband and to ratify the merger agreement that was approved by the Executive Committee.	38 See voting record in attendance below	0	0

Adjourn

Motioned: Paul Fixx Seconded: Mike Strait	For	Against	Abstain
	Passed with no	0	0

	objections		
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Drafted by Kitty Ufford-Chase, Clerk

Name	Member Town	Type	Attendance	Vote		
					Voting	39
Rob Dewees	Albany	Primary	V	YES	Present	6
Neil Glassman	Barnet	Primary	V	YES	Staff/Guest	8
Amy Crouch	Barton	Alternate			Public	1
Christopher Altmus	Barton	Primary				54
Nate Nugent	Bloomfield	Primary				Minimums
Michael Strait	Brighton	Primary	V	YES		26 present
James Ozone	Brighton	Alternate	P			19.5 20 yes
Noah Bond	Brighton	Alternate				
Amber Hastings	Brownington	Primary				
William Davis	Brownington	Alternate	V	YES		
David Caron	Brunswick	Primary				
Theresa Caron	Brunswick	Alternate	V	YES		

Todd Vendituoli	Burke	Primary	V	YES		
Ann Morgan Wade	Canaan	Primary	V	YES		
Frank Sawicki, Jr	Canaan	Alternate				
John Kellogg	Charleston	Alternate				
Peggy Stevens	Charleston	Primary	V	YES		
Bill Humphrey	Concord	Primary				
Charles Conn	Coventry	Primary	V	YES		
Phil Marquette	Coventry	Alternate				
Rudy Chase	Craftsbury	Primary	V	YES		
Brian Machesney	Craftsbury	Alternate	V	YES		
Jonathan Baker	Danville	Primary	V	YES		
Bob Kelley	Derby	Alternate				
Grant Spates	Derby	Alternate				
Lindsay Brainard	Derby	Primary	V	YES		
Noah Armstrong	Glover	Primary	V	YES		
Hadley Piper	Glover	Alternate	P			

Sheryl Brown	Granby	Alternate				
Sonia Peters	Granby	Primary	V	YES		
Mary Metcalf	Greensboro	Primary	V	YES		
John Stone	Greensboro	Alternate	P			
Terrence Curran	Groton	Alternate				
Mike Gaiss	Groton	Primary	V	YES		
John Orlowski	Guildhall	Alternate				
Richard Schiller	Guildhall	Primary	V	YES		
Paul Fixx	Hardwick	Primary	V	YES		
Ed Brady	Holland	Primary	V	YES		
Andrew Bouchard	Holland	Alternate				
Lynnette Deaette	Jay	Primary	V	YES		
Le-Ann Tetrault	Jay	Alternate				
Tara Morse	Jay	Alternate				
Dana Caspersen	Kirby	Primary				
Malcolm Doak	Kirby	Alternate	V	YES		
William Gilbert	Lemington	Primary	V	YES		

Beth Ellingwood	Lemington	Alternate				
Marjorie Kramer	Lowell	Primary	V	YES		
Faye Starr	Lowell	Alternate				
Harry Williams	Lunenburg	Primary				
Gary Briggs	Lunenburg	Alternate				
Marty Feltus	Lyndon	Primary				
Jack Donnelly	Maidstone	Primary	V	YES		
Eric Pope	Morgan	Primary				
Larry Labor	Morgan	Alternate	V	YES		
Ben Tilford	Newark	Primary	V	YES		
Mark Whitworth	Newark	Alternate	P			
Chris Vachon	Newport City	Alternate				
Woodman Page	Newport City	Primary	V	YES		
David Ghelli	Newport Town	Alternate	V	YES		
Wendy Matthews	Newport Town	Primary				
Sally Vallat	Norton	Primary	V	YES		
Jock Gill	Peacham	Primary	V	YES		

Karen Lewis	Peacham	Alternate				
Shawn Burroughs	Ryegate	Primary	v	YES		
Tyler Pokines	Ryegate	Alternate				
Annie McLean	Sheffield	Alternate	v	YES		
Nicolas Anzalone	St Johnsbury	Primary	v	YES		
Evan Carlson	Sutton	Primary				
David Tucker	Sutton	Alternate				
Robert Simms	Sutton	Alternate				
Gaston Bathalon	Troy	Primary	v	YES		
Robert Langlands	Troy	Alternate				
Anthony Soldo	UTGs	Alternate				
David Conley	UTGs	Primary				
Seth O'Brien	Walden	Primary				
Bill Piper	Waterford	Alternate				
Mike Barrett	Waterford	Primary	v			
Carrie Glessner	Westfield	Primary				
Laura Emery	Westfield	Alternate	v	YES		

Ray Lanier	Westmore	Alternate	P			
Donna Dzugas	Westmore	Primary	V	YES		
Linda Michniewicz	Westmore	Alternate				
Eileen Boland	Wheelock	Primary	V	YES		
David Stahler Jr.	Wheelock	Alternate	P			
Bruce Wheeler	Wolcott	Primary				
Christa Shute	NEK Broadband		S			
Danielle Sukkaew	NEK Broadband		S			
Denise Sullivan	NEK Broadband		S			
Kitty Ufford-Chase	NEK Broadband		S			
Shannon LaCasse	NEK Broadband		S			
Erik Townsend	NEK Broadband					
Jason Stebbins	NEK Broadband					
Tonya Ozone	NEK Broadband		S			
Deb Shannon	Consultant		S			

Tom Fisher	CVFiber		G			
John Russell	CVFiber		G			
John Reid	CVFiber		G			
John Morris	CVFiber		G			
Jeremy Hansen	CVFiber		G			
David Mannix	CVFiber		G			
Chuck Burt	CVFiber		G			
Christopher Shenk	CVFiber		G			
Siobhan Perricone	CVFiber		G			
Jennille Smith	CVFiber		G			
Jeremy Matt	CVFiber		S			
Andrew McGregor	Caledonian Record		public			