



## BROADBAND COMMITTEE MINUTES

### BROADBAND COMMITTEE

DATE: FEBRUARY 1, 2023

Tina Diedrick	District 1
Darek Vetsch	District 2
Jeanne Holland	District 3
Nadine Schoen	District 4
Michael Kaczmarek	District 5

DATE APPROVED: FEBRUARY 7, 2023

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**Members Present:** Darek Vetsch, Tina Diedrick, Clay Wilfahrt, Mark Kellogg, Elizabeth Karels, Matthew Fomby, Lee Kelly, Heather Lemieux, John Holler, Zach Breyen, (Remote): Schawn Johnson

**Others Present:**

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**I. 2021-2022 Review of Activity**

Project Administrator Elizabeth Karels introduced where the broadband projects are and recommendations to go forward. She went over the American Rescue Plan (ARP) allocated funding and what has changed. Of the original allocation of \$10 million, \$2.59 million was reallocated to other projects leaving \$7.39 million in ARP funds available. As of January 2023, more than \$2.1 million had been committed to projects with just a little more than \$5.2 million left to spend.

Communication Specialist John Holler asked if the county would keep the \$5.2 million for ARP or if the county would use it for other projects. Commissioner Darek Vetsch said ideally the majority of the \$5.2 million would remain for ARP. As the deadline to use the funds was approaching there was uncertainty that there would be a demand for the \$5.2 million. He said that as capital projects come up that need funding and with the additional funding at the state and federal levels for ARP projects there was a good chance at least some of the \$5.2 million would be reallocated. Holler said this opportunity to improve broadband in rural Wright County is a rare opportunity that may not be seen again. Karels said the recommendations being made at this meeting do not say where to spend the money, but to have a plan to spend the remaining funds by Quarter 4, 2023. She said there were plenty of projects that could use the funding. Vetsch said the areas that needed the funding were the ones that would not necessarily be eligible for Border-to-Border grants and would thus potentially sit without broadband for the next decade.

Holler asked Karels if part of the original \$10 million had been reallocated to Sheriff's Office encrypted radio purchase. Karels confirmed this. Vetsch asked if Fifth Generation (5G) broadband technology was good enough to go with a tower type source. Information Technology (IT) Director Matthew Fomby said yes, but there were questions.

Karels asked that the discussion be paused until after the presentation as many questions would be answered. Karels summarized what had occurred in the past two years starting with the feasibility study and survey completed by Design Nine. The survey was sent to all homes in Wright County and the results will be shared with providers to supplement state grant applications. The county implemented the "Dig Once" policy in early 2021 which created parallel efforts in planning, relocation, installation, or improvement of conduit within the Highway Department construction projects. The county board determined "Dig Once" to be cost ineffective and it was cancelled stating further board direction was needed on the future of the policy. Vetsch said there were no Internet Service Providers (ISP) who were interested in leasing conduit or sharing conduit with the county.

IT Manager Mark Kellogg said the state was very interested in the county getting Border-to-Border grants to get fiber in the ground in the southern area of the county to be able to connect with cities in the

neighboring county. He asked if there were any ISPs that would be interested in bidding on laying fiber to aid in the state's interest. Karels said much of the concern with the ISPs was the cost in laying fiber down. She redirected the conversation back to reviewing where the county had been in the last two years.

Karels said that in 2022 the county opened the grant program. 11 eligible applications were awarded representing 1,645 homes and businesses, one city, one municipal provider, one Co-op provider, and three private providers, totaling \$1,925,353 in grant money. She will continue to monitor the projects as they are in process. The county issued two Requests for Information (RFI) in the spring of 2022 which resulted in three proposals for fiber installation and one proposal for fixed wireless. The fiber proposals were put on hold until after the 2022 Border-to-Border grants were awarded and the fixed wireless was cost prohibitive and was not pursued further.

Karels said Wright County offered local matches to Border-to-Border grants which were awarded in December 2022. There were three winning grants in Wright County. Two providers were offered local contributions while the third received state funding to supplement a program it had received under the Wright County program. Because of the county's actions in 2022, 2,695 homes and businesses will receive improved broadband service which is an estimated 20 percent reduction to the number of under and unserved locations in the county.

Karels said that the 2023 Border-to-Border grants program opened in December 2022 and applications are due Thursday March 2, 2023. She said there is a smaller amount of money available than past years, but there was a second application type opened up to include up to \$30 million for low-density population areas.

Karels said some of the staff had spoken with Congressman Tom Emmer's office regarding the Rural Digital Opportunity Fund (RDOF) reverse auction that was held by the Federal Communications Commission (FCC) in the fall of 2020. Areas were awarded based on Census block regardless of need. Wright County was intended to get \$5 million in funding, unfortunately the FCC rejected the local provider's broadband application in August 2022. She said that according to Minnesota Governor Tim Walz's task force report, the county will be able to use state and federal funds in RDOF areas without fear of "double dipping."

Karels said the FCC is working on improving its maps which are known to not always be accurate. The FCC has created broadband fabric as the basis for setting allocations under the federal Broadband Equity, Access, and Deployment (BEAD) program. Under this program Minnesota is set to get at least \$100 million to be distributed via its Border-to-Border program. Local governments are allowed to submit bulk challenges to the broadband fabric to help identify missing and incorrect locations. Wright County Geographic Information System (GIS) Specialist Kalen Johnson submitted a challenge adding about 7,000 address points and editing about 10,000 others. This represented about a quarter of the GIS database which was incorrect. Karels said getting these corrected is a win for the county as it now makes these addresses eligible for funding.

Karels said that Wright County still has roughly 11,000 underserved and unserved residents. The state estimates the average cost per connection is \$9,500. Based on this number it will cost more than \$100 million to reach the remaining underserved and unserved locations in Wright County. The average county contribution has been 30 percent on projects. She said with this in mind there is no way to solve broadband for Wright County and it would be best to focus on making a difference where possible.

Karels said one recommendation regarding what to do next is to revisit the RFI responses and select projects to move forward on. In response to the RFI the county received three proposals for fiber. County staff recently reached out to providers that originally submitted proposals and asked if they were still interested in moving forward with the proposals. One provider expressed strong interest while the other two were unclear about their plans. Staff met with the interested ISP several times to negotiate the project and see if it could fit into the 2023 Border-to-Border application. The ISP told staff that it has increased its original RFI to include French Lake Township and Southside Township. Staff's recommendation is to partner with this ISP to apply for state funding on projects in French Lake Township and Southside Township. Both townships are among the largest underserved and unserved communities in the county. Vetsch said the ISP's proposal would pick up where other providers had left off. Vetsch and Karels discussed South Haven and its desire to put in its own fiber. Karels said it did not get funding from the state, but another provider had reached out to them.

Karels said the negotiated proposal for French Lake Township has 525 passings, or total address points served, and less than a \$3 million price tag. Karels recommended pursuing 50 percent funding from the state with 25 percent funding from the county and 25 percent funding coming from the provider. Wright County would be responsible for more than \$500,000. Southside Township would have 331 passings for a price tag of less than \$1.5 million. The state would contribute 50 percent of the cost if approved with Wright County matching the ISP with 25 percent or less than \$400,000. Business Analyst Zach Breyen pointed out that the amount Wright County would be investing into these projects was less than its average project investment. Karels said Wright County is only responsible to pay if the approval goes through. Vetsch recommended to pursue these options. Karels said her team was looking for permission to continue these discussions. At some later time, these will be brought to the board for approval. She added that South Haven will be discussed at another time.

Karels said the next idea was to partner with an ISP to bring fiber to the Compost and Recycling Facility. She said there was already an ISP in that area and it has been approached to put in a proposal to put lay fiber to the Compost and Recycling Facility. The committee discussed the options regarding partnering with ISPs to pay for part of their fiber to provide service to vital equipment. Also discussed was the future of the Compost and Recycling Facility and what would be accomplished by providing fiber to the location. Karels said these discussions would continue and be brought back to the committee when staff has had the opportunity to talk with local providers. She said for projects where there has not been interest from an ISP the staff recommends offering the same local contribution offered during the 2022 grant round. That was \$100 per passing plus 1 percent of the project cost.

Vetsch asked if it would be worth going out for another RFI in the summer of 2023. Breyen said it depended on how long it would take Border-to-Border grants to be issued. He said the state is saying it would be sometime in the summer. Karels said that after the Border-to-Border grant recipients are announced the county should identify remaining funding, evaluate unsuccessful Border-to-Border applications and select projects to fund.

Karels showed maps provided by a provider showing areas that are unserved in the county and asking if the county was interested in supporting any of the project areas. The committee discussed the pros and cons of these areas.

Karels recommended the next committee meeting to be the week of February 6. The recommendation is 9:30 a.m. Thursday, February 9.

***RECOMMENDATION: To continue discussions with ISPs on providing broadband to French Lake Township and Southside Township.***

***RECOMMENDATION: To continue discussions with ISPs on providing broadband to other areas in the county.***

***RECOMMENDATION: To schedule the next Broadband Committee Board for 9:30 a.m. Thursday, February 9.***

***RECOMMENDATION: To promote Wright County with providers.***

***RECOMMENDATION: To research other opportunities and encourage providers to apply to other opportunities.***

***RECOMMENDATION: To monitor mapping and continue to change inaccurate information.***

***RECOMMENDATION: To share data to support grant applications mapping.***

***RECOMMENDATION: To gather community and local government support for proposals.***

*Meeting Adjourned at 9:47a.m.*

*Broadband Committee Minutes submitted by Philip Hodges, Administration Specialist*