



AGENDA COVER MEMO

Memorandum Date: September 4, 2024

Order Date: September 17, 2024

TO: Board of County Commissioners

DEPARTMENT: County Administration

PRESENTED BY: Matt McRae, Lane County Disaster Recovery Manager

AGENDA ITEM TITLE: ORDER/ In the Matter of Delegating Authority to the County Administrator to Execute McKenzie Broadband Intergovernmental Agreement with LCOG in the Amount of \$500,000.

I. MOTION

Move to Delegate Authority to the County Administrator to Execute McKenzie Broadband Intergovernmental Agreement with LCOG in the Amount of \$500,000.

II. AGENDA ITEM SUMMARY

Wildfire impacts:

In September 2020, the Holiday Farm Fire burned over 170,000 acres in the McKenzie River Valley, destroying over 500 homes, destroying utility poles, and severing utility lines, including phone and communications cables.

Community Need for High-Speed Internet:

The majority of residents and businesses in the McKenzie River Valley lack access to consistent, affordable, reliable, high-speed internet service. High-speed internet can unlock learning opportunities for students, business opportunities for McKenzie Valley businesses, improved functionality for government services and special districts, and remote employment opportunities and enhanced medical care for residents.

Satellite-based high-speed internet service is available to some residents and businesses, but these systems require an unobstructed view of the sky to function, so access is limited in locations with dense forest canopy – which is much of the McKenzie Valley, and the service is comparatively expensive (and can still be relatively unreliable).

Land-based internet service is available, but because the existing communications cables are carried solely on utility poles above ground, they are exposed to disruption from natural hazards that are common in the Cascades such as snowstorms, windstorms, and

wildfires. An added benefit of this project is that it will be a modern fiber-optic based network. These networks (above or below ground) outperform the existing cable and copper based networks, and typically drive down the cost of all internet service offered in a region.

Rare Opportunity to Place Utilities Underground:

Lane Electric Cooperative was awarded approximately \$20,000,000 in federal FEMA grant funds to bury electric lines that travel up the McKenzie Valley along Highway 126. This work is intended to limit power outages caused by snowstorms, windstorms, and other natural hazards. Lane County and Lane Council of Governments (LCOG) have been working closely with Lane Electric Cooperative to leverage this opportunity by installing fiber optic cable underground while the utility trenches are open. These fiber optic cables will close a critical gap to opening up access to resilient high-speed internet service for businesses and residents within the McKenzie Valley.

Use of funds:

The \$500,000 in this intergovernmental agreement will be available to purchase supplies and equipment and pay for design and construction services, as needed, to meet the objective of providing access to resilient high-speed internet in the McKenzie River Valley. These \$500,000 will be immediately combined with other public funds, providing a foundation that leverages private funds to meet the more comprehensive objective of high-speed resilient internet for all in the McKenzie Valley.

Funding source:

During the 2021 legislative session, the state legislature appropriated \$150 million statewide to Oregon Housing and Community Services (OHCS) for 2020 Labor Day fire recovery. Just over \$5 million was provided to Lane County to support Holiday Farm Fire recovery. In February 2023, Lane County received \$4,120,547.41 through an intergovernmental agreement with OHCS. In April 2024, OHCS transferred an additional \$900,000 to Lane County for a total of \$5,020,547,41.

The Board is asked to delegate authority to the County Administrator to execute McKenzie Broadband Intergovernmental Agreement with LCOG in the Amount of \$500,000.

BACKGROUND/IMPLICATIONS OF ACTION

A. **Board Action and Other History**

Since 2021, the Board has received regular updates from staff on Holiday Farm Fire recovery.

In February 2023, Lane County received \$4,120,547.41 through an intergovernmental agreement with OHCS. In April 2024, OHCS transferred an additional \$900,000 to Lane County for a total of \$5,020,547,41.

The Lane County Board of Commissioners have authorized the use of these funds

for numerous recovery projects, including:

- Design of Blue River Drive
- Retracement survey of downtown Blue River
- Private property boundary surveys
- Reconstruction and outfitting the fire station in Blue River
- Predevelopment costs for Rose Street Cottages affordable housing
- Individual Assistance to wildfire survivors through the McKenzie Valley Long Term Recovery Group (MVLTRG) and DevNW
- Rapid Rehousing purchasing homes for wildfire survivors through McKenzie Valley Long Term Recovery Group

B. Policy Issues

There are no new policy issues that arise from the allocation of these funds.

C. Board Goals

This project relates to Strategic Goal #2: Invest in Lane County residents by fostering engaged communities with affordable housing options, equitable opportunities, economic vitality and a healthy environment.

This agreement will help provide underground high-speed fiber in the McKenzie River Valley that can unlock learning opportunities for students, business opportunities for McKenzie Valley businesses, improve functionality for government services and special districts, and provide remote employment opportunities and enhanced medical care for residents.

This project supports Strategic Goal #3: Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.

Objective #1 under Strategic Goal #3 is: Establish needed support structures in order to expand access to affordable broadband in Lane County.

D. Financial and/or Resource Considerations

Installing fiber optic cable underground in the McKenzie River Valley is a rare opportunity that would simply not be feasible without significant federal investment from FEMA and the immediate unique partnership made available by Lane Electric Co-op.

Not taking action on this item would result in missing the opportunity to install high-speed fiber underground in the McKenzie River area which would cost

many millions of dollars, and a great deal of time, to accomplish otherwise.

E. Health Implications

Underground high-speed internet can improve access to telehealth services and can improve emergency notifications for residents during emergencies.

F. Analysis

Lane Manual 20.600.300 contains the County's policies regarding authority to execute grant applications and accept grants:

- A. Each Department Director is delegated the authority to approve and execute all documents in application for or acceptance of a grant not exceeding fifty thousand dollars (\$50,000).
- B. The County Administrator is delegated authority to approve and execute all documents in application for and acceptance of a grant not exceeding one hundred fifty thousand dollars (\$150,000).
- C. The County Administrator is delegated authority to approve and execute all documents in application for a grant in excess of one hundred fifty thousand dollars (\$150,000), provided that the application does not obligate the County to accept the grant if awarded.
- D. The Board must approve the acceptance of a grant exceeding one hundred fifty thousand dollars (\$150,000). If an application for a grant in excess of one hundred fifty thousand dollars (\$150,000) obligates the County to accept the award as a condition of application, the Board must approve the application for the grant. Following Board approval of a grant or grant application, the Administrator is delegated authority to approve and execute all other grant documents.
- E. The County Administrator is delegated authority to approve and execute all documents to continue a grant that was approved by the Board, so long as the continuation is substantially similar to the original grant approved by the Board.
- F. Notwithstanding the limits on the County Administrator's authority contained in this section, the County Administrator may approve grant applications and accept grants when necessary to secure the full benefit of the grant to the County, provided that:
 - 1. In the Administrator's judgment, and with the concurrence of County Counsel and the budget and financial planning office, the grant applications or grants require execution prior to the time

when they could reasonably be approved by the Board at regularly-scheduled meeting; and

2. A description of the grant applications and grants, including the amounts, duration, and reason for prompt execution, is submitted to the Board for ratification on its consent agenda item following execution.

(Order 15-09-01-05, 10.15.15; Order 19-05-21-03, 05.21.19; Order 21-06-08-02, 7.1.21)

G. Alternatives/Options

- a. Approve of delegating Authority to the County Administrator to Execute McKenzie Broadband Intergovernmental Agreement with LCOG in the Amount of \$500,000.
- b. Do not approve of delegating authority to the County Administrator to execute this agreement.

III. RECOMMENDATION

County Administration Policy Division recommends Option #1—Delegate authority to the County Administrator to sign the agreement.

IV. TIMING/IMPLEMENTATION

The agreement will be executed as soon as possible.

V. FOLLOW-UP

Status reports will be shared at future Holiday Farm Fire quarterly updates to the Board.

VI. ATTACHMENTS

Board Order

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 24-09-17-03

ORDER/ In the Matter of Delegating
Authority to the County Administrator to
Execute McKenzie Broadband
Intergovernmental Agreement with LCOG in
the Amount of \$500,000.

WHEREAS, Lane Manual Chapter 20 sets forth the County's policies regarding award, acceptance, and amendment of grants and contracts; and

WHEREAS, the project and services covered by the Agreement listed below is funded by Oregon Housing and Community Services Intergovernmental Agreement 7438 and was approved by the Board in Board Orders 23-02-28-02 and 23-05-02-01; and

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows: Delegate Authority to the County Administrator to Execute McKenzie Broadband Intergovernmental Agreement with LCOG in the Amount of \$500,000.

ADOPTED this 17th day of September 2024.

Laurie Trieger, Chair
Lane County Board of Commissioners