

Town of Walpole
Broadband Committee Minutes
March 31, 2020

Paul Looney called the meeting to order at 6:33 p.m. on ZOOM. Present from private locations were the following: Dick Hill, Dennis Marcom, Steve Grenier, Bob Anderson, Jeff McIver, Peggy Pschirrer and Rob Koester by telephone. Absent was Rod Bouchard.

The purpose of the meeting was to have a discussion between the Committee and Rob Koester about the contract between the Town of Walpole and Consolidated Communications Inc. (CCI).

Mr. Koester opened the discussion by stating he and his attorneys are setting up a meeting with Renelle L'Huillier, the Town's Bond Attorney.

Because Bond payments are due February 15, 2021 and August 15, 2021, Mr. Koester proposed to front load payment to the Town of Walpole in late December or early January and then begin monthly payments. Mr. Anderson said the payments had to start at least six months earlier if we were to meet both payments in 2021. The first Bond payment in February 2021 is interest only. The second payment in August will be interest and principal.

Mr. Koester will talk with Attorney L'Huillier to ask what will work best for Walpole. What does the first payment from CCI need to be so the Town doesn't need to use tax money. We need advice from Attorney L'Huillier.

The Town will begin to have a positive fund balance in a year or two of cash. If it were possible Mr. Koester said, we might be able to pay the Bond off early.

The Committee agreed they were satisfied with the solutions to the problem of not having enough money for the first two Bond payments, so they moved to another question for Mr. Koester.

Why does the contract call for a renegotiation of the Network Operations fee every five years? Mr. Koester said he will return to his (CCI) Bond counsel to question that because he believes it is meant to be the user fee.

Mr. Koester then raised the question of the user fee. That fee in all public and private discussions has been \$9.00 which after four years will drop by .25 cents a year. The average over the life of the Bond will be \$7.30 per year of the twenty years. Mr. Koester suggested we consider using the fee of \$7.30 for each of the twenty years and never altering it.

The Committee discussed the pros and cons of changing the user fee and leaving it consistent for 20 years. Ms. Pschirrer and Mr. Grenier stated we have been

communicating \$9.00 a month with subsequent drops over the life on the Bond. We should do what we have been selling. Mr. Hill agreed we had been communicating \$9.00, but \$7.30 may be more attractive. Mr. Marcom asked why anyone would object to \$7.30. The Committee went back and forth and agreed to give Mr. Koester a decision later.

Mr. Koester stated that the Town of Walpole would discover this new service will be a revenue stream for the Town which will accelerate over the life of the Bond. After twenty years when the Bond is paid off, the Town will need to renegotiate the operations contract with CCI or find another provider or operate the system themselves.

Mr. Koester will be back in touch with us after his meeting with Attorney L'Huillier.

Mr. Marcom raised some questions about the Construction agreement which started with page 7 of 29. He wanted to confirm the paragraph which covers Project Confirmation: Payment Terms.

Mr. Marcom then ask about Item 12 on page 9 of 29, Final completion. Final completion will be when CCI has all backbone up, when the last splitter cabinet is up and CCI can offer services to the entire Town. This will be reflected in the contract.

Mr. Marcom then ask about Demarcation. The Committee looked at page 16, Exhibit A-3. The network box will be owned by CCI; it contains 2 primary cards, 2 redundant cards (spares). Every main office will have this box. From this box the fiber optic line is distributed.

The splitter box, which is about the size of a dorm fridge, has the fiber optic line which runs to the telephone pole. The splitter cabinets will be Town owned; what comes out of the splitter box is owned by CCI. Every house will have fiber from the splitter box. The electronics determines the capacity to each house. Mr. Koester offered a tour to the Committee at some later point. Mr. Koester left the meeting.

Mr. Marcom and Mr. Mclver are going to set up a meeting which Mr. Mclver said would probably be at the end of April. They may have to meet outside with the maps. They will consider how to have the meeting if we are still asked to shelter in place.

Mr. Mclver said we should get the contract done first. The Engineering team will work with a map to place all splitter boxes. They will want a meeting with the Road Agent.

Mr. Mclver signed off and the Committee returned to the discussion of the user fee of \$7.30. Mr. Anderson led off in support of the lower fee. Most members feel this is a better deal, more attractive etc.

Mr. Hill moved that the subscriber fee be \$7.30 for the life of the Bond. The motion was seconded by Mr. Marcom and passed by four ayes with one nay. Mr. Grenier preferred the fees as advertised in our communications.

Mr. Hill moved the acceptance of the corrected May 26, 2020 minutes. The motion was seconded by Mr. Marcom and was so voted.

Mr. Grenier moved the approval of the March 11, 2020 minutes. The motion was seconded by Mr. Marcom and so voted.

It was agreed we need to contact our Bond Attorney and send the amended contract- once we receive it- to Attorney Hockensmith.

The meeting adjourned at 7:37 p.m.

Peggy Pschirrer