

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

MINUTES

September 10, 2018

Kandiyohi County Health & Human Services Building, Willmar

- Present: Mark Boeschen, Travis Bonnema, Donna Boonstra, Scott Froemming, Larry Kleindl, Michelle Marotzke, Les Nelson, Gregg Price, Ramsey Schaffnit, David Sisser and Donn Winckler
- Excused: Bruce DeBlieck and Dean Bouta
- Absent: Brian Mort
- Guest: Mark Erickson of RS Fiber Cooperative
- Staff: Connie Schmoll, Business Development Specialist
- Secretarial: Diane Beck, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Mark Boeschen called the meeting to order at approximately 12:05 p.m.

MINUTES—

IT WAS MOVED BY Larry Kleindl, SECONDED BY David Sisser, to approve the minutes of the August 6, 2018 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

RS Fiber Cooperative. Schmoll introduced Mark Erickson of RS Fiber Cooperative (RS Fiber) and Winthrop Joint Powers Board. Erickson distributed copies of *Broadband Communities*, a free magazine published approximately seven times a year with a circulation of 14,000. Erickson provided an informative overview of RS Fiber. RS Fiber started in 2010 and is a public/private partnership. It was started due to the lack of interest by existing telecoms to serve the towns and townships in the Winthrop area. Phase One construction began in 2015 with the final four of 10 communities connected to Fiber-To-The-Home (FTTH) Gigabit network approximately six months ago. In addition, FS Fiber Air, a fixed wireless solution for 17 townships was included in Phase One and continues to expand coverage to new areas of rural Renville and Sibley Counties. The company is now in the customer acquisition stage for all 10 FTTH communities. RS Fiber serves more than 30% of the homes and businesses in the 10 communities. There are over 2,000 customers with a penetration rate of 33-34% and service of 50/25 mg upload/download speeds. Customer growth has increased by 62% in the past year.

Prior to beginning the project, over 100 public meetings were held. Each of the cities involved passed General Operating (GO) bonds. Erickson reported the subordinated debt payments will not be made for the next two years and cities may need to make the GO bond payments

RS Fiber applied to be a cooperative under Minnesota Statutes, Chapter 308B. There are more restrictions with a municipal process. RS Fiber operates under seven principles and focuses on maximizing service benefits to its customers. RS Fiber has competition from Frontier, Winthrop Telephone and Mediacom. It was suggested to identify small communities that have less than adequate service.

RS Fiber resulted from a grassroots effort. They applied to the Blandin Foundation for feasibility study funds, formed a Joint Powers Board and held over 100 public meetings throughout the 10 cities. RS Fiber does not have any employees; only a board. Hiawatha Broadband Communications (HBC) hires all of the employees. Chair Boeschen stated the people who pay for the service are the ones that will benefit and commented the project and costs were presented well to the public and easy to understand. Community education is important. Erickson shared Phase 2 may begin in approximately three years.

Erickson suggested the committee visit www.neighborly.com for information on financing public projects.

Communication with broadband providers. Schmoll gave a brief update on HBC. It is in transition with a buyout of the company by Indiana-based Schurz Communications. Erickson reported HBC is still very interested in a project in Kandiyohi County.

Research assistance for future ideas. Chair Boeschen asked members to write summaries of their research findings and include comments and send to Schmoll or himself. Boeschen will compile the summaries for the next meeting; options will be discussed.

NEW BUSINESS

Minnesota Rural Broadband Coalition membership. Schmoll reported the EDC Joint Operations Board approved a \$500 (instead of \$1,000) membership in the Minnesota Rural Broadband Coalition. The membership entitles this committee to voting privileges, etc.

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Donna Boonstra, to approve membership in the Minnesota Rural Broadband Coalition in the amount of \$500.

MOTION CARRIED.

Other. Chair Boeschen reported several public meetings have been held as to the investigation of Frontier Communications due to a large number of complaints in 2017 relating to quality of service and billing practices. Public hearings scheduled in the area include:

- Wyoming City Hall, September 12, 2018 at 6:00 p.m.
- Slayton Public Library, September 25, 2018 at 6:00 p.m.

- Lakeville Heritage Center, September 26, 2018 at 2:00 and 6:00 p.m.

Comments will be accepted through October 3, 2018 at 4:30 p.m.

Schmoll shared the 2018 Fall Blandin Conference will be held October 23-24, 2018 at Madden's on Gull Lake. The EDC will pay the registration for one committee member; anyone interested should contact Schmoll.

ADJOURNMENT—

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Donna Boonstra, to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at approximately 1:00 p.m.

NEXT MEETING—The next committee meeting is 12 noon, Monday, October 1, 2018 at Kandiyohi County Health & Human Services Building, Room 2057, Willmar.