

## Minutes of the Heath MLPAC Conference Call

July 17, 2020

Present: Art Schwenger, Sheila Litchfield, Jan Carr, and Ned Wolf

Art called the meeting to order at 11:00 am. Art and the committee agreed to replace 'subsidy' with 'credit' as in talking about a 'drop credit' instead of a 'drop subsidy'.

The committee looked at version A of the cash flow sheet Sheila emailed to the committee. It adds \$200,000 from stabilization and puts off the Town's borrowing until FY22 and keeps the account "in the black".

Members analyzed giving a drop credit of up to \$3000. This would be given for all drops that meet the eligibility requirements in the Drop Policy, and would cover 97% of the drops in Town. The three drops that are not on the PDU list will be eligible for the drop credit.

Art noted the financial commitment that the Town has already made to Broadband. Our cash flow discussions have assumed the borrowing of \$1.45 million. Although one-year notes have been used for what has been borrowed to date, there will eventually have to be long term borrowing at a rate that could be as high as 3.5%. The total cost of the borrowing at that rate would then be at least \$1,865,000 which if spread uniformly over Heath's 600 households would amount to over \$3,100 per household.

Members calculated the cost of a drop credit of up to \$3000 and included the 3 l drops not on the PDU list to arrive at a total of \$315,000 cost to Heath network

Jan made a motion seconded by Sheila to approve a drop service installation credit of up to \$3000 for all drops that meet the eligibility requirements in the drop policy including the 3 drops not on the PDU list. The motion passed unanimously.

In reviewing the drop policy it was noted that the Board of Health should be consulted about occupancy requirements for structures in Heath.

A question came up about the cost of phone installation for those customers choosing only phone. Art will look into that.

The committee discussed whether or not there should be a commitment to 12 months of 1 gigabyte service to qualify for a drop credit. The committee decided on a compromise of requiring a commitment to 6 months of broadband service at either level to qualify for a drop credit.

The committee agreed that there will be a deadline during the initial construction after which subscribers will have to pay full cost of installation. The signup deadline will be established based upon the construction schedule. Signups may occur right until the deadline.

Sheila said that we need to have a self-installation section of the drop policy. If you're going to lay a conduit yourself, Triwire will string the cable through but you have to have notified Dig Safe yourself.

The committee voted to recommend the Drop Internet Service Installation Policy with amendments and that it be sent as soon as possible to the MLB for their review.

Respectfully submitted,

Ned Wolf