

SOUTHERN TIER NETWORK, INC.

Minutes

May 12, 2011

8 Denison Parkway East, Suite 310, Corning, NY

ATTENDANCE

Board Members: Mark Alger, Steven Manning, Mark Middaugh, Timothy O'Hearn, Marcia Weber

Alternates: Michael Krusen, Jack Wheeler

Conference Call: Mark Rogus

Absent: David Hopkins

Guests: Joseph Starks, James Townsend

Call to Order: The meeting was called to order at 10:10 a.m. by Chair Marcia Weber in the conference room at the STC office.

1. Approval of Minutes – April 13, 2011 – Upon a motion duly made (Mark Middaugh/Mark Alger) and carried, the minutes of the April 13, 2011 meeting were approved as written.
2. Insurance Updates – Mark Rogus was available by conference call. Prior to the meeting, Marcia Weber had emailed the Board his presentation.

M. Rogus expects the liability policy to be signed next week. He recommends that Chubb be the preferred provider. The two components of general liability, a primary and an excess (“umbrella”) policy, will be a total annual cost of approximately \$18,000. Mark has requested clarification and amendments to the policies, but the broker has not yet responded. The most critical amendment concerns the “additional insured as required by contract,” which would reflect the agreement ECC has with its contractors.

Also, because STN has outsourced activities to STC, “crime” coverage for wire transfer and computer fraud is appropriate; it possibly is available under the liability policy, which would avoid an additional premium.

On a motion duly made (Mike Krusen/Mark Alger) and carried, the board voted to delegate authority to Marcia Weber and/or Mark Rogus to execute the final policies, with latitude to adjust cost if necessary.

5. ECC Activities
 - a) Design and Engineering Updates –ECC’s professional engineer reviewed all proposed routes, and detailed engineering is underway to determine if underground fiber will be necessary. When that work is completed (by the end of May), the counties will discuss possible in-kind donations in the form of digging for the underground cable. Taking measurements and

getting the pole information will be fast tracked and take a few months; it will be starting in all three counties at the same time.

ECC is developing the Indefeasible Right of Use (IRU) document and will send it to the counties for their review.

- b) & c) Marketing / Potential Customer Updates/ Pole Attachment and CPCN Updates –ECC has pole attachment agreements from Verizon and NYSEG that will be signed when STN's liability insurance is in effect. The Frontier pole attachment agreement will be approved as soon as the Certificate of Public Convenience (CPCN) is in place. The Armstrong Telephone agreement is expected shortly, and Empire Telephone is reviewing an agreement.

The CPCN has been filed. The legal regulatory number is 11-01012; anything involving the LDC will be referenced to this number. Information can be viewed on the PSC website. Once ECC receives the electronic approval, it will be distributed to the board.

In filing the tariff to establish the rates that will be charged by STN, the dollar amounts from the STN Business Plan will be used. Marcia will send the Business Plan to the board for its review. Anyone wanting to discuss the Business Plan should contact Joe Starks.

- d) General Project Updates - Joe has been meeting with the service providers who had expressed interest in participating in the NTIA grant.
4. Membership – Marcia Weber distributed a list of potential names for membership on the STN Board of Directors. The Board discussed those names, eliminating some and adding others. This will be discussed at the next meeting.

The meeting adjourned at 11:40 p.m. on a motion by Mark Middaugh seconded by Mark Alger.

Respectfully submitted,
Susan M. Cratsley, Recording Secretary