

# LAST MILE TOWN READINESS SUBMISSION FORM

## Attachment A

Please use the checklist below to confirm that your town has provided the information requested, and attach any relevant information that is available to the corresponding sections on the following pages. Please reference the attached 'Town Readiness Guidelines and Samples' document for explanations on the suggested information to include for each section.

Please contact Christine Hatch at [hatch@masstech.org](mailto:hatch@masstech.org) with questions pertaining to the information outlined in this document.

**Town Name:** Rowe

**Municipal Liaison to MBI:** David Dvore

<input checked="" type="checkbox"/>	1. Municipal Contact Established
<input checked="" type="checkbox"/>	2. Preferred Project Model
<input checked="" type="checkbox"/>	2.1 Professional Services
<input checked="" type="checkbox"/>	2.2 Utility Attachment Agreements
<input checked="" type="checkbox"/>	3. Division of Local Services (DLS) Approval Guidelines
<input checked="" type="checkbox"/>	3.1 Project Budget and Funding Sources
<input checked="" type="checkbox"/>	3.2 Debt Authorization – Vote documentation
<input checked="" type="checkbox"/>	3.3 Debt Exclusion (if necessary) – Vote documentation
<input checked="" type="checkbox"/>	3.4 Financial Advisor and Bond Counsel Information
<input checked="" type="checkbox"/>	3.5 Accounting Procedures for Revenues/Expenses
<input checked="" type="checkbox"/>	4. Municipal Light Plant (MLP) Structure
<input checked="" type="checkbox"/>	5. Technology Selection
<input checked="" type="checkbox"/>	6. Regional Collaboration (if applicable)
<input checked="" type="checkbox"/>	7. Network Operator/ Service Provider
<input checked="" type="checkbox"/>	8. Operating Expense and Sustainability Analysis

**1. Municipal Contact Established**

Has the town taken steps to appoint a primary municipal liaison? Please include any relevant information and attachments regarding the Town's municipal contact information (**Reference Section 1 of *Town Readiness Guidelines and Samples* document**). Please indicate if the Town would like clarification from MBI on information to be provided.

**Contact Information:**

**Primary Municipal Liaison (with contact information):** David Dvore

Phone Number: 413-339-8523

Email Address: chonyid@gmail.com

**Alternate Point of Contact(s):** Janice Boudreau

Phone Number: 413-339-5520 x11

Email Address: admin@rowe-ma.gov

**Primary Technical Contact (with contact information):** David Dvore

Phone Number: 413-339-8523

Email Address: chonyid@gmail.com

**Names/Contact for Board of Selectmen:**

Name and contact Info: Marilyn Wilson, mw5713@gmail.com, 413-337-5306, 413-652-2059

Name and Contact Info: Walter Quist, wquist11@verizon.net, 413-339-4718

Name and Contact Info: Dennis May, dmay1@verizon.net, 413-339-5761

Name and Contact Info: [Click here to enter text.](#)

**Names/Contact for Town Administrator:** Janice Boudreau

Phone Number: 413-339-5520 x11

Email Address: admin@rowe-ma.gov

**Names/Contact for Other Key Partners (Broadband Committees, Finance Committees, MLP Managers, etc.):**

Russ Jolly, Broadband Committee, (413) 339-4446, russ@deerfieldvalleywoodworking.com

Ray Wilson, Finance Committee, rw5306@gmail.com, 413-652-2066

Wayne Zavotka, Finance Committee, wzavotka@hotmail.com

Loretta Dionne, Finance Committee, loretta.dionne7@gmail.com

Mitch Soviecke, Finance Committee, mksoviecke@yahoo.com

## 2. Preferred Project Model

Please select the Town’s proposed project model below, and include any relevant information and attachments further describing the Town’s preference. Please also select the Town’s preference for managing the design and construction of the proposed project below, and attach any relevant information describing this preference. **Note:** *Towns that do not utilize MBI to manage design and construction are not considered eligible for their proposed professional services allocation. (Reference Section 2 of the Town Readiness Guidelines and Samples document).* Please indicate if the Town would like clarification from MBI on information to be provided.

Model A: Expansion by Private Provider	Model B: Extension of Existing Cable Infrastructure	Model C: Multi-Municipal Network	Model D: Independent Municipal Network	Model E: Pilot Projects	Model F: Other
<ul style="list-style-type: none"> <li>• Ownership: The private party would own the network</li> <li>• Operations: The private party would operate the network</li> <li>• Financing: Likely a combination of state and private funding with a possibility for CAF II funding</li> <li>• Technology: Fiber, coax or wireless depending on provider</li> <li>• Operating Considerations: Sustainability concerns would be minimized</li> <li>• Challenges: Effectively incenting the private sector to invest with modest public investment</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership: Incumbent cable provider</li> <li>• Operations: Incumbent cable provider under existing franchise agreement</li> <li>• Financing: Likely a combination of state and private funding with a possibility for CAF II funding</li> <li>• Technology: Likely the same as existing technology provider deploys in that town</li> <li>• Operating Considerations: Minimal</li> <li>• Challenges: Effectively incenting the private sector to invest with modest public investment</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership: Municipal</li> <li>• Operations: Outsourced and based on consortium model</li> <li>• Financing: Combination of state/MBI funds and municipal borrowing; unlikely availability for CAF II funds</li> <li>• Technology: Fiber, wireless or hybrid</li> <li>• Operating Considerations: Emphasis on attaining broadband speeds with maximum coverage at affordable prices while focusing on long term sustainability</li> <li>• Challenges: Fostering a flexible structure that will allow a town to exit with its assets</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership: Municipality</li> <li>• Operations: Outsourced</li> <li>• Financing: Combination of state/MBI funds and municipal borrowing; unlikely availability for CAF II funds</li> <li>• Technology: fiber or wireless</li> <li>• Operating Considerations: emphasis on attaining broadband speeds with maximum coverage at affordable prices while focusing on long term sustainability</li> <li>• Challenges: Achieving a sustainable network</li> <li>• Option may be available to join a regional model in the future</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership: Variable, but likely the applying municipality</li> <li>• Operations: Variable, but preferably outsources</li> <li>• Financing: Variable depending on project</li> <li>• Technology: Dependent on pilot program (wireless, fiber, hybrid, etc.)</li> <li>• Operating Considerations: Ensuring that the pilot model will foster long term sustainability</li> <li>• Challenges: Balancing the need to invest in new programs with a desire to be responsible stewards</li> </ul>	(Attach a description of the proposed project model)
<p style="text-align: center;"><b>Town Preference</b></p> <p style="text-align: center;"><input type="checkbox"/></p>	<p style="text-align: center;"><b>Town Preference</b></p>	<p style="text-align: center;"><b>Town Preference</b></p>	<p style="text-align: center;"><b>Town Preference</b></p> <p style="text-align: center;"><input checked="" type="checkbox"/></p>	<p style="text-align: center;"><b>Town Preference</b></p>	<p style="text-align: center;"><b>Town Preference</b></p> <p style="text-align: center;"><input type="checkbox"/></p>

## 2.1 Professional Services

Please select the Town's plan for managing the design and construction of the proposed project, and attached any clarifying information. Towns should indicate which of the following approaches they will take:

- Town(s) managed engineering and construction:** Design and engineering specifications and construction independent of Mass Tech's design and construction process.
- MBI managed engineering and construction:** Design and engineering specifications and construction managed through MBI.
- Undecided.**

***Note:** Towns that do not utilize MBI to manage design and construction will not be eligible for their proposed professional services allocation.*

## 2.2 Utility Attachment Agreements

Has the town completed and submitted utility attachment agreements with Verizon and the appropriate electrical company? If yes. Please check appropriate box:

- Verizon
- Eversource
- National Grid
- If no, please request these documents from the following utilities:  
The contact for Verizon is: Ellen Cummings - ellen.m.cummings@verizon.com  
The contact for National Grid is: Charles Kosinski - Charles.kosinski@nationalgrid.com  
The contact for Eversource is: Robert Davis - Robert.Davis@Eversource.com

The MBI contact for any questions is: John Furey – Furey@masstech.org

Rowe has contacted both Verizon and Nat'l Grid; they are sending documents. There are fees to be paid and insurance coverage to obtain. In process.

**Attachment fee has been paid to NGrid. VZ payment will be made the week of 7/25.**

## 3. Division of Local Services (DLS) Approval Section

Towns planning to move forward with last mile projects need the approval from the Commonwealth's Division of Local Services (DLS) on certain aspects of their project. This

section describes the authorizations, documentation, and acknowledgements required from the Town in order to obtain approval from DLS.

Please include any relevant information and attachments pertaining to the Town’s formal authorizations and acknowledgements regarding its preferred project and committed investments (**Reference Section 3 of the *Town Readiness Guidelines and Samples* document**). Please indicate if the Town would like clarification from MBI on information to be provided.

Guideline	Information Required
3.1 Project Budget and Funding Sources (see chart on page 7)	☒
3.2 Debt Authorization – Certified Vote Documentation	☒
3.3 Debt Exclusion (if necessary) – Certified Vote documentation	☒
3.4 Financial Advisor and Bond Counsel Information <b>* All submissions must include an approval letter from bond counsel. Rowe will not be borrowing over 500K</b>	☒
3.5 Please describe and/or provide examples of how your town will account for the on-going revenues and expenses (i.e. post-construction).  For example has the town established an enterprise fund to track expenses or will it use a general fund or will it be done entirely via a new MLP accounting structure?	☒

*\* As a standard practice, DLS requires your bond counsel to provide a “**green light**” letter to proceed (See sample letter in the *Town Readiness Guidelines and Samples* document). This letter is a state requirement for any municipality securing authorization to borrow over five hundred thousand dollars (\$500,000.00). This holds true for State House notes as well, that the Commonwealth (DLS) must receive this letter from the town’s bond counsel because the state is the financing source.*

The budget template provided below should be the towns’ actual budget, not simply a statement of current balances in free cash/stabilization fund or available levy capacity. Dollar amounts in the “Total” column should be shown only if those sources are being used to fund the project. The “State Grant” total should list the towns’ construction allocation only as the professional services allocation is not part of the construction budget.

Funding Source	Total	Secured/Pending	Additional Details
State Grant	\$220,000 Construction		\$220,000 Prof. Srvs.
Municipal Funds:			
• Municipal Borrowing (see 3.2, 3.3 and 3.4 above)			
• Free Cash/ Stabilization (Only include this information in the "Total" column if your town is using either of these resources to fund the project)	\$500,000 Stabilization \$100,000 Capital Stabilization \$260,000 Free Cash		
• Levy Capacity (Only include this information in the "Additional Details" column if your town is <b>not</b> funding the project via a Debt Exclusion)			
Federal programs			
Other			
Total Project Budget	\$1,080,000		

**Financial Advisor Name:** Clark Rowell  
**Company:** Unibank Fiscal Advisory Services, Inc.  
**Email:** clark.rowell@unibank.com  
**Phone:** 508.849.4224

**Bond Counsel Name:** Richard Manley  
**Company:** Locke and Lord  
**Email:** richard.manley@lockelord.com  
**Phone:** 617.239.0384

**Town Designee to Work with DLS Name:** Marilyn Wilson  
**Email:** mw5713@gmail.com  
**Phone:** 413-337-5306, 413 652-2059

The Town of Rowe will self-finance the \$860,000 which is the Town's share of the broadband construction cost.

The money will come from a combination of \$500K Free Cash, \$100K Stabilization Fund, and \$260K Capital Stabilization Fund.

Because not all of the \$860,000 will come due on day one, we will be able to continue to save at the same time paying for this project.

Should we be obligated to pay all of the \$860,000 on day one, we can do so as we have close to \$2m in the bank.

It should be noted that this will not be the first time that Rowe has self-financed; this was done with the addition to the Town Hall and the construction of the Fire Dept.

**Section 3.5 Info** - Rowe MLP will follow the procedures prescribed by law for MLP accounting and may include establishment of a general fund.

**Below is an excerpt from the Annual Town Meeting – May 11, 2015 – FY16.**

**ARTICLE 3:** A motion was made and seconded to appropriate \$ 860,000.00 by borrowing for the Town's share of the costs of the construction, installation and start-up of a regional broadband network, including the payment of all costs incidental or related thereto, such project to be carried out by the Town's Municipal Light Plant acting as a member of a cooperative of such Plants formed under Chapter 164, Section 47C of the General Laws; and to authorize the Treasurer, with the approval of the Selectmen, to issue any bonds or notes that may be necessary for that purpose.

*Article 3 – Passed By Show Of Hands  
Unanimous Vote  
2/3 Vote Declared By The Moderator*

Below is an excerpt from the Annual Town Election Results – May 16, 2015.

**Question 1:** Shall the Town of Rowe be allowed to exempt from the provisions of proposition two and one half, so called, the amounts required to pay for the bonds to be issued in order to fund the Town's share of the costs of construction, installation and start-up of a regional broadband network, including the payment of all costs incidental or related thereto, such project to be carried out by the Town's Municipal Light Plant acting as a member of a cooperative of such Plants formed under Chapter 164, Section 47C of the General Laws?

YES	130
NO	27
BLANKS	10

Results Submitted By:  
Marjorie Morse  
Temporary Election Warden- Town of Rowe  
May 16, 2015

A true copy, Attest:   
Jennifer Morse Rowe Town Clerk Date: \_\_\_\_\_





# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Michael J. Heffernan  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

August 24, 2016

Dave Charbonneau  
Technical Director  
Massachusetts Broadband Institute  
75 North Drive  
Westborough, MA 01581

Dear Dave:

This Division of Local Services (DLS) has completed its review of Rowe's Readiness Evaluation application and approves Section 3. I also note that no greenlight letter is necessary since they do not plan on borrowing; they are using available funds instead.

Sincerely,

Sean Cronin  
Senior Deputy Commissioner for Local Services

Cc: MJ Handy, Director of Accounts, Division of Local Services

*Supporting a Commonwealth of Communities*

mass.gov/DLS  
P.O. Box 9569 Boston, MA 02114-9569  
(617) 626-2300

**4. Municipal Light Plant (MLP) Structure**

Has the Town taken steps to establish an MLP and an organizational structure for this MLP in regards to overseeing a last mile solution? Please include all relevant information and attachments pertaining to the Town's MLP structure (or alternative management structure) for its proposed last mile solution (**Reference Section 4 of *Town Readiness Guidelines and Samples document***). Please indicate if the Town would like clarification from MBI on information to be provided.

**The Town of Rowe formed an MLP in 2011 and joined the WiredWest MLP COOP. The Board of Selectmen serve as the directors of the MLP. We expect our network administration and operations to be handled collectively by the WiredWest COOP. Consolidating these functions is efficient and saves cost. For a small town, running our own network doesn't make sense, though if a Coop is not possible, we will do what we have to.**

**Below is an excerpt from the Special Town Meeting – FY2011 held on 8 Feb, 2011.**

**ARTICLE 2:** The motion was made and seconded to see if the Town will vote to authorize the Board of Selectmen to take all necessary and appropriate action to **establish and to maintain**, in accordance with the provisions of Chapter 164 of the General Laws and in accordance with the rules, regulations and orders of the Department of Public Utilities and the Department of Telecommunications & Cable, a **municipal lighting plant** for all purposes allowable under the laws of the Commonwealth, including without limitation the operation of a telecommunications system and any related services.

Note 1: This article required a paper ballot vote with 2/3 majority to pass

*Article Two Passed By Paper Ballot Vote  
(45- Yes, 2- No)*

**ARTICLE 3:** No other business came before the meeting.

Meeting adjourned at 8:35 p.m.

A true copy,

Attest:

Jennifer A. Morse  
Jennifer Morse Sprague, Town Clerk

7/30/15  
Date

Below is an excerpt from the Annual Town Meeting – FY2012 held on 9 May, 2011.

**ARTICLE 30:** A motion was made and seconded to see if the Town will vote to authorize the Board of Selectmen to take all necessary and appropriate action to establish and to maintain, in accordance with the provisions of Chapter 164 of the General Laws and in accordance with the rules, regulations and orders of the Department of Public Utilities and the Department of Telecommunications & Cable, a municipal lighting plant for all purposes allowable under the laws of the Commonwealth, including without limitation the operation of a telecommunications system and any related services.

This article requires 2/3 affirmative vote by paper ballot.

**PASSED BY PAPER BALLOT VOTE**

**43-YES 8-NO**

**CERTIFICATE OF VOTE**

I, the Town Clerk of the Town of Rowe, Massachusetts, certify that meetings of the Town were held on Feb. 1, 2011 and May 9, 2011, of which all voters were duly notified and at which a quorum was present and acting throughout, the following votes were passed by a vote of 45 to 2 on Feb. 1, 2011 and 43 to 8 on May 9, 2011, all of which appears in the official records of the Town in my custody:

- VOTED: (1) that the Town of Rowe establish a Municipal Light Plant under MGL c. 164; and
- (2) that the Select Board is hereby authorized and directed to execute any all documents necessary to effectuate the purposes of these votes.

I further certify that the above votes were taken at Annual or Special Town Meetings; that notice by way of warrants stating the place, date, time and subject of the meetings were posted by the Town Clerk or Constable as required by law at least seven (7) or fourteen (14) days prior to the Town Meeting or Special Town Meeting respectively; and, remained so posted at the time of the Town Meetings in compliance with applicable law; and that the official records of the Town Meetings are or will be made available to the public in compliance with applicable law.

Dated: July 7, 2011

Janifer Marie Sprague, Town Clerk  
Town of Rowe, Massachusetts

## 5. Technology Selection

Has the Town established technical preferences for a last mile solution? Please include all relevant information and attachments pertaining to the Town's technical preferences for its proposed last mile solution (**Reference Section 5 of *Town Readiness Guidelines and Samples document***). Complete the "Town Network Design Decision Tree" diagram below. Please indicate if the Town would like clarification from MBI on information to be provided.

- **Fiber - Gigabit Passive Optical Network with dedicated strands (ie home runs) from the hub to each premise.**
- **100% premise passing to curb including seasonal properties.**
- **We would like cost estimates for 100% service drops. If the cost is prohibitive, then we would also like estimates for service drops to the approximately 50% pre-signed up customers. This list may evolve as terms have changed due to MBI policies, and other customers may be interested as time gets closer.**
- **Data and Voice service. TV/video not necessary. 1Gbps should be available as an option. Starting tier of 25Mbps.**
- **Ideally, we would like to be part of a regional network with connections to at least two different sources of bandwidth for reliability. We are concerned that Rowe is on a spur of the MB123 network, so if a line is down between Rowe and Charlemont, there is no alternate route to supply the town. Perhaps we would run fiber down Zoar Road to Charlemont to close the backhaul loop in order to provide redundancy. Need backup power for huts and customer equipment.**
- **Under the original WiredWest regional plan, we would have been fine with shared huts. Under current policies that require individual town networks with easy in/easy out "collaboratives", we would need a unique hut for Rowe that would allow us to join a regional network with Towns of our choice regardless of proximity.**
- **Hut at Town Hall. Probably locate a stand-alone outside the building to provide access for repairs during non-business hours.**
- **ONT's should be indoor with routers.**
- **Choice of OLT, ONT, etc. to be coordinated with WiredWest to be compatible when connected to a regional network.**
- **Rowe would like to specify using Multiport Service Terminals (MST). Rowe understands this may increase materials cost, but MST's will lower labor costs, reduce signal loss and decrease deployment time.**
- **Rowe would like to be part of a design where G.8032 Ethernet Ring Protection Switching is enabled with adjacent towns for automatic failover for redundancy. We want to fix the fact that we're on a spur and 100% depending on a single line that comes through Charlemont and Heath with no redundancy if a line goes down somewhere.**
- **Rowe would like their OSP to be "fiber rich" with the standard recommended percentage of spare fibers to be between 10-50%. Spare fibers will be dedicated for possible use by emergency services and future homes or subdivisions.**

## Town Network Design Decision Tree

5.1 Network Topology	<input type="checkbox"/> Gigabit Passive Optical Network <input type="checkbox"/> Active Ethernet Network <input type="checkbox"/> Fiber/Wireless Hybrid Network <input type="checkbox"/> Wireless Network	
5.2 Service Coverage	Percentage of Passings (to the curb) <input type="checkbox"/> 100% <input type="checkbox"/> %	Seasonal Properties <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
5.3 Service Drops	Presubscribed Customers <input type="checkbox"/>	Percentage of Premises Connected <input type="checkbox"/> 100% <input type="checkbox"/> % Maximum Service Drop Length <input type="checkbox"/> ft
5.4 Network Services	Service(s) Data <input type="checkbox"/> Voice <input type="checkbox"/> Video <input type="checkbox"/> Speed Tiers <input type="checkbox"/> 10M <input type="checkbox"/> 25M <input type="checkbox"/> 50M <input type="checkbox"/> 100M <input type="checkbox"/> 1G <input type="checkbox"/> _____	Service(s) Data <input type="checkbox"/> Voice <input type="checkbox"/> Speed Tiers <input type="checkbox"/> 5/5M <input type="checkbox"/> 10/5M <input type="checkbox"/> 15/10M <input type="checkbox"/> 25/3M <input type="checkbox"/> 25/10M <input type="checkbox"/> _____
5.5 Network Availability & Redundancy	Connection(s) to Middle Mile Network <input type="checkbox"/> 1 <input type="checkbox"/> 2	Backup Power for the Hut <input type="checkbox"/>
5.6 Unique/ Shared Huts Between Towns	Unique Hut <input type="checkbox"/> Location: <b>Town Hall</b>	Multiple Huts <input type="checkbox"/>
5.7 Hut / Base Station Location	Existing CAI/POI Used <input type="checkbox"/>	Backup Power for Customer Equipment <input type="checkbox"/>
5.8 Backhaul	Town Property Hut (No Permit) <input type="checkbox"/> Town Property Hut (Need Permit) <input type="checkbox"/> Non-Municipal Property Hut (Need Permit) <input type="checkbox"/>	Shared / Regional Huts <input type="checkbox"/>
5.9 Make Ready, Pole Licensing, Base Station Siting	MBI Acts as License Agent <input type="checkbox"/> MBI Manages Pole Survey <input type="checkbox"/> Town Obtains License Without MBI Assistance <input type="checkbox"/>	Use Muni Buildings <input type="checkbox"/> DCR Fire Towers <input type="checkbox"/> Utility Poles <input type="checkbox"/> Wireless Backhaul <input type="checkbox"/> Fiber Backhaul <input type="checkbox"/> Wireless & Fiber Backhaul <input type="checkbox"/> MBI Manages Base Station Siting <input type="checkbox"/>
5.10 Other Uses for Network	No Additional Uses <input type="checkbox"/> Commercial Broadband Services <input type="checkbox"/> Establishing a Municipal Network <input type="checkbox"/>	

**6. Regional Collaboration (if applicable)**

Please include any relevant information and attachments relating to plans or considerations the Town has to work with a group towns in the area for a last mile solution, or participation in a regional consortium under MBI criteria. **(Reference Section 6 of the *Town Readiness Guidelines and Samples* document)**. Please indicate if the Town would like clarification from MBI on information to be provided.

**The choice of an Independent Municipal Network, as the model in the Readiness Submission Form, has been made for the purpose of demonstrating that Rowe can sustain its own network. It does not represent a final decision. The Town of Rowe reserves the right to choose a different model as more appropriate options become available.**

**Rowe is part of the WiredWest MLP Coop. We see great value in sharing costs, consolidating administration and operations, and gaining economy of scale. We are baffled by MBI's opposition to this of late. The original WiredWest plan would have relieved participating towns of individually having plan and manage network assets and would have provided the greatest benefit to towns and subscribers. Under current MBI policies, that plan was disallowed.**

**Attached is a description of WiredWest's Plan A2 designed to meet MBI's current stated requirements including individual town ownership of networks; outsourcing ISP and network operations; and easy in / easy out structure. This is not what many towns would have ideally liked, but it is still strongly preferable to running an individual network and significantly reduces OPEX to affordable levels for small towns.**

**MBI's actions with regard to WiredWest have caused delays, extra work and costs. We request MBI to work constructively with WiredWest to quickly arrive at a solution that meets the needs of member towns.**

**A2 Task-force Recommendation to WiredWest BOD – rev 5/21/2016**

#	Question	Recommendation	Impact(s) to Towns
1	Who owns the assets?	<p>Each town owns a fully operational, stand-alone network within their town boundaries, which they paid for.</p> <p>This includes the physical hut(s), the OLT gear in huts; fibers on poles; pole-licenses; drop to premises; ONTs in premises</p> <p>WW will own the electronics in the huts which connect the town to the larger network. (SFP + adapters – see diagram)</p> <p>Towns give WW no-cost IRUs to use fiber within each town to create the shared network.</p> <p>Towns give no-cost IRU to WW to place the shared-network assets in the huts.</p>	<p>Increased legal work and engineering for determining town network boundaries and negotiating of IRUs paid for by the towns. Also some legal work around IRU negotiation for WW.</p> <p>The final two provisions will survive a town withdrawing from the coop.</p>
2	How much does each town contribute towards shared infrastructure capex?	Proportional to their premise-counts as of the start of the project.	Towns with fewer road miles and more premises defray costs to towns with fewer prems and more road miles. Note these costs are expected to be nominal.
3	How much does each town contribute to initial operating funds needed by the co-op, to fulfill its role of shared services manager?	<p>To the extent that towns need to contribute, their contribution would be proportional to their premise-counts as of the start of the project.</p> <p>Funds would be used to draft legal agreements and hire a manager</p>	<p>Same as in #2 above.</p> <p>This is actually a <u>savings</u> to each town, which otherwise would incur these startup costs individually</p>
4	What is the decision-making structure of the co-op?	<p>1-town, 1-vote, NOT proportional to contributions or premise-counts or anything else.</p> <p>Caveat: except to the extent that legal counsel advises otherwise...</p>	Every town has equivalent voice in decision-making.
5	How might additional funds be solicited from towns?	Additional contribution requests must be approved by 2/3 of the members, based on 1 town 1 vote.	Additional funding requests would need to be approved at town meeting.
6	When are funds returned to towns?	After achieving "break-even" which is defined as operating costs and	

		operating reserves; but not including debt service nor depreciation reserves, based on prior year's audit.  Board will vote on distributions; might decide to retain some portion of earnings.	
7	How are distributions allocated?	Proportional to top-line revenue per town. Called "distribution of retained earnings"	Incentivizes towns to maximize subscriptions.
8	Will WiredWest reimburse debt service?	Not directly. Each town is free to use their reimbursements for whatever purpose they wish. Why? <ul style="list-style-type: none"> <li>• WW does not own the assets</li> <li>• Some towns may not take debt to create the assets</li> <li>• Towns have different costs structures</li> </ul>	
9	Who owns fiber that originates in town A, serving a customer in town A, but passing thru town B?	Towns shall provide an IRU at no/nominal cost of use among themselves.  Alternately, premises that are easier to serve from a neighboring, participating town can be considered customers of that other town.	Legal costs and potential engineering work borne by towns impacted.  Supports goal of 100% coverage.
10	Who owns and funds the depreciation reserves?	Each town is responsible to fund their own depreciation reserve per legal requirements. This will be an additional line item on each town's annual budget.  This is a side-effect of each town owning their own assets: they are responsible for paying the replacement costs of the equipment.  The non-recurring capital costs ( e.g. engineering, pole surveys, pole-remediation, etc.) are not subject to the depreciation reserve.	Ongoing funding for the network required in annual town budgets.  However, WW would become cash flow positive faster (and return money to towns) because the towns would be taking on this expense.
11	When must the town start to fund their depreciation reserve?	In the FY following the year in which the capital is spent, according to state law.  question: maybe the FY in which the asset is placed into service?	



**7. Network Operator/Service Provider**

Has the Town established considerations around procuring a network operator/ service provider? Please include any relevant information and attachments pertaining to steps the Town has taken, or plans to take, to procure a network operator/ service provider. **(Reference Section 7 of *Town Readiness Guidelines and Samples* document)**. Please indicate if the Town would like clarification from MBI on information to be provided.

**The WiredWest Coop has released an RFI looking for companies that might provide ISP, NO, and other services. These will be procured by the Coop for member towns in order to achieve the greatest efficiency and cost effectiveness.**

**8. Operating Expenses and Sustainability Analysis**

Has the town taken steps to complete a business plan for a proposed last mile solution? If so, please include any relevant information and attachments pertaining to the town’s business plan for its proposed last mile solution (**Reference Section 8 of *Town Readiness Guidelines and Samples* document**). An Excel “Sustainability Workbook” and a “Last Mile Sustainability Workbook Guidelines” document has been provided to assist the town in completing this analysis. Please indicate if the Town would like clarification from MBI on information to be provided and/or assistance completing the Sustainability Workbook.

In addition to completing the Sustainability Workbook, please provide the current technology service offerings in your area and costs of these services below (e.g. DSL, Verizon phone services, etc.) to identify costs residents are currently paying for voice and data services.

**The original WiredWest Plan, that MBI initially backed, made tremendous sense. It doesn't make sense for small towns to own and individually operate fiber networks, however this is what MBI is now requiring. This is our thinking about how to make this sustainable in Rowe:**

**A major portion of OPEX is paying annual depreciation reserves. Rowe currently has a Capital Reserve plan for our assets. We intend to separate out the depreciation reserves from the Network OPEX and pay that out of Free Cash or taxes. We consider the useful life of a fiber network to be at least 33 years and of the equipment to be 10 years. For the first year, this amounts to:**

**Fiber:  $80\% * \$742k / 33 = \$18k$   
Equipment:  $20\% * \$742k / 10 = \$15k$   
Total depreciation reserve for first year: \$33k**

**This represents less than 1% of our tax levy and could probably be paid out of Free Cash. If paid out of taxes, it would represent an increase of the residential tax rate from \$5.9 to \$5.95 per thousand. On a \$200k property, the increase would amount to \$10/yr. or \$0.83 per month.**

**Currently, there are no true broadband options available to residents of Rowe. About 2/3 of the town can get DSL up to 3Mbps and the rest only dial-up or satellite where available. Verizon is not accepting any new DSL accounts and will be discontinuing it in the next few years. A typical Verizon phone+DSL bill is about \$80. Satellite is high latency, is not sufficient for VOIP or other real time applications, and has very limited data caps. Despite its deficiencies, it cost more than DSL. There are quite a few people who can't get DSL and don't have line-of-sight to satellite, so they are stuck with dialup and are desperate for something that can address modern needs for connectivity.**

Rowe had a 50% pre-signup rate with \$49 deposit for WiredWest's plan. A high number considering that its years in advance of any possible service. Town votes for debt authorization and debt exclusion were near unanimous. A unanimous vote at the last ATM called for the Governor to do everything possible to facilitate building our fiber network. There is strong support. Currently about 2/3 of residents can get DSL, but we all know that this will disappear in coming years. Already, Verizon is not opening any new DSL accounts, even for new owners of properties that previously had it. In the short term, once a fiber network becomes active assuming rates are within reason, we can expect a 60% take rate to start ramping up to 80% with a few years and eventually approaching 100% once DSL disappears.

Using the sustainability spreadsheet for estimating OPEX with 75% take rate and excluding the depreciation reserves handled separately, the remaining OPEX is estimated to be \$83k or about \$43/mo. per subscriber. With a \$25/mo. ISP fee, the network would be sustainable with \$68/mo. average subscriber fee. With a \$10 to \$20 phone fee, the cost of internet plus phone is comparable in price to Verizon DSL plus phone, yet far superior in speed and quality.

This represents the worst case scenario of running the network independently. WiredWest's analysis shows that by sharing costs, consolidating network operations and administration, and economy of scale for bandwidth and insurance, the OPEX could be roughly cut in half, lowering the MLP to \$20/mo. and increasing take rate. This is our goal.

These figures need to be refined over time and hopefully replaced by a detailed business plan for a regional COOP.

Sustainability Model For the Town of					
ROWE					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>General Information</b>					
# premises	212	212	212	212	212
% drops	100%	100%	100%	100%	100%
# premises with drops	212	212	212	212	212
Seasonal Premises (%)	0%	0%	0%	0%	0%
Avg. Monthly Occupancy Seasonal Premises	7	7	7	7	7
Seasonal Premises	0	0	0	0	0
Effective Premises (12 months of seasonal)	0	0	0	0	0
# units	213	213	213	213	213
Total Addressable Market Size	213	213	213	213	213
Projected Take Rate	75%	80%	85%	85%	85%
Effective Subscribers	160	170	181	181	181
Take Rate Basis	Town votes for debt authorization and debt exclusion were near unanimous. 50% pre-signup rate with \$49 deposit for WiredWest's plan.				
<i>Please note that the premise amounts have been updated by ROWE</i>					
<i>Please note that the unit amounts have been updated by ROWE</i>					
<b>Monthly Per Subscriber</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
MLP	44.37	43.04	41.92	43.17	44.46
Internet Related	25.00	25.00	25.00	25.00	25.00
Phone Related	20.00	20.00	20.00	20.00	20.00
<b>Total Cost</b>	<b>89.37</b>	<b>88.04</b>	<b>86.92</b>	<b>88.17</b>	<b>89.46</b>

  

### Monthly Fee per Subscriber

Year	Internet Related	Phone Related	MLP	Total
Year 1	25.00	20.00	44.37	89.37
Year 2	25.00	20.00	43.04	88.04
Year 3	25.00	20.00	41.92	86.92
Year 4	25.00	20.00	43.17	88.17
Year 5	25.00	20.00	44.46	89.46

