

Select Board, Broadband Committee, and Finance Committee Meeting to meet with MBI

Monday, February 26, 2018, 8 PM

In attendance: Select Board Chair Sarah Reynolds, Select Board members Beth Bandy and Marguerite Willis; Broadband Committee Chair Bob Handsaker, Broadband Committee members Cheryl Handsaker, Trevor Mackie, Ken Hall; Finance Committee Chair Rich Filoramo, Finance Committee members Ron Smith, Lynn Hathaway, Massachusetts Broadband Institute's Peter Larkin, and Mass Works Grant Manager Bill Ennen

1. The Select Board called the next meeting to order at 8:02 pm.
2. Peter Larkin outlined the Massachusetts Broadband Institute (MBI)'s Last Mile Planning document distributed at the meeting. The make-ready is taking one year. Billable and non-billable make-ready issues come out through the TrueUp process.
3. The Town received three proposals, Westfield Gas and Electric (WG & E), Matrix, and Crocker through the Flexible Grant Program (FGP). Crocker proposed providing 50-60% coverage; if the Town wants to negotiate for additional coverage above the proposed FGP percentages, the Town will be using its own funds. Matrix will own the network and have offered the Town a 100% solution. Westfield Gas and Electric estimated it would take 23 years to build to 100% without borrowing. This 23 years in Bob Handsaker's opinion would not be the same in Charlemont. WG & E going through the FGP with no Town borrowing would build out the network over 23 years. To the extent that it is owned by the Town, there is money embedded in the network. They have proposed to build Charlemont to x percentage and build over time. Going through the Executive Office of Housing and Economic Development last mile grant program with Town borrowing is a different process, building the entire network now, not over time. The Town eligible for the make-ready contingency funds through the Last Mile grant program. Keeping mindful that these proposals would be less the approximate \$38k already potentially spent.
4. Comcast has now made their offer. The franchise agreement doesn't cover the broadband. Under the FGP the Town can choose to do more or less than the 96%, with no contingencies to the allocation. WiValley presented to the Town. If they serve the surrounding towns, they will put towers at peaks that would reach our residents, impacting Charlemont's operational model, especially given that they are not a true broadband provider. Per Peter Larkin, MBI requires speeds of 25/3. Wi-Valley proposes 12/2. The Town will have to negotiate the terms.
5. Beth pointed to the public funds being in jeopardy if Wi-Valley's model isn't addressed. Losing 5% - 10% of the customer base can be detrimental to the Town's model. Can the Town be compensated for the loses?
6. The Town is waiting to see the design costs to assess what its risks are under Plan A, 100% fiber. Peter is asking these Towns to choose a direction in the next 30 days.
7. Trevor Mackie outlined his concerns for the make-ready costs overages; guidelines were going to come out on Dec 1. Bill Ennen mentioned that he presented a high-level slide from Carolyn Kirk's guidelines in his last call with Bob Handsaker.
8. Bob Handsaker doesn't know when we're going to have a design. Next week the town should be seeing the first quarter. Peter's 30-day request to respond with a direction is a suggested deadline. Bill Ennen will go over the definitional terms on the next call, outlining the allowable expenses. Carolyn Kirk will provide a letter committing to the Towns. The Town expressed their concerns over legislation being signed versus the terms have not been outlined.

9. The Broadband has produced a pros and cons list.
10. Bob Handsaker asked if the Connect America Fund Phase II (CAF-II) funding is available. If we do not have service the Eligible Telecommunications Carrier (ETC) would secure these funds. Bob Handsaker mentioned that there might be \$350,000 a year for 10 years. The provider would have to be an ETC. Small companies struggle to secure these funds. They are required to submit something by March. When Caf I was offered, it was a proposed \$8M model, which isn't much based on Massachusetts' \$200M+ needs. Bob Handsaker asked if this could be a potential ease on future debt to the Town.
11. Bill Ennen emphasized the next step with the make-ready applications is a financial commitment that cannot be reversed, predicted to be \$130,000 - \$140,000. Cartesian models only dealt with public roads versus municipally owned models that are trying to cost the expense to the home. Per Bill Ennen, the Cartesian model isn't based on pole counts but on public ways. Of the grantees where the State is paying 60% of the project, they are eligible for the make-ready overage. Examples where there are private roads there are large potential overages.
12. Westfield Gas and Electric will be holding a drop policy seminar to address take-rate and borrowing. Often in Charlemont, there are service poles on properties. There are also utility lines that don't follow the roads. The Broadband Committee has been working on the policy document and welcomes all to participate in this process. According to Bill Ennen, looking at Mount Washington, Alford and Otis they're all approaching it differently.
13. The meeting was adjourned at 9:28 pm

Respectfully submitted by Peg Dean

Draft documents until approved

Documents viewed:

MBI Last Mile Planning – Broadband Infrastructure and Service in: Charlemont, MA (Serviceable Premises, Existing Broadband Infrastructure, and Base Map)
