

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, Secretary James Regan, General Manager William G. Bottiggi, Joe Bracken and Mr. Orpen, all of BELD. Vice Chairman Anthony Agnitti was not present.

I. Minutes of Prior Meetings

i. April 13, 2021 Open Meeting

Voted: on motion of Mr. Regan, to accept the minutes of April 13, 2021 Open Meeting as written. Mr. Reynolds stepped down and seconded. So voted.

II. Items for Action

i. NYPA Voting Delegates

Mr. Bottiggi explained that he and Mr. Stone were the voting delegates for the hydro project but since Mr. Stone has left BELD he would like Ms. Teele to be the secondary voting delegate. Mr. Bottiggi would be the primary voting delegate. There was discussion.

Voted: on motion of Mr. Regan, to accept Mr. Bottiggi as the primary NPYA voting delegate and Ms. Teele to be secondary NYPA voting delegate. Mr. Reynolds stepped down and seconded. So voted.

III. Items for Discussion

i. Internet for BPS Program

Mr. Bottiggi explained that this is the program that the Board had voted on last year. A program to offer discounted internet to families with hardship that had students in the Braintree school system. Due to Covid-19 the school was doing online classes only and the program was to last for the school year. Mr. Bottiggi continued the school year has come to an end and we will be sending a letter home to those families to let them know the program is coming to an end as well on June 30, 2021. They can continue to get internet from us if they would like.

ii. Coronavirus Update

Mr. Bottiggi reported that the majority of employees have been vaccinated. The office will be open to the public on June 3, 2021. This is also the date that we will start with cuts for non-paying customers. There was discussion.

iii. Potter II Update

Mr. Bottiggi asked Mr. Bracken to give an update. Mr. Bracken explained that now that Potter II is retired they are dealing with the process of extracting and selling the equipment that has considerable value. There are units around the country that have similar machines so we have entered into a partnership with a company called APGI power group out of Houston, TX. They know what the market is and we will split the profits with them. They will take our routers, gas turbine and any equipment that could be of use will be trucked there and reconditioned and

refurbished. We are hoping to hit the fall outage season and there are some plants who want this equipment. We are hoping we will be done in 3 weeks. There was discussion. Mr. Regan asked if there was any hazardous material? Mr. Bracken reported we have lube oil, fuel oil and we have isolated those things and are dealing with Clean Harbors. We took apart some of the steam pipes yesterday and have had an insulation sample tested for asbestos to be sure but we are pretty sure it isn't. We should hear by tomorrow.

iv. Watson Forward Reserve

Mr. Bottiggi explained there are two forward reserve seasons every year: winter is October until May and summer is June until September. We have been mostly clearing and we did clear for the summer. If everything goes perfectly we will get an extra \$414,000. There was discussion.

v. ENE Dividend

Mr. Bottiggi reported that ENE has been around for over twenty years and last year they created a policy that they would start paying the owners a dividend. He handed out a letter from Mr. Tzimorangas, President and CEO of ENE. ENE is up to \$6.3 million in equity now and 1/3 of that is ours. 20% of the \$510,000 of income back to the owners based on your load ratio share of how much of ENE you own. BELD owns 33.33% of ENE and will get \$33,674 dividend. The way they will pay it out is from July to December so 1/6 for the last 6 months of the year. To put that into perspective we pay ENE about \$27,000 every month so it is like getting a free month. There was discussion.

IV. Personnel Update

Mr. Bottiggi reported that we hired a new electrician, Mr. Adams. This was due to Mr. Toye's retirement and Mr. O'Neill's promotion to his position. We needed an electrician to fill in the ranks. He will be starting at the end of this month. Mr. Bottiggi reported that we hired a fireman, Mr. McDonough and a relief fireman, Mr. Hassan at the plant. Mr. Bottiggi continued we have also created an administrative position in HR that Ms. Haight has taken.

Mr. Bottiggi explained that the new hours in Customer Service have started: 8:00 a.m. – 4:00 p.m. He continued over the summer the hours will be 8:00 a.m. – 3:30 p.m.

V. Old Business (As Determined/Needed)

None.

VI. New Business (As Determined/Needed)

i. Pole Inspection

Mr. Bottiggi reported that it has been decided to do a new pole inspection this year, later in the year. When we bought the Verizon poles we did an inspection and have been replacing them; we have about 100 more to go. We have done 600 plus the regular amount we do each year. We are expecting some replacements will be needed as poles get old – something that passed last time may not this time. There was discussion. The double pole situation is better: we need to wait on other

companies to get off of the original pole so we can dispose of that pole. BELD and BELD Broadband are on the pole in addition to Comcast, Verizon and Fire alarms.

ii. Elm Street Bridge

Mr. Bottiggi reported we had spare positions at Station 8. We had feeders at Station 10: one was going directly to Station 8 as a back-up and one was going to the Storrs feeder. We reconfigured the distribution system so nothing goes over the bridge. This is a reliability improvement. The only thing left in that conduit is a fiber optic cable. Mr. Reynolds asked what is the vulnerability of the fiber? Mr. Bottiggi said that the Internet Division uses that fiber to supply a major portion of the town. Mr. Orpen said it has about 10 nodes and that we are going to bring that under River Street, where the old underpass is. They are continuing to look at it.

VII. Public Participation (As Determined/Needed)

None.

VIII. Tabled Items

i. Tuesday, February 9, 2021 at 5:00 p.m.

IX. Next Regular Meeting – Upcoming Meetings

i. Tuesday, June 15, 2021 at 5:00 p.m.

X. Executive Session (As Determined/Needed)

i. To discuss trade secrets or confidential, competitively-sensitive or other proprietary information.

Chairman Reynolds announced that the Board would be going into Executive Session to discuss trade secrets or confidential, competitively-sensitive or other proprietary information. He continued any decisions that we vote on will be announced when we come back into Open Session; if no votes are taken we will be adjourning.

Voted: on motion of Mr. Regan to recess Open Session to go into Executive Session. Mr. Reynolds stepped down and seconded. So voted.

Chairman Reynolds announced a Roll Call Vote at 5:25 p.m.:

Mr. Regan – yes. Mr. Reynolds – yes.

Executive Session commenced at 5:26 pm.

Chairman Reynolds re-opened the Open Session 5:55 p.m.

XI. Adjournment

Voted: on motion of Mr. Regan to adjourn the meeting at 5:56 p.m. Mr. Reynolds stepped down and seconded. So voted.

James P. Regan
Secretary

Minutes of the Municipal Light Board Meeting
Executive Session
Page 1 of 2

May 11, 2021

Attendees: Chairman Thomas Reynolds, Secretary James Regan, General Manager William Bottiggi, Jack Orpen, all of BELD. Vice-Chairman Anthony Agnitti was not present.

Chairman Reynolds announced that the Board would be going into Executive Session to discuss trade secrets or confidential, competitively-sensitive or other proprietary information. He continued any votes taken will be announced when we come back into Open Session; if no votes are taken we will be adjourning.

Voted: on motion of Mr. Regan to recess Open Session to go into Executive Session. Mr. Reynolds stepped down and seconded. So voted.

Chairman Reynolds announced a Roll Call Vote at 5:25 p.m.:

Mr. Regan – yes. Mr. Reynolds – yes.

Executive Session commenced at 5:26 pm.

Mr. Bottiggi said it is likely we are going to get out of the Internet business because of the large capital investment we would have to make. He continued: we think we should exit the business by the end of 2021. We have old equipment out there and something will fail. Coincidentally, in the last month we were approached by a company Heritage Holdings. They are a small company that buys assets. We have done a non-disclosure agreement (NDA) with them. We have had a number of conversations with them and provided them with information. Also, Mr. Orpen, who has still connections with Comcast, reached out to them. It took about six weeks to get to the correct person: Mark Riley, a Sr. VP out of Manchester, NH. Comcast has an interest in buying the BELD Internet business. Currently, Ms. Lawrence is doing a NDA with them.

Mr. Bottiggi thinks the best thing for our customers would be if a company like Comcast bought us out. They have the same technology as we have so we could give them the serial numbers of the modems and they could wire our current equipment over to Comcast. This might be better than just telling our customers we are done and for them to find another provider. They could also decide to go to Verizon but at least we give them this option which will be easy. There was discussion.

Mr. Bottiggi said that if Heritage Holdings were to buy us out they would have to set up a headend somewhere. Temporarily they could use ours. He continued: the union environment doesn't really work for the Internet business. We pay our employees \$45/hour and Comcast is paying \$25/hour so it is very hard to compete. Mr. Bottiggi has explained this Farhan Javed at Heritage Holdings; he told Farhan he could set up a headend somewhere - it doesn't even need to be in Braintree but run it with a much smaller cost structure and try to grow the business.

Mr. Reynolds asked if Comcast would absorb our employees? This is unlikely. There was discussion on our employees. Some are retiring but there are a couple who may entertain the idea of working for Comcast. Mr. Regan asked what we would be receiving from Comcast for this? We have told them we are not interested unless you give us \$2 million. There was

Minutes of the Municipal Light Board Meeting
Executive Session
Page 2 of 2

May 11, 2021

discussion. The \$2 million will pay the employees' severance. We have some people who have been here since the beginning.

There was discussion on other municipals that are looking to get into the Broadband business. Mr. Orpen said this is really not feasible. Mr. Bottiggi said that would be Comcast's incentive in purchasing BELD Internet – to show that municipal can't do Broadband. Mr. Orpen commented that it is hard enough to do as a light department but with other towns you don't own the poles or the power and compete with large companies such as Comcast or Verizon. There was discussion on other municipals who have failed. Mr. Orpen passed out some information and said at this point we can say we broke even – we did not lose a nickel – in 20 years. Last year was our first year that we lost money – but we made \$100 million and spent \$100 million. We gave it our best. There was discussion on our Broadband history. President Biden is trying to get Broadband into rural America – that is not for this area. There was discussion on how the Broadband business itself is growing and we might not even be able to get the equipment we would need at a price we could afford. Mr. Reynolds said at that point if we continued we would be losing money where right now we are breaking even. Mr. Bottiggi said we would have to start raising our prices and may lose even more customers. Mr. Orpen said our fiber optic system needs to be audited, we need to open up the enclosures – we know we have water damage in it. He continued we are sitting on a ticking time bomb where its only a matter of time before something goes. Then Braintree's reputation is on the line. Customers are used to us getting things up in an hour or two. That probably will not happen for Internet at this point. Mr. Reynolds commented as much as we would like to keep going and keep our customers happy it appears inevitable that we have to cut our losses. Mr. Regan added: we appreciate the customers who have hung on with us.

Mr. Bottiggi said we are going to try and get the NDA completed with Comcast this week and maybe in the next couple of weeks get them the information they want and then hopefully, by mid-June or end of June they will make an offer. He continued we will try to give our customers 6 months notice but we may not be able to because Comcast may want to move faster than that and want to start the transition. In that case we could tell customers: we are exiting the business. Your new service provider will be Comcast unless you opt out. If you do not want Comcast, your option is to go to FIOS.

Mr. Reynolds said we won't be taking any action on this tonight but we are prepared to do what we need to do and go forward.

Motion and roll call vote to adjourn from the Executive Session at 5:55 p.m.

Mr. Regan – yes

Mr. Reynolds - yes

Executive Session adjourned at 5:55 p.m.