

EUREKA TOWNSHIP

Dakota County, State of Minnesota

SPECIAL TOWN BOARD MEETING

AUGUST 12, 2021 – 7:00 P.M.

Call to Order

The Eureka Township Special Town Board meeting was called to order at 7:05 p.m. by Chair Palmquist and the Pledge of Allegiance was given.

Supervisors Present: Donovan Palmquist, Ralph Fredlund, Lu Barfknecht, Nancy Sauber and Kathleen Kauffman.

Others Present: Raneé Solis, Randy Wood, Bill Clancy

Broadband Infrastructure Program Grant

Presentation of draft application and open issues

In preparing the application for the federal grant we have found that the funding issues are incredibly complicated and the rules are numerous. This is definitely a worthwhile activity. We may or may not be selected for funding, but more money is coming down the line. We are very hopeful for this application, but if not funded, this will not be the last chance we have for funding for broadband.

We were pleased to learn that there is no need for environmental studies for our project. If we stick to placing fiber-optic cable in the County and Township road rights-of-way, our certified, insured contractor can easily obtain the necessary permits.

The only issue we foresee regarding installation of fiber-optic cable is in the natural wildlife management area near Chub Lake. The smartest way to get fiber-optic cable to the lower Chub Lake area is to attach it to existing Dakota Electric utility poles. At a later point in time, if we receive this funding, we will discuss what Dakota Electric feels would be reasonable compensation for using their poles.

Issue #1: What is qualified broadband and where is it?

Qualified broadband consists of providing download speeds of 25mbpm and upload speeds of 3mbpm. If a household has access to these speeds, then these funds are not for them and we cannot include them in our plan. In order to receive full points under the evaluation of our plan, we must provide qualified broadband to 100% of the households in our plan.

The hard part is identifying where the qualifying broadband already is, and then creating a map of the unserved and underserved households that our request will cover. We concluded that, for the most part, the area of the Township east of Cedar already has access to qualifying broadband. We are not going to include that portion of the Township in this application. JTN will be making a proposal to the Board on offering

affordable broadband services to the eastern side of the Township who are not included in the application.

The western part of the Township, for the most part, does not have qualifying broadband. When filing reports with the FCC, companies can make any claim they want and the FCC creates a map with what has been reported. That map is the basis for the National Telecommunications Information Administration (NTIA), and our state government, for deciding whether an area has qualifying broadband. In six Eureka census blocks, Frontier has claimed that they provide all households with qualifying broadband speeds in excess of the 25/3. We will be asking one household in each of those census blocks to perform an internet speed test. We will then provide the results to Diane Wells at the Minnesota Office of Broadband Development, in order to challenge Frontier's claims. Diane Wells will make Frontier either provide qualifying broadband to every address in those census blocks, or remove their claim. Data cell, the type of broadband that Frontier provides, is very old technology. It is very slow and highly dependent on how close a household is to the station. The block bounded by Ipava and Highview is considered to have qualifying broadband by Frontier. We need speed tests so we can report back what the speeds are in those census blocks in order to get the blessing of the State Broadband office.

Supervisor Barfknecht asked if a household that sought out broadband from companies other than Frontier could still be included in the application. Supervisor Kauffman responded that there is no provision that you get your qualifying broadband from a specific source. I do not know if the provider has bothered to report that specific address to the FCC as one that they are serving. If it is on the FCC map, that house cannot be listed in our application. But, if we receive the grant, JTN will offer service to all homes in the Township. We will be looking at the FCC map for the east side to determine if we can challenge Frontier's claims. I will raise the issue with JTN, who determined the east side is too well served to include and hit the mark.

Issue #2: Providing a 10% match.

The statute says we do not have to have a 10% match, but what the legislature gives, the rules of the grant take away. NTIA states that if you want full points on the application, you must provide a 10% match, and I am not at all confident about our score if we do not. The match can be either cash or in-kind contributions. We cannot use ARPA funds, or any funds originated from the federal government, to make a 10% match for funds from the federal government. JTN is going to contribute all of the labor to hook up the cable to each home as an in-kind contribution. JTN also has substantial infrastructure in place that Ben will be looking at putting a value on as an in-kind contribution. We can also charge our time for preparing the application, up to \$50,000, as our in-kind contribution.

Issue #3: LTD Broadband.

Last year, the FCC solicited bids for their RDOF (Rural Digital Opportunity Fund) reverse auction. The FCC awarded LTD Broadband, as the lowest bidder, \$1.3 billion in funding for broadband deployments in unserved areas for multiple states including Minnesota, if its long-form application is approved, identifying Eureka as one of the

underserved areas winning the right to provide broadband service to. This is concerning as the federal agencies now have an agreement to not duplicate each other's funding. Once the FCC grants funds, NTIA will not, and vice versa. Until the long-form process is completed, the grant is not finalized. As of today, LTD does not have a final grant award for Eureka Township. The Minnesota Telecom Alliance and the Iowa Communications Alliance have filed a joint petition with the FCC to deny LTD Broadband's long-form application. Senator Klobuchar wrote a letter to the FCC, signed by 150 other Senators, criticizing the process, saying next time they might want to solicit some public input. The minute LTD actually gets funded, our process is done if it includes Eureka. Rather than trying to sweep that under the rug, I think we deal with it in our grant application by making it clear that we have never heard from LTD and we do not want them. We have chosen a local broadband company with an excellent reputation, who has also chosen a local cable contractor with an excellent reputation. This is a race to funding, and we hope we win.

Issue#4: Expense.

We were not required to solicit bids for the application. We did receive two bids and chose the higher bid for the application due to it being a local, reputable company we felt would be able to supply the fiber-optic supplies which are currently in short supply. Should we receive the grant, we will follow the Minnesota process in awarding contracts and hope to get a lower price for the project. Installing cable in Eureka Township is an expensive proposition, which is why no one has come and done it commercially.

There will be other opportunities coming down from the state. Currently, the State is funding 50% of projects, but is looking at being able to fund 75%. This still leaves a pretty large price tag for the Township. There are some financing techniques to cover the difference, which we will look into if the need arises.

Resolution 2021-12, appointing Kathleen Kauffman as Authorized Representative for grants

Motion: Chair Palmquist moved to adopt Resolution 2021-12, appointing Supervisor Kauffman as the Authorized Representative for Township grants, seconded by Vice Chair Fredlund. Roll call vote: Donovan Palmquist – Aye; Ralph Fredlund – Aye; Lu Barfknecht – Aye; Nancy Sauber – Aye; Kathleen Kauffman - Abstain. *Motion carried 4-1.*

Resolution 2021-13, authorizing a contract with Ralph Fredlund as the Grants Administrator

Motion: Chair Palmquist moved to adopt Resolution 2021-13, authorizing a contract with Supervisor Fredlund for a price of \$38 per hour to perform the duties of Grants Administrator for the Township, seconded by Supervisor Barfknecht. Roll call vote: Donovan Palmquist – Aye; Ralph Fredlund – Abstain; Lu Barfknecht – Aye; Nancy Sauber – Aye; Kathleen Kauffman - Aye. *Motion carried 4-1.*

Adjournment

Motion: Supervisor Kauffman moved to adjourn the meeting, seconded by Chair Palmquist. Roll call vote: Donovan Palmquist – Aye; Ralph Fredlund – Aye; Lu Barfknecht – Aye; Nancy Sauber – Aye; Kathleen Kauffman - Aye. *Motion carried 5-0.*

Meeting adjourned at 7:55 p.m.

Respectfully submitted,

Ranee Solis, Town Clerk

Minutes Officially Approved By: _____ on: _____
Town Chair Date