

**Minutes**

WiredWest Board Directors Meeting

Blandford Town Hall, 1 Russell Stage Road

Blandford, MA 01008

Saturday, March 18 2017, 9:30 am

**Welcome and Introductions**

**Approval of Minutes -** February 4, 2016

Moved by Art Shwenger, seconded by Leslie Rule. Approved unanimously with abstentions by Ken McInerney, David Dvore

**Report from the Chair**

The EC continued meetings with OTT & Westfield Gas & Electric (WG&E). Plan to bring a recommendation for operator to the board at the April 15 meeting.

WG&E presented to 9 towns in Charlemont. Kathy Soule-Regine asked if there are issues about meeting with vendor before RFP? An RFP is not required for MLP working with another MLP, so it should not be a problem. WGE does not want to work with 20+ towns independently. They will work on a cost basis, they have $15M approval to continue building out Westfield, if they increase amount of purchases, will lower cost for all. Bill Ennen of EOHED visited WGE & has endorsed their competency, capability and plans. Jim Drawe encourages towns to meet Aaron Bean (of WG&E) so they will feel comfortable. Kent Lew – discussion w/ WG&E about design, engineering & construction (D/E/C) is independent from decision on operations. Jim Drawe – towns which formed MLP can make agreements with other MLPs without a formal bid process. WW can represent the towns to WG&E for D/E/C. Towns will have many common aspects, edge cases & driveway policies are examples where they may differ. Edge cases – 3 choices – give them to your neighbor, do an IRU with neighboring towns or hang your cable in neighbor town. Issue when neighbor is cable town – Kent Lew – if work being done, ask them to leave room for our fiber. Charley Rose alternatively, town could put up new poles. Craig Martin - we should have D/E engineers look at edge issues and propose the best solution.

Doug McNally – would like standard wording for IRU contracts.

Jeremy Dunn – there is other data the towns should collect in addition to edge cases and driveway policy – he’d like EC to provide a list: e.g. new growth plans, use of connectorized fiber, splits in field or huts, cases like the MassPike or railroads: there is a requirement to go under these and often no current conduit capacity.

Bob Labrie – we need agreement from towns that WW will be intermediary for D/E/C. Jim Drawe asked for WG&E contract with Otis, will have Kopelman &Paige vet. This contract will be between WGE & towns, not WW. We will be looking for an engineer to act as OPM. He’s approached HG&E for this role.

At least 11 towns have signed the [resolutions](http://wiredwest.net/2017/02/21/resolutions-passed-2417-board-meeting/) saying they wish to build an FTTP network using the WW Regional Broadband Solution and they prefer to have WG&E provide D/E services and construction management.

Leslie Rule – some towns may want to work directly with WG&E. Steve Nelson - we’ll need a contract for towns with WW. Jeremy – we should ask towns if they want to work through WW. Tim Newman – WG&E could publish requirements for town representative. Doug McNally - and clarify the advantages of working through WW.

Jim attended Sandisfield meeting re: the 4 town RFP – they are pursuing a contract with Frontier. Sandisfield withdrew from WW, NM didn’t. There were some big errors in the proposal evaluations, Jim is working with New Marlborough to document the errors, will do same for Sandisfield.

**Regional Broadband Solution**

* **Depreciation Reserves:** David Dvore checked with DPU on the 3% reserve requirement,they replied there is no jurisdiction for telecom MLP. Quoted law that there should be no regulation of fees for VoIP or Internet. We don’t need to do 3% on entire fiber build, but should do so for electronics. Fiber expected lifetime 50+ years. Jim Drawe recommends not to do any for first 2 years, then start a depreciation reserve for electronics. Don’t start for fiber until debt is repaid. This can help to keep rates lower, increasing take rate. Contingency fund – coop will build one from activation fees, for the whole network. The fund will cover things like insurance deductibles which towns will pay, but WW will cover.
* **Speed of offerings:** Our proposal didn’t discuss whether service was symmetrical and there were references to 25/3Mbps, which is the FCC definition of broadband.

Tim Newman moved, Robert Heller seconded that we provide a symmetrical service and correct our documents. This would be “best effort” for consumers, business wanting guaranteed service level would have a different rate. Vote on setting speeds as symmetrical passed unanimously.

* **Town deployment policies:** Craig Martin – need to make sure that all towns have a take rate as high as possible, town decisions on surcharges, etc. could impact take rate. He thinks there should be minimum standards, incentives to encourage towns to maximize take rate. Jim Drawe – EC decided on incentive approach – town with <%50 take rate won’t participate in revenue sharing. Timing of revenue sharing decision – likely 1 year after towns are in operation. Jim Drawe – money will be returned to the MLP, so will be available immediately to towns. WW rate from WG&E will be less than an individual town, so it should not benefit them to go independently. Jim anticipates towns will come online within 3-4 months since construction will occur in multiple towns. David Dvore – will we set a deadline for towns to join? – concern about working edge issues. Jim Drawe – vote on the principal, then EC can write specific language for vote at next BoD. Charley – this is a fairness issues, 50% is about what’s needed to cover expenses. Trevor – there should be a high limit, where revenue over that goes directly to the town. Jeremy Dunn – it can be difficult to determine how to apportion costs. David Dvore –revenuereturned reflects how much the town generates. Craig Martin – concern that, as a business, we act in a way to maximize take rate/revenue. Tim Newman – need to make sure that other town officials recognize the reasons behind these decisions – asks for a summary explaining the reasoning.

Motion to adopt in principal a 50% minimum take rate to participate in profit-sharing. Leslie Rule moved, Tim Newman seconded – passed unanimously.

* **Plan A2:** Jeremy – there should be reasonable limits to what town use a surcharge for, but it’s hard to enforce. There should be a policy that surcharges be used for direct expenses for the network only. Current Plan A2 does not limit. Doug McNally – each town should make clear what their policy will be – if 2 towns have large differences in subscriber charges, that will be on WW. Jeremy – costs to build per subscriber is dependent on density of population. Jim Drawe - with 70% take rate – 50% phone & 50% 1Gb, every town will generate sufficient revenue to cover the debt service. He recommends waiting a year or 2 before adding a surcharge, if debt is covered by excess, no need for surcharge. Kent Lew – MLP should cover its admin costs, that is a legitimate use of surcharge. WW has not dictated how towns should handle debt (taxes or all on subscribers) Jim Drawe – previous decision on take rate is motivation for towns to keep charges to low encourage subscribers.

Moved by Jeremy Dunn: Amend language of plan A2 to state that town may add a surcharge to the bill for costs directly related to the broadband network. Craig Martin seconded. Passed unanimously.

**Pole Surveys**

Jim Drawe encourages towns to start pole surveys with MBI ASAP. Bob Labrie asked if MBI has sufficient funds in FY17 – Jim believes they do.

**MBI Update**

MBI BoD next meeting March 28th, MTC 30th – stay tuned for changes. Several towns have offers from Private Provider RFP – some have turned down twice. Shutesbury and New Salem have turned down all offers.

Worthington – Crocker meeting – they will pick 6 out of 10 initial towns with highest take rate – no thresholds for build. MBI asked for Fujitsu to put more “skin in the game.” Robert Heller – they will be asking for more money from MBI. Charley Rose– Crocker were asked to take on the 11 towns who have not participated at all (e.g Savoy). Robert Heller – Crocker would borrow the money & chargeback to subscribers, no more subscriber loans. Leslie hear MBI also incentivizing WG&E to take on those 11 towns. Egremont looking at Charter.

Goshen met with Comcast – town had questions, it took 2 weeks for Comcast to reply with price list. SelectBoard still planning an info meeting, BL insists on including WW.

Leslie Rule – April 3 6:30pm Plainfield Town Hall – WiredWest presentation to Plainfield, inviting Northern Tier & Middle Tier towns – to discuss operations and towns’ status and plans.

**Status of Town Resolutions**

11 so far – they are very useful to give the state & WGE warning of who is going for independent build. Jim Drawe expects 18-20 towns will be going ahead.

Jeremy Dunn – should we ask towns to sign up with WW for operation soon? Jim D – wait until we report the chosen operator at next BoD.

**Reports from Committees**

Outreach: Prepped for meeting with Carolyn Kirk – Gayle pulled things together. We got almost all items on our list for success. Working on information for annual town reports to send out soon. Still deciding what to inform subscribers. Facebook page is active. There’s a lot of new data added to website, delegates should highlight & boil down for town officials. Art Shwenger – we should put together a summary of WW history, current status, and plans in a summary for handing out for TM, etc. Leslie Rule will work on this (intro pages from Jan 28 meeting are a good start). Leslie – we should clarify the roles, responsibilities of MLP manager, who may not be the WW delegate. Kent Lew – thinks that the MLP manager will become the delegate to the coop. Tim Newman – this would prevent disconnect between WW & the town officials. Jim Drawe – his answer to Kent Lew on [MLP duties](http://wiredwest.net/2015s2/wp-content/uploads/2017/01/06.MLP-Startup-FAQv3.1.pdf) should help (this is included in the January 28 package). Kathy Soule-Regine – we may need to enforce that towns send delegates – but this may be solved when money discussions are underway.

Finance – WW will be requesting from towns $1,000 for FY18 dues – include in town budgets – delegates should inform town officials.

Doug McNally – will subscriber deposits be carried over to new operations? Yes.

**Other Director Input**

Jim Drawe checked with our MLP counsel – can we return money to the town? She replied that we can do this legally, even give money to charity. Charley Rose – since municipal modernization act, town does not need MLP to act. MBI grant program will go to town, not MLP. Leslie Rule – need some explanation of legalities – e.g. need for MLP board.

Kent Lew – pole survey count was much higher than anticipated. He wants to re-evaluate costs based on the new data to ensure construction estimates are still good. Would like more detail, e.g. on makeready costs for red/yellow/green. Jim can put original spreadsheets in dropbox – Kent would like to have more firm amounts. Jeremy Dunn– suggests asking Matrix or WGE.

**Confirm and Schedule next BoD meetings**

April 15 – Windsor Town Hall

We’ll check on town meeting schedule before choosing May date.

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

**Adjourn** 12:18 pm