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Southern Tier Network, Inc.
December 10, 2020
Remote Meeting: Electronic/Telephonic Media
Board Meeting Minutes

ATTENDANCE

Board Members: Carl Hayden; Howard Zingler; Winona Flynn; Tim O’Hearn; Judith McIntosh; John Sharkey; Chelsea Robertson; Aaron Dowd; Jim Osborn; Alan Eusden; Mark Rogus; Marcia Weber; Steve Wilber.

Absent: Dave Hopkins, Jack Wheeler

Guests: LeeAnn Tinney; David Sheen

Management: Tony Marzolino, Jeff Gasper, Steve Manning

CALL TO ORDER – the meeting was called to order at 10:03 AM by chair Marcia Weber via electronic/telephonic media.

1. APPROVAL OF THE MINUTES

The minutes of the November 12, 2020 board meeting were approved on a motion by Judy McIntosh, seconded by Alan Eusden, and carried.

2. Governance Committee Report

a. Revision of STN By-Laws Review and Vote - Marcia reported that the Governance Committee recommends the board approve deleting the following sentence from Section 3 of the STN By-Laws: “*No person shall be eligible to be elected a Director for more than three consecutive terms.*” This recommendation was first proposed at the November 12th board meeting, and the by-laws, with the proposed revision, were emailed to all board members on November 17, 2020. No objection or modifications were received from any board member. On a motion made by Chelsea Robertson, seconded by John Sharkey, the board unanimously approved the modification to STN’s by-laws.

b. STN’s Response Letter to Yates County RFI - The letter was emailed to all directors prior to the board meeting. Board members briefly discussed the response and requested an update on Yates County actions taken to date.

3. Southern Tier Broadband Coalition Study and Report

a. Finance Committee Report on CAPEX Analysis – Mark Rogus reported that the Finance Committee received and reviewed Fujitsu’s modified Pro Forma analysis based on the work FINCOM and the subgroup performed with Fujitsu representatives. Based on this work and the assumptions agreed to, the new Pro

Forma CAPEX was reduced significantly, while the OPEX costs slightly increased due to aerial builds replacing underground builds. The work was detailed and comprehensive and would require funding to initiate a phased construction approach.

- b. Phase I: Minimal Viable Network (MVN) Discussion** – Steve Manning provided a summary of Fujitsu’s work designing a Phase I build that included three sectors each in Steuben and Yates Counties. Steve added that the USDA ReConnect Grant denial dramatically impacts the Steuben County build, while the Yates County sectors could be funded by its USDA ReConnect award, although sustainability challenges would persist with so few subscribers. The board discussed the issues.
- c. Executive Summary** – Fujitsu will be sending the first-cut draft Executive Summary later this morning, Dec. 10. As agreed at last month’s meeting, Mark Rogus will review and modify Fujitsu’s draft Executive Summary and work with Steve to finalize the document. The board discussed the need for this Executive Summary to be shared with County Legislators and related committees.

4. Grants

- a. USDA ReConnect Grant Application** - Marcia reported on the USDA’s rejection of STN’s 3-County ReConnect Grant application. She shared information from a conference call that Chelsea, Steve, and she had with the USDA General Field Representative, Robert Fry. The rationale given in the rejection letter included the need for information that was in fact submitted in STN’s application. Additional information the letter said was not submitted had not been requested in the application instructions. In addition, STN was not provided an opportunity, as were other applicants, to make available supporting information and respond to USDA concerns. It was agreed by the STN Board that a letter requesting USDA reconsideration of the STN application be sent to the Agency Director, along with a request for a virtual meeting of STN representatives and the USDA grant review team to inform STN of what would be needed in the next USDA application submittal.
- b. Funding Options and Resources** - Board discussion ensued on grant sources available to fund the Fujitsu BRS Phased buildouts. Marcia recommended the Strategic Planning Committee meet prior to the January board meeting, which would be a focused session strategizing on next steps and actions to consider.

5. SALES & MARKETING REPORT

On a motion duly made (McIntosh/Robertson) and carried, at 10:07 AM the board went into **executive session** for discussion of contractual, financial, and customer-specific information.

On a motion duly made (Rogus/Robertson) and carried, at 10:17 AM the board came out of **executive session with no action being taken.**

NEXT BOARD MEETING – The next meeting will be held on Thursday, January 14, 2021.

ADJOURN – The chair adjourned the meeting at 11:02 AM.

Respectfully submitted,

Steve Manning
CEO, STN