

**Minutes**

WiredWest Board of Directors Meeting

Cummington Community House

33 Main Street, Cummington MA 01026

Wednesday, December 13, 2017, 7:00 pm

**Welcome and Introductions** Meeting called to order at 7:00 pm

**Approval of Minutes of** November 15, 2017 meeting. Kathy Soule-Regine moved, David Dvore seconded. All votes in favor; Jason Jayko and Trevor Mackie abstained

**Report from the Chair**

Contract sent back to WG+E, they will send a reply by Monday (Dec 18).

Jim met with Tom Scanlon to review accounting. Tom now agrees that Enterprise Fund is not the way to go; legislature has ruled that town can’t interfere with MLP business. Don’t need separate books, but call them MLP accounts. MLP is audited separately from the town. WW will keep books for the towns and will have them audited, saving towns about $15k/year. Tom will do a write up listing required accounts and how to set up after the first of the year. He worked with Leverett to set up their books, but was not familiar with MLP coops, so Jim explained to him.

13 towns have signed the MOU representing 5680 premises**.** Town status updates are posted on Facebook and the WiredWest website (<https://wiredwest.net/advice-for-towns/>).

Charley Rose attended the MBI board meeting – 2 slides were shared with the group. Carolyn Kirk discussed additional grant money. $13M for MBI, including support for towns choosing a private provider and those with no current solution, and to maintain the middle mile. $48.5M of the earlier $50M has been spent. $32M to be managed by EOHED: $8M guaranteeing original published allocations for towns not currently under contract. Additional money for towns which have grants but need additional funds to build - $11M. Some towns may cost less than original MBI estimate, some more. The money will be disbursed all at once, after builds are complete – there are guidelines on criteria for towns to be reimbursed. Kimberly Longey spoke with Bill Ennen. He emphasized it’s not for towns to enhance design, but to provide basic connectivity. Doug McNally – concern that Windsor’s 100% coverage goal not be considered an enhancement. Kimberly – should be based on the contract with EOHED, what we said that we’d cover. Plainfield was detailed in their objectives in the contract. Kimberly suggests lobbying with our legislators (Kathy Soule-Regine – governor’s office too). Jeremy Dunn – we should wait to start lobbying until it’s clear the money is not sufficient – now we should thank them. Kathy Soule-Regine – timing of confirming subscribers to determine actual cost. Jim – design should assume connecting everyone, need to id subscribers before buying end user equipment. Jim – should start signups 3 months before ordering equipment, probably 1 month to prepare for signup. Kathy Soule-Regine, pole applications depend on users. Kimberly – Plainfield felt it was worthwhile to register all poles, then the town has all the data. Craig – Shutesbury was advised to wait on registering service poles – he will ask Gayle to send out that rationale. Bob H – WG+E will be talking to VZN about this – cable companies did this, then registered service poles later. There is still difficulty with VZN in Otis; they are not doing make ready in construction order. We will send out information on the steps leading to construction. Jeremy thinks WG+E timeframes are too optimistic, based on their experience where they own the poles.

**Regional Broadband Solution**

 Revenue sharing – this is one of the terms to be negotiated, 50% signups was an arbitrary choice. Plan now – WW will keep books for each town, tracking revenue and expenses. Any towns where revenue < expense will not receive revenue sharing (but they will not be billed for shortage). We will need to identify what are expenses particular to the town. Purely WW: accounting, audit, legal expenses. Those will be deducted from total expenses. Allocation formula – revenue of town minus town expenses determines proportion of revenue sharing. 3 formulas shown at Oct meeting. Maintenance can be allocated to a town (repairs), so Jim thinks it should be charged to town and can reduce their revenue sharing. The expenses are paid, so towns do get shared risk. Charley – concern that towns wouldn’t maintain e.g. trees along roads if they are charged for that maintenance. Jason has not found that utilities always maintain trees along roads. Trevor – power companies only trim to protect their lines. Jim suggests WW will be responsible to contract for maintenance. Jeremy – most maintenance not in control of the town (except preventative) and will be at random locations. He thinks that towns should not be penalized for those occurences. Doug – SBs want consistent tax rates, so he is not in favor of varying return based on repairs. Jim does not feel repair costs would impact the revenue greatly. In the WG+E contract, we ask them to handle insurance claims. Kimberly – thinks towns should not start by counting on excess revenue, doesn’t feel we should distribute any revenue for the first couple of year until we have experience with this business. Craig – Shutesbury concentrating on how to build a network that is the least expensive to maintain. E.g. – WG+E recommending home runs for all premises. Industry – repair of 48 strand – 2 hours, 128 strand 12 hours – so they are considering splits in field for the most remote areas. They hope other towns are planning for lower maintenance – WG+E is looking into this.

People want to see revenue sharing covered by the contract – Jim wants folks to consider this for our contract.

Wendell asked about our WG+E contract – preventing them from negotiating independently with WW towns. Jim – not precluded until we sign the contract with WG+E – expected at end of January. Charley – Worthington is not ready to sign MOU, concerned that they will not be able to be involved. Jim – only applies when contract signed (town & WW?). Kimberley thinks we should look at loss sharing/bankruptcy – it may help to understand the revenue sharing- need to cover this in the contract. Contract could look like a lease – WW is leasing the towns’ networks and will pay expenses, customers will be for WW. Bob H – what if town withdraws from WW, what happens to the customer? Kimberley – we’re a service business – service is aggregation.

 MOU – Jim – signing the MOU gives the town ability to negotiate the terms for the final contract and it will be a while before signing. Charley – Worthington, Middlefield and New Marlborough have not signed an OEHED contract and so would not be ready to sign the MOU.

 Insurance update – David spoke to PURMA – interested in providing – min $1M covering whole plant ($5k/year) – currently $10k deductible, they are interested in talking to towns - $1300 deductible. MIAA – still looking for underwriter for fiber, hoping early next year. Town-owned poles could just be added to town’s insurance. They were hoping to do lower deductible (than $10k), but pooled expenses means that may be less important to the towns. Actual replacement cost is about ½ of construction cost.

WG+E contract / terms

Another point in the WG+E contract – additional services. OTT is offering services over the Leverett network, but town gets no revenue. Jim thinks we should strengthen this clause. Jim would like any additional feedback of the WG+E contract soon.

**Town updates**

WG+E is producing edge case templates that towns can use. May be discussing at the Friday meeting.

Plainfield asking for estimates on network extensions on private homes from WG+E. Brian Hawthorne estimated the total areas which are buildable, WG+E initially designed to cover all that, so they have backed off and just estimating where extra fibers are needed.

Kathy – the template from Ashfield is helpful for submitting issues – get from WG+E.

**Reports from Committees**

Bob still requesting reimbursement for last of MBI grant. Kimberley reminds that she requested more information on the budget – Bob should provide for next meeting.

**Other Director Input**

**Confirm and Schedule next BoD meetings**

Jan 10 – Cummington

Feb 7 Cummington

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

**Adjourn** Craig moved, MaryEllen seconded. Meeting adjourned at 9:04 pm