

## Notes from January 17, 2013 meeting of CVII

We had a very interesting meeting last Thursday.

### **Business items:**

Compass Consultants asked for partial payment for their work, and I instructed Linda to send them 50% (\$17,000) which she did. We will pay the remainder when we receive the final report and electronic files. (see notes at the end)

Jan applied for Blandin Foundation help with development of a CVII web site, and the application was accepted. A first conference call with Ann Treacy (Blandin contract programmer) will be Friday (Jan 18) (see notes at the end). We will work from the concept document that Lee Kaplan and Judy Strom wrote.

Guests were Dominic Henderson (USDA Rural Utilities Service) and Greg Rise (Compass Consultants). Greg drove to Duluth with Dominic since they had other business, and he offered to come to our meeting to offer information and answer questions.

Dominic gave us an informal report on the Lake County USDA broadband project. Phase 1 is almost done, Phase 2 is under contract. They are deploying fiber on poles this winter. If Phase 3 is awarded, there is a chance this project could be completed by the end of 2013. They have to be done in 2014.

New USDA loans or grants could be applied for by Lake County +/- in partnership with townships....this could be important if they become a partner. We don't have to wait until the end of their project to seek additional USDA RUS funds.

Dominic also said that he has had a discussion with Lake County about reprogramming un-used USDA funds into expansion (for instance into the CVII townships). This is very good news, and consistent with our discussion with Lake County people.

Dominic said that our townships have a lot going for us to attract broadband. We have a high level of interest in better broadband, higher than average income, and good population growth forecast (from the State).

If CVII townships want to apply for loans or grants to help fund broadband infrastructure, we will have to have a willing partner in place, such as Frontier, Century Link, Lake County, NESC, Paul Bunyan. He noted that "on the broadband maps" we have some areas that appear to be served by wired broadband (wireless doesn't count) - even if the speeds are very slow. The target areas for grants and loans are typically "un-served", so we might have to do this piecemeal, or determine how the maps portray our area. The national maps are being managed by Connect MN.

We would likely have to have a partner who would prepare grant or loan applications, or hire someone. One might hope that one of the partners would apply on our behalf.

There are 3 programs in USDA with funds for broadband (you can find them on-line):

1) Community Connect - Up to \$1.5M, but typically much lower

2) USDA infrastructure (but we really are not eligible because there are incumbents present, and these target populations > 5000

3) USDA Broadband loans.....low interest, could be 100% (no matching). We would need to show feasibility of managing and using the funds effectively. We would need to do a deeper market survey, estimate revenue from subscriptions, and we would need to hire a company with a good reputation for management (for instance, Lake Communications is the company managing the Lake Co project. Paul Bunyan, Compass Consultants. and there are others (perhaps U-reka).

Dominic said that working with Lake Connections (the Lake Co broadband company) makes good sense. They have expertise, they are right next door. Lake County would not necessarily have to be involved, but they would have to allow Lake Connections to expand to us, since Lake County owns Lake Connections. He suggested that we meet with them again soon and begin a more specific conversation with them.

Paul Bunyan could also be a very good partner if they were interested in our region. Note - Jan spoke with Steve Howard (from PB) in October - he indicated that they didn't see a way to connect to us, but if the financial situation changes for them they might be interested.

It is possible that the "partner" could come up with the matching cash.

Dominic also advised us not to share the Compass report and business plan with partners unless they appear to be genuinely interested in a partnership. He suggested that we prepare an "executive summary" with enough information to whet the appetite of providers and educate our citizens (I will draft it and send it to you soon). The exec summary should discuss the market and the cost, as that is what providers will be interested in.

Our next meeting will be on February 21, 7pm North Star Hall ... just us, no special guests. We should discuss these developments.

### **Addendum:**

At the end of the meeting on Thursday, Greg Rise gave me a final copy of the report and a CD with the electronic files. I will try to send it to you before the end of the week, with a caution not to share it outside your Town Boards.

Also, on Friday, Lee Judy and I had a good discussion with Bill Coleman and Ann Treacy (Blandin F). Ann will set up our web site as [connectcloquetvalley.com](http://connectcloquetvalley.com)

She will use the framework provided by Judy and Lee. We will need to start sending her content ... if anyone is interested in helping with the content, let me know.

Jan Keough, Chair  
CVII Steering Committee