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| WiredWest Executive Committee |
| 10.4.2017 | 6:00 pm | HCOG |
| Facilitator | Jim Drawe |
| Minute Keeper | MaryEllen Kennedy |
| Committee Attendees | [x] Jim Drawe [x] David Dvore [x] Craig Martin [x] Bob Labrie [x] Jeremy Dunn [ ]  [x] Charley Rose [x] MaryEllen Kennedy [ ]   |
| Guest Attendees | Gayle Huntress, Lew Robbins from Plainfield |
| Approve Minutes from 9/20/2017 [x] Yes [ ] NO [ ] Not Applicable |
| Called to order at 6:06 pm |
| Shutesbury RFI Review |
| Discussion Notes |  |
| Cost estimate spreadsheets were distributed – 1 for standalone operation & 1 for WiredWest coop operations. Craig explained the calculations. They are intended to demonstrate the value of working cooperatively to the towns.Jim explained his method of calculating town profit. Backhaul, accounting & legal are WiredWest expenses, insurance, pole licenses & ISP are town-specific. Maintenance will vary year to year, so will be treated as WiredWest expense (should save money for towns). WiredWest expenses are deducted from revenue before calculating town profit. Town profit = profit from customers minus town-specific expenses.Craig’s proposal doesn’t distinguish between WiredWest and town-specific expenses; excess revenue to be distributed based on town’s revenue only. Towns which have negative revenue will not receive any sharing.Jeremy would like to see a spreadsheet showing existing revenue distribution formula, and the 2 proposals for changing (from Craig’s spreadsheet & Jim’s proposal). Additional discussion under next topic. |
| Decisions/Outcomes |  |
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| Action Items | Person Responsible | Deadline |
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| Regional Broadband Solution |
| Discussion Notes |  |
| Excess Revenue Allocation Formula & Shortfall Allocation Formula: Jim – distributed his spreadsheet on standalone vs. WiredWest operations. Net town revenue is the basis for percentage of total net revenue that is shared. He set the numbers to show a loss by WiredWest; this shows how shortfalls would be handled. Jim – the contract can compel towns to pay for shortfalls.3 terms: WiredWest expenses: accounting, legal, maintenance and backhaulTown expenses: everything else (towns would pay these if standalone)Town profit: gross income for town – town expensesNet profit calculations: %age of individual town profits / total profits = % of excess revenue returned to townTowns which are negative changed to 0That is the basis of the revenue sharing formula.Craig would like to see a formula which reflects that a town with no customers would still need to pay something for the fiber on the road. Jim has tried many formulas based on different comparisons to fairly allocate costs. Jim is opposed to presenting a shortfall allocation formula. Doesn’t think it will happen and we have two ways to handle it (use reserve fund, raise rates). The contract should allow EC to pay bills using reserve funds. Since we can’t reduce costs, we will need to raise rates and would ask the board to approve.  |
| Decisions/Outcomes |  |
| Jim moved that we adopt the revenue sharing formula that he sent by email. David seconded. Motion carried, with Craig abstaining |
| Action Items | Person Responsible | Deadline |
| Create graphic of revenue sharing from Jeremy’s drawing | Charley |  |
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| Letter to DOR |
| Discussion Notes |  |
| Jeremy – letter should include a more concrete proposal, demonstrating sound financial practices and emphasizing the importance of autonomy. Gayle feels we do need to lay out what we want to see. Jim – we want DLS to recognize that Ch 164 does apply to our MLPs and we do not need to operate with an Enterprise fund. One concern – DLS must certify the tax rate and they can delay that. Jim – the law is clear, MLPs under CH 164 can provide telecommunications and there is no other reference in MGL to towns operating utilities. Mt. Washington had special legislation which allowed them to build the network without an MLP, but not operate.Jim plans to send to author of the guidance, with copies to all the towns who received it, WiredWest delegates, Tom Scanlon (auditor) & Diedre. If no response within several weeks, then we’ll escalate. |
| Decisions/Outcomes |  |
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| Action Items | Person Responsible | Deadline |
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| Review other ongoing work, including meetings, conference calls |
| Discussion Notes |  |
| Bob L – Tim Newman would like to send an email to New Marlborough WiredWest subscribers. New Marlborough is having a public meeting about broadband, but WiredWest may not be allowed to speak. Frontier has updated proposal for New Marlborough. Last MTC Board meeting, attended and recorded by Charley, announced an additional subsidy for the Frontier towns. Peru has resigned from WiredWest.  |
| Decisions/Outcomes |  |
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| Action Items | Person Responsible | Deadline |
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| MEETING WRAP UP |
| Set Next Meeting |
| October 11 | 6:00  | HCOG |
| Agenda Items  | Agenda for 18 October Board Meeting (2nd floor here is condemned, we’ll need another venue) |
| Adjourn at 9:07 pm |
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