

Chairman Thomas Reynolds called the meeting to order at 5:00 p.m. in the BELD Board Room. Those present at the meeting included Chairman Reynolds, Vice Chairman Anthony Agnitti, Secretary James Regan, General Manager William G. Bottiggi, Ken Stone, Jack Orpen and Jim Boyle, all of BELD.

I. Minutes of Prior Meetings

i. December 11, 2018 Open Meeting

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to accept the minutes of December 11, 2018 Open Meeting as written. So voted.

II. Items for Action

None.

III. Items for Discussion

i. MobiTV

Mr. Bottiggi said that all cable companies have a warehouse full of equipment and we are no different. We have a room downstairs and each channel has their own box. He continued all of this needs to be maintained and the equipment gets old. There has been discussion of BELD going to more of a streaming format, like Netflix or Hulu. We have been talking with this company, MobiTV and they have a product we may be interested in. Their headend is in San Diego and they take all the national programming and stream it to us and we will stream it to our customers. The local programming which is over the air like WBZ and WHDH, we will send to them and then they will stream that to us as well. The traditional cable box goes away and you have an app on your TV. He explained that the demonstration about to take place is an actual cable company in the Midwest that is allowing us to log into their account. In response to a question from Mr. Regan he said that everything would be customized to BELD Broadband. Mr. Orpen said it would be the identical channel line-up that customers have right now.

Mr. Orpen gave the Board a demonstration on how this would work. There was discussion on how you would access the app – a fire stick could be used which costs around \$35 or an Apple TV which costs around \$120. Mr. Boyle said if the TV is running android on it you can download the app on it. The guide looks similar to anything that we are used to seeing. Mr. Reynolds said when you turn on any smart TV you get a suite of apps. Mr. Boyle said for MobiTV it needs to be running a certain version of android TV which a lot of the newer smart TVs are running anyways. He continued if not you would need to get a fire stick or Roku player or Apple TV in order to view it. Mr. Orpen explained although there would be different ways to access the programming, customers will see no difference between viewing the programming in this system and the set-top box. In response to a question from Mr. Regan he said that we would eliminate SD and analog programming to keep the costs down. We were doing this with analog anyways and are about 85% done.

Mr. Bottiggi said they have a DVR in the Cloud. In response to a question from Mr. Agnitti, Mr. Orpen explained that BELD would set the prices for recording purposes based on hours – ie twenty five hours, one hundred hours with different prices. Mr. Stone asked about keeping set-top boxes for those customers that do not have smart TVs. Mr. Orpen said yes. He continued he has been talking

with another provider that is in a similar situation as us. They have about 4,000 subscribers and they are switching over to EZ Video which is their version of this and we would brand-name ours as well. They have a deadline and have told all their customers that within two years they were dropping cable TV so they have two years to get the right equipment. Mr. Orpen explained there are other companies like MobiTV – we reached out to them because they have a contract with the NCTC and so the contracts are already in place. This will actually cost us more money per subscriber when we start out and as we add subscribers the same fixed costs will be spread out over the subscribers. As more customers adopt this our fixed costs will stay the same.

Mr. Bottiggi explained the quotes we have are between \$80,000 and \$110,000 to get started and then it would be about \$8-10,000 per month depending upon how many customers we have. There is then another \$8,000 per year for coding our over the air channels to work with MobiTV. He continued we know everyone is not going to switch immediately. What we want to do is to get everyone over to this format over a period of a couple of years. In response to a question from Mr. Agnitti, Mr. Bottiggi said we really do not upgrade anything unless it breaks. He continued we are in a position now that we can keep going the way we are and die a slow death or adapt and do something like this. He continued or we can say we are not going to do video anymore - we are going to do just high speed internet and phone. However, we are not done analyzing this yet. If we went to this format it would simplify our life where we wouldn't have to maintain all the equipment downstairs so there are costs savings. Mr. Bottiggi said there may be personnel savings. There are costs that we can eliminate by not having all that cable equipment downstairs and out in the field. We would just need fiber and coax for our customers. They do have a box if you don't want a Roku player and want a more traditional-looking cable box that will work with this.

There are risks with any of our options. The risk with MobiTV is that a lot of our customers are elderly and this may be confusing for them. There was discussion. Mr. Reynolds asked if there had been any thought given to having the basic cable and then add this to it. Mr. Orpen said he had thought the exact same thing but it cannot be done. He explained: as an example we have a ten year contract with ESPN which is on our expanded basic cable. It is signed through the NCTC and the contract says if your basic only subscription increases more than 15% you have to pay ESPN even though they are not carrying it. That is just one contract and we have not looked at the other broadcasters. The programmers have strangled any cable company from trying to break out any skinny bundle. They have made it almost impossible. Mr. Reynolds asked for confirmation: if we went this route more people would go for the basic and it would increase our subscription? Mr. Orpen said correct and we are already at 12% so we don't have a lot of headroom. We have looked at this many different ways to see how we can maneuver through the existing contractual agreements we have and it is virtually impossible. Mr. Reynolds asked if we go in this direction are all our current contracts still in place? Mr. Orpen said correct. Mr. Bottiggi said this is another transportation vehicle for the same info. Mr. Orpen said on the flip side of this we should be cognizant of the fact that BELD Broadband makes money on equipment. As customers adopt this there will be no equipment. So we move a customer from traditional cable TV to a MobiTV and it is good for them – they save money but it is less money in our pocket. This does come with a lot of risks and we need to weigh what would be best for BELD.

There was discussion on just offering the internet and letting the customers bring their own equipment. Mr. Bottiggi said a lot of the programmers now – for instance NBC and Fox – are offering a direct streaming service and their own app so you do not need to have cable with BELD, Comcast or Verizon. Mr. Orpen said the programmers have figured they are going to bypass the

local cable operators and go right to the customer directly. It would become a la carte – but if you keep adding each as a la carte you end up with a large bill as well. There was further discussion. Mr. Orpen did a report three months ago and .85 on the dollar is going to the programmers; the .15 is our overhead. Mr. Bottiggi said the most conservative thing we can do in the short term is to keep doing what we are doing and as we are losing cable customers – we are losing them every month – let all our cable customers know that in say six months we are out of the business and all we are going to offer is high speed internet. He continued that could be the end of us – customers may want the triple-play – and we could lose all the internet customers who are still taking cable. But it is a risk we probably should take. We could promote internet very aggressively. Mr. Orpen explained further: when we remove cable video channels from the plant we can substitute them with DOCSIS frequencies on top of them. He continued there are video channels and there are internet channels; right now we run 16 channels on our cable plant – if we could boost that up to 32 channels, instead of maximum speeds of 350-400 we could do 800 Mbps. Mr. Bottiggi said no one can use that anyways. Mr. Orpen said the problem is that no one is going to pay for it – customers do not want to pay more than \$100 for the internet. If you look in other parts of the country they sell you 1 gig services for less than \$79.95. Because there is so much competition you cannot make more money with the additional speed even with a faster internet service. Your average peripheral device in the home can't even do 50 Mbps. There are more devices in the home and most can't process that type of speed. Mr. Reynolds asked a question about the need for additional bandwidth capacity – Mr. Orpen said we did not need it currently. He continued what we need to do is increase the pipe from here to CA if we go with the MobiTV solution. As far as the BELD cable channels – everything would be the same. He continued, in discussions with the provider he mentioned earlier, they found that for every customer that took the MobiTV service they did not see a significant increase in bandwidth. People using Netflix-like services use the same technology. From the network side it doesn't make a difference if it is a Netflix or MobiTV – it is the same IP technology. There was discussion on Video On Demand. However, Mr. Orpen said that is a dying technology as customers have more choices now.

Mr. Bottiggi said this is just an update on the situation. He continued probably by the end of the year we will make a decision. Mr. Bottiggi explained what he would really like to do is to take a look at the business if we got completely out of video. He continued there are a lot of assumptions there – like the number of customers. He would like to just look at the expense side: can we have 8 people and very little equipment expense? There would be just transportation fees and how many customers do we need to support that? We only have 14 people on the cable TV side. We are down 4 jobs in the last few years due to attrition or we can't afford to hire anyone – so we tell the Union that if we are to stay in the business that guy has to do these 2 jobs now. This is because there is not enough volume for them because we have fewer customers.

Mr. Bottiggi said this presentation just proves that you can do streaming – mostly cable TV streaming, DVR, VOD – under the BELD name. Mr. Reynolds asked about a timeframe; Mr. Orpen said the best case scenario is 90 days, worst case is 120. Mr. Bottiggi added if we wanted to implement this.

IV. Personnel Update

None.

V. Old Business

None.

VI. New Business

Mr. Bottiggi said the rate increase that had been previously discussed is going to be a little higher on video. Mr. Orpen said originally we thought it would be 2.8% but after crunching the numbers and more importantly we got some information from NBC Comcast and they raised our rates significantly – more than we expected. The cable TV piece is about a 4% increase and the internet is about 2% increase. We kept the same price for phone. So it is roughly 4% with anything that has video in it but it is either/or – if you have cable and internet it won't be 6% it will just be 4% or 2%. Mr. Regan asked how many customers we lost on our last increase. Mr. Orpen did not think it was a significant amount – probably less than fifty. Mr. Bottiggi said they usually do not leave us because of rates – it is either they cut the cord on cable or they are going to get the latest promotion from Comcast or Verizon. The rate increase will take place on March 1st.

VII. Public Participation

None.

VIII. Tabled Items

None.

IX. Next Regular Meeting – Upcoming Meetings

- i. Tuesday, February 12, 2019 at 5:00 p.m.**

X. Executive Session

None.

IX. Adjournment

Voted: on motion of Mr. Agnitti, seconded by Mr. Regan, to adjourn the Broadband Division meeting at 5:28 p.m. So voted.

Chairman Thomas Reynolds called the meeting to order at 5:28 p.m. in the BELD Board Room. Those present at the meeting included Chairman Reynolds, Vice Chairman Anthony Agnitti, Secretary James Regan, General Manager William G. Bottiggi, Ken Stone and Jack Orpen, all of BELD.

I. Minutes of Prior Meetings

i. December 11, 2018 Open Meeting

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to accept the minutes of December 11, 2018 Open Meeting as written.

II. Items for Action

None.

III. Items for Discussion

i. Potter II Update

Mr. Bottiggi said we are still preparing to participate in the substitution auction. In February we will formally apply for that auction which starts the clock in a series of back and forth with the ISO-NE to satisfy them by February 2020. If we were to clear that auction, as we retired out, we would get one extra year of partial capacity payments. Then the unit will be retired in June 2023. In response to a question from Mr. Regan, Mr. Bottiggi explained that we currently are in the penalty phase until 2023 but we can sell the capacity supply obligation, as we did for January and February – we cleared again. So, right now we have no capacity supply obligation. We still bid into the market every day and we can still run every day – and really in the energy market only. If there was a scarcity condition while we were running we would make a fortune because it would all be over-performing as far as ISO-NE is concerned. We haven't run yet this year and we will find out soon if we are out of the March obligation. We are going to manage our way through the next few years. There was further discussion.

ii. Town Council Update

Mr. Bottiggi reported that he had gone to the Town Council meeting and gave the Councilors an update and a year-end overview of BELD.

IV. Personnel Update

Mr. Bottiggi reported that Mr. Flynn will be retiring effective February 1st.

V. Old Business (As Determined/Needed)

None.

VI. New Business (As Determined/Needed)

Mr. Bottiggi reported there is something about legislation. He continued currently BELD is under local control – we have a three member board. We have been talking about going to 80% renewable energy by 2050 and the legislators have passed the Global Warming Solutions Act (GWSA) which regulates investor-owned utilities. Some people think it regulates us but we say it doesn't. However, as a defensive position the Massachusetts munies' general managers are going to propose our own legislation on how we are going to get to 80% by 2050. This is important because we want to have a strong say in how the legislation is shaped. If we do not do anything they are going to impose it upon us. We would like to get nuclear included, existing non-greenhouse gas emitting energy we already have but we want it included in the legislation among other things. We have to submit that legislation by Friday. Tomorrow there is a MEAM meeting and there will be a vote on submitting it. Representative Tom Golden who is the Chair of the Joint Committee on Telecommunications, Utilities, & Energy may sponsor it for us. Representative Joan Meschino said she would sponsor it. There was discussion. Mr. Bottiggi will email Representative Cusack, Senator Keenan and Senator Timilty regarding this.

VII. Public Participation (As Determined/Needed)

None.

VIII. Tabled Items

None.

IX. Next Regular Meeting – Upcoming Meetings

i. Tuesday, March 13, 2018

X. Executive Session (As Determined/Needed)

None.

XI. Adjournment

Voted: on motion of Mr. Regan, seconded by Mr. Agnitti, to adjourn the Electric Division meeting at 5:59 p.m. So voted.