

## American Rescue Plan (ARP) planning

May 12, 2021

10:14 a.m.

Present: Commissioner Stamper, Commissioner Pollock, Commissioner Swope, County Manager Erik Martin, JP Anderson, Chris Roden, Becky Butler, Josh Metcalf, Willie Painter, Jeff Baine, Meja Handlen, Sarah Kohout of Senator Cantwell's office, Rob Hill, Steve Wohld, Richard DeBolt

Guests: Fred Rider, Dale Merten, Edna J. Fund, Nic Scott

Recorder: Rieva Lester

Becky Butler provided an update on the

PUD Manager Chris Roden provided information about the PUD's request for the county to allocate to the PUD \$1 million of American Rescue Plan Act (ARP) funds so the PUD can acquire connectivity backbone components, including 30 reels of fiber optic cable.

Chris said:

- The components would be used to deploy broadband construction projects within the county, noting that state and federal funds will quickly translate into construction for communities that have the designs, contracts and inventory in hand.
- Shovel-ready projects will go first.
- Delivery lead times are already 17-23 weeks and growing.
- Prices are increasing and are expected to continue going up.
- Moving strategically, decisively and quickly would ensure the PUD can:
  - Begin securing critical supplies needed for construction
  - Receive better pricing than what is anticipated in the future, noting that the PUD can buy more at lower prices than it could once prices increase further
  - Expedite bringing service to customers

Chris noted that the PUD's proposal is in line with the County's 2025 Strategic Plan.

Commissioner Pollock asked if ToledoTel could leverage the county's potential \$1 million investment. Chris said the PUD intends to deploy fibre infrastructure in ways it can be used to provide provider and customer choice.

Commissioner Swope asked why funding should go to public entities instead of private companies. Chris said providing funds to private, for-profit entities has not worked. He said the telemedicine and schoolwork challenges exposed during the pandemic prove that. Chris also noted that the PUD is a cost-based utility, not a for-profit company.

Dale Merten and Fred Rider said ToledoTel needs to show a profit and wouldn't use that \$1 million to go out to, say, Packwood because it wouldn't be cost effective for the company. They said their business

plan would be to add service to Winlock and Napavine but not Pe Ell or Packwood or Boistfort because it wouldn't make sense for their business model, whereas it would for the PUD because it's a public utility.

Fred noted that there would need to be more money to go from the PUD's backbone to the "final mile" to the consumers.

Commissioner Swope said he is concerned with providing money for a government entity instead of local businesses.

Chris reiterated that that PUD is focused on a technology-neutral approach to provide equal access that makes broadband available where it's not currently available and improve connectivity where it currently exists.

Dale said ToledoTel can borrow from the USDA and that it can apply for federal grants.

Becky said the county will have to hold off on its decision until guidelines for the use of the ARP funds are released in July.

Chris said many other states allow PUDs to implement similar plans. He said the PUD plans to use third-party groups to provide "final mile" service.

Chris said the PUD would collaborate with potential partners about "final mile" service if it received the funding. He guesstimated it would take 18 months to reach Boistfort, Winlock, etc. He said delaying the materials purchase likely would push that time estimate out to 36 months.

Becky discussed plans for the next ARP meetings.

Meeting adjourned at 11:25 a.m.