

## Minutes of the Meeting of the Heath MLP Advisory Committee Meeting

February 25, 2020

Sawyer Hall

Present: Art Schwenger, Ned Wolf, Margo Newton, Jan Carr, Sheila Litchfield, and visitor Jim Drawe, the Executive Director of WiredWest

The committee made a list of people who have houses in Heath but who are not on the PDU list.

Next the committee examined a sheet headed 'Heath Telecommunications Network, PDU and take rate estimates, Feb. 25, 2020'. The estimated total PDU count from WG&E is 666. Up to 70% of these drops, or 466, would be eligible for state drop assistance. The Heath MLPAC estimate of the PDU count is 423 for which a rough estimate of potential state funds toward drops is \$140,000. The current total project cost estimate is \$3,732,673 which is \$118,000 less than the \$3,850,763 sum of the state and town funds.

The committee looked over 'WGE Heath costs summary as of 2/19/20'. Jim Drawe recommended striking 'connection' from "MBI mid-mile connection". Jim said that the hut has yet to be connected. He said that the hut has yet to be connected. There is a separate cost of between \$20K and \$50K for connecting to the hut. The MBI mid-mile cost has increased from \$4500 to \$26,265 due to new Axia invoices

Jim asked whether the checks coming in are going into the General Fund? He recommended creating a revolving fund to keep the checks from going into Free Cash.

Jim gave the committee copies of his spreadsheet that includes expenses and revenues. The take rate can be adjusted. For a take rate of 55% with 15% taking 1Gb and 15% taking phone Heath would get a profit of \$6,634. If a town has a low take rate, it is subsidized by the other towns. If Heath's take rate is 70% with 80% taking 1Gb and 40% taking phone, Heath's profit would be \$107,116. WiredWest's offer of 25 mbs for \$59 per month plus phone for \$19.99 per month is less than DSL. The \$36,459 per year in maintenance would be due largely to trees down on the line.

Jim said that Heath does not need a written statement to ensure back-haul. The system works for people with a medical call button.

Profit sharing goes into an MLP account. The MLP Board could vote to send a certain amount to the general fund. If that amount is consistent over 3 years, it can go on the recap sheet. The DOR wants the profit sharing to go into an Enterprise Fund. The town would have to vote at the ATM to get it out.

Maintenance rates for WiredWest are \$75/hr while stand alone rates are \$125/hr. Instead of gaining \$20,000/yr with WiredWest Heath would lose \$50,000/yr with the IGA.

The STM will be on March 24<sup>th</sup>. The Warrant has to be posted by March 10<sup>th</sup>. We need to tell the BOS to have on the agenda of its March 10<sup>th</sup> meeting 'sign the WiredWest contract'. Jim recommended explaining a \$200,000 transfer from general stabilization to subsidize drops as a loan to the MLP to be reimbursed using CAF II monies which begin coming in FY21 or FY22 at the rate of \$56,000 per year.

Jim has offered to meet with the Finance Committee and with Heath's financial team. He said that WiredWest has budgeted money for marketing materials. They have an email list for those who have paid the \$49. He recommends using a robo call, flyers at the transfer station, a town newsletter, and door to door after the kickoff.

The contractor bills the town for a drop. The town has a drop subsidy fund. WiredWest will do billing for the difference. The appointment of a MLP manager is overdue. The manager receives a drop bill and sorts it out. In some towns subscribers have been able to get bank loans to help with drops. Jan said that in Heath there are about 130 drops costing more than \$1000.

Jim advises a kickoff in early April coinciding with the beginning of construction and then a second kickoff for the arrival of the Mohawk Estates folks. The portal going live coincides with the first kickoff meeting.

After some discussion Jan made a motion seconded by Margo to endorse MLP accounting and to establish at the March 24<sup>th</sup> STM a broadband revolving fund and a drop subsidy fund. The motion passed unanimously. Members read the February 18<sup>th</sup> minutes. There was a motion by Sheila seconded by Margo to approve the February 18<sup>th</sup> minutes with emendations. There were 4 ayes, and Jan, who was absent, abstained.

Jim noted that the town has an option to help fund its Depreciation Reserve and Debt Service. It can charge customers an extra \$5 or \$10 a month.

Jim recommended that the town have an Article on a town meeting warrant that the MLP Board be distinct from the Selectboard and have 3 members who are elected to 3-year terms.

Sheila referred back to the IGA Estimated Construction table where there currently is \$0. for police detail. Chief John McDonough has said in a recent conversation with Sheila that there are places in town where police details will be needed.

Invoices:

Axia	\$21,644.41	KCST Phoenix Communications Middle mile, make ready
National Grid	68.90	Hut

Margo made as motion seconded by Jan to approve the 2 above invoices. The motion passed unanimously.

Sheila showed members an Axia invoice for \$21,644.41. It includes KCST Phoenix Communications middle mile make ready and a police invoice. Another invoice is from National Grid for \$68.90 for the hut. Margo made a motion seconded by Jan to approve these invoices. The motion passed unanimously.

There is a reimbursement check from Verizon for \$5,279.05.

The meeting schedule for March is as follows:

March 3 12 pm MLPAC  
1 pm Bill Ennen  
“ 10 9:30 am MLPAC  
“ 13 2 pm WG&E  
“ 17 9:30 am MLPAC  
“ 24 9:30 am MLPAC  
“ 27 2 pm WG&E  
“ 31 9:30 am MLPAC  
1 pm Bill Ennen

The MLPAC meets with the MLP on the evening of March 10<sup>th</sup> at 18 Jacobs Road.

Respectfully submitted,

Ned Wolf