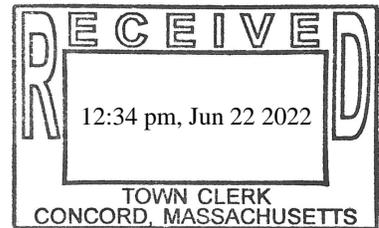


Fiber Broadband Completion Task Force
- March 9, 2022



Meeting held virtually via Zoom.

Meeting was called to order at 6:42 pm. Chairman Mark Howell and members Gordon Brockway and Gail Hire were present. Gail Hire volunteered to be clerk for this meeting.

Minutes for Feb 10 and Mar 2, 2022 are available. It was decided that it would be a better practice to review these at a future meeting when all committee members are present. Mr. Howell has asked Mr. Carmody in the Town Manager's office to check on the lag between recordings and posting on the Youtube channel.

Chair's Report.

Enterprise Budget Hearing is next Thursday, March 17, so the Task Force will resume its normal Thursday schedule on the 24th and 31st of March.

The Light Board met and heard a substantial Broadband update. Mr. Howell's summary of the update is as follows:

Jason Bulger, interim Broadband manager, has developed a plan to return to the previous organization of the Broadband business. He is recruiting for a Telecom manager who would report to Mr. Bulger. There is a

Request for Proposals out for the Broadband Help Desk. Mr. Bulger has suggested an initiative to better communicate the status of orders. Vendor contracts should help with repair backlog. Mr. Bulger stressed communicating proactively about potential outages (announcing them in advance). The Broadband operation is looking to coordinate with the Risk Committee. The community needs to weigh in on the Broadband mandate. The Broadband staff is trying to audit data on subscribers. There will be an extra Light Board meeting on March 30. Broadband is looking at expanding its marketing outreach and also at service levels. Mr. Bulger invited any comments.

Mr. Brockway added: the most important point - Concord needs to decide whether Broadband is an enterprise, which pays for expansion, or a “must serve” utility. He wondered whether the Task Force’s report should be written from the perspective of one or both goals.

Mr. Brockway noted that measuring the backlog and how many installations are completed needs to be a repeatable exercise. These metrics should be institutionalized. Mr. Howell noted that technicians used to work off of a Google sheet, and that the pandemic threw a wrench into their system. He suggested that some system should be picked and stuck with. One suggestion to measure current subscribers could be how many bills are being sent that Concord Light expects to be paid?

The Broadband update showed an appropriate level of attention to Fiber.

Mark Howell - whether we may be able to meet in person will be discussed next week. Gail Hire asked if we should schedule a public hearing. Mark Howell said that Wendy Rovelli, Light Board Chair, said the Light Board would like to have a meeting at which the Task Force report could be discussed. Erin Stevens works on public relations and communications at the Town office and can be asked to make an announcement. We should talk with other Task Forcer members about whether to have a public hearing.

Mark Howell offered an alternative to the Lost Revenue estimate that Scott Hopkinson presented at the last meeting. The resulting numbers are similar. He documented a model showing revenue loss from suspending installations. [See PDF of screen share, attached] Mr. Howell's spreadsheet originated from Matt Cummings. Looked at Residential/Commercial/Total subscribers.

Mr. Howell found that month-to-month change shows slowing in 2020. The average new customers per month is declining. Assumed Dec 2019 was the last pre-pandemic month. If the rate of new users had continued, we would have 131 more subscribers as of 12/2020, and continuing through 2021, we would have 295

more customers.

Mr. Brockway noted that COVID affected operations and made everyone operate at a lower level.

Mr. Howell estimated loss of total \$234,093.40. Average revenue per customer is \$70/month. In the first year, there are 131 fewer customers or \$55,165.

[Gail Hire left the meeting at around 7:20 pm for a few minutes]

Mr. Howell. In 2017, averaged 21 new installs per month.

Mr. Brockway - the current Broadband group seems like they want to turn this around (increasing subscribers).

Mr. Howell noted that the revenue per subscriber is a function of churn rate. For comparison purposes, Mr. Hopkinson's spreadsheet had a \$291,000 loss.

Mr. Brockway suggested that we need to show the good that the money (ARPA or other) would be spent on.

Mr. Howell - the Capital Plan indicates how Broadband revenue money would be used. Does not do much fiber construction for a couple of years. He recommends this lost revenue go to capital construction. Mr. Brockway - will this analysis go into the report or minutes? How get to work product with all this great thinking? Mr. Howell - recommend Light Plant to submit reimbursement of Lost Revenue for Select Board to consider.

Mr. Brockway wondered if the Task Force should write a letter now instead of waiting for a report; the issue could also be raised at the Fincom Enterprise hearing.

Mr. Howell said the Select Board and Town Manager are working on a list for ARPA funding. At the Jan. 31 SB meeting, Mr. Howell discussed the idea that revolving fund for Broadband could be created with ARPA funding. The Lost Revenue concept is an additional idea that could be put before the Light Board on April 13.

Mr. Brockway wondered how to write without picking sides. Mr. Howell suggested it is OK to provide alternatives. Gail Hire said that all of the Task Force members will read the sentences. She suggested not worrying about being one-sided because all of the TF members must agree on the wording. Mr. Howell said we should provide both paths in the document; list the outcomes, ask for a policy-based choice. Mr. Howell noted that Broadband is a new enterprise and therefore these policy decisions have not been made. It is OK to say how things appear. There is a need to make these policies overt so staff has a basis for their actions. Where the prime directive was initially "don't fail," the enterprise became self-sustaining and now the question is should we change course? Mr. Howell thinks we should suggest a course change.

Mr. Brockway noted that Comcast is getting help - government funding to support its low income customers. Mr. Howell said it is not our role to implement, but our report should include how to get this funding (it is possible for Concord to register and get reimbursed for serving low income customers). As an example, the Town decides that certain funds, like the Residential Assistance Fund have benefits, are worthy of public funding. Report should propose a way for community to reach a decision.

Mr. Brockway discussed the concept of organic growth rate. If the Broadband operation becomes more profitable that would drive growth. Mr. Howell also raised the concept of a dividend. It can be paid out as a Payment In Lieu of Franchise, or leftover cash could be put back into the business; subscribers also have a claim on the excess.

With an investor-owned Internet Service Provider, it should be possible to return some amount to the Town or residents. The Light Plant has an obligation to serve the whole community with electricity. In contrast, Water and Sewer serve only a sub-set of the community. Our report should give readers a way of thinking about how to decide whether Broadband should serve the entire Town.

Mr. Howell said fiber construction is analogous to a road network. Mr. Brockway said fiber construction redounds to the Town as a whole. After the backlog is met, there

may be an inflection point of installs not depending on productivity of staff.

Mr. Brockway wondered what percentage of the Town might the Fiber ultimately reach, 1/3? Mr. Howell said an additional 600 or 700 customers would mean 30% of the Town is reached. Ms. Hire asked about the significance of a 30% goal. Mr. Howell said it is helpful to build to a realistic goal; what support will be needed? 8,000 customers is too much. Take rate - market share - it helps to understand how much \$ will be available for building. Ms. Hire cautioned against sticking with the 30% number. In the future, there may be more reasons to have homes connected via fiber (not just for internet customers). Distributed energy, schools, virtual reality are all potential uses for fiber.

Mr. Brockway noted that new ideas are a challenge for the Broadband organization, which does not want to take risks. Mr. Howell noted that connecting all Town offices avoided costs; putting fiber along the water pipe to Nagog Pond is another 'new idea.'

The discussion turned to organization of our meeting on March 24th. Members should claim a section of the report, or be assigned.

Ms. Hire voiced support for Mr. Howell making the point that the Broadband operation's PILOF to Minuteman Media Network should be further evaluated from a policy

standpoint. Mr. Brockway noted that payments from Comcast should be greater because the value of the service that Comcast provides is higher.

Public Comment

Joan Densberger: She found Mr. Howell's data compelling on how the pandemic played into the build-out of the fiber network. Had the network been in place town-wide, it could have made a difference for communication during the pandemic, such as a private Healthnet or a reliable public health network. Ms. Densberger also suggested when drafting that we lay all information out there and err toward including more ideas.

Pamela Dritt, 13 Concord Greene. Upper level systemic review is fantastic - go for it all. People will be grateful for the information and even the hard issues.

Vince Carlson - on lost revenue, suggest we look at Comcast annual reports nationwide for 2020 and 2021. Record revenue in 2021. He thinks they were not doing installs in 2020, either. There are dozens of use cases: security cameras take a lot of bandwidth, require low latencies. Comcast had 5051 subscribers in Concord three months ago. They know how much bandwidth is being used; it went up 30%. There is an opportunity post-pandemic for more usage, particularly for symmetrical speeds. He asked about the Advanced Meters project and whether there would be overlap with

coverage/build-out with the fiber network.

Mr. Howell said the original application for the fiber network was for smart metering - a combination of fiber and wireless to the meters. It is more common in industry for smart meters to have big radio towers communicating with all the meters. As an IT person, he knows it is great to have fiber, but the electric utilities would rather have a private system. The Broadband network covers a huge percentage of where the AMR network could cover. The Light Plant will need to make a decision.

Mr. Carlson asked if AMR bids were public. Mr. Brockway said no, it was competitive information. Ms. Dritt noted that the Light Board has picked the finalists; Brian Foulds would know.

Mr. Carlson commented on low income Internet customers. The Federal government is paying ISPs that participate \$30/month/subscriber. Concord Light Broadband could use the \$30/month as a number for budgeting. Mr. Howell said with that level of reimbursement, it is do-able to offer \$10/month to low income customers who qualify for subsidized Broadband.

Mr. Brockway moved to adjourn. Ms. Hire seconded. A roll call vote was taken and the meeting was adjourned at 8:49 pm.

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1																
2																
3		Residential	Commercial	Total	MTM Change	YTD Change	Average New/Month	Subs at rate	Model vs. Act							
4	1	December	1411	1552	18	5%	5%	1847	295							
5	2	November	1402	1534	9											
6	3	October	1416	1525	10		3%									
7	4	September	1410	1515	10											
8	5	August	1403	1505	-12											
9	6	July	1413	1517	7											
10	7	June	1413	1510	17											
11	8	May	1398	1493	2											
12	9	April	1395	1491	3											
13	10	March	1392	1488	0											
14	11	February	1393	1488	4											
15	12	January	1390	1484	5		5%	1615	131							
16	13	December	1385	1479	8											
17	14	November	1376	1471	11											
18	15	October	1365	1460	1											
19	16	September	1363	1459	9											
20	17	August	1354	1450	9											
21	18	July	1343	1441	5											
22	19	June	1335	1436	1											
23	20	May	1334	1435	2											
24	21	April	1331	1433	-2											
25	22	March	1334	1435	16											
26	23	February	1322	1419	6											
27	24	January	1314	1413	3		14%	14.75								
28	25	December	1312	1410	8											
29	26	November	1302	1402	27											
30	27	October	1273	1375	13											
31	28	September	1259	1362	15											
32	29	August	1242	1347	20											
33	30	July	1223	1327	-19											
34	31	June	1241	1346	47											
35	32	May	1193	1299	15											
36	33	April	1177	1284	12											
37	34	March	1167	1272	25											
38	35	February	1139	1247	11											
39	36	January	1107	1236	16											
40	37	December	1092	1220	11		22%	18.416667								
41	38	November	1086	1209	21											
42	39	October	1067	1188	31											
43	40	September	1039	1157	16											
44	41	August	1025	1141	9											
45	42	July														

O17 fx = (I17)*\$O\$7

From December Broadband update			
From November Broadband update			
Estimated Loss:	ARPU/YR	\$ 840.00	(\$70/month)
	Current Yr		
2020	131	\$ 55,165.78	\$ 55,165.78
2021	163	\$ 68,596.07	\$ 178,927.62
Total			\$ 234,093.40

Revenue per subscriber:	Churn Rate/yr	total value
	5%	\$ 16,800.00
	3%	\$ 28,000.00
	2%	\$ 42,000.00
	1%	\$ 84,000.00