

12 May 09
Upper Rio Grande Economic Development Council
Regular Meeting Minutes
Monte Villa Inn Monte Vista, CO

The meeting was called to order by President Don Van Wormer.

The minutes of the previous meeting were approved on a motion from Jim Clare and a second from Bonnie Asplin.

The Treasurer's report had no changes and was approved on a motion by Jim Clare and a second by Barbara Musick.

In follow-up to event marketing, Marty Asplin said that the brochure of summer activities for all the valley towns that is distributed to restaurants and visitor centers will also be linked to the URGEDC webpage.

The meeting was then handed over to Jim Belknap, who is the City of Alamosa's Director of IT. He created a system similar to what we are about to do when he lived in Boulder, Colorado and that system serviced northeastern Colorado.

He described efforts to put fiber optics into the entire Valley and is currently working in the same direction as Ken Swinehart of Amigo.net. The vision is that there can be multiple providers in the many towns. This ten gig Ethernet broadband system will allow for telecommuting, teleschooling, and telehealthcare.

The existing fiber system was accidentally cut two years ago and that isolated the entire valley. The plan they are working on now will provide redundancy to every community as well as the main lines into the valley. They see the possibility to hook directly to Denver. The city of Alamosa has already received some grant funding, which will probably be used for attorney's fees during this initial configuration of how the system will be owned and operated. The engineering that needs to be done is already lined up.

The time frame for the grant application to become available has been moved back to 20 June '09, which gives us more time to prepare. The current intention is to have the grant submitted within one week of the grant form becoming available. The reason for this quickness is that the federal money may become available in July. The grant involves a 20% match (half of which can be in-kind) and there is \$7.2 billion available. The state currently feels that grants in the \$3 to \$5 million range are too small to consider. The 1992 Beanpole project that was done in Colorado was a \$100 million project.

A major consideration in this project is that we will be able to access capabilities (which Qwest sells for \$630 per month) at a price of \$5 to \$7 per month, which doesn't include local operating expenses. He pointed out that in today's technology DSL is no longer considered high speed. This service would allow for call centers that serve the world to be located in the San Luis Valley. An example of the kind of service that fiber can carry would be a business placing a video kiosk in every town and people being able

to go onto the site, roam the showroom, select an item, fill out the financing forms, and close the transaction, without having to leave their town.

Part of the fiber that's needed is already in existence from Alamosa to the top of LaVeta, from San Luis most of the way to Alamosa, and from Walsenburg to Colorado Springs. They foresee the most difficult part of the project to be hooking to the north end of the Valley because of its lack of population. The grant process will have to demonstrate job creation, job retention, and economic development.

The model Alamosa is considering would be a Co-op. The city of Alamosa has already donated land on which to build the network center. Each town will have to designate a place where the fiber surfaces, hopefully in the vicinity of a Qwest facility for the purpose of redundancy. The Co-op would be a combination of user members and directors. That could mean one member equals one vote or voting may be determined by the size of the bandwidth utilized.

The existing Qwest fiber that was installed during the Beanpole project is in large amount dark. The Qwest fiber is now 17 years behind current technology. Qwest did not proceed with lighting its fiber system back in '92 because they were awaiting groupings of subscribers to off-set costs. Qwest will need some serious machinery to compensate for what is lacking and to bring it up to speed in order to become part of this Ethernet system. The hope is that this system will be able to connect to Qwest in each of the towns in order to form a loop. A part of Qwest's billing costs are dictated by the PUC, tariff laws and government fees.

This new system would allow doctors in a hospital in the Valley to video link to doctors elsewhere in the world, immediately send them imaging information on a patient, and actually allow them to watch and consult on the procedure as it happens. This fiber will also allow purchase of voice-over IP services.

The Co-op will need to provide a business plan to show the sustainability of the operation. The costs the operation will incur will be switches, personnel, electronics, air conditioning, tech support, and repair people. Hopefully they will be able to contract out a lot of these needs rather than having a full staff. Under the Co-op system, excess monies collected beyond the necessary capital reserve would be returned as a capital credit to the members similar to SLVREC.

Ken Swinehart is currently working the private side of this project and Jim is working the governmental side. They are both working in the same direction and getting closer to becoming one. Only one package will be submitted for the stimulus funds. The hope is to have the package roughed-out within ten to fifteen days. The project has been endorsed by Representative John Salazar and he will help in whatever way he can from Washington. If stimulus funds fail to materialize, the team will look for funds elsewhere and continue working on this.

In an effort to alleviate political concerns, the project will probably be built from the outlying towns back into Alamosa. Once it is all in Alamosa, it will be lit up.

This being a long presentation, the meeting adjourned at completion.

Submitted,
Marty Asplin, Secretary