



# Board of County Commissioners Agenda Request

4B  
Agenda Item #

**Requested Meeting Date:** July 28, 2020

**Title of Item:** Award Aitkin County Broadband Grants

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	<b>Action Requested:</b> <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
<b>Submitted by:</b> Ross Wagner		<b>Department:</b> Economic Development Coordinator
<b>Presenter (Name and Title):</b> Ross Wagner, Economic Development & Forest Industry Coordinator		<b>Estimated Time Needed:</b> 10 minutes
<b>Summary of Issue:</b> <p>Aitkin County has established the Aitkin County Broadband Grants for the purpose of advancing broadband in Aitkin County. Previous County Board action set aside a total of \$450,000.00 for the broadband grants. With previous awards, the grant fund has approximately \$165,000.00 remaining. Applicants are required to match Aitkin County funds. For 2020, we offered two \$75,000.00 grants with the remaining funds to be used for Community Match funds for local providers to use to help leverage State of Minnesota Border to Border Grants. The following grants requests were received and are attached;</p> <p>SCI Broadband, \$75,000.00 request with 322 Homes Passed with a total project cost of \$332,594, Hazelton Township.          SCI Broadband, \$75,000.00 request with 271 Homes Passed with a total project cost of \$275,368, Big Sandy Area.          Mille Lacs Energy Coop., \$150,000 request with 111 properties passed, project cost of \$1,027,640, Farm Island Lake.          Emily Cooperative Telephone Co., \$75,000.00 with 345 properties passed, project cost of \$752,000, Esquagamah and Round lake areas.</p> <p>The recommendation of the Economic Development Committee is to award a \$75,000 grant to SCI for both the Hazelton Township and Big Sandy Area requests. This is based on SCI's ability to reach a total of 593 Homes Passed. The committee feels that it is very important that we provide broadband to as many properties in the County as possible.</p>		
<b>Alternatives, Options, Effects on Others/Comments:</b>		
<b>Recommended Action/Motion:</b> Approve Aitkin County Broadband Requests.		
<b>Financial Impact:</b> Is there a cost associated with this request? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

# Aitkin County Broadband Development Grant Application Form

**Project Title:** Aitkin County (Big Sandy Area)

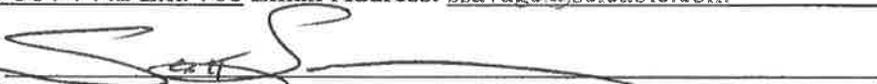
**Name of Applicant Organization:** Savage Communications Inc. DBA SCI Broadband

**Applicant Primary Contact Person:** Scott Savage

**Applicant Address:** 115 Tobies Mill Pl

**City:** Hinckley **Zip Code:** 55037

**Telephone Number:** 320-384-7442 Ext. 708 **Email Address:** ssavage@scicable.com

**Authorized Signature:** 

By signing this application on behalf of the above organization I am agreeing that I have the authority to do so and that all information contained in this application is true and accurate.

**Description of your project, area to be covered, speeds that will be obtained now and in the future:**

*This project would include passing 271 homes with FTTH (Fiber to the Home) within Libby, Shamrock and Workman Townships located in Aitkin County, MN. See attached map. SCI would offer residential customers with Internet speeds up to 250Mbps/20Mbps with infrastructure designed for up to 1Gig, Digital Phone service with unlimited long distance calling and Digital Cable TV services. Businesses will have access to dedicated Internet services up to 10Gig and phone service solutions including Hosted PBX and SIP Trunking. Below is our current residential speed offerings and Pricing. We are currently in the process of rolling out 1Gig service residentially and expect to have 80% of our current market 1Gig by end of 2020. The below pricing does not reflect the changes in speeds and pricing that will occur when the 1Gig service becomes available later this year.*

*Performance 15Mbps/3Mbps - \$39.95*

*Performance Plus 60Mbps/6Mbps - \$54.94*

*Performance Ultra 100Mbps/10Mbps - \$84.95*

*Performance Ultra 250Mbps/20Mbps - \$129.95*

**Description of need, why are Aitkin County funds necessary to complete this project:**

*SCI has been servicing rural communities in East Central and Northern Minnesota for over 35 years and with our experience the estimate of return for this project is low due to the low density and seasonal residents within the project area. See attached project costs and funding projections. The Aitkin Broadband grant would move the project into organizational return on investment expectations.*

**Provide information on any activities planned to actively promote the adoption of broadband services in the project area when the services become available:** Include a description on any marketing and training programs on broadband applications for residents, businesses and institutions in the areas served by the project.

*When project is nearing completion we plan to do a canvass marketing campaign for the homes passed within the project area including Direct Mailers, Door Tags and Signage. We will also plan to attend a townhall meeting to discuss any questions and or concerns residents/board members may have.*

**Grant request amount:** How much funding are you seeking from the Aitkin County Broadband Development Grant Program for this project? How much are you committing?

**Total cost of project:** \$275,368.00

**Local/Provider match provided:** \$200,368.00

**County Funds Applied for:** \$75,000.00

**Other Funds applied for or anticipating to apply for:** \$0

**What is the source of these funds:** *SCI Corporation Cash and Senior Debt.*

**General Time Frame of Grant Project:**

*Engineering and permitting would start immediately following grant award with construction starting 2021 Construction season.*

**Location(s) of your project:**

In addition to the written location information supplied above, you must provide a map of the project area, including geographical boundaries and road segments where broadband will be provided. Include the service area boundaries and also include place names, boundaries, buildings, road/street names, street addresses, or other features that clearly identify the project coverage area. Please be clear and concise and add any other information you feel is pertinent. *See Attached Map*

**Total number of eligible properties to be served:**

Provide information on what properties will be eligible for broadband under this project. Include what broadband speeds will be available to that property and what if any options for scalability there is. This can be provided on the map requirement above or on a separate map. Information that needs to be provided;

- Number of and location of properties that will be able to receive service of at least 10Mbps down and 5Mbps upload as a result of this broadband development grant project.
- Number of and location of properties that will be receiving less than 10Mbps down and 5Mbps upload but will be scalable to meet those speeds in the near future.
- Number of locations that will be receiving less than 10Mbps down and 5Mbps upload now and into the future.

- What is your estimated time table to meet 10Mbps down and 5Mbps upload for those properties not meeting those speeds.
- Provide a three year work plan as it relates to your planned work in Aitkin County, it is our intention to not duplicate services in the same area. *See Attached Map*

**Project Costs,** Attach a list or schedule of all project elements including materials, equipment, design services, etc. to be purchased for the project. This will be used to determine the applicants match for this grant request. *See Attached List of Projected Costs*

**Attachments:** Please attach any additional information or use attachments for the application questions. Label each attachment for the question you are intending to provide information on.

**Area: Aitkin-Big Sandy Area**

Homes Passed Data:

Homes Passed (HP)	271
Homes Per Mile	22
Cost Per Home Passed	<b>\$1,016</b>
Cost Per Subscriber	\$2,032

Financial Data:

<u>Gross Revenue</u>	<u>Month</u>	<u>HP</u>	<u>Subscribers</u>	<u>Avg MRC</u>	<u>Annualized</u>
Subscriber (Permanent)	12	20%	54	\$55	\$35,544
Subscriber ( Seasonal)	6	30%	81	\$55	\$26,658
			136		\$62,203

EBITA (22% of Gross Revenue) \$13,685

Tax \$0  
 Capital Improvement (Escrow) \$479

Depreciation \$200,368 Term 10 Annualized \$20,037

<u>Funding Sources</u>		<u>Outlay</u>	<u>Term</u>	<u>Rate</u>	<u>Annualized Payment</u>
Grant	27%	\$75,000	NA	NA	NA
Savage Communications Inc	37%	\$101,235	NA	NA	NA
Senior Debt	36%	\$99,133	10	6%	\$13,206
Total		\$275,368			

Capital Outlay Data:

<u>Hub Equipment</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
OTN Cabinet	Unit	\$4,500	0	\$0
UPS	Unit	\$1,500	0	\$0
Backup Battery	Unit	\$985	0	\$0
Chassis/wPS	Unit	\$769	0	\$0
Forward Transmitter	Unit	\$3,610	0	\$0
EDFA (2 Port)	Unit	\$1,949	0	\$0
EDFA (1 Port)	Unit	\$1,195	0	\$0
Add Drop Filter (1610)	Unit	\$138	0	\$0
Return Transmitter	Unit	\$700	0	\$0
Receiver	Unit	\$535	0	\$0
Net				\$0

<u>Plant Infrastructure</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
Engineering/Field Staking	Mile	\$1,200	12	\$14,745
Last Mile Fiber Cable	Foot	\$0.25	64878	\$16,220
Labor	Foot	\$1.65	64878	\$107,049
Pedestal	Unit	\$124	167	\$20,708

Optical Splice Case	Unit	\$122	167	\$20,374
Optical Splice 1x2	Unit	\$29	6	\$167
Optical Splitter 1x8	Unit	\$60	3	<u>\$173</u>
Net				\$179,434

<u>Installation/CPE Equipment</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
Drop Fiber Cable	Foot	\$0.15	54200	\$8,130
Labor	Foot	\$0.65	54200	\$35,230
Demarcation Box	Unit	\$33	135.5	\$4,472
ONU	Unit	\$155	135.5	\$21,003
Modem	Unit	\$80	135.5	\$10,840
Activation	Unit	\$120	135.5	<u>\$16,260</u>
Net				\$95,934

**Total (Capital Outlay) \$275,368**

<u>Map Data:</u>	<u>HP</u>	<u>Footage</u>	<u>Pedestal</u>
Libby Detail Map 1	46	7458	18
Shamrock Detail Map 1	65	13360	37
Shamrock Detail Indian Point	94	12924	55
Workman Detail Map 1	21	10152	21
Workman Detail Map 2	45	20984	36

271 64878 167

Drop Data:

Average Distance 400  
 Drop Labor Cost \$260.00



SCI BROADBAND  
Serving the Pacific Northwest  
Serving the Community

# Aitkin County Broadband Development Grant Application Form

**Project Title:** Aitkin County (Hazelton Township)

**Name of Applicant Organization:** Savage Communications Inc. DBA SCI Broadband

**Applicant Primary Contact Person:** Scott Savage

Applicant Address: 115 Tobies Mill Pl

City: Hinckley Zip Code: 55037

Telephone Number: 320-384-7442 Ext. 708 Email Address: ssavage@scicable.com

**Authorized Signature:** 

By signing this application on behalf of the above organization I am agreeing that I have the authority to do so and that all information contained in this application is true and accurate.

## **Description of your project, area to be covered, speeds that will be obtained now and in the future:**

*This project would include passing 322 homes with FTTH (Fiber to the Home) within Hazelton Township located in Aitkin County, MN. See attached map. SCI would offer residential customers with Internet speeds up to 250Mbps/20Mbps with infrastructure designed for up to 1Gig, Digital Phone service with unlimited long distance calling and Digital Cable TV services. Businesses will have access to dedicated Internet services up to 10Gig and phone service solutions including Hosted PBX and SIP Trunking. Below is our current residential speed offerings and Pricing. We are currently in the process of rolling out 1Gig service residentially and expect to have 80% of our current market 1Gig by end of 2020. The below pricing does not reflect the changes in speeds and pricing that will occur when the 1Gig service becomes available later this year.*

*Performance 15Mbps/3Mbps - \$39.95*

*Performance Plus 60Mbps/6Mbps - \$54.94*

*Performance Ultra 100Mbps/10Mbps - \$84.95*

*Performance Ultra 250Mbps/20Mbps - \$129.95*

## **Description of need, why are Aitkin County funds necessary to complete this project:**

*SCI has been servicing rural communities in East Central and Northern Minnesota for over 35 years and with our experience the estimate of return for this project is low due to the low density and seasonal residents within the project area. See attached project costs and funding projections. The Aitkin Broadband grant would move the project into organizational return on investment expectations.*

**Provide information on any activities planned to actively promote the adoption of broadband services in the project area when the services become available:** Include a description on any marketing and training programs on broadband applications for residents, businesses and institutions in the areas served by the project.

*When project is nearing completion we plan to do a canvass marketing campaign for the homes passed within the project area including Direct Mailers, Door Tags and Signage. We will also plan to attend a townhall meeting to discuss any questions and or concerns residents/board members may have.*

**Grant request amount:** How much funding are you seeking from the Aitkin County Broadband Development Grant Program for this project? How much are you committing?

**Total cost of project:** \$332,594.00

**Local/Provider match provided:** \$257,594.00

**County Funds Applied for:** \$75,000.00

**Other Funds applied for or anticipating to apply for:** \$0

**What is the source of these funds:** *SCI Corporation Cash and Senior Debt.*

**General Time Frame of Grant Project:**

*Engineering and permitting would start immediately following grant award with construction starting 2021 Construction season.*

**Location(s) of your project:**

In addition to the written location information supplied above, you must provide a map of the project area, including geographical boundaries and road segments where broadband will be provided. Include the service area boundaries and also include place names, boundaries, buildings, road/street names, street addresses, or other features that clearly identify the project coverage area. Please be clear and concise and add any other information you feel is pertinent. *See Attached Map*

**Total number of eligible properties to be served:**

Provide information on what properties will be eligible for broadband under this project. Include what broadband speeds will be available to that property and what if any options for scalability there is. This can be provided on the map requirement above or on a separate map. Information that needs to provided;

- Number of and location of properties that will be able to receive service of at least 10Mbps down and 5Mbps upload as a result of this broadband development grant project.
- Number of and location of properties that will be receiving less than 10Mbps down and 5Mbps upload but will be scalable to meet those speeds in the near future.
- Number of locations that will be receiving less than 10Mbps down and 5Mbps upload now and into the future.

- What is your estimated time table to meet 10Mbps down and 5Mbps upload for those properties not meeting those speeds.
- Provide a three year work plan as it relates to your planned work in Aitkin County, it is our intention to not duplicate services in the same area. *See Attached Map*

**Project Costs,** Attach a list or schedule of all project elements including materials, equipment, design services, etc. to be purchased for the project. This will be used to determine the applicants match for this grant request. *See Attached List of Projected Costs*

**Attachments:** Please attach any additional information or use attachments for the application questions. Label each attachment for the question you are intending to provide information on.

**Area: Hazelton Township**

Homes Passed Data:

Homes Passed (HP)	322
Homes Per Mile	21
Cost Per Home Passed	<b>\$1,033</b>
Cost Per Subscriber	\$2,066

Financial Data:

<u>Gross Revenue</u>	<u>Month</u>	<u>HP</u>	<u>Subscribers</u>	<u>Avg MRC</u>	<u>Annualized</u>
Subscriber (Permanent)	12	20%	64	\$55	\$42,234
Subscriber ( Seasonal)	6	30%	97	\$55	\$31,675
			161		\$73,909

EBITA (22% of Gross Revenue) \$16,260

Tax \$0  
 Capital Improvement (Escrow) \$751

Depreciation	\$257,594	<u>Term</u>	<u>Annualized</u>
		10	\$25,759

<u>Funding Sources</u>		<u>Outlay</u>	<u>Term</u>	<u>Rate</u>	<u>Annualized Payment</u>
Grant	23%	\$75,000	NA	NA	NA
Savage Communications Inc	42%	\$141,186	NA	NA	NA
Senior Debt	35%	\$116,408	10	6%	\$15,508
Total		\$332,594			

Capital Outlay Data:

<u>Hub Equipment</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
OTN Cabinet	Unit	\$4,500	0	\$0
UPS	Unit	\$1,500	0	\$0
Backup Battery	Unit	\$985	0	\$0
Chassis/wPS	Unit	\$769	0	\$0
Forward Transmitter	Unit	\$3,610	0	\$0
EDFA (2 Port)	Unit	\$1,949	0	\$0
EDFA (1 Port)	Unit	\$1,195	0	\$0
Add Drop Filter (1610)	Unit	\$138	0	\$0
Return Transmitter	Unit	\$700	0	\$0
Receiver	Unit	\$535	0	\$0
Net				\$0

<u>Plant Infrastructure</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
Engineering/Field Staking	Mile	\$1,200	15	\$18,284
Last Mile Fiber Cable	Foot	\$0.25	80450	\$20,113
Labor	Foot	\$1.65	80450	\$132,743
Pedestal	Unit	\$124	186	\$23,064

Optical Splice Case	Unit	\$122	186	\$22,692
Optical Splice 1x2	Unit	\$29	29	\$841
Optical Splitter 1x8	Unit	\$60	15	\$870
Net				\$218,606

<u>Installation/CPE Equipment</u>	<u>Type</u>	<u>Cost</u>	<u>Quantity</u>	
Drop Fiber Cable	Foot	\$0.15	64400	\$9,660
Labor	Foot	\$0.65	64400	\$41,860
Demarcation Box	Unit	\$33	161	\$5,313
ONU	Unit	\$155	161	\$24,955
Modem	Unit	\$80	161	\$12,880
Activation	Unit	\$120	161	\$19,320
Net				\$113,988
Total (Capital Outlay)				<b>\$332,594</b>

<u>Map Data:</u>	<u>HP</u>	<u>Footage</u>	<u>Pedestal</u>
Hazelton_Big Pine Lake	232	58477	125
Hazelton_Round Lake	90	21973	61

322      80450      186

<u>Drop Data:</u>	
Average Distance	400
Drop Labor Cost	\$260.00



**SCI**  
BROADBAND

**Hazleton Township Overview Map**  
Proposed Allegheny County Last Mile Grant  
Existing Last Mile —

**Date**  
Home# Printed: 122  
Scale: 1:1  
Home# Per Mile: 21



**AITKIN COUNTY BROADBAND  
DEVELOPMENT GRANT  
PHASE 3.1 FIBER TO THE HOME IN AITKIN COUNTY**

# Aitkin County Broadband Development Grant Application

**Project Title:** MLEC Phase 3.1 FTTH Project

**Name of Applicant Organization:** Mille Lacs Energy Cooperative

**Applicant Primary Contact Person:**

Stacy Cluff

Applicant Address: 36559 US Hwy 169

City: Aitkin Zip Code: 56431

Telephone Number: 218-927-2191 Email Address: scluff@mlecmn.com

**Authorized Signature:**



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Sarah Cron  
MLEC CEO

By signing this application on behalf of the above organization, I am agreeing that I have the authority to do so and that all information contained in this application is true and accurate.

**Description of your project, area to be covered, speeds that will be obtained now and in the future:**

**Organization Overview**

Mille Lacs Energy Cooperative (MLEC) is applying for an Aitkin County Broadband Development Grant to aid in the building a state-of-the-art Fiber-to-the-Home (FTTH) network in rural Aitkin County. For this project, MLEC is partnering with Consolidated Telecommunications Company (CTC) in the same way MLEC and CTC partnered on our previous FTTH projects.

MLEC and CTC are collaborating to deploy much needed broadband across Aitkin County. The two non-profit cooperatives have similar mission statements, which dictate the respective organizations' goals to provide reliable and competitively

priced services that meet the needs of our members and customers, not to generate profit. Together, the cooperatives have established a trusting relationship. MLEC has been a provider of electricity to rural Aitkin County for over 80 years and has been offering various Internet services for over 20 years. With CTC's assistance, MLEC has now become a provider of services using fiber optics. CTC's success constructing and offering service over fiber optics has been well demonstrated. CTC has invested over \$70 million to upgrade its copper networks to FTTH. Each project has been constructed under budget and ahead of schedule. In addition, CTC has been awarded multiple grants over the years to help expand the CTC fiber optic network to areas where incumbent providers have not previously provided quality services. Like CTC's FTTH network, MLEC's FTTH project can provide 1 Gbps symmetrical broadband to the customers within the project area.

As a member-owned rural electric cooperative, MLEC has been a long-time active supporter of the residents and business of Aitkin County – giving back to the communities we serve both in terms of dollars and labor. MLEC operates by the Seven Cooperative Principles:

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

MLEC has always been in the forefront of bringing needed services to its membership. As a diversified service offering, MLEC started providing Internet service to the area through the means of dial-up, satellite and fixed wireless years ago. These were offered because there were no other providers willing to bring Internet to the area. MLEC has continued that commitment to provide broadband Internet and will continue to expand the FTTH network that was started in 2017.

When designing our fiber network and our next projects, we focus on serving **everyone** within a geographic region, not just the highest density areas. While this is costlier, it ensures that all our rural members have access to the broadband they need. Many other providers do not have this philosophy and just target

areas with high density. Acceptance of this business model only encourages that those living in the less dense rural area that are without service today, will be continuing to receive inadequate service into the future.

**Speeds and Pricing**

MLEC offers the following packages for Broadband services:

Broadband Internet Packages	Pricing
Up to 100 Mbps symmetrical	\$50.00/month
Up to 250 Mbps symmetrical	\$85.00/month
Up to 500 Mbps symmetrical	\$100.00/month
Up to 1 Gbps symmetrical	\$150.00/month

**Project Location**

The MLEC Phase 3.1 FTTH project area is in Farm Island Township in Aitkin County. The project will be an expansion of the 2018-19 Farm Island project that Aitkin County had previously granted \$150,000. The project will serve the east and southern portions of Farm Island Lake and portions along Highway 169 and Tame Fish Lake Road. This project is shovel ready and MLEC is poised to begin construction on the project upon receipt of this grant. MLEC has consulted with engineering and construction contractors already and will be prepared to start construction using Aitkin County grant funds this fall, if time and weather permits. See Attachment 1 for the detailed location of the project area and Attachment 2 for a project timeline.

**Description of need; why are Aitkin County funds necessary to complete this project:**

MLEC and CTC are committed cooperative partners, that together are finding ways to deliver fiber optics to the citizens of Aitkin County. The availability of high-speed broadband service to households will provide residents with access to a vast array of new information and resources relating directly to education, telehealth, potential employment, economic development, and business opportunities, as well as additional sources of news, entertainment and other activities. Based on the engineering design completed, the total eligible

infrastructure costs to build FTTH for the proposed grant project would be \$1,027,640. MLEC's grant request is for \$150,000, with the remaining being self-funded by MLEC.

MLEC is committed to bringing broadband to the residents of Aitkin County. Fiber is one of the only future proof technologies available today that can guarantee symmetrical 1 Gbps speeds to homes and businesses. A fiber network is expensive to build and MLEC looks for support of Aitkin County to continue our efforts to bring broadband access to everyone in the area.

Based on the decades of CTC experience building FTTH networks, it is known that the most efficient use of capital dollars enables the greatest number of customers having the opportunity to receive gigabit services over the network. It is for this reason that MLEC is requesting the full \$150,000 available from Aitkin County in 2020. By providing all funds to one entity, the county grant funds are used for engineering and construction expenses one time versus funding the same activities with each award it might otherwise distribute. Aitkin County will receive the greatest value and the most connected customers by awarding the full funds requested to MLEC in partnership with CTC. With funding the full \$75,000 to MLEC, Aitkin County is also keeping county funds local with this project. Both MLEC and CTC support local jobs by having numerous staff who live, work, and are active in Aitkin County communities. The use of vendors and contractors who are part of our local communities are used when possible. By funding MLEC, the county is not only funding FTTH, but also contributing to local economic prosperity instead of funding the for-profit, non-local providers.

MLEC projects have had a ripple impact on the local economy by housing contractors during the week at local hotels and with the associated meals, gas and entertainment dollars spent locally during the construction period. These economic impacts are significant to the local economy during the construction phase and should not be overlooked.

**Provide information on any activities planned to actively promote the adoption of broadband services in the project area when the services become available:**

MLEC will utilize many of the approaches we have found to be successful in our previous fiber projects. These include multiple avenues to communicate to potential new homes and businesses within a service area, including the website fiber portal called CrowdFiber. This site allows MLEC to gather interest in broadband Internet and other services from those within and near the project area to begin planning for future FTTP expansion. Available on the site is information about the project, services, and pricing, along with the ability for residents to make comments and receive updates. Those signing-up on the site can also help promote the project with a click of a button on social media and via e-mail to help “crowdsource” the project.

MLEC will promote the FTTH project with several different tactics including personalized letters, postcards, yard signs and door-to-door efforts. We will also advertise the project on our website, Facebook page and within the local newspaper.

MLEC will capitalize on the synergies created from MLEC’s current fiber network and the positive impacts this has brought to our community. Having access to the MLEC fiber network has especially been needed during the current Covid-19 pandemic that has caused so many people needing to work from home and students now required to do distance learning.

**Grant request amount: How much funding are you seeking from the Aitkin County Broadband Development Grant Program for this project? How much are you committing?**

**Total cost of project: \$1,027,640**

**Local/Provider match provided: \$877,640**

**County Funds Applied for: \$150,000**

**Other Funds applied for or anticipating applying for:**

MLEC is continually looking for options and applying for additional funding to expand our fiber network. At this time, the Minnesota DEED's Border-to-Border program has not been announced when funding for the 2020 grant program will happen. However, to the extent additional grant dollars become available through legislature or other sources, MLEC is prepared and committed to continue to expand the fiber network to reach more rural Aitkin County residents.

**What is the source of these funds:**

Mille Lacs Energy Cooperative, Minnesota Border-to-Border Development Grant funds as available, and other sources as available.

**General Time Frame of Grant Project:**

Starting: September 2020      Ending: July 2021

**Location(s) of your project:**

See Attachment 1 for map detail and location of project area.

**Total number of eligible properties to be served.**

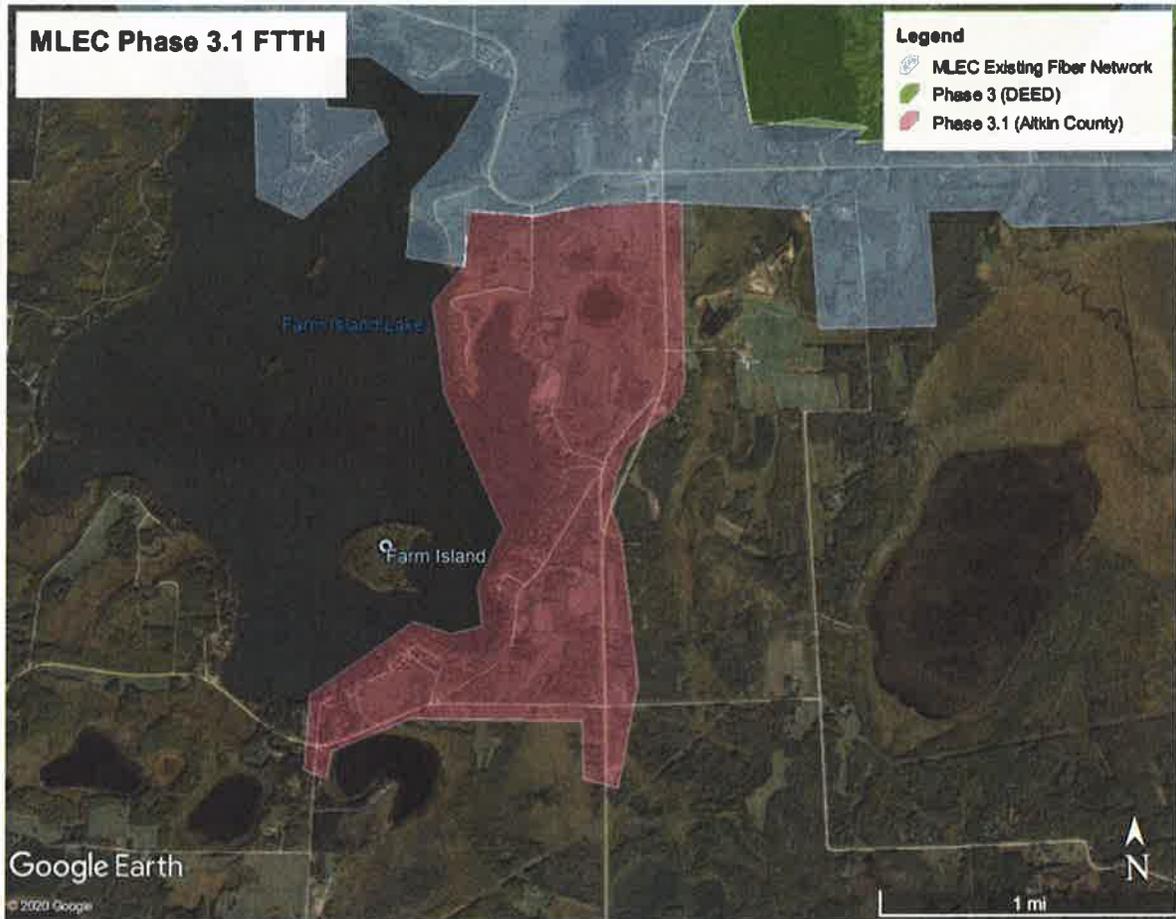
- The MLEC Phase 3.1 FTTH project will pass 111 properties that have electric service or a source of power available. All these properties will be able to receive up to 1 Gbps symmetrical service utilizing the MLEC fiber optic network.
- Part of our long-range plan is to provide communications to substations for future distribution smart grid automation. Plans are to build fiber to all ten of our substations in the next five to ten years. We currently have built fiber to two of our substations in Aitkin County with five remaining, these include Palisade, Kimberly, McGregor, Glen and Opstead substations. The fiber build-out will provide capacity for connecting customers along all the routes. This will allow MLEC to reach a broader range of customers by having a fiber backbone in place.

- MLEC will continue to seek additional future grant dollars, should they be available from the Minnesota Office of Broadband Development, FCC, Rural Utilities Services (RUS), and any other sources of funding available.
- MLEC is currently working on two projects in Aitkin County; MLEC Phase 3, which is an extension of our Phase 1 project that connects another 500 residents to our network. This was part of a grant awarded from Minnesota Border-to-Border. MLEC is also working on a project in the East Lake area south of McGregor, that will connect 200 extremely rural residents to fiber. This was a grant project received from the RUS, Community Connect Grant program.
- MLEC plans to continue to expand our existing fiber network, but due to the great amount of capital it takes to construct the fiber network, projects will be completed in phases over the coming years. The intent of MLEC is to continue to invest money each year into growing our fiber network and reaching as many members and residents of Aitkin County as possible.

**MLEC Phase 3.1 FTTH Project Costs:**

<b>Project Expenses</b>	<b>Source of Funds</b>		
	<b>Aitkin County</b>	<b>MLEC</b>	<b>Total</b>
<b>OSP Construction (All Last Mile)</b>	\$150,000	\$630,315	\$780,315
<b>Home Investigations/Cutover/Activation</b>		\$48,070	\$48,070
<b>Electronics</b>		\$65,400	\$65,400
<b>Permits</b>		\$1,200	\$1,200
<b>Engineering</b>		\$132,655	\$132,655
<b>Project Total</b>	\$150,000	\$877,640	\$1,027,640

## Attachment 1: Project Map



## Attachment 2: Project Schedule

Project Tasks	2020							2021						
	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July
Pre Project Engineering & Planning	■	■												
Project Awarded by County (Estimated)				■										
Funds Available from County (Estimated)				■										
Detailed Field Engineering & Mapping			■	■										
Utility Permits & Agreements		■	■											
Construction Bidding			■											
Material Order & Delivery			■	■										
Fiber Construction				■	■	■								
Fiber Splicing & Acceptance Testing						■	■	■						
Engineering & Mapping As-Built Record Updates								■	■					
Construction Project Contract Close Out												■	■	
Customer Installations								■	■	■	■	■	■	■
Last Location Turned Up														■

## **Aitkin County Broadband Development Grant**

**Overview:** It is our intent to partner with existing internet service providers to provide high speed internet access to as much area in Aitkin County as possible. The purpose of this grant fund is to incentivize private investment in the Aitkin County broadband infrastructure.

**Purpose:** Aitkin County is striving to have all of our citizens, businesses and institutions to have access to high speed broadband internet. Currently, areas of Aitkin County are experiencing growth in the broadband infrastructure; the purpose of this grant to assist private broadband providers to reach areas in Aitkin County that otherwise would not be part of planned broadband infrastructure investments.

### **Availability of Funds, required match:**

Aitkin County is providing two \$75,000 grants in 2020. Applicants can apply for all or some of the total amount available. Aitkin County reserves the right to not award any grants and or to offer a pro-rated amount if more than one qualified application is received. Applicants must provide, at a minimum, a match equal to or greater than the grant amount requested.

### **Criteria of Aitkin County Broadband Development Grant:**

The goal of this grant program is to fund those projects that will provide internet access at the State of Minnesota established goals of speeds of 25Mbps download and 3Mbps upload. Aitkin County will consider projects that do not immediately meet those guidelines but demonstrate they will be scalable to meet those speeds in the future. A Fiber to the Home (FTTH) network is most desired by Aitkin County; projects that are not FTTH but can meet the guidelines will be eligible. Applications that demonstrate the ability to meet the State of Minnesota guidelines of 25Mbps down and 3Mbps up, ability to provide service to the largest number of households and offer the ability to be scalable up to even higher speeds will receive the most consideration in the awarding of grant funds. Any broadband development project located in Aitkin County is eligible for the Aitkin County Broadband Development Grant. However, most consideration will be given to those projects that provide service to areas of Aitkin County that either do not have adequate coverage nor will not have adequate coverage in the near future.

### **Eligible Program Costs:**

Aitkin County Broadband Development Grant Program can be used for infrastructure deployment costs for a qualifying project. "Broadband deployment costs" or "costs" mean the cost of the acquisition and installation of middle-mile and last-mile infrastructure that support broadband service.

Construction of broadband infrastructure may include any of the following: project planning; obtaining construction permits; construction of facilities, including construction of both "middle mile" and "last mile" infrastructure; equipment; and installation and testing of the broadband service. All costs must occur after the awarding of this grant to be eligible, no reimbursements will be allowed.

**Leverage of State of Minnesota or other broadband funding sources:**

Aitkin County Broadband Grants funds can be used to match State, Federal or other public or private funding as those funding sources allow. Though it is our desire that additional funds be leveraged by this grant, it is not a requirement to receive Aitkin County Broadband Grant funds.

**Application Process:**

Applications are available through the Aitkin County Economic Development & Forest Industry Coordinator Department, c/o

Ross Wagner

Aitkin County Courthouse

217 2nd Street NW, #131

Aitkin, MN 56431

[rwagner@co.aitkin.mn.us](mailto:rwagner@co.aitkin.mn.us)

218-927-7305

Please direct any questions or inquiries to Ross Wagner

**Due Date:**

Applications with all attachments must be submitted on or before 4:00 PM July 17, 2020 and must be submitted to the address above or emailed with attachments to [rwagner@co.aitkin.mn.us](mailto:rwagner@co.aitkin.mn.us)

**Technical Review Committee:**

All completed applications will be reviewed by the Technical Review Committee. The Technical Review Committee will then make recommendations on funding to the Aitkin County Board. It is anticipated that recommendations will be made at the first regular board meeting in July. The Aitkin County Board will have final say in any funding decisions. Furthermore, Aitkin County reserves the right to refuse, reject or deny any and or all applications.

# Aitkin County Broadband Development Grant Application Form

**Project Title:** Esquagamah and Round Lakes Fiber Project

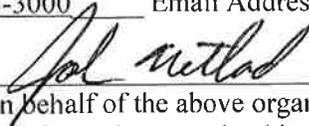
**Name of Applicant Organization:** Emily Cooperative Telephone Company

**Applicant Primary Contact Person:** Josh Netland

Applicant Address: PO Box 100 40040 State Highway 6

City: Emily Zip Code: 56647

Telephone Number: 218-763-3000 Email Address inetland@emilytel.com

**Authorized Signature:** 

By signing this application on behalf of the above organization I am agreeing that I have the authority to do so and that all information contained in this application is true and accurate.

**Description of your project, area to be covered, speeds that will be obtained now and in the future:** Emily Cooperative Telephone Company received a MN DEED border to border grant to build fiber to the home services to the Esquagamah and Round Lakes area. ECTC also plans to expand east to Waukenabo Lake with enough customer interest in ECTC services. This last mile project will upgrade approximately 242 unserved and 103 underserved locations in the Esquagamah Lake and Round Lake areas of Aitkin County. Emily Cooperative Telephone Company will improve broadband service levels up to 1 Gbps download and 1 Gbps upload, exceeding the 2022 and 2026 state speed goals. The use and development of broadband will provide various home-based business options, stimulate economic growth, and stimulate innovation and investment.

**Description of need why are Aitkin County funds necessary to complete this project:** Emily Cooperative Telephone Company will make a substantial investment expanding fiber services in Aitkin County. Total project costs for the fiber to the home project are approximately \$752,000. Emily Coop's state broadband grant totaled \$376,000 with the remaining portion requiring a local match.

**Provide information on any activities planned to actively promote the adoption of broadband services in the project area when the services become available:** Emily Cooperative Telephone Company has held two public meetings at the Waukenabo Town Hall for residents to inquire and sign up for services. Direct marketing and sales efforts are also underway to contact and connect as many residents in project area as possible.

**Grant request amount:** How much funding are you seeking from the Aitkin County Broadband Development Grant Program for this project? How much are you committing?

**Total cost of project:** \$ 752,000

**Local/Provider match provided:** \$ 376,000

**County Funds Applied for:** \$ 75,000

**Other Funds applied for or anticipating to apply for:** \$376,000 – State Border to Border Broadband Grant; \$5,000 – Aitkin County Contributing Partner Grant

**What is the source of these funds:** State and County

**General Time Frame of Grant Project:**

Starting Month June/ 2020 Year Ending Month June/ 2022 Year

**Location(s) of your project:**

In addition to the written location information supplied above, you must provide a map of the project area, including geographical boundaries and road segments where broadband will be provided. Include the service area boundaries and also include place names, boundaries, buildings, road/street names, street addresses, or other features that clearly identify the project coverage area. Please be clear and concise and add any other information you feel is pertinent.

**Total number of eligible properties to be served:**

Provide information on what properties will be eligible for broadband under this project. Include what broadband speeds will be available to that property and what if any options for scalability there is. This can be provided on the map requirement above or on a separate map. Information that needs to be provided;

- Number of and location of properties that will be able to receive service of at least 25Mbps down and 3Mbps upload as a result of this broadband development grant project.
  - This last mile fiber to the home project will upgrade approximately 242 unserved and 103 underserved locations in the Esquagamah Lake and Round Lake areas of Aitkin County. Emily Cooperative Telephone Company will improve broadband service levels up to 1 Gbps download and 1 Gbps upload, exceeding the 2022 and 2026 state speed goals.
- Provide a three-year work plan as it relates to your planned work in Aitkin County, it is our intention to not duplicate services in the same area.
  - The current fiber project is currently scheduled for completion June of 2022. ECTC plans to continue to expand services to Waukenabo Lake and the surrounding area dependent on customer interest. ECTC is also looking at additional state and federal programs that may assist in broadband deployment in general area of Aitkin County.

**Project Costs:** Attach a list or schedule of all project elements including materials, equipment, design services, etc. to be purchased for the project. This will be used to determine the applicants match for this grant request.

**Attachments:** Please attach any additional information or use attachments for the application questions. Label each attachment for the question you are intending to provide information on.

**Attachment 1 – Project Material, Equipment and Labor**

<u>Materials</u>	<u>Amount</u>
Construction Labor	\$400,000
Construction Materials	\$90,000
Electronics	\$50,000
Customer Premise Installation Labor	\$50,000
Customer Premise Equipment	\$90,000
Professional Services and Engineering	\$72,000

**Attachment 2 – Project Schedule**

<u>Project Schedule</u>	<u>Est. Start Date</u>	<u>Est. Complete Date</u>
Staking and Mapping	Jan-20	Feb-20
Environment Review	Jan-20	Feb-20
Permitting	Feb-20	Mar-20
Pre-Construction Meeting	May-20	May-20
Construction	Jun-20	Sep-20
Order Electronics	Jun-20	Jun-20
Electronics Shipping	Jul-20	Jul-20
Miscellaneous Equipment Installation	Aug-20	Sep-20
Electronics Equipment Install	Sep-20	Oct-20
Fiber Termination Install	Sep-20	Nov-20
Customer Install and Turn Up	Oct-20	Jun-22

**Attachment 3 – Coverage Map**

