

Minutes of the Heath MLB Meeting

May 2, 2023 at 11

Virtual meeting

Present: MLB: Art Schwenger (Chair), Anne Emmet, David Gordon, Bill Fontes, Ned Wolf, and
MLP Manager Sheila Litchfield

Art called the meeting to order at 11. Members read the minutes of the April 18th MLB meeting. Anne moved that the minutes be approved. Bill seconded the motion. The motion passed by unanimous vote. Members read the minutes of the April 18th WG&E installs meeting at 1:30. Anne moved that the minutes be approved. Bill seconded the motion. The motion passed by unanimous vote.

MLP Manager's Report

Sheila said she has received the SERV-17 refund check for \$27,703.76. She has turned it over to the Treasurer and has asked that it be put in the Broadband Borrowing Account.

Kinsley has acknowledged that they will be replacing the generator's battery during the next scheduled maintenance visit to the hut this June or July. The replacement battery will have a life expectancy of 2 to 3 years.

We have not yet received an explanation from Whip City Fiber (WCF) for the 2 increases in the cost of installations. The matter did not come up at the MLP Managers' meeting.

Sheila said that she is still not receiving monthly WCF newsletters. No MLB member is receiving the newsletters which are supposed to go to all Heath customers. Sheila will include a question about them in the list to be sent to WCF.

Sheila said she will also include David's request for an estimate for expansion in the hut.

She has learned that the charge for \$209.05 that appears on the SERV-17 invoice is for relocating the POD. David said his review of invoices has shown that October was the last POD rental charge.

WiredWest Board Meeting, April 19th

Sheila said there was a discussion of the scoring of the ISP/NO RFPs from WCF and South Hadley Electric Light Department (SHELD). There was interest in communicating that WCF is a leading contender while not saying a decision is made because there is a need for further

negotiations. There is a new negotiating team: David Dvore, Rowe; Jeff Piemont, Becket; and Jim Drawe, Executive Director of WiredWest.

National Grid has not yet charged pole licensing fees to Heath, New Salem, and Becket. Jim Drawe has asked WiredWest's Attorney Deidre Lawrence to check on it.

Sheila said that Asplundh stayed in Heath after finishing Heath work. It would be helpful next time to have a list of exactly what tree trimming is to be done for broadband so that we can determine with confidence whether or not that work has been done.

David expressed the MLB's hope that in all the towns there is someone monitoring tree work. Tree work is a shared cost. WiredWest pays the bill, but who verifies that work has been done? If one WiredWest town is overcharged for tree work, that could reduce the shared revenue.

David said that for tree trimming it makes sense for the towns to share the expense. In the case of backhaul, sharing the expense would mean that one town's good deal would be shared by the other towns. He supports each town paying individually for backhaul.

Installs

Sheila said that Betsy Loiko's team has tried to make all the phone calls that we requested to encourage the scheduling of installations. Betsy has said that 10 customers need appointments, 3 need consultation, 4 customers want cold drops which are pending, and 2 customers are not ready to schedule an install. Sheila estimates that of those 19 customers we can expect at least 8 actual installs. She thinks WCF has done due diligence for us. David and Sheila think the hut has enough capacity for 8 more installs.

MLP Manager's Hours

Sheila said that the MLP Manager's Salary account balance has enough for the rest of FY23. While she won't exceed 10 hours, there won't be anything left in that account. David asked how she anticipates her hours will be spent. She said that on Monday and Tuesday her hours go into preparation for the MLB meeting. In addition there's following up with Brian Sullivan to seek answers to our questions.

There remain 4 full file cabinet drawers of documents to be organized. David and Anne asked that Sheila not spend any more hours in FY23 on that work. The plan is to wait until July when David and Anne can help.

Sheila said that the DocuSign for the Shawnee Road extension will be for \$4,114.58.

Accountant's Report, Cash Flow Sheet

Sheila said that she used the numbers from the Accountant's 03/23/2023 expense reports.

Line 4 of the Cash Flow Sheet is now \$60,873 taking into account the recent refund of \$26,703.76. She has removed the language on page 1 of "MLP priorities." Before 06/30/2023 we have to decide what to transfer for the Depreciation Reserve and what to do with the \$112,583. "available to apply to MLP priorities."

David recommended reinserting the line 'Fund Reserve/Operating Account for next year \$50,000.' We need to assume each year that we have the \$50K available. Bill suggested there be an asterisk saying that we will check each year that there will be \$50K available.

David commented that the \$20K on line 15 that we're keeping back to cover subsidies doesn't have to be used by June 30th.

Transfer to the Depreciation Reserve

Action Taken *David moved to transfer \$35,743 from the Broadband Borrowing Account into the Depreciation Reserve Account for FY23. Bill seconded the motion. The motion passed by unanimous vote.*

Bill suggested that we focus on the May 30th meeting as the day to make a decision on how much to transfer to the Town. The MLB plans to do that.

April 26th Monthly Partnership Meeting

Sheila reported that there was a CAFII update. First quarter testing is complete. Second quarter testing can be done using a new router that enables wireless testing. The new router will be used when Heath has CAFII customers. Rich Carnall was not available to give a date when CAFII funds will become available.

Jaime Cincotta of WCF has said that the underground season has started. He has contacted Sertex.

May 6th Annual Town Meeting

There was a consensus to say that in FY24 the MLP is covering the MLP Manager's salary which no longer appears in Article 3. We will be transferring money within our budget to cover benefits.

We will also say that in September of FY23 the MLB transferred \$100K to the Town. The \$100K will be available in FY24 as certified free cash.

Ned, who is also a member of the Finance Committee, said that the committee has designated him to answer questions about broadband debt service.

RRR Project

David reported that John Leary says the project is on time and on budget. The Northern Cluster is expected to be 'up' in June.

MLP Priorities

We discussed revisions of the MLP Statement of Priorities from February of 2022. The revised version with amendments is as follows:

Statement of Priorities

The Heath MLP will operate the Heath Broadband network consistent with prudent industry practice to provide reliable and affordable Internet service to Heath Broadband customers. Operating expenses and necessary maintenance and repairs will be covered by revenue generated by customer subscriptions to Heath Broadband.

Revenue that exceeds operating expenses will be directed to the objectives listed below. The objectives are listed in order of priority. The MLB will review the objectives annually or as needed and may make changes.

#1 - to pay for critical network needs such as maintenance, expansion and repair. An operating reserve to meet these needs, as well as other objectives identified by the MLB, will be established by the MLB from revenues.

#2 - to fund a Depreciation Reserve. The Depreciation Reserve will be sufficient to replace the Town-owned assets related to the MLP at their expected end-of-life. These assets include the electronics necessary to operate the Broadband network, the fiber distribution network, and the MLP central hut.

#3 - to cover the salary and benefits of the MLP Manager.

The MLB intends to use the approved priorities in decision-making relative to Heath MLP finances. Funds in excess of what is needed to meet the priorities will be transferred to the town upon approval by the MLB. Use of these transferred funds will be at the discretion of the Select Board, or Town Meeting vote, as allowed by law.

Action Taken *David moved that we accept the **Statement of MLP Priorities** as amended in our discussion. Ned seconded the motion. The motion passed by unanimous vote.*

David moved that we adjourn at 1:12 pm. Anne seconded the motion. The motion passed by unanimous vote.

Respectfully submitted,

Ned Wolf