

**KITSAP PUBLIC
UTILITY DISTRICT
BROADBAND UTILITY**

JEFFERSON PUD BROADBAND WORKSHOP

FEBRUARY 25, 2020

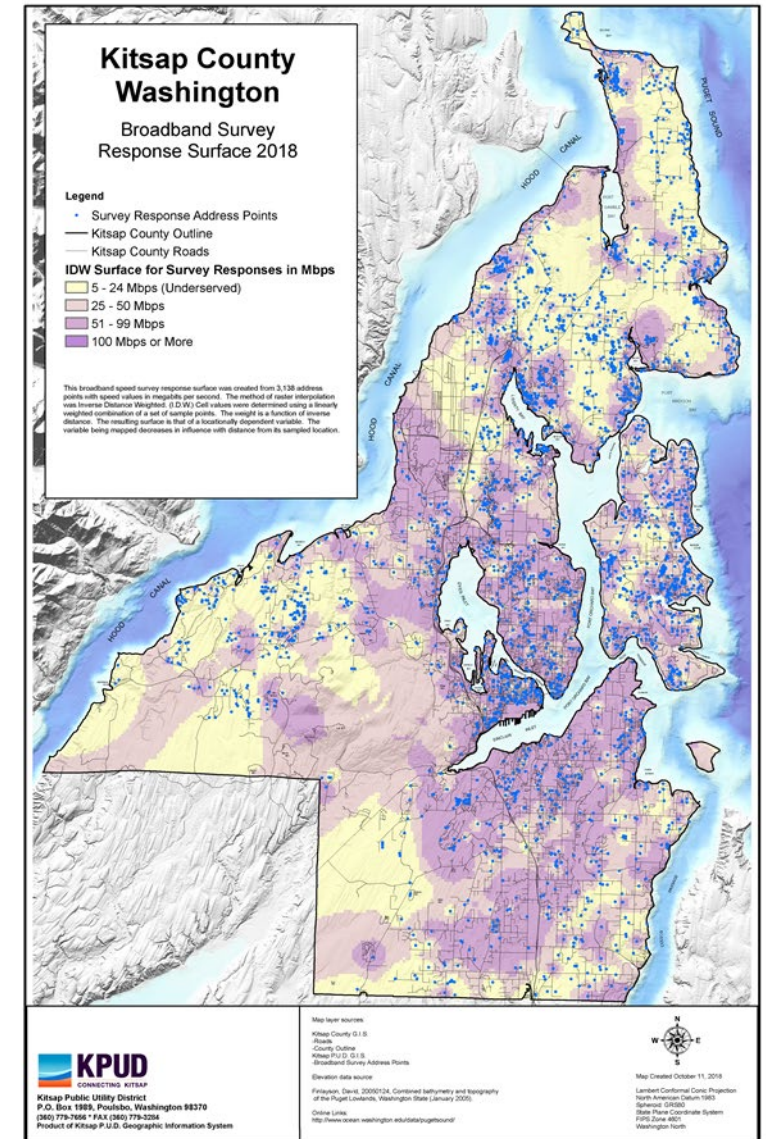
History

- Legislature passed law in 2000 allowing PUDs to provide wholesale broadband services
- KPUD telecom utility was created using long term bonds
 - Built a figure 8 backbone infrastructure in Kitsap County
 - Connecting Schools, Libraries and other Anchor institutions
- Carrier transport, Kitsap Naval Bases, Cell Tower backhaul, Small business customers

Committed to maintaining a community owned, high-speed, open-access, Fiber Optic Network

Residential Fiber Expansion

- 2015 Launched the COS Service Zones as a Survey tool for the county.
- 2016 Installed distribution cabinets and established the residential network – separate from the express network
 - Operate an Active Ethernet Solution
- 2020 Goal to provide service to 1000 residents
- Middle Mile Expansion
 - Over 25 miles built in 2019
 - Reach areas of unserved or underserved residents
 - Yellow areas on Heat Map



Broadband Access for Kitsap County

- High Speed and Quality Network to provide Kitsap County Residents Access to Broadband Services
- All Fiber Network
 - Provide a ‘future proof’ solution for residents in unserved or underserved areas
- KPUD is Wholesale only operating an Open Access Network
 - Multiple service providers and services to choose from
 - Competition drives better pricing and services
- All Residences are installed with equipment to provide a 1 Gbps connection
 - Upload and Download speeds are symmetrical
- Can upgrade in the future (10Gbps or higher) with an exchange of Equipment only
- We may not be the Least expensive solution for Broadband

Connection Costs

- Base connection fee is \$2,200 plus tax
 - Includes All Equipment, fiber from the connection point to the residence up to 1000', power feed, conduit if application, distribution port in cabinet, and other appurtenances for operations
 - If Construction or distances greater than 1000', additional charges are added
 - Average connection fee \$7,000
- Maintenance and Operations
 - Wholesale only network
 - Monthly Rates include
 - Monitoring, Repair and Replacement, Maintenance, Engineering, addition of the 'object' to our Business Engine Software
- WE do not extend beyond the Customer Premises Equipment or CPE
 - Retail Service Provider or Residents responsibility within the residence

Legislative Changes in 2018

- Retail Restrictions left Kitsap Residents at Risk
 - High costs for extension of fiber
 - No service provider could be available
- Kitsap PUD worked with our legislators to modify the authorities
 - Retail telecommunications services would be allowed in cases where no “quality” service provider was available
- Service Level Agreement
 - Speeds – 75% of what is advertised at all times
 - Network Availability – 99.99%
 - Net Neutral Network
 - Personal Data is not sold

Local Utility District - LUD

- LUD is a financing mechanism for a group of homeowners to pay construction costs for public utility improvements over a period of time.
- For Kitsap PUD, construction costs are financed for 20 years by a lien placed against the property which is billed annually through assessments by the Kitsap County Treasurer's Office.
 - Value of assessment is less than or equal to the increase value of the property
 - Community pays the same assessment for each lot.
- Community Petitions the PUD to form the LUD and build the infrastructure.
 - 50% +1 of the home owner in the area – The PUD must act
 - Form the LUD if it is financially feasible
- Kitsap PUD communicates with surrounding property owners to notify of the project and opportunity to participate.

Non-Contiguous LUD

- A Local Utility District made up of single properties that are non-contiguous.
- Each property owner assessed the amount of their project only
 - Differing from the Traditional LUD
- Participants waive their right to protest the formation of the NCLUD
 - Formation and Finalization hearings are held at the same time
- Makes installations costs manageable for residents
 - \$2,498 Fee (\$2,200 Plus Tax Plus \$100 participation fee) at 4.5% Interest
 - Average monthly cost \$15.32 or nearly \$20/mo first year and \$10/mo the last year

Current Challenges

- Residential
 - Monthly charges can still be a hurdle for broadband access
 - Support lifeline funds to PUDs providing open access services
 - Middle Mile fiber expansion limited by funds
 - Increase in access to grants to extend open access middle mile fiber
- Express
 - Current Legislation provides a back stop in the case of no service provider
 - Still cannot qualify as a CLEC because of retail restriction
 - No access to USF funds
 - Cannot be an eRate provider and therefore have no control of what is bid
 - Fiber is currently being overbuilt by private providers who are using eRate funds

Contacts

ourfiber@kpud.org

Angela Bennink
Telecom Business Manager
Angela@kpud.org
360-626-7760

Paul Avis
Superintendent of Telecom
paul@kpud.org
360-626-7731

Bob Hunter
General Manager
bob@kpud.org
360-626-7714