



**“To effectively provide services for the health, safety, and general welfare of the public.”**

**De Malterer, District 4**  
**Waseca County Board of Commissioners**

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April 1, 2024

Dear Chair Rep. Michael Nelson and Members of the House Labor and Industry Finance and Policy Committee, Waseca County received its first Border-to-Border Low Density Broadband Grant on March 5, 2024, as part of the round 9 grants. This grant was submitted by Bevcomm, a local, family-owned, fifth-generation telecommunications company, headquartered in Blue Earth, Minnesota.

This grant will cover 234 miles to portions of 7 Townships in the southwestern corner of Waseca County, which is the least populated and the least served part of our county. 492 fiber-to-the-premises connections are planned with the grant. These are 492 families and businesses that, up until this point, have had very few options for internet service and the options available have been unreliable and slow.

This project will bring service to farmers, the lifeblood of our small rural county economy, but also school children in 4 districts, and many small businesses. And everyone will be able to use telehealth to more quickly, easily, and cost effectively connect with their health care provider.

The total project budget is \$5.85M, comprised of almost \$4.39M of state grant funding and \$1.46M of local matching funds. Waseca County is providing \$675,000 from American Rescue Plan Act funds and Bevcomm will cover the rest of the local match. This will include a few additional connections close to the granting area and any overages in construction costs. The average cost per connection is \$11,888 and nearly \$24,000 per mile.

The construction of these projects are not money generators for the internet service providers. In fact, they are very costly, but with the help of grant support this network can be built and have enough subscribers to cover the cost of long-term maintenance.

The implementation of prevailing wage standards included in HF 4659 would drive up costs and shatter the slim margins these rural broadband projects operate on. Without the prevailing wage exemption—which Minnesota has had in statute for a decade—these projects would not get built and our rural residents will remain unconnected.

For these reasons, we oppose HF 4659 and ask that you reconsider including prevailing wage standards in this bill.

Sincerely,

De Malterer  
Waseca County Board of Commissioners, District 4