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

August 7, 2017

Kandiyohi County Health & Human Services Building, Willmar

Present:	Mark Boeschen, Travis Bonnema, Donna Boonstra, Dean Bouta, Bruce DeBlieck, Kathy Dillon, Scott Froemming, Larry Handlin, Larry Kleindl, Michelle Marotzke, Brian Mort, Les Nelson and Donn Winckler
Absent:	David Sisser
Guest:	Ramsey Schaffnit
Staff:	Connie Schmoll, Business Development Specialist
Secretarial:	Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Dean Bouta called the meeting to order at approximately 12:03 p.m. followed by self introductions. Ramsey Schaffnit introduced himself, saying he is retired having moved here from Chicago and now living on the lower east side of Lake Florida. Connie Schmoll stated Schaffnit assisted with door knocking for the broadband project and is interested in being on the committee.

MINUTES-

IT WAS MOVED BY Donn Winckler, SECONDED BY Michelle Marotzke, to approve the minutes of the July 10, 2017 meeting as emailed. MOTION CARRIED.

BORDER-TO-BORDER GRANT PROJECT—Chair Bouta reported the state broadband grant has been declined by Consolidated Telecommunications Company (CTC). Larry Kleindl reported he received a phone call on July 27, 2017 from Kevin Larson, CEO and General Manager of CTC stating the board had turned down the project. Schmoll reported the timeline of activities from June 27 to August 1, 2017 (<u>see</u> attached). CTC stated it only received 41% of the deposits needed, yet the EDC's records show 703 deposits out of the 810+ who signed up paid. Committee members suggested that for any future projects, the committee should require receipt of the company's marketing plan. The committee agreed CTC did not do its homework on the parcels in the project area as it included several seasonal homes and unoccupied land, did not market the project well and should have accepted deposits via its website. CTC continued to change the boundaries of the project area up until the grant was submitted and after the grant was submitted, it is believed CTC felt it could not complete the project. Schmoll stated the Office of Broadband Development was favorable to CTC. Kleindl stated the county commissioners want the facts told, if asked. Kleindl reported Kandiyohi County offered to pay for 100 contracts for two years and as users signed up, the county would reduce its payments. Chair Bouta thanked everyone who spent many personal hours marketing the project. It was reported that Federated Telephone Cooperative is done doing projects as it cannot take any more debt without financial input. CTC's grant funds will return to this year's funding. Schmoll thanked Kandiyohi Power Cooperative for approving a \$50,000 contribution toward the project before it was cancelled.

UNFINISHED BUSINESS-

Frontier Communications Border-to-Border Grant. Information from Frontier Communications' broadband grant application was provided (<u>see</u> attached). Schmoll had invited Scott Bohler to today's meeting. She will contact him again ask that he attend a future meeting.

CenturyLink project. Information on CenturyLink's bundles was provided (<u>see</u> attached). Schmoll has been trying to have a representative from CenturyLink attend a meeting, but has not had a response. She will extend another invitation. CenturyLink's build west and south of Willmar is finished. It is believed CenturyLink needs small communities to get back-end monies and is not interested in selling.

TDS project. A press release on TDS Broadband Network Upgrades was distributed (<u>see</u> attached). Schmoll reported Jean Pauk of TDS stated it has moved upgrades for Kandiyohi County to the top of its list. TDS received \$75.1 million a year from the Connect American Fund to increase broadband access in 25 states over the next 10 years. TDS will begin some projects in 2017 and has indicated it will begin its Minnesota built in Kandiyohi County. Schmoll showed a map of TDS's project area in Kandiyohi County (<u>see</u> attached). The state Office of Broadband Development indicated TDS may apply for another state Border-to-Border Broadband Development Grant and may request a letter of support.

NEW BUSINESS-

Wireless companies. Schmoll stated three wireless companies contacted her following CTC's decline of the grant:

- LTD Broadband uses Fixed Terrestrial Wireless (FTW) technology and has 26 towers that will go live on August 4, 2017 in Kerkhoven, Pennock, Lake Lillian and at Allied Grain in Blomkest. Towers are installed on ag structures, such as grain legs or silos. FTW requires antennas on homes and reaches five miles from the tower or one mile, if it has interrupted line of site. LTD Broadband's monthly charges are: 3 Mbps—\$35, 6 Mbps—\$55, 10 Mbps—\$75 and 25 Mbps—\$85. It is believed this technology is the same as MVTV Wireless.
- Advantenon, Inc. wants to write a state Border-to-Border Broadband Development Grant application and provided Schmoll with the application it submitted for Redwood Falls. Adventenon is not looking for financial support, but is looking for a partner in the application. Advantenon is a hybrid fiber/fixed wireless provider. It brings fiber to the tower and uses fixed wireless from the tower. Its costs are: 4 Mbps package—\$39, 10 Mbps package—\$59, 25 Mbps package—\$89 and 100 Mbps package—\$149.

3. WildFire 5G is also interested in doing a project in Kandiyohi County according to Paul Deming. Microsoft is partnering with WildFire 5G and all of its software will be in the cloud and not installed on computers. WildFire 5G wants to apply for the grant turned down by CTC and wants a \$5 million loan from Kandiyohi County to deploy across the entire county in the next 30 days, however, it is not interested in taking on debt for bonding. WildFire 5G reports it is getting 250 Mbps using UHF whitespace. Bouta stated 5G appears to be more consistent, but he is not sure the FCC is signing off on using whitespace. It may be important to speak to one of the other states once a project is completed and being used. Each device that a user has is charged.

Committee members commented that wireless upload speed is slower than downloading, wireless is not reliable and has latency issues.

Future direction. Kleindl believes counties will step up if the state broadband grant process requires more financial input. Kleindl recommended the committee support any company that meets the state's broadband criteria. The state received some creative applications. It is believed larger grants may go to Native American populations and very rural areas. Schmoll stated Gardonville is doing small projects. Farmers Mutual Cooperative is the only cooperative that could possibly be approached to do a project. Kleindl believes it will be hard for any outside company to do a project in Kandiyohi County after its experience with CTC. The committee should keep pushing incumbents to get their DSL out. Travis Bonnema stated he supports the state's download/upload speed of 25/3, but not for a business. Bonnema stated fixed wireless has not worked for Jennie-O Turkey Store. The committee is still in favor of seeking fiber to the entire county, but supports the state's 25/3 download/upload speeds. Kleindl stated the message on the state level is do people really want broadband? State funding may not be available in 2019 and 2020. If the committee continues to go after fiber, it was the consensus the committee needs to be loud in expressing its desire to get the legislature to change the rules. It was noted many legislators believe wireless is the answer. The public does not understand the difference between DSL, fiber and wireless. The committee may need to redefine its role in broadband. Is it educating the public on what is fiber to the home? It was the consensus that the committee should continue to try meeting with incumbents and develop a relationship, keep pressure on the legislators and continue to be loud in its opinions and to watch what is happening with federal programs.

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Larry Kleindl, to support companies that are willing to meet the minimum broadband standards set by the State of Minnesota and to provide them with a letter of support. MOTION CARRIED.

September meeting. It was the consensus to meet on September 11, if an incumbent is willing to attend the meeting.

New member.

IT WAS MOVED BY Brian Mort, SECONDED BY Mark Boeschen, to add Ramsey Schaffnit to the Kandiyohi County and City of Willmar Economic Development Commission Broadband and Advanced Technology Committee. MOTION CARRIED.

Other. Schmoll invited everyone to attend a wrap-up gathering for those who worked on the broadband project for 5:00 p.m., Tuesday, August 15, 2017 at The Oaks at Eagle Creek.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:59 p.m.

NEXT MEETING—The next meeting is **12 noon, September 11, 2017**, at the Kandiyohi County Health & Human Services Building, Willmar.

Kandiyohi County Broadband Grant Project by Consolidated Telecommunications Company Activities from June 27 to August 1, 2017

On June 27th during a conference call with Consolidated Telecommunications Company (CTC), Kevin Larson and Kristi Westbrock reported CTC was going to end the Kandiyohi County broadband campaign and turn down the \$4.9 million grant from DEED. At the time, signups were at 42% and checks at 21% of those in the project area.

On July 6th, after discussion to consider and plan a negotiation with CTC, we asked them to consider a 2-week extension allowing a declared deadline to complete sign ups and secure \$25 deposit checks. CTC approved the two-week extension on July 7th and we agreed on the date of July 24th to end the campaign.

Our group met on July 10th. We made plans for a large blitz for the following 2 weeks and carried through. By July 21st we reached the 50% of signups needed. And on July 21st, Kristi Westbrock agreed to give us the entire next week to secure the deposit checks, July 24th through the 28.

On Thursday, July 27th, late in the afternoon, Administrator Kleindl received a call followed by an email with word that the CTC Board of Directors voted to turn down the Border to Border grant and pull out of the project for Kandiyohi County stating "lack of sufficient interest with financial commitment".

The Tribune reported the hope we had early in the day as stated at the EDC Joint Powers Board Meeting and CTC's decision to end the project.

There was discussion by several people/groups as to negotiate or not, meet with them nor not, throughout the weekend and on Monday. On Tuesday, August 1st, before the Kandiyohi County Board meeting, County Administrator Kleindl received a call from Kevin Larson of CTC. Commissioners Imdieke and Nissen were with Larry at the time.

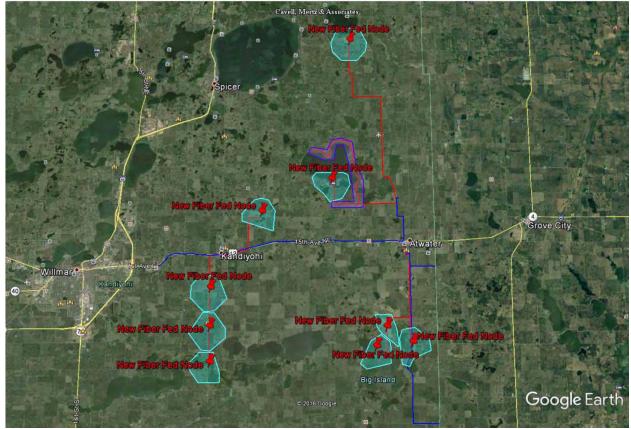
They announced their negotiation plan which included buying out the contracts of the remaining 100 people who had not paid the \$25 deposit. Larson was asking instead for a cash grant in the amount of \$2 million. The Commissioners and Larry said no to the cash grant. Larson agree to get back to Larry by 11:00 a.m. if he would consider the buyout plan.

By 3:20 on Tuesday, Larry heard from Larson that CTC was indeed pulling out of the project. A letter stating the intentions to drop the project and refuse the Border-to-Border grant funds was sent to DEED at that time with a copy sent to Kleindl. It was reported in the Tribune the following morning. We had secured more than 810 signups and more than 700 deposit checks by this time.

I received messages from a few people today, that they received their returned check. The letter was not favorable to Kandiyohi County residents/businesses.

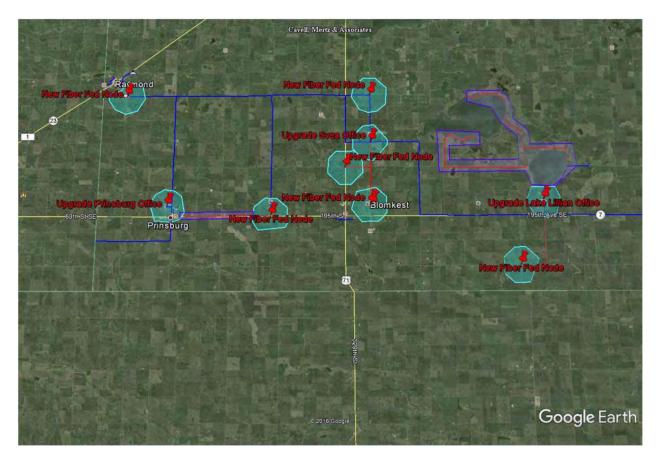
This initiative request by Frontier will bring a minimum of 25/3 internet speeds to rural areas within Kandiyohi County that are considered unserved. The Frontier engineering team has made an extensive review of the county and has found strategic locations for new or upgraded broadband deployment via FTTN and FTTH technology throughout the county. When completed the FTTN and FTTH initiative will bring a minimum speed of 25/3 to 1,147 households or businesses within Kandiyohi County that are considered as unserved today. This initiative will focus on the below key areas within the county.

Atwater and Kandiyohi Area. 25/3 minimum via FTTN and FTTH technology. 435 households will be served.



Blue shaded areas denote 25/3 serving areas established by placing fiber to new nodes and shortening existing customer loops. Purple shaded area denotes 25/3 serving area by placing fiber to the home. Blue lines denote existing Frontier fiber and red lines denote new fiber that will be placed.

Lake Lillian, Blomkest, Svea, Roseland, Prinsburg, Raymond area. 25/3 minimum via FTTN and FTTH technology. 712 households will be served.



Blue shaded areas denote 25/3 serving areas established by placing fiber to new nodes and shortening existing customer loops. Purple shaded area denotes 25/3 serving area by placing fiber to the home. Blue lines denote existing Frontier fiber and red lines denote new fiber that will be placed

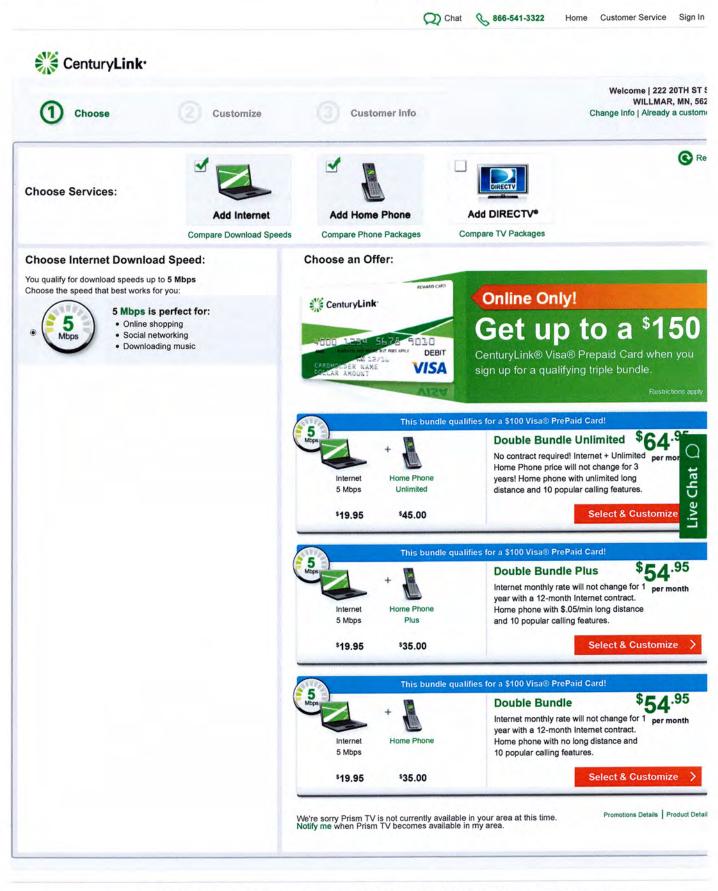
1.5 County: Kandiyohi Minnesota Legislative District # 17A 17B

(Note: The Minnesota Legislature has a tool to look up legislative district numbers. You must have a precise address and know the zip code of the site. Go to: <u>http://www.gis.leg.mn/mapserver/districts/index.html</u>)

BROADBAND INFRASTRUCTURE TO BE PROVIDED (Please label each attachment with the corresponding numbers listed below.)

1.6 Please attach a list or schedule of all grant eligible elements (labor, materials, equipment, design services, etc.) to be purchased for the project. <u>PLEASE NOTE: Grant eligible elements do</u> *not include video or voice costs. These cannot be reimbursed through the state grant.*

Below is a list of commonly used and recommended budget categories. Please use these recommended budget categories. If a category is not listed here, please add it into your list of all



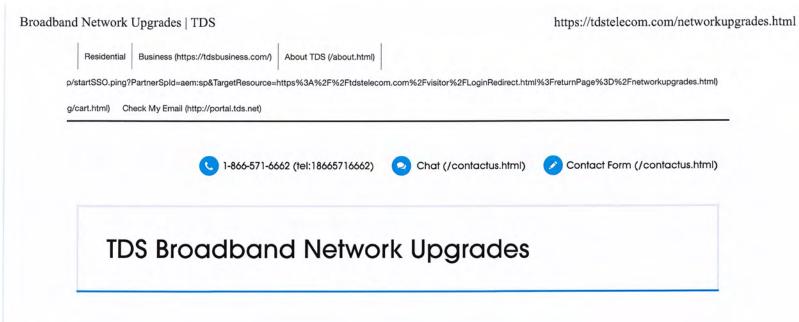
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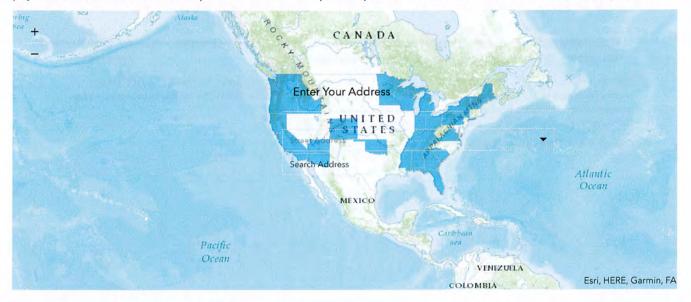


TDS is bringing faster Broadband to Rural America.

Over the next 10 years, TDS will expand and improve its broadband network to bring fast, reliable Internet to more of its rural customers.

In fact nearly 160,000 locations and 25 states will benefit from a network expansion, which is made possible by funding from the Federal Communications Commission's (FCC) Alternative Connect America Cost Model also known as the Connect America Fund (CAF). The result: most TDS customers in rural areas (depending on location), will experience 25Mbps Internet (3Mbps upload), guaranteed.

Final engineering and network deployment details are being finalized now. Enter your address in the map below to see if your location is included in this project. As start dates are established for specific communities the map will be updated with timeline information. Check back for future updates.



Broadband Network Upgrade FAQS

When will TDS begin working on the buildout?

The buildout will begin in the first quarter of 2017 and continue for approximately 10 years. One buildout project in each of the 25 states will begin this year. Starting in 2018, future buildout will be prioritized until the project is completed and timelines will be updated on this website.

How were buildout areas decided?

The FCC reviewed its own models and determined the areas that were eligible for support. The FCC extended an offer to TDS in the locations that TDS serves and TDS was then offered ACAM support. TDS then reviewed designs for all the communities that TDS serves. On Jan. 24, 2017, TDS accepted the FCC offer.

Why did TDS elect for funding from the FCC?

The cost to build out broadband service in these rural isolated communities is very high. By participating in the CAF program TDS is able to bring faster Internet to more households.

- What is the job impact to our community? Jobs will certainly be created and/or companies hired to assist us with the implementation of the buildout plans.
- How long will it take once you start?

TDS has 10 years to complete the entire project. However, we hope to complete this project earlier than this deadline.

Sign up to receive periodic email updates for the Network Upgrade Project. (http://my.tdstelecom.com/CAF-subscribe)

Have a Question? Contact Us!

<u>Chat (/contactus.html)</u> with us, fill out a <u>contact form (/contactus.html)</u>, or call us at 1-866-571-6662 (tel:18665716662).

Not finding what you're looking for?

<u>Visit our support site (/support.html)</u> for FAQs, how-tos, and other useful resources.

Sign up to receive emails with the latest specials, offers, news, and more.

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