



Minutes

WiredWest Board of Directors Meeting
Plainfield Town Hall, 348 Main Street
Plainfield, MA
Saturday, October 22, 9:30 am

Meeting called to order at 9:39 am

Report from the Chair

RFI responses were read over last 3 weeks. EC is holding Follow-up conversations with a few vendors who are working on numbers we will present to towns: cost of services & potential revenue from towns. Graybar/ADTRAN presentation – we are researching equipment to recommend to towns. We had Calix presentation a year ago; will ask them to return to present again.

Approve minutes of October 1 Board of Directors meeting

Minutes – David Dvore motion to approve, ? seconded. No discussion, approved with 4 abstentions.

Proposed Bylaw change

Second reading by Steve Nelson of proposed bylaw change. This is the new wording:

Article 3. Termination of Membership

3.1 Default in Obligations. A Member in default of any of its obligations to the Cooperative may be terminated as a Member of the Cooperative if such default is not cured within thirty (30) days of the giving of notice of the default by the Cooperative in writing to the Select Board of the Member's town, provided that liabilities under contracts in effect at the time of such termination shall not be affected except to the extent provided in such contracts.

- a. Termination shall require a two-thirds (2/3) vote of those present and voting at a meeting of the Board of Directors, and notice of such termination shall be provided promptly in writing to the Select Board of the Member's town.
- b. Subsequent to the giving of a notice of default and prior to such a vote of termination, the Board may by a majority vote of those present and voting suspend all rights and privileges of the Member, including the right to vote at meetings of the Board, in which case the suspended Member shall not be counted in determining whether a quorum is present at a meeting of the Board.
- c. Failure of a Member to be represented at three (3) consecutive meetings of the Board by either its Delegate or its Alternate Delegate shall constitute such a default in its obligations to the Cooperative which may result in termination of its membership.

David Dvore moved to accept, Ken McInerny seconded. Passed unanimously.

1st reading by Steve Nelson of additional proposed amendment to reinstate members:

d. Subsequent to suspending a Member, the Board may by a majority vote of those present and voting rescind such suspension and restore all rights and privileges of the Member.

Bob Labrie moved ? second to discuss the amendment.

Steve will send revised version of bylaws to the Clerk. (Lanesborough was interested in being suspended, they are not sure about how much Charter will build out).

Plan A2

We will need a new name for the plan. Major changes: WW will not own network & we'll outsource all services. It will be white-labelled as WiredWest so not should not be much different for subscribers. Bob Labrie proposed "Regional Service Plan (RSP)". Steve Nelson suggested "Regional Broadband Plan". Delegates can send suggestions for new name to the Outreach Committee – outreach@wiredwest.net.

Financial – [David Kulp's 'shiny' model no longer online]. Only a few large towns can provide affordable broadband, but most are too small. If revenue from all towns was collected and used to pay services for all, large towns would only see a small increase per subscriber, but small towns would see a larger decrease. Any money left over from operations would go to town MLPs, which could use it for debt service & depreciation reserves. Pole licenses and pole bond fees are part of operating costs which will be paid by the coop. Steve Nelson would like to see a sustainability worksheet for the whole region, like the ones provided for individual towns. WW will not need startup capital, but vendors' costs & profit margins must be included. Jim Drawe did some projections based different take rates & tiered service. If total costs are between \$4M-\$11M (amount dependent on take rate), WW should be able to reimburse towns for debt service & depreciation. He's basing this on the 24 towns which have passed debt authorization, plus Otis. Al Woodhull would like to see a very pessimistic financial analysis of towns who will be in it at the start; he expects some towns would join later.

Trevor Mackie reports the concern that cable towns are getting **\$3,600/subscriber subsidy**, but unserved towns about **\$1,200/subscriber**. The Executive Committee met with members of the Massachusetts Rural Broadband commission and raised this issue. Ashfield has emphasized this disparity in funding with MBI. Kathy Soule-Regine suggests we run the model based on strong towns identified last spring. Charley Rose says we should identify a minimum number of subscribers needed to be viable. Steve Nelson thinks we should reconsider the tiers – hard to identify the cost/benefit of higher speeds. Kimberly Longey says Plainfield is starting with 100Mb as the floor, only 2 tiers. Jim Drawe – 25Mb should be enough for most subscribers. Robert Heller – most residential don't have equipment which can use 1Gb, many folks do not use Internet heavily and can't afford higher speeds. Jim Drawe thinks we'll leave money on the table if we don't have the 3 tiers. Ken McInerney – DSL customers must have phone too and pay ~\$75/month, so would be happy with higher speeds at similar price – and Verizon is not expanding/maintaining copper service.

WiredWest will partner with experienced, financially solid partners. We are only looking at vendors who will cover all towns. We are primarily talking about operations, but have some interest in construction & engineering – if the proposals are cost-effective, we could eliminate MBI. Kathy Soule-Regine – John Furey (MBI) says that procurement must be done via RFP. There are examples where MBI bypassed RFP (Charter, Mt. Washington). Sheila Hourihan reports John Furey said there

may be an additional \$20M available to make it more attractive to vendors. Al Canali ask if we will need some startup money before we have income. Jim Drawe thinks Executive Committee can oversee if there are a small number of members, but we may take a small amount of money for WW operating expenses. David Dvore stated we may need money to link the networks, but economies of scale may also mean that the large towns will save money, too. As a group, we can likely save money on line maintenance, also cost of bandwidth. David Dvore suggests we consider a baselevel & an “unthrottled” tier.

Kathy Soule-Regine – John Furey said early January will be the time when New Salem needs to decide to sign a contract with MBI. Jim Drawe – we’re planning 3 weeks to produce our plan.

Network Strategy

Technical – David Dvore went over Holleran’s slides on regionalization – posted on the website [here](#). The new MBI policy still requires towns to connect to the MBI123 “middle mile.” MBI123 topology has many towns on “spurs,” a single point of failure. Need to plan extra fibers to link to contiguous towns and coordinate with other towns. This will provide redundancy, failover and resiliency. Jim Drawe states we will need legal agreements among the towns to reserve the fibers for the regional network. Currently, MBI123 provides transport only, lit service to connect the town to the Springfield POP, you pay the Tier1 provider for wholesale bandwidth.

Review MBI Policy Change

MBI & town must both agree to avoid using Middle mile. Towns should not sign a construction agreement that requires them to use MBI123. Axia is losing money on middle mile, will be hard to find operator to renew contract. Kimberly – there are many failed middle mile projects funded by BTOP, federal regulators are aware. Under federal rules, MBI can’t sell 123 to private partners, but Jim Drawe thinks they could transfer ownership to towns of their segments. Craig Martin notes other towns may not be interested. Transferring to WW towns could relieve some of the costs to MBI. Sheila Hourihan reports that the Leyden Broadband committee thinks WiredWest has no role for 2 years and doesn’t want to publicize WW at this point. Jim Drawe – MBI wants towns to make all the decisions, e.g. equipment. State must adhere to procurement rules, which don’t allow for choice based on manageability, can’t specify vendor, must go with low bid. MLPs are exempt from these rules, can choose the best equipment. Glenn – keep emphasizing that we are still working to find best solution for the towns. Changes by the state have made it difficult for the towns. Jim Drawe – our regional density is about 8 premises/mile; it would require a significant amount of state money to interest a private provider. Al Canali – if we have a concrete proposal, we will be able to get some attention from the towns. Jim Drawe – our target is early December for a proposal, have some regional meetings. Jim Drawe – we should consider creating an MOU for the towns. Bob Handsaker – HCOG legislative meeting on Dec 3 – we should have a presentation for that (we have a session). Steve Nelson - we should plan for a document to be approved on Dec 10. We need a critical mass of towns to move forward. Kathy Soule-Regine – when towns understand what’s involved they will want to join together.

David Dvore – important to include town officials in communications, that’s why we asked for contact information. He’s been updating the website and we’ll be communicating.

David Kulp – Last Mile policy change. MBI is doing an “about face.” Quote from policy about preference for private providers. This is about using state money to subsidize private partnerships.

Peter Larkin's letter reported MBI plan to issue an RFP for private providers. This will stall the process. Causing anxiety in MBI. This changes the whole plan. Jim Drawe thinks the RFP will cause a 90-120 day delay: it won't be published for about 30 days, 60 day response time, then 30 day review period. He doesn't think MBI will sign any contracts until RFP process complete. Frontier is only looking at southern tier towns, he doesn't think Crocker has the \$\$, not sure there will be any bids. It will still be a town decision whether they will play, so that's not attractive to vendors. David Kulp thinks the RFP is for large providers only, not Crocker or WW. Thinks they may come up with more money if needed to attract providers – towns should insist that it should also be available e.g. if we want to go with WW. Jim Drawe – we'll try to meet with Don Dubendorf and Linda Dunleavy to influence in that direction. Kathy Soule-Regine – we should get names of those working on the RFP and towns should pressure them. Jim Drawe doesn't think the process will move any faster – RFP must include contract language. Town SelectBoards should contact the governor, they may get more attention. Kimberly requests that EC create a political strategy to be shared at next meeting. Jim Drawe – we haven't had many refund requests, so still have much support. We need to oppose the additional delay, private monopolies. Need to show the towns it's in their benefit to have the network.

Kathy Soule-Regine, MBI now wanting to approve operations based on new policy.

David Dvore – phone service is regulated, Internet is not (coverage, quality). If network owned by private companies, towns will have no control. Consider cost to town – e.g. Frontier wants a surcharge to repay construction costs.

Charley Rose – Steve Kulik said he had input on the letter – primarily based on towns which are contiguous to cable towns. Legislative delegation meets regularly with MBI. Jim Drawe, that's cherry picking and makes it more difficult for other towns to be viable.

Kathy Soule-Regine – we should emphasize the need for more money, since MBI are working on that.

MBI Readiness Process

Ashfield surveys almost done, schedule has been kept. Still waiting for agreement, due 2 months ago, expects the RFP is causing the delay. Problems with surety bond, MIIA researching, pushing back on upping liability, too. MIIA is now looking at a product to compete with PURMA. John Furey & Todd Corcoran met with MIIA, now they are looking for underwriter. Jim Drawe – MIIA bond for George Propane poles was underwritten by Travelers Insurance.

New Salem – pole surveys starting Nov 13. Kathy Soule-Regine will send David Dvore notes from meeting with Leverett MLP for posting on the website, with pointer to Leverett documents. Jim Drawe – Leverett has about ½ time employee to manage relationships. Kathy Soule-Regine – quite a bit of effort for Leverett folks, still taking much volunteer time.

Washington – pole surveys after Thanksgiving. MIIA now understands and is planning to support the towns. May be sending a survey to the towns. Jim Drawe – Verizon requires pole bond, liability insurance & fleet insurance for vehicles (only if you have vehicles).

Leyden – also thinks they will start by the end of November.

Rowe – pole survey to start Oct 31, Gayle Huntress sent some documents on pole survey process. Rowe got letter from National Grid about their policy; towns should get pole requests in before a private provider who could possibly take last available space or increase makeready costs for us.

Jim Drawe – we may have to pay to get MBI cable moved during makeready – they should pay. If towns have any pole hearings, Select Board should require that space should be reserved for towns

during makeready. Pole survey data is good until someone changes the pole. Utility pole surveys lifetime 90 days, so they will not start until applications are submitted. Town must complete negotiations and pay the utility within 90 days for construction to start. Trevor Mackie – utilities have been replacing poles without pole hearings, so surveys may get stale.

Jim Drawe recommends that towns should sign papers to get pole surveys done, MBI has agreed not to charge back and towns will own the results. Kathy Soule-Regine thinks Shutesbury is approaching MBI to pay pole application fee. John Furey will be providing a timeline, payment schedule and dependencies.

Reports from Committees

Finance – Bob Labrie will be sending letters to towns for voluntary contributions for FY17. MBI grant status: we have \$32k to spend by Dec 31. Possible uses: attorney opinion on debt exclusion language, to confirm revote not required; attorney opinion on 30B exemption – if money comes from state, does that invalidate MLP exception? Rick Manley opinion was that we are still acting as members of MLP coop even if money doesn't flow through the coop. Kimberly Longey – legal opinion on our plan vs MBI policy to see what impact it will have on the towns. Jim Drawe thinks there was language in the grant proposal for extensions – he will see if we can get one.

Outreach – committee met last Sunday. David Dvore has updated website extensively. Additional folks added as Facebook administrators and will respond more quickly and publicly to any questions. Revisited publication process to streamline. Working on a letter to subscribers to keep them up to date.

Other Director Input

Confirm and Schedule next BoD meetings

Nov 12th 9:30 – Goshen

December 10th 9:30 - Ashfield

Other business which could not be reasonably foreseen within 48 hours of meeting

Add town membership vote on agenda

Send names for Plan A2 to Outreach committee – for next meeting

Adjourned: 12:23 pm