

**Plainfield Broadband Committee**  
Meeting Minutes August 15, 2016

Committee Members Present: Brian Hawthorne, Kimberly Longey, Howard Bronstein, Michal Lumsden, Lew Robbins, Sally Silberberg, Leslie Rule

Brian called the meeting to order at 6:35 p.m. at Town Hall.

Kimberly made a motion to approve the minutes from the Aug. 8 meeting; Howard seconded. The motion passed unanimously.

Kimberly made a motion to approve the minutes from the Aug. 1 meeting; Howard seconded. The motion passed unanimously.

Leslie made a motion to defer the reading of the minutes of the July 25 meeting; Howard seconded. The motion passed unanimously.

**MBI Readiness**

The committee discussed next steps in the MBI Readiness process. Brian noted that the town needs to sign pole attachment agreements with Verizon and Eversource before we can move forward with anything. Leslie said there may be an application and fee just to do that. Standard agreements already exist; if we want to change anything in those agreements, we'd have to negotiate with Verizon and Eversource. Leslie clarified that at this point we are not applying for the pole attachment licenses, but are making sure the town can agree to legal terms in the standard agreements, since those terms will be binding once we have signed the agreement. Howard agree to review the standard agreements and put the topic on the 8/23 selectboard agenda.

Lew asked if any of our peer towns have made changes to the standard agreements. Leslie agreed to find out what Ashfield has done and ask if any of the other towns had a lawyer look over the agreements.

Brian asked whether the agreement should be signed by selectboard or by the Municipal Light Plant (MLP). Because the MLP is a separate entity from the town, Brian said there could be some value to having the MLP name on the agreement somewhere. The committee discussed the value of having both the MLP and selectboard sign the agreement.

**MBI Readiness Process**

Kimberly fleshed out the notes that Cornell Robinson took during his two meetings with the committee. She also filled out the financial sustainability worksheet. Kimberly's calculations show that in order to provide the services the committee has agreed to that our target average revenue would be \$91 per month, but she would like to reduce that figure to make the service more affordable. She noted that in order to revise those figures, we will need accurate current

numbers on residences, seasonal occupancy, etc. The committee will need to consult with the selectboard, Paula, and Allan Kidston to create/decide on some policies about how Plainfield as a town will manage the expenses related to creating a broadband network. As a lighting plant, we will have to get insurance and must pay an annual fee in order to be eligible to get insurance. The insurance rates are based on route miles of wire. We probably don't need all of these details before the MBI 21-day readiness period, but we should try to get answers to whatever answers we can as soon as possible.

Kimberly noted that the biggest part of the monthly subscription cost will cover the network's depreciation; she estimates almost \$50,000 annually will go toward eventual replacement of equipment. The committee discussed a variety of options to pay for that depreciation, including having the town's taxpayers cover the entire cost and splitting the cost 50-50 between subscribers and taxpayers. Kimberly said if the entire depreciation cost was covered by taxes, the monthly break-even point for the broadband network would drop by \$22 per month; a 50-50 split would drop the break-even point by \$11 per month.

The committee agreed that we will need to consult with the finance committee and town treasurer in order to make a recommendation to the selectboard on how we'd like to cover the network's depreciation costs. In order for the town's taxpayers to underwrite the plant, we would need a line item in the town budget for the plant OR establish a town-wide betterment project. If we put it in town budget, we'd have to get it approved by town meeting annually, which means that subscribers' monthly internet bills could change dramatically each year. That may be a reason why covering depreciation costs would be better as a townwide betterment project.

Lew pointed out that Verizon charges \$79/month for voice and data; with unlimited voice, \$109. He said in order to get customers, we need to be at or below Verizon's cost, with better benefits. Howard said he thinks the town should cover the infrastructure because the town as a whole will benefit from the service. Brian said he thinks we will need to sell this project in two separate stages: having the town fund at least part of the network depreciation (because of the town-wide benefits) AND getting subscribers.

An informal poll among committee members showed strong support for taxpayers paying at least 50% of depreciation costs; there was some support for taxpayers paying 100%.

Kimberly noted that most of the formulas in the MBI readiness tool are fixed; the only parts we can influence is how to charge for our town staff time and how we pay for depreciation. If the town agrees to take on the network depreciation costs, the Department of Local Services can't counter that.

Kimberly identified further outside research that we still need to collect, including variable costs for operations and maintenance; pole bonding fees; and pole rental fees. Plainfield has 979 poles and 41 route miles. We must also pay a fee to a network operator; Kimberly isn't sure how that fee is calculated. We need to talk to potential network operators and get an estimate.

The committee noted that our premise counts differ from MBI's premise counts. MBI figures say there are 57 seasonal and unoccupied units in town (17% of Plainfield residences). Brian said he will review town residences to come up with a current accurate count. Kimberly said an 8 premise change (loss) would raise monthly bills by \$5.

Kimberly saved a copy of the MBI documents with today's date (8/15/16) to the Google Drive. The committee agree that if anyone wants to make changes, we will annotate them with a comment AND send Kimberly an email.

### **Homework**

Howard will review the pole attachment agreements. Leslie and Howard will talk with town staff about how to account for their time spent on broadband-related tasks. Lew will put broadband issues on the finance committee agenda and will contact PURMA to get further information about insurance.

### **Town Expenses**

Howard said broadband-related expenses that the town incurs could be paid for from stabilization or be borrowed. We already know that the town will have to pay \$2,500 for bond counsel. In 2015 Town Meeting appropriated \$20,000 that could be used to pay for expenses related to planning for and building the network. Clark Rowell can give us details on what fees we will have to pay and when. We will need to find out from MBI when the town has to start paying for construction. The town may also need to authorize additional stipends for Paula and Allan for the broadband-related work they are doing. There are many options for how to start paying for the initial bills; we need the finance committee and treasurer involved in making the decision on how the town wants to do that. Kimberly noted that we need to shift the mindset: the money has been appropriated; now we need to start the project, and that involves everyone in town.

### **Information Received**

Brian acknowledged that committee members shared the following articles related to our work:

- How to Give Rural America Broadband? Look to the Early 1900s (New York Times, 8/9/16)
- State grant will help upgrade broadband access in western Mass. (Boston Business Journal, 8/9/16)
- Looking back, forward with WiredWest (Berkshire Eagle, 8/12/16)

### **New Business**

Kimberly noted that we've received solicitations from Corning/Graybar and Ex2. She asked if we could solicit proposals to create a public-private partnership. Brian said he wouldn't want to do that unless we put out an official RFI, to avoid getting apples-oranges comparisons. Leslie said

WiredWest put together an RFI, which we could use as a starting point, though it's for service, not a network builder.

The committee agreed to skip the regularly scheduled meeting for Monday, Aug. 22. The next meeting will be Monday, Sept. 12, at 7 p.m.

Howard made a motion to adjourn; Sally seconded. The motion was passed unanimously. The meeting adjourned at 8:35 p.m.

Minutes above as approved at the 2016-09-12 meeting.