

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

MINUTES

June 7, 2021

Via ZOOM Video Conference

Present: Bruce DeBlieck, Mark Boeschen, Donna Boonstra, Dean Bouta, Jason Hulstein, Roger Imdieke, Larry Kleindl, Ryan Nelson, Rollie Nissen, David Sisser and Goldie Smith

Excused: Michelle Marotzke and Glenn Otteson

Absent: Tony Kirby

Guest: Amanda Duerr, Director of Government Affairs, Charter Communications

Contractor: Connie Schmoll

Staff: Sarah Swedburg, Business Development Manager

Secretarial: Cathy Skindelien, Legal & Administrative Assistants, Inc.

Chairperson Mark Boeschen called the meeting to order at approximately 10:04 a.m.

AGENDA—

IT WAS MOVED BY David Sisser, SECONDED BY Rollie Nissen, to approve the Agenda as emailed.
MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Larry Kleindl, SECONDED BY David Sisser, to approve the Minutes of the May 3, 2021 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—

Charter's Expansion Plans. Amanda Duerr, Director of Government Affairs, Charter Communications, gave a presentation on five potential broadband projects in Kandiyohi County:

1. Chadwick Estates (Dovre Township). There are 37 homes/44 lots passed. This is an underserved area. Extending service would cost a total of \$255,000 with a local share of \$187,000. There is a potential state grant of \$127,500, which would affect the local share amount. This project would be a hybrid fiber/coaxial model, with a fiber backbone and individual lines of coaxial cable going directly to the homes. The internet speed would be exactly the same regardless of the type of service, with a minimum of 200 megabits per second (Mbps) download and 10 Mbps upload up to 935 Mbps download/40 Mbps upload.

2. 73rd Avenue NW (Dovre Township). There are 77 homes/101 lots passed. This area is currently unserved. The total cost would be \$490,000 with a local share of \$350,000. There is a potential state grant of \$245,000, which would affect the local share.
3. 141st Avenue NE (New London Township). There are 37 homes passed and this is an unserved area. The total cost would be \$89,000 with a local share of \$35,000. Charter applied for a state Border-to-Border Grant last year, but it was denied because TDS committed to improving service in this area.
4. 199th Avenue NE (New London Township). There are 32 homes passed and this is currently an unserved area. The total cost would be \$145,000 with a local share of \$100,000. The potential state grant would be \$72,500.
5. Riverwood Circle (New London Township). There are 84 homes passed and this is currently an unserved area. The total cost would be \$433,000 with a local share of \$300,000. The potential state grant would be \$216,500. Of the five projects, this is the only one that would be fiber-to-the-home, all others are hybrid models.

Schmoll asked which project would be the highest priority. Duerr responded that would depend on which one Kandiyohi County would prefer. Duerr stated Charter would possibly consider including a few homes outside of these areas, but it could change the overall cost. As to any other expansion plans, Duerr responded there could be natural growth from existing systems where Charter presently has service, which would be done without grant funds. The harder-to-serve areas require partnerships and grants to be viable. Sisser asked if Charter offers connections back to its fiber by other Wi-Fi providers. Duerr responded Charter does have some backhaul agreements with other providers. Duerr commented that state grants are on hold until the state budget is completed.

[Duerr was excused from the meeting.]

Arvig Broadband Plans. Schmoll reported Prinsburg has been calling about doing a project within its city limits. Arvig was interested in working on this project. Prinsburg considered applying for a grant through the Community Development Block Grant (CDBG) program, but it did not meet the low- to moderate-income level requirement. Schmoll is working with the Mayor of Prinsburg and the Superintendent of Central Minnesota Christian School (CMCS). CMCS is willing to apply for a grant for schools to get broadband into Prinsburg. Arvig put together a quote for 207 homes at a total cost of \$1 million. The provider would pay \$400,000, Kandiyohi County would pay \$330,000 and the township would pay \$35,000, leaving \$235,000 to be paid by CMCS and/or city residents. Bouta asked if Frontier has communicated at all as it installed fiber east of Prinsburg. Chair Boeschen stated Frontier was awarded a grant that got Prinsburg and Roseland up to the underserved category.

Vibrant Broadband Plans. Schmoll reported talking with Vibrant Broadband about doing projects in northeastern Kandiyohi County where Meeker Cooperative Light & Power Association serves. There are 100 people who have access and 33 have subscribed. The proposal would be for the entire east side of Kandiyohi County plus Burbank Township. Vibrant is proposing to do a hybrid project serving 1,698 properties at a total cost of \$4,165,127. Vibrant would invest \$2,082,563.50 in the project, the county \$1,832,656 and the townships \$256,703.59. It is fiber going to a monopole; the poles are taller and should avoid tree issues. Sisser agreed it is a good hybrid model for rural areas. It was felt now is the time to act when ARPA funds are available; making every project full fiber may not work at this time. Imdieke asked if the project meets the 2026 definition of being

served. Chair Boeschon responded that current speeds are an issue, but any wireless service is based on environmental factors. Sisser agreed, stating that wireless will only get better and better, the key is needing the fiber backbone to offload right away. It is a moving target that will change and only get better. Imdieke voiced a concern that Burbank Township will never get fiber, if it goes with hybrid service now. LTD Broadband is proposing to install fiber in the area, but there are no assurances it will happen. There will be gaps in service with LTD, but if Vibrant services the area, there will not be any gaps.

Concerns were voiced about approving projects that are not all fiber.

American Rescue Plan Funds. Chair Boeschon, Schmoll and Kleindl met to get a starting point for discussion. The county's overall sentiment is that broadband is a priority. This committee would ask the county to spend \$4 million on broadband, which is half of its ARPA funds and the townships would also be asked to contribute ARPA funds.

Two of Charter's project areas were considered served, Long Acres (73rd Avenue NW) and Chadwick Estates, but were contested and are now recognized as underserved by the state Office of Broadband Development. Federated Telephone Cooperative was asked to do these areas at no additional cost to the township. It is proposed that the three Charter projects in the Spicer area be funded so they can build now and get those areas served. Arvig was the only other provider offering fiber-to-the-home. ARPA funds are made to be spent and if projects can be done now, the committee should approve them as providers may not be interested next year. Kleindl mentioned funds can be dedicated this year and paid when the second half of the ARPA funds are received in June 2022.

Chair Boeschon mentioned there are several homes served by Charter that do not have a cable running from the road to their homes. The Broadband committee would propose a portion of ARPA funds to be used to put together a grant program that would pay for 50% of that cost. Duerr did not know how many homes were affected.

The maximum proposed amount townships would contribute from ARPA funds would be 75%; this is a starting point for negotiations. If a township is 100% covered it would contribute 75%. The amount would go down proportionately to the percentage of the township that is covered. Schmoll commented that the townships should agree to 75% since broadband is a high priority for them. Under this proposal there would be no cost to residents for the Charter and Vibrant projects, but residents could incur costs under the Prinsburg and Federated projects. The \$235,000 needed for the Prinsburg project could possibly come from CMCS instead of residents. This proposal would substantially reduce the cost to Federated customers from approximately \$3,500 to \$1,500 per resident. Schmoll stated Federated is looking at Lake Andrew, Colfax and Norway Lake Townships for its next state Border-to-Border Grant application. Federated will not be able to serve Burbank Township as its board will not allow anything east of Highway 71 at this time.

There is also an opportunity to apply for a grant under the National Telecommunications and Information Administration (NTIA) for up to 90% of the cost of a broadband project. There will be 200 projects awarded across the United States, so the chances of getting that grant are slim. Kleindl asked if the county does not get a grant from the NTIA, where will the funds for the rest of the county come from. Schmoll responded the EDC hopes the county will think about the future of those areas and fund them.

Imdieke asked if it reduces funding for other areas if residents are not asked to contribute toward a project. Chair Boeschon responded there is a lengthy process called a subordinate service district involved with

Federated in trying to charge residents and there is no easy or sustainable way to charge Vibrant and Charter customers. Schmoll commented many residents will vote a project down if it is more than \$2,000 per resident. This committee decided to not charge residents for non-fiber projects since nothing needs to be dug into their homes, but their broadband quality could also be less. Schmoll stated St. Johns Township will be included in the Federated project, except the areas to be served by LTD. LTD is leaving small areas across the state with no service. Prinsburg is one of those areas so it will be able to move forward with Arvig.

Chair Boeschen commented that this committee needs to act while providers are willing to help and take these opportunities now as opposed to waiting for something better. Committee members asked about townships that are being left out. Chair Boeschen responded the committee will be working on broadband for all townships, but it has to have willing providers.

Discussion was held on the areas proposed by Charter. Comments included there is a need north of New London and the provider could be spending its own money as it has the resources; Charter is cherry picking and should be forced to do projects in sparsely populated areas nearby; negotiate a 30% discount from Charter as it would probably do the projects without any funding. Chair Boeschen stated the areas proposed by Charter are next to its current service areas. Schmoll reminded the committee that it supported a grant application by Charter last year for 141st and 199th Streets. If Kandiyohi County approves using ARPA funds for the proposed Charter projects, it will decrease the chances of it applying for state Border-to-Border funds and improve the county's chances of receiving funds for other projects. Discussion was held on how to request the ARPA funds from the county. Kleindl stated most of the County Commissioners are in favor of using a majority of the ARPA funds for broadband and felt the plan discussed at this meeting should be presented to the County Board; details can be decided later. Chair Boeschen and Schmoll will attend the County Board meeting. Bouta voiced a concern with townships not being notified about the plan using some of their ARPA funds. Schmoll will call each township chairperson to make them aware of the plan.

IT WAS MOVED BY Dean Bouta, SECONDED BY David Sisser, that the Kandiyohi County and City of Willmar Economic Development Commission's Broadband and Advanced Technology Committee submit the proposal for use of American Rescue Plan Act funds for broadband purposes as a draft to the Kandiyohi County Board of Commissioners. MOTION CARRIED.

NTIA Grant. The NTIA Grant was discussed previously. No further discussion was held.

CDBG-CV Grant Program. It was determined no area in Kandiyohi County would qualify for this grant.

REPORTS—

2021 Township Broadband Project. Chair Boeschen reported on the Federated project. This committee is working with the townships on the funding; the county's contribution will make a big difference on how much residents have to pay. Copies of deeds are being obtained to create the subordinate service district to put a policy in place for how much each land owner will be assessed. Schmoll added that the Michelle Marotzke with the Mid-Minnesota Development Commission has created a handout that will go out to township residents containing the meeting notice for each township; voting materials will be mailed out.

SUBCOMMITTEES—

Grant Writing. Schmoll reported several letters of support came in during the early stages of the project. She is checking to see who is missing and will request letters from them.

Adoption. Sisser forwarded notes to Chair Boeschen and Schmoll for use in a presentation that will be created by the EDC’s Marketing and Public Relations Committee and REDstar Creative.

Minnesota Rural Broadband Coalition. Schmoll reported she spoke with Nathan Zacharias of the Minnesota Rural Broadband Coalition, who has been working at the state capitol and is partially responsible for the \$70 million that will be available for broadband in the next biennium, if it is passed during the session.

NEW BUSINESS

New member.

IT WAS MOVED BY Larry Kleindl, SECONDED BY Dave Sisser, to accept Goldie Smith as a member of the Kandiyohi County and City of Willmar Economic Development Commission’s Broadband and Advanced Technology Committee. MOTION CARRIED.

July meeting date. The Committee agreed to meet on July 12 at 10:00 a.m. in person, tentatively at the Kandiyohi County Health and Human Services Building.

ADJOURNMENT—There being no further business,

IT WAS MOVED, SECONDED AND CARRIED to adjourn the meeting.

The meeting was adjourned at approximately 11:28 a.m.

NEXT MEETING—The next regular committee meeting is **10 a.m., Monday, July 12, 2021** in person, tentatively at the Kandiyohi County Health and Human Services Building.