

**PUBLIC UTILITY DISTRICT NO.1
OF
JEFFERSON COUNTY**

RESOLUTION NO. 2022-^{031a}~~035~~

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, authorizing the General Manager to take all necessary steps to apply for Loan-Grant Combination funding from the ReConnect Program, United States Department of Agriculture (USDA), and to adjust the loan grant amount and execute related grant and loan agreements.

WHEREAS, the PUD has been developing a Broadband fiber optic network to provide retail and wholesale Internet Services to serve the residents of Jefferson County, Washington over the past several years; and

WHEREAS, the Board of Commissioners adopted Resolution No. 2022-001 that assigned Representative-Signature-Certifier security role on behalf of the PUD, to be responsible for providing signatures, authorizing certifications, entering and updating applications, submitting applications for consideration, and assigning access to new users in USDA's online application system for the ReConnect Program and Community Connect Grant Program, consistent with ReConnect Program; and

WHEREAS, ReConnect offers, as one of its funding categories, Loan-Grant Combinations, the maximum award amount for this funding category is \$50 million dollars. The maximum amount of a ReConnect Grant under this funding category is \$25 million dollars or 50 percent of total eligible costs, whichever is less. The remaining eligible costs may be covered by a loan from the ReConnect Program (up to \$25 million), cash substitution, or a combination thereof. If cash substitution is proposed, it must be available at the time of closing. The interest rate for the 50 Percent Loan component will be set at the Treasury rate of securities of comparable maturity for the remaining amortization period at the time of each advance of funds; and

WHEREAS, the Board of Commissioners previously adopted Resolution No. 2022-036 authorizing the General Manager to take all necessary steps to apply for Loan-Grant Combination funding from the ReConnect Program, United States Department of Agriculture (USDA), and execute related grant and loan agreements; and

WHEREAS, Resolution No. 2022-036 stated the PUD is preparing an application requesting up to \$17.5 million dollars in Loan-Grant Combination funding from the ReConnect Program to build fiber internet connections to unserved rural residents in the southeast Jefferson County project area - stretching from Chimacum through Port Ludlow and down to the Coyle area; and

WHEREAS, PUD staff have revised said application to include additional construction

costs and capital items that have increased the maximum submitted request for a Loan Grant Combination from \$17.5 million to \$18.5 million dollars; and

WHEREAS, consistent with Engrossed Substitute House Bill 1336 and Senate Bill 5383, the PUD has been consulting with the Washington State Broadband Office and provided formal notice regarding its intent to provide Broadband Services in Resolution No. 2021-037.

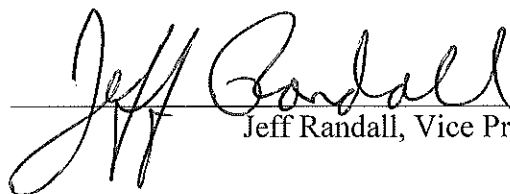
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, that the foregoing recitals are incorporated herein including Resolution No. 2022-036, and that the General Manager is authorized to take all necessary steps to apply for Loan-Grant Combination funding from the ReConnect Program, United States Department of Agriculture (USDA), and execute related grant and loan agreements up to the amount of \$18.5 million dollars.

ADOPTED at a Special meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 1st day of November, 2022.

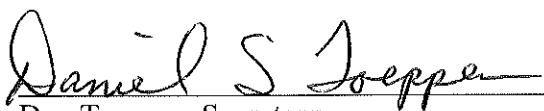


Kenneth Collins, President

ATTEST:



Jeff Randall, Vice President



Dan Toeppe, Secretary