

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

January 3, 2022

Kandiyohi County Health & Human Services Building, Willmar and Via ZOOM Video Conference

Present: Mark Boesch, Jason Hulstein (via Zoom), Roger Imdieke, Tony Kirby (via Zoom), Larry Kleindl, Michelle Marotzke, Rollie Nissen, David Sisser and Goldie Smith (via Zoom)

Excused: Dean Bouta and Bruce DeBlicke

Absent: Donna Boonstra and Ryan Nelson

Guests: Luke Johnson, Operations Manager; Tim Mergan, Chief Executive Officer (CEO) and Kari Miller, Finance Manager of Meeker Cooperative Light and Power Association and Vibrant Broadband (All via Zoom)

Staff: Sarah Swedburg, Business Development Manager

Contractor: Connie Schmoll

Secretarial: Cathy Skindelien, Legal and Administrative Assistants, Inc. (LAA)

Chairperson Mark Boesch called the meeting to order at approximately 10:03 a.m.

AGENDA—

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

MINUTES—

IT WAS MOVED BY David Sisser, SECONDED BY Roger Imdieke, to approve the Minutes of the December 6, 2021 meeting as emailed. MOTION CARRIED.

NEW BUSINESS—

Vibrant Broadband Presentation. Connie Schmoll introduced Luke Johnson, Operations Manager, Tim Mergan, CEO and Kari Miller, Finance Manager of Meeker Cooperative Light and Power Association and Vibrant Broadband. Vibrant Broadband will apply for a United States Department of Agriculture ReConnect Grant that will include portions of Kandiyohi County. Johnson made a presentation to the committee entitled *Kandiyohi County Broadband Funding Opportunities*. He discussed the point system used for the ReConnect Grant.

Competitive applications need 122 of 175 points. Vibrant Broadband’s application will qualify for the following points:

1. Demonstrate affordable pricing – 20 points
2. Commit to strong labor standards – 20 points
3. Applicant is local government, nonprofit or cooperative – 15 points
4. Commit to Net Neutrality – 10 points
5. Commit to offering wholesale broadband services at reasonable and nondiscriminatory rates – 10 points

These items total 75 points, leaving 47 points needed for a competitive application. Additional point opportunities include:

1. Maximum points awarded for Proposed Funded Service Areas (PFSAs) with population densities of six or less per square mile or PFSAs located 100 miles from a city or town with 50,000 people – 25 points
2. Points awarded based on the number of households without 25/3 internet speed – 25 points
3. 75 percent of the PFSAs are proposing to service communities with a Small Area Income and Poverty Estimates (SAIPE) score of 20 percent or higher – 20 points
4. Tribal Government applicant with PFSA servicing 50% tribal land – 15 points
5. Non-tribal applicant with PFSA servicing 50% tribal land—10 points
6. 75% of the PFSAs propose to serve socially vulnerable communities – 15 points

Vibrant Broadband has divided the PFSA into three groups—those with internet speeds of 25 megabits per second (Mbps) download/3 Mbps or less upload, less than 100 Mbps/20 Mbps and over 100 Mbps/20 Mbps. The grant proposal will include only those with speeds of 25 Mbps/3 Mbps or less which will add 25 points to its total.

No portion of the PFSA overlaps with socially vulnerable communities, SAIPE, or Tribal areas, the PFSA is not more than 100 miles from 50,000 city or population density, and Kandiyohi County averages 14 subscribers per square mile; therefore no points were scored in these categories. Vibrant Broadband solved this problem by removing densely populated areas, which brought the density down to 6 homes or less per square mile, adding 25 points to its score for a total of 125 points, a competitive application. Six hundred and eight residences in Kandiyohi County will be served and this number will increase as the project progresses. Vibrant’s next step is to refine the areas and boundaries, removing anyone who has more than 25 Mbps/3 Mbps internet speed. A high-level design will finalize the total numbers and assess the financial feasibility. Letters of support will be gathered and the grant completed by February 22, 2022. This is an all-fiber project.

Vibrant Broadband has been communicating with Larry Kleindl and Schmoll about the availability of American Rescue Plan Act (ARPA) funds. If the ReConnect Grant is awarded additional funds will not be necessary. Kleindl asked if ARPA funds can be used in RDOF areas. Johnson responded there are counties that are using ARPA funds in RDOF areas because they can’t wait for LTD Broadband, however the rules are not clear. ARPA funds cannot be stacked with the ReConnect Grant because both are federal programs. Imdieke asked if ARPA funds could be eligible to use in the spots that were removed from the Reconnect Grant area. Johnson replied yes, this would facilitate complete coverage to an entire area if ARPA funds were used in the more densely populated areas that were removed to qualify for the ReConnect Grant. Imdieke asked about using the State Border-to-Border Grant in the RDOF areas. Schmoll replied if the NTIA Grant is awarded, Border-to-Border could be used in the non-RDOF areas, otherwise it will be used for the township projects already in place.

Because there are so many options, this committee needs to first put a plan in place and then determine the funding source. The RDOF project will be completed, but it is a question of how long it will take. The overall project is piecemealed, but everyone should get service in the end. Imdieke had concerns about some areas being left out and the cost of servicing these islands. Vibrant Broadband wants to fill in those gaps as the next step, but the current focus is on the areas involved in the ReConnect Grant. Letters of support from townships, Kandiyohi County, this committee, and residents of the area would be helpful. The EDC will create a template letter of support to be shared. Chair Boeshen requested a file of the maps, and Johnson will send them in a couple weeks when they are finalized.

December Minnesota Rural Broadband Coalition Meeting. Sarah Swedburg reported the Minnesota Rural Broadband Coalition Meeting highlighted six main priorities:

1. Support legislation that allocates \$70 million from the General Fund to fulfill the fiscal obligation in the 2022-2023 biennial budget for the Border-to-Border Broadband Grant program. Without this action, the State risks losing out on the second construction season of the biennium. It is understood that federal funding is forthcoming and would be used to reimburse the General Fund.
2. Support the Office of Broadband Development applying for the state's full Capital Projects Fund allocation (\$180 million) from U.S. Treasury through administrative action or, if necessary, lead on an effort to move a bill through the Legislature for this purpose.
3. Support agency and other legislative efforts to bridge the digital divide by increasing digital equity, affordability and adoption, including the use of federal infrastructure funds and the Capital Projects Fund for these purposes.
4. Support state's ability to invest in broadband infrastructure despite pending or otherwise uncommitted federal funds. In situations where final federal decisions have not been made (e.g. RDOF preliminary auction award areas), the Office of Broadband Development shall allow applications from those areas and those projects shall not be excluded from awards.
5. Participate in conversations involving emerging technologies and their role in meeting the state's 2022 and 2025 statutory speed goals. Oppose blanket statutory broadband definition changes and oppose funding carveouts for any specific broadband technology.
6. Support efforts by state agency or other legislative initiatives to increase the quality of state broadband maps

This Coalition is planning a Broadband Day on the Capitol with a priority of educating the legislators.

In addition to the six priorities it was noted that the remaining townships in Kandiyohi County will need more funds than the 50% allocation received in a State Border-to-Border Grant. The State of Minnesota has allocated \$70 million of the capital projects fund, however the state is eligible for \$180 million and will be applying for the additional funds, so there is hope that the State Border-to-Border Grants will be increased. The challenge will be finding someone to service these areas, many of which are in the designated RDOF area. Providers would have to gamble that they complete their projects before RDOF funds become available.

Schmoll reported the Minnesota Rural Broadband Coalition is asking for higher dues. This Committee contributed additional dues last year. This topic will be discussed at the next meeting.

UNFINISHED BUSINESS—

Arvig's Broadband Plans. The City of Prinsburg signed all documents and is ready to launch its broadband project. Arvig is currently working on a different project, but anticipates completing the Prinsburg project by the end of 2022.

Charter. Chair Boeschen reported meeting with Amanda Duerr, Director of Government Affairs at Charter Communications. Duerr was asked to make a proposal for New London Township, which has 224 passings that are unserved or underserved, \$710,238 total cost with \$262,238 in local share, or \$1170 per passing. Charter's contribution to the project would be \$448,000. Chair Boeschen recommended bringing this proposal to the Kandiyohi County Board. Kleindl commented the county will use ARPA funds, but the townships should match the funds. Schmoll stated the townships have already agreed to use their ARPA funds for broadband. Kleindl was concerned if spots continue to be added, where will the additional money come from? Chair Boeschen responded that the townships were asked to contribute 75% of their ARPA funds, and when that money has been spent, the county should fund the remainder.

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Roger Imdieke, to bring the New London Township/Charter Communications project of 224 passes at a local cost of \$262,238 to the Kandiyohi County Board. MOTION CARRIED

The second project is in Green Lake Township. This has a total cost of \$908,000 for 135 passings. Charter is asking for \$706,000 or \$5200 per passing, considerably higher than other areas. There was no recommendation to move forward on this project.

Federated Telephone Cooperative. The Office of Broadband Development put out a notice that they are working to move the money for Border-to-Border. The scoring criteria has been announced, but applications will not yet be accepted.

National Telecommunications and Information Administration (NTIA) Grant. The announcement of NTIA Grant awards has been delayed until early in 2022.

United States Department of Agriculture (USDA) ReConnect Grant Program. More money has been allocated with the infrastructure bill. Vibrant Broadband is taking the lead in applying for this grant.

ADJOURNMENT—There being no further business, the meeting was adjourned at 11:00 a.m.

NEXT MEETING—The next regular committee meeting is **10:00 a.m., Monday, February 7, 2022** at Room 2057, Kandiyohi County Health and Human Services Building, Willmar and via Zoom video conference.

Meeker Cooperative Light and Power Association/VIBRANT Broadband - Kandiyohi County Funding Proposal

Kandiyohi County (proposed coverage area-outlined in red and shaded yellow)
Burbank, Roseville, Irving, Harrison and Genessee Townships

- 1527 Homes Passed
 - 1527 FTTH
- 248 Miles of Fiber
- \$17,600,000 – Total Cost to Construct & Install Customers



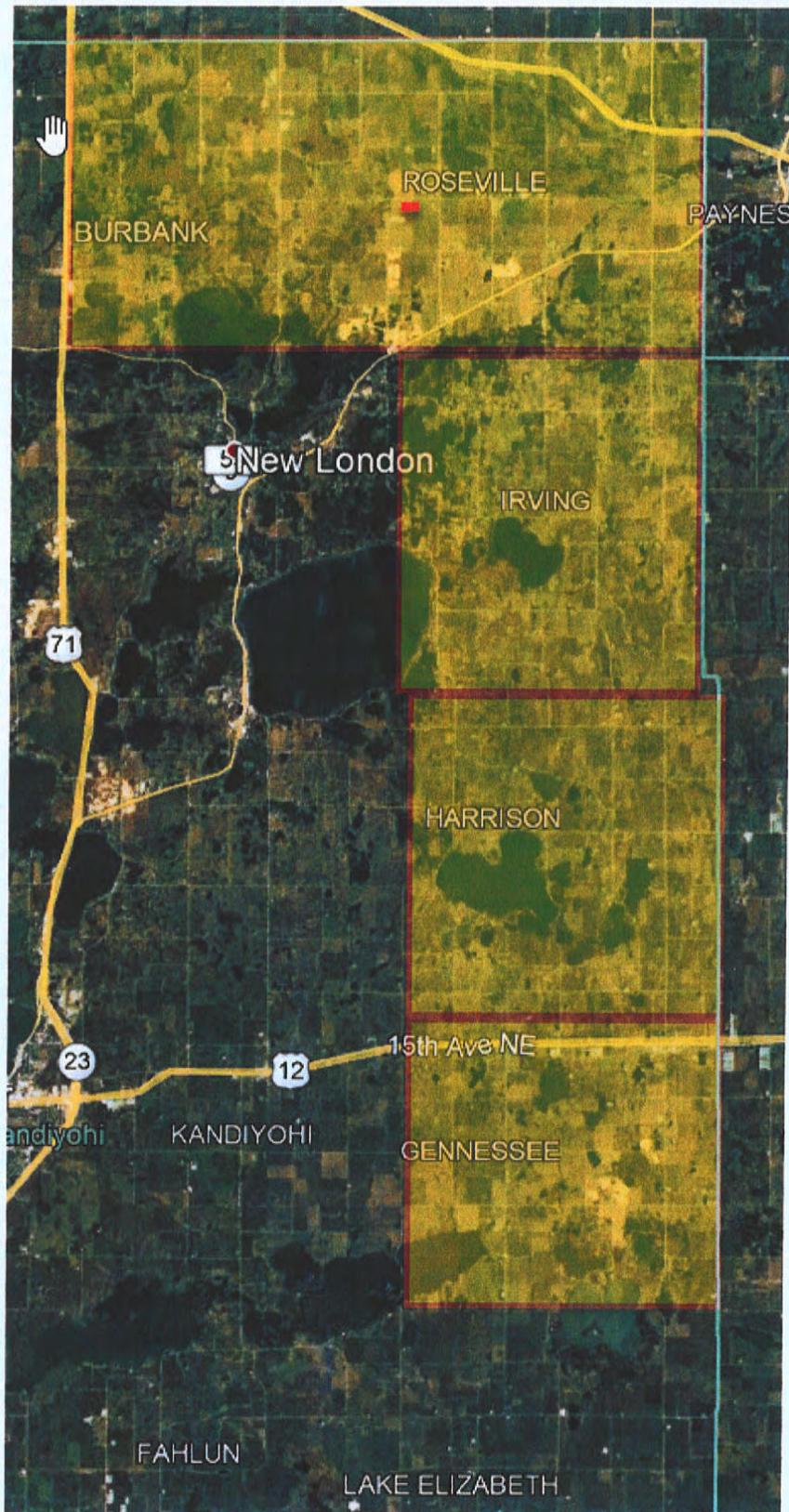
Meeker Cooperative is requiring 80% funding to provide a 100% fiber build, with the assumption Kandiyohi will aid Meeker Cooperative with marketing, and waive R.O.W. permit costs.

This proposal is high-level, as an engineering study and design review will need to be conducted to verify associated costs. Project dependent on Meeker Cooperative Board approval.



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