

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BROADBAND AND ADVANCED TECHNOLOGY COMMITTEE MEETING
MINUTES

October 2, 2017

Kandiyohi County Health & Human Services Building, Willmar

Present: Mark Boeschen, Travis Bonnema, Donna Boonstra, Bruce DeBlieck, Scott Froemming, Larry Kleindl, Michelle Marotzke, Les Nelson, Ramsey Schaffnit, David Sisser and Donn Winckler

Excused: Dean Bouta, Kathy Dillon, Larry Handlin and Brian Mort

Guest: Scott Bohler, Manager, Government and External Affairs, Frontier Communications

Staff: Connie Schmoll, Business Development Specialist

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Connie Schmoll called the meeting to order at approximately 12:00 p.m.

MINUTES—

IT WAS MOVED BY Donna Boonstra, SECONDED BY Michelle Marotzke, to approve the minutes of the August 7, 2017 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—

Border-to-Border Grant follow up. Connie Schmoll reported the state included \$20 million for the Border-to-Border grant program with \$10 million allotted for this year. Applications received totaled more than \$50 million. The committee reviewed the Broadband Coalition's recommendations submitted to the Governor's Broadband Task Force (see attached), which addressed funding the grant program, multi-year funding, modifying the challenge process, removing or increasing the cap on projects, increasing the grant match by the program and emphasizing the importance of the Office of Broadband Development.

IT WAS MOVED BY Ramsey Schaffnit, SECONDED BY Mark Boeschen, that the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Broadband and Advanced Technology Committee, support the recommendations by the Broadband Coalition and recommends the EDC Joint Operations Board also support the recommendations. MOTION CARRIED.

Frontier Communications. Schmoll introduced Scott Bohler, Manager of Government and External Affairs for Frontier Communications. Bohler reported Frontier Communications submitted a \$2+

million grant application for areas south of Willmar, Atwater and Kandiyohi, which was awarded in January 2017. Frontier's project is focused on 25 megabits per second (Mbps) upload and 3 Mbps download to approximately 1,100 households in Kandiyohi County via DSL using existing copper. Bohler showed maps of Frontier's project areas. The locations with blue circles will receive speeds of 25/3 Mbps and the orange circles will receive speeds of 10/1 Mbps. A couple areas southeast of Willmar shown in purple will receive fiber-to-the-premise. Bohler stated Frontier should start construction this week and it anticipates finishing by mid-June 2018. Frontier will install 50 miles of fiber, electronics for the boxes and a central office. Frontier also participates in the federal Connect America Fund (CAF) program, which has 10/1 Mbps focus. The time line for the CAF program is 2020. Between the two programs, Frontier should be able to cover most of its service area in Kandiyohi County. Frontier's plans are up to 6 Mbps, up to 12 Mbps and up to 24 Mbps. The more fiber that is in an area, the easier it is to add more. Bohler believes Frontier may be willing to work with wireless providers dependent upon the circumstances. He is not aware of Frontier working with wireless providers at present, but it has worked with cell phone providers. Users not within the circles, may be able to receive service, but not at the higher speeds. Frontier partnered with Carleton County for a state Border-to-Border Grant application this year. Bohler, on behalf of Frontier, submitted a challenge to Advantenon's grant application as it covered some of the same areas as Frontier's projects. Most of Frontier's upgrades are to increase the backbone and bandwidth with continuous upgrades in the future. Bohler will try to keep Schmoll informed as to the status of Frontier's projects in Kandiyohi County. Bohler stated Frontier is able to accommodate higher speeds for individuals and businesses at a higher cost.

CenturyLink meeting. Schmoll reported Dean Bouta met with Andrew Schriener as to CenturyLink's upgrades or future plans in Kandiyohi County. Schriener indicated CenturyLink has completed its CAF project in Willmar along Highway 5 and north of Eagle Creek Golf course and is close to completing two nodes near Priam and northeast of the Willmar High School. CenturyLink has fiber that ends near the old airport on Trott Avenue. CenturyLink was unable to provide maps or other information for competitive reasons.

State grant application letters of support. Schmoll reported she wrote a letter of support for TDS. TDS's application is for approximately 2,000 locations in Kandiyohi, which will receive 25/3 Mbps service. The \$6 million project includes the area looked at by Consolidated Telecommunications Company, but not the lakes areas and is expected to be completed by June 2020. TDS is also looking at Kerkhoven and Murdock, which were not in Frontier's grant. Schmoll also wrote a letter of support for Advantenon, a hybrid fiber/fixed wireless provider. Advantenon completed a project in Traverse County speeds of 100/100 Mbps. Advantenon also wrote a grant for Redwood County and gave presentations to the state Office of Broadband Development and the Broadband Coalition. Schmoll reported LTD Broadband has 43 towers built north of the Minnesota River up to Sunburg and south of Paynesville. Schmoll also continues to receive contact from WildFire5G, which is busy with its Microsoft project. Schmoll stated that at some point, the committee may need to make a decision on supporting projects only if the price is a certain amount or the need is greater in one area. Schmoll has also had conversations with Gardonville Cooperative Telephone Association and New Ulm Telephone Company, which want to do projects in Willmar. Travis Bonnema commented he is switching his service from Frontier to LTD.

NEW BUSINESS

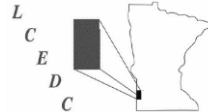
Next steps/direction. The committee discussed the following:

- Encouraging providers to keep extending their fiber to get the backbone built;
- Wireless projects will be important because of the checkerboard projects being done;
- Map what is available in the county;
- Continue to be advocates;
- Highlight our problems and why are there pockets;
- Expand to the southern part of Kandiyohi County with wireless to get some connectivity;
- Hackathon;
- Education of computer and internet use; and
- Work with adoption of broadband.

Larry Kleindl stated he continues to receive calls from people in the southern part of the county, who do not have service.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:00 p.m.

NEXT MEETING—The next meeting is 12 noon, November 4, 2017, Room 2057, at the Kandiyohi County Health & Human Services Building, Willmar.



September 28, 2017

Margaret Anderson Kelliher, Chair
Honorable Members
Governor's Broadband Task Force
St. Paul, MN

Dear Chair Anderson Kelliher and members of the Governor's Broadband Task Force,

The organizations signed on to this document represent a broad coalition of statewide and community interest groups, particularly in rural areas. Our organizations represent people and organizations that live and work in rural Minnesota. They know access to quality broadband services has never been so important. The vitality of our communities is directly affected by access to affordable high-quality broadband services.

This letter offers recommendations and comments from rural communities for your consideration as you develop and adopt your recommendations to the Governor and Legislature.

Our recommendations are:

1. **Fund the Border-to-Border Broadband Grant Program:** The grant program is essential to reaching the state broadband goals and allowing providers to extend and improve networks in the hardest to reach places in Minnesota. This program was not funded for fiscal year 2019, but there remain significant portions of Minnesota, especially low-density rural areas, that lack broadband service. The amount requested by all applicants continues to exceed the money available in the fund, showing the providers' continued interest in participating in this program.

We are further concerned that some policy makers may seek ways to diminish state investment in broadband, believing lesser technologies are adequate for rural residents and businesses. We continue to support the current requirement that funded projects must meet the scalability requirements and work

towards the 2026 state goal. We recommend the task force emphasize that state investment in broadband should continue to fund future-resilient technology that meets the current scalability standards.

2. **Provide multi-year funding for the Grant Program:** Providers have found it challenging to complete the complex task of blending engineering, finance, partnership agreements and community support into a competitive application in the time allowed by the single-year funding model. Stable biennial funding, incorporated into DEED's base funding, would give confidence to providers and communities alike to continue to plan and build partnerships and prepare effective project proposals.
3. **Modify the Challenge Process:** The challenge process remains an obstacle to delivering the best network possible to communities. The Challenge Process is overprotective of incumbent providers and discourages non-incumbent providers from participating in the program over concerns their efforts will be undermined. The process does not require the incumbent to install the same or better service as proposed by the applicant, rather it allows a challenger to improve service – not to 2026 speed goals – but just enough to prevent a grant, to the detriment of the community. If a provider is not meeting a community's needs, they should not be allowed to place undue burdens on access to state grants.
4. **Remove or Increase the \$5 million cap on projects:** The \$5 million grant cap per project may limit applications for project that propose to cover larger areas, including entire counties. Larger projects may allow for more cost-efficient network planning and construction.
5. **Increase the match offered by the Grant Program:** The 50% maximum grant level is increasingly insufficient to attract providers due to the high costs and project risks of building networks in Minnesota's hardest-to-serve rural areas. OBD should be allowed to implement a sliding scale system in which the grant amount could be more than 50% based on deployment factors such as population density, terrain, the capabilities of the network proposed, and the expected consumer benefit.
6. **Emphasize the importance of the Office of Broadband Development:** DEED's Office of Broadband Development (OBD) provides a critical link between communities and providers, documenting successful infrastructure project design and management. They are critical to implementation of the Grant Program and mapping activities. We fully recognize that 2018 is not a budget year and that the office is funded through next year. We believe the task force should emphasize the office should be maintained in the future and enhanced to include a role in promoting the adoption and use of broadband so that the highest possible value is gained from broadband infrastructure investments.

Thank you for your work on behalf of the citizens of Minnesota and for your consideration of this input.

Sincerely,

Laura Ziegler
League of Minnesota Cities (LMC)

Emily Murray
Association of Minnesota Counties (AMC)

Steve Fenske
Minnesota Association of Townships (MAT)

Dan Dorman
Greater Minnesota Partnership (GMNP)

Bradley Peterson
Coalition of Greater Minnesota Cities (CGMC)

Nancy Vyskocil
Northwest Minnesota Foundation (NWMF)

Jack Kegel
Minnesota Municipal Utilities Association (MMUA)

Brad Lundell
Schools for Equity in Education (SEE)

Donn Winckler
Mid-Minnesota Development Commission (MMDC)

Janet Keough
Cloquet Valley Internet Initiative (CVII)

Mary Minnick-Daniels
East Central Regional Arts Council (ECRAC)

Vince Robinson
*Minnesota Association of Professional County
Economic Developers (MAPCED) and Lincoln
County Enterprise Development Corp. (LCEDC)*

Jay Trusty
*Southwest Regional Development Commission
(SRDC)*

Gary Johnson and Dawn Hegland
*Upper Minnesota Valley Regional Development
Commission (UMVRDC)*

Dan Pecarina
Hiawatha Broadband Communications (HBC)

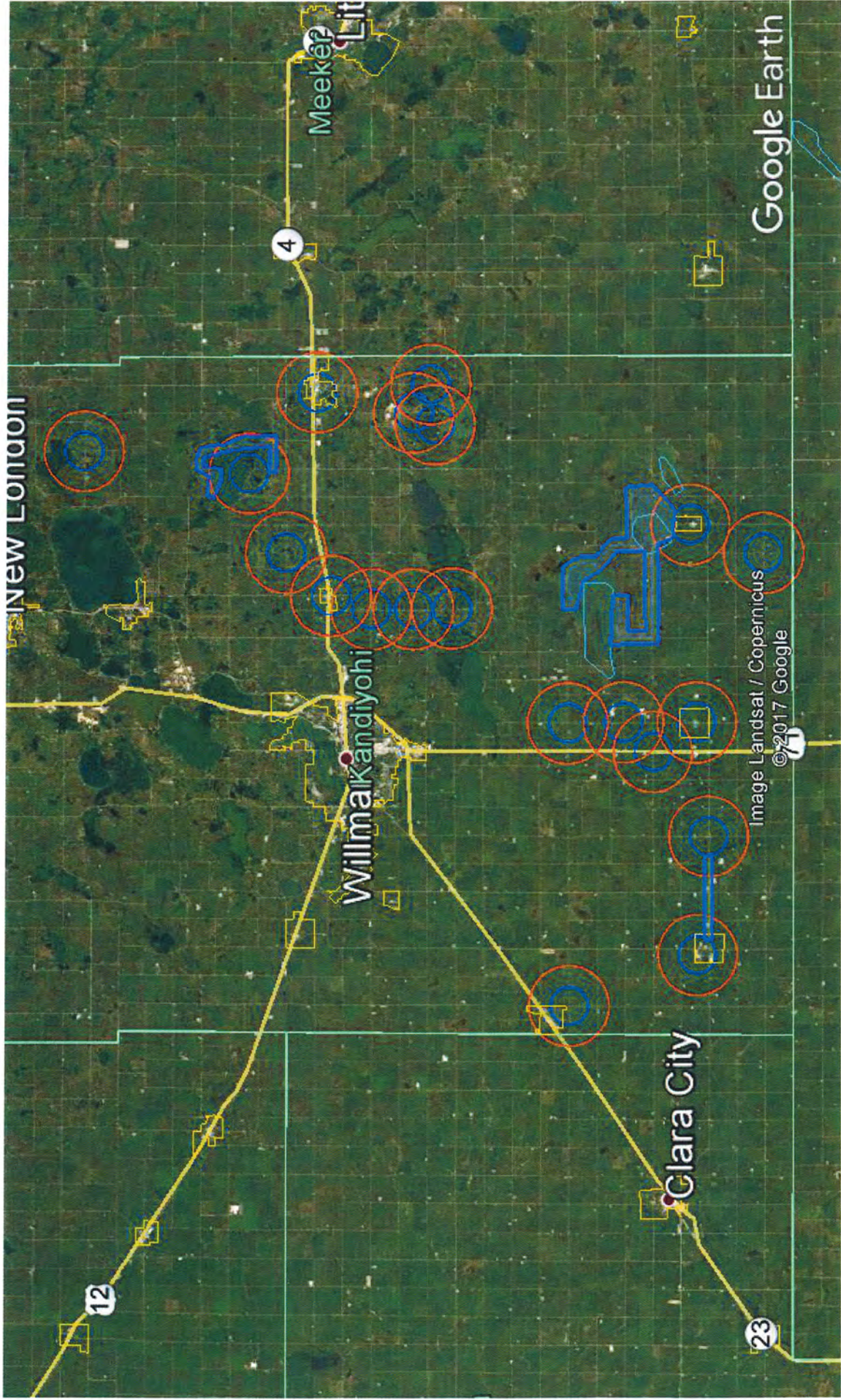
Steve Gottwalt
Minnesota Rural Health Association (MRHA)

Cheryal Lee Hills
Region Five Development Commission

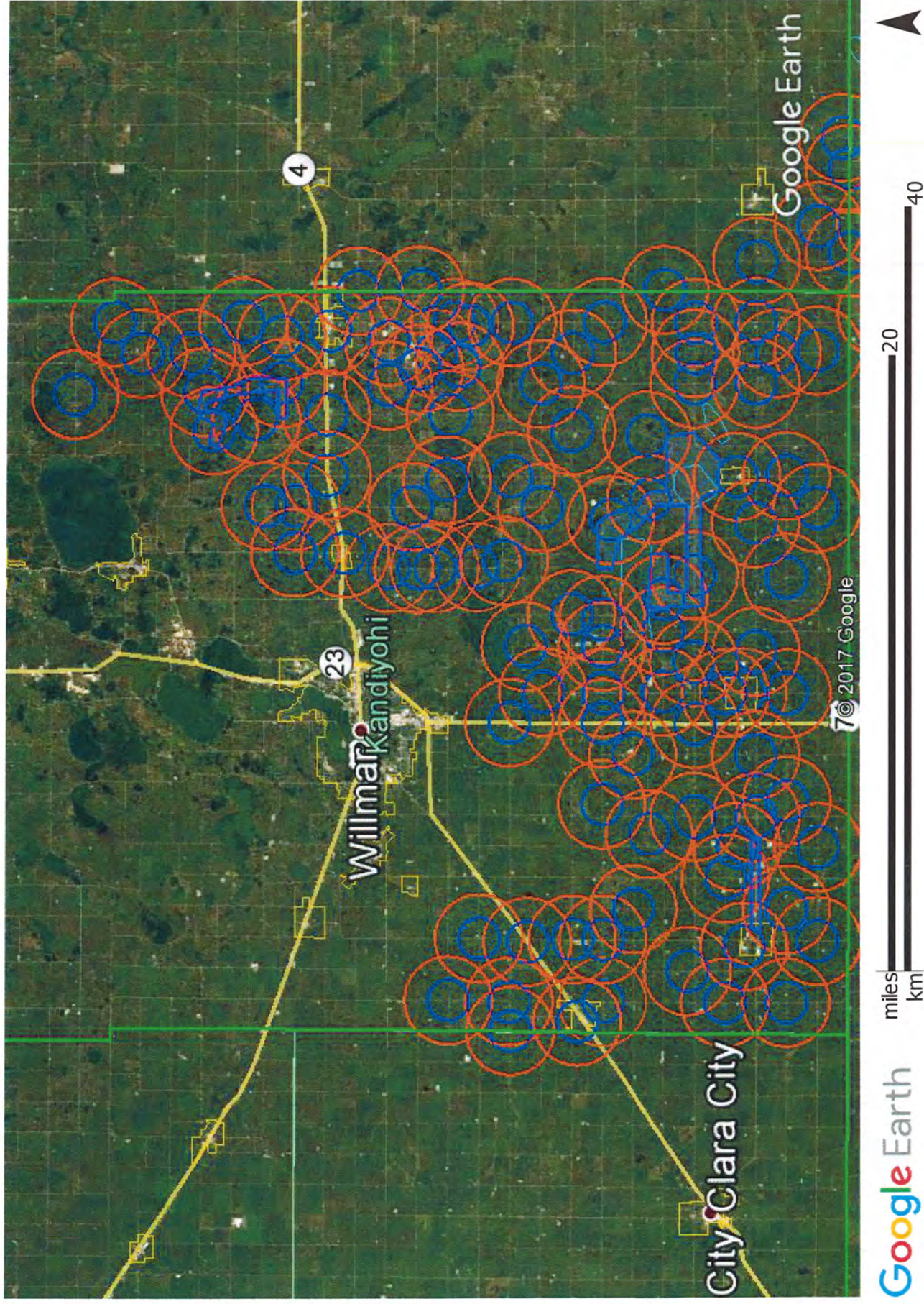
Christopher Mitchell
Institute for Local Self Reliance (ILSR)

Matt Varilek
Initiative Foundation

Glenn Kluis
Murray County



Frontier projects



Frontier Projects