

Minutes of the Heath MLB Meeting
September 10, 2026 at 10 am
Virtual meeting

Present: Art Schwenger (MLB Chair), David Gordon, Dave Peterson,
Bill Fontes, Ned Wolf, and MLP Manager Bailey Cole

Art called the meeting to order at 10:01.

Members read the minutes of the August 13 meeting. Dave Peterson moved that the minutes be approved with edits. Bill seconded the motion. The motion passed by unanimous vote.

MLP Manager's Report

Bailey said he will try to email us his report before the MLB meeting as he has done for this meeting in the Sept. 10, 9:27 am email 'Re: MLB Meeting 9/10 a – Manager's Review' with the following attachments: MLP Manager's Review, WW Board Meeting Agenda Sept. 2 at 6:30 pm, and WW Board Meeting Agenda Aug. 19 at 6:30 pm.

Bailey said that the hut's roof trim is starting to come loose. There is a need to forestall further damage.

Art suggested that he could check whether other towns are having this problem by phoning Kent Lew or Jim Drawe. The MLB suggested that Brian DeVriese could recommend a person to evaluate the roof.

The MLB recommended that Bailey check with the Town about mowing around the hut.

Bailey, Art, Robyn, Mia, representatives of National Grid including Project Manager Robert Ide, and representatives of Rowe and Charlemont met on August 31 at 6 pm at 18 Jacobs Road.

Art said that National Grid has come up with a plan which they would like each of the 3 towns to agree to separately. The MOU with National Grid about pole transfers authorizes National Grid to do pole transfers. National Grid would want the MLP to sign-off that the work was done completely. Heath MLP would have WCF do an inspection.

David G said that WCF has not given an estimate for this work. Based on other work they've done, the cost could be around \$20K. NGrid said that the cost from NGrid would be much less.

Art said that WCF would have to OK National Grid's use of the company Phoenix.

Bailey noted that National Grid has said we should proceed as though longer drop wires won't be needed.

David G said that National Grid has waived licensing fees that could be considerable. There is the possibility, however, that a fiber could be damaged during the transfers. The required repair could be costly.

Bill recommended an email alerting customers to the possibility of a service outage.

Dave advised that the message say that if you do have an outage, call WCF.

David G said we should ask National Grid to please give us a week's notice of when they're going to do the work.

Questions to ask Bob Ide, the National Grid Project Manager, are these:

1. How will we get notification to the MLP Manager of when the work is to be done?
2. How will you handle the situation if a longer drop is needed?

David G asked whether the MOU will be reviewed by town counsel?

Action Taken *David Gordon moved that the MLB direct Bailey to seek WW approval to sign the MOU about pole transfers with National Grid. Bill Fontes seconded the motion. The motion passed by unanimous vote.*

David G recommended that before contacting National Grid we contact Dave Dvore and Bob Handsaker. We want WW to take on the risk of damage occurring during the work and requiring costly repair. Dave Peterson said he thinks David Dvore will be able to help Bailey prior to the WW meeting.

Action Taken *Dave Peterson moved that if Wired West approves paying the costs and the unexpected expenses associated with the Heath and National Grid MOU about pole transfers, then the Heath MLB directs Bailey to sign the Heath and National Grid MOU about pole transfers. David Gordon seconded the motion. The motion passed by a vote of 4 to 1.*

Bailey said that on August 31 they talked with Jamie Cincotta of WCF about a possible rideout after the work is done. WCF would need new tags on each new pole where there are attachments, and a revised map.

Fund Balance Statement

The June 30, 2026 amount in our unrestricted account was about \$9K. Since then the annual revenue sharing from Wired West has been received. David G. reviewed the Cash Flow Projection FY27 – FY31.

There was a discussion of transferring money from the Broadband Unreserved Equity Account to the Town.

Action Taken *David Gordon moved that the MLB transfers \$60K from the Broadband Unreserved Equity Account to the Town of Heath. Dave Peterson seconded the motion. The motion passed by a unanimous vote.*

Dave Peterson will send a letter signed by Art to Town Coordinator Mia communicating this vote. Dave will also send a note signed by Art to Accountant David Fierro communicating the vote. These communications will request that the MLB be notified via the MLP Manager that they have been received.

Members discussed the Sept. 9th email from David G ‘A Look at WW Distributions to Heath MLP - FY24 – FY26’ (See Appendix 1). He noted that the \$112,495.56 distribution from WW at the end of FY 26 was significantly more than the \$79,508 that was projected in the Cash Flow Projection.

This resulted from both a small increase in FY26 WW Revenue and a decrease in FY26 WW Expenses. WW MLP Expenses decreased \$40,543 from FY25 to FY26 due mostly to decreased pole license fees in some towns.

Members also discussed the Sept. 10th email from David G ‘Updated MLP Cash Flow Projection FY27 – FY31’ (See Appendix 2). The Estimated Revenue from WW in FY28 is \$100,000 which is the average of the revenues for each of the 3 preceding years. WW shared expenses decreased nearly \$74,000 due mostly to decreased maintenance and repair costs.

The MLB expressed thanks to David G for his Sept. 9 email and his estimate of revenue to be received from WW in FY28.

Bill Fontes had to leave the meeting.

Depreciation Reserve

Action Taken *David Gordon moved that we direct the Accountant to appropriate \$35,743 to the Depreciation Reserve from the Broadband Unreserved Equity Account. Dave Peterson seconded the motion. The motion passed by a vote of 4 to 0.*

Dave P will prepare a letter to the Town Accountant and Treasurer to appropriate the money and transfer it to the Massachusetts Depository Trust.

Bailey’s Evaluation

Dave met with Bailey on August 24. They reviewed objectives. Bailey is an invaluable resource for the MLB. Thanks were expressed for his providing for this meeting an MLP Manager's Review and Discussion Agendas. The MLB is invited to provide feedback throughout the year.

The MLB will look to Bailey for monthly activity reports, a review of the website, and a strengthening of connections with other MLP managers.

Art expressed his thanks for the thorough review. He said we're still looking to keep the MLP Manager's hours as low as possible.

David G said that additional hours for working with National Grid should be considered an investment that could result in a big cost savings for the pole transfers.

There was agreement that Bailey's hourly rate be increased from \$27.50 by the following amounts:

2.8% COLA, or	\$0.77
4.0% Merit, or	<u>1.13</u>
	\$1.90 for a new hourly rate of \$29.40

Action Taken Dave Peterson moved to congratulate Bailey for a good year and increase his pay to \$29.40 /hr effective immediately. David Gordon seconded the motion. The motion passed by a vote of 4 to 0.

Revised Drop Policy

Members agreed to hold off review of the Drop Policy until all members are present.

There was a consensus that Bailey in consultation with the MLB have the authority to change the website as needed.

Art reported that he spoke with the Chair of the Finance Committee about scheduling a joint meeting of the FinCom and the MLB. He asked for some dates and to have questions in advance so that the MLB can be prepared to answer their questions.

Date of Next Meeting: Thursday, October 1 at 10 am

David G moved to adjourn the meeting at 1:33. Ned seconded the motion which passed.

Respectfully submitted,

Ned Wolf

Appendix 1

From: djgordon@gmail.com
To: Art Schwenger, Ned Wolf, David Peterson, Bill Fontes, heathbroadband@gmail.com
Sep 9, 2026, 12:54 PM
Hi MLB,

Heath MLP received \$112,495.56 in distribution from WiredWest (WW) at the end of FY 2026, which was significantly more than the \$79,508 that we projected in our Cash Flow Projection. I compared the WW P&Ls from 2024 – 2026 to understand whether this can be expected to be sustained in future years.

Here are summaries from the WW P&Ls.

	FY24	FY25	FY26
WW and MLP Revenue	\$ 2,596,070.72	\$ 2,655,381.22	\$ 2,701,095.00
WW and MLP Expenses	\$ 1,772,023.39	\$ 1,835,665.76	\$ 1,721,212.57
WW and MLP Net Revenue	\$ 824,047.33	\$ 819,715.46	\$ 979,882.43
Heath Percentage	12.06%	12.05%	11.60%
Heath MLP Share of Net Revenue	\$ 99,412.24	\$ 98,758.79	\$ 113,695.56
Heath MLP Drop Fee subsidy balance		\$ (69.60)	\$ (1,200.00)
Heath MLP Non-shared expenses		\$ (9,722.00)	\$ -
Heath MLP Distribution	\$ 99,412.24	\$ 88,967.19	\$ 112,495.56

WW Net Revenue was significantly higher in FY26.

Revenue increased some in FY26 due to increased interest income (increased by \$15,000) and customers being added in some towns.

More significantly, WW Expenses were lower in FY26. WW MLP Expenses decreased \$40,543.38 from FY25 to FY26, mostly due to decreased pole licenses in some WW towns.

WW expenses decreased \$73,909.81 from FY25 to FY26. The main decreases were as follows:

- Network Maintenance Fees (down \$ 22,539.21)
- Network Repair Expenses (down \$36,688.77)
- Auditing Expenses (down \$4,800, probably due to changing from a full audit to a less extensive review)
- Legal Expenses (down \$2,630).
- CAF II program administration (down \$6,000, which appears to be due to FY25 including charges from FY24, which doubled the FY25 expense from \$6,000 to \$12,000).

The most variable factors in Net Revenue from year to year are Network Maintenance Fees and Network Repair Expenses. A large storm can really have an impact.

To estimate future WW distributions to Heath MLP, I suggest that we use the average of the distributions over the past three years, which is \$100,291.66 (rounded to \$100,000.)

You might also be interested in the following FY comparison for Heath MLP

	FY24	FY25	FY26
Heath MLP Income	\$ 353,555.01	\$ 361,954.56	\$ 363,630.94
Heath MLP COGS	\$ 164,670.43	\$ 159,350.80	\$ 161,721.35
Heath MLP Expenses	\$ 61,212.20	\$ 52,719.47	\$ 51,137.63
Heath MLP Net Income	\$ 127,672.38	\$ 149,884.29	\$ 150,771.96

Note that Heath MLP Expenses does not include maintenance and repair expenses and some other Heath incurred charges.

I look forward to discussing this with you at the MLB meeting tomorrow.

David

Appendix 2

Email from David Gordon to the MLB and MLP Manager on Sept. 10, 2026

Version 9/10/2026

Projected MLP Cash Flow					
Projected Revenue	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Estimated Revenue from Wired West (See note below)	\$112,495.56	\$ 100,000	\$ 97,000	\$ 94,090	\$ 91,000
Projected Expenses (Excluding expenses paid by Wired West)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Drop Subsidies	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation Reserve Funding	\$ 35,743	\$ 35,743	\$ 35,743	\$ 35,743	\$ 35,743
MLP Manager Salary & benefits	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,743
Total Projected Expenses	\$ 49,743	\$ 50,163	\$ 50,596	\$ 51,041	\$ 51,486

Estimated Net Revenue = Projected Revenue - Projected Expenses	\$ 62,753	\$ 49,837	\$ 46,404	\$ 43,049	\$ 3

Projected End of FY Balance of Depreciation Reserve	\$ 226,929	\$ 270,553	\$ 315,484	\$ 361,764	\$ 40
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CAF II Federal Funding

CAF II Funding - payable directly to the town and must be spent on Broadband.	\$ 58,000	\$ 58,000	\$ 29,000	\$ -	\$
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Note on Estimated Projected Revenue from Wired West

The MLB tries to be conservative in the estimate of future shared revenue from WiredWest. Actual shared revenue is determined at the end of each FY and depends on several factors that are difficult to predict and may vary from year to year. These include:

1. Number of customers (The MLB expects this to remain stable.)
2. Level of services subscribed to by customers (e.g., 1 Gbps, 25 Mbps, phone)
3. Seasonality of customers (i.e. months of temporary disconnections.)
4. Network and equipment break/fix and maintenance costs, which are highly dependent on weather
5. Equipment transfers required by NGRID pole replacements.

Funds Transferred to Town of Heath General Fund

Fiscal Year	Amount
2023	\$ 160,000
2024	\$ 30,000
2025	\$ 100,000
2026	\$ 60,000
2027	\$ 60,000
	\$
Total	410,000