



# SANDYNET ADVISORY BOARD MEETING

Thursday, March 20, 2025 at 7:00 PM  
39055 Pleasant St. and via Zoom

## AGENDA

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### TO ATTEND THE MEETING IN-PERSON:

Come to 39055 Pleasant St, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/89001214514>

Or by phone: (253) 215-8782; Meeting ID: 89001214514

### ROLL CALL

### CHANGES TO THE AGENDA

### PUBLIC COMMENT

### APPROVAL OF MINUTES

- [1.](#) Approval of Minutes

### OLD BUSINESS

### NEW BUSINESS

- [2.](#) New Council Goals
- [3.](#) Criteria for Outside City Limits Expansion
- [4.](#) Clackamas IGA for Marmot Rd

### STAFF UPDATES

- [5.](#) VoIP and De Minimis Status
- [6.](#) BEAD Update

## 7. Staffing Updates

### **ADJOURN**

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.



# SANDYNET ADVISORY BOARD MEETING

Item # 1.

Thursday, January 16, 2025 at 7:00 PM  
39055 Pleasant St. and via Zoom

## MINUTES

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### TO ATTEND THE MEETING IN-PERSON:

Come to 39055 Pleasant St., Sandy, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/82291173443>

Or by phone: (253) 215-8782; Meeting ID: 822 9117 3443

### ROLL CALL

Meeting started at 7:03pm

Board Member Horsfall was absent

### CHANGES TO THE AGENDA

### PUBLIC COMMENT

### APPROVAL OF MINUTES

1. Approval of Minutes – **Motion by Board Member Freetage, seconded by Board Member Rabe at 7:07pm; Board Member Cloutier abstained. Motion passed unanimously.**

### OLD BUSINESS

### NEW BUSINESS

2. New Board Member Appointments and Introductions – **New board members were introduced. Board Chair Pietzold provided a brief history of SandyNet. There was a note for Staff to update the SandyNet Advisory Board webpage to reflect its new members. Council Liaison Hokanson provided clarity around the discussion of selling SandyNet during the December 16, 2024 City Council Meeting, where the SandyNet Master Plan**

was discussed. The clarity was in relation to only exploring the option to sell SandyNet should it ever be deemed unsustainable.

## STAFF UPDATES

### 3. Master Plan Update and Staffing Priorities

Staff provided feedback received after the December 16 master plan discussion, specifically around a request for additional criteria for identifying areas for SandyNet expansion. There was discussion among the board regarding the Urban Growth Reserve, the Urban Growth Boundary, as well as placing a map of serving territories on the website.

Staff explained the benefits of building out fiber off of existing assets that are currently underutilized.

There was discussion around the language of the master plan, and that it does not speak to how SandyNet will hit the 7,000-subscriber mark. Question regarding whether the master plan could explain end goals or identify how SandyNet would accomplish its objectives.

Recommendation to Staff to provide templates for analysis/feasibility for all new expansion; to identify a process for selecting appropriate projects.

Discussion over speed tiers. Staff provided information regarding its base tier. Board Member Cloutier proposed the idea of a new bottom tier with different requirements.

Staff provided information about budget inputs in the upcoming budget process.

Discussion over removing SandyNet from the City of Sandy's utility bills. Staff instructed to begin identifying surcharges that should be displayed itemized on the bill.

## ADJOURN

Meeting adjourned at 8:59 pm.

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To: SandyNet Advisory Board  
From: Gregory Brewster  
Date: 3/20/2025  
Subject: New Council Goals

## **Background**

On March 3, 2025, Sandy City Council adopted their 2025-27 goals. The following two goals were adopted for SandyNet:

- Complete, adopt and implement the SandyNet Master Plan to ensure the resiliency and sustainability of the utility, including staffing levels and space needs.
  - Develop clear criteria for determining when and where SandyNet expansion will occur.
- Advocate for development of a Clackamas County CBX master plan that incorporates Sandy's needs and priorities into the decision-making process.

## **Discussion**

SandyNet Staff has already begun the process of getting the master plan adopted. At this time, the sub goal for clear criteria when expanding SandyNet has been discussed and workshopped internally. SandyNet Staff met with the Mayor and City Manager on March 13, 2025, to discuss details of the master plan addendum. Staff has identified a path forward that would include a generic map of service territories on the SandyNet website (and updated as future areas expand), and a procedural criterion for future expansion.

SandyNet staff has performed an internal analysis to determine areas of expansion that: consider existing fiber optic lines, future city expansion, and higher density and low-cost deployment areas. The criteria outlines priorities for selecting areas in a manner that should be sufficient for balancing SandyNet's costs, optimal community impact, and obtain optimal utilization from existing assets. From that criterion, SandyNet can easily identify and explain its rationale for its proposed areas of expansion.

It has been explained to SandyNet Staff that the sub goal of a clear criterion must be completed prior to adopting the master plan. While the master plan has not been adopted at this time, SandyNet Staff has been operating under it, anticipating no major changes to the plan itself, beyond the requested additions.

The second goal regarding Clackamas County and CBX has not been elaborated on at this time. Staff has taken some direction from the go by making sure that SandyNet attempts to reduce risk when it engages in projects or ventures with Clackamas County. County Staff have agreed to meet and discuss questions and strategic planning. Part of this goal extends outside of SandyNet Staff's discretion but calls for more open discussions with the County regarding its prospects and intentions.

## **Requested Action**

At this time, no direction is needed from the SandyNet Advisory Board. Staff is happy to offer supporting information for any discussion that the board desires to have.

To: SandyNet Advisory Board  
 From: Gregory Brewster  
 Date 3/20/2025  
 Subject: Criteria for SandyNet Expansion

## Background

On January 6, 2025, SandyNet Staff met with the City Manager to discuss next steps for the SandyNet Master Plan. Staff was informed that additional information was requested to be attached to the master plan, prior to its adoption. No changes to the existing text of the master plan were requested.

Prior to Council goal setting, SandyNet Staff were instructed by the City Manager to identify its ideal locations for SandyNet to expand to, along with consideration for how SandyNet should approach unserved areas within Urban Growth Reserve (UGR).

On February 1, 2025, City Council and Staff met for Council goal setting. During that meeting most of the prerequisites for SandyNet expansion, specifically the UGR, were updated to reflect an appropriate plan for approaching future expansion.

On March 3, 2025, Sandy City Council adopted their 2025-27 goals. Under the first goal for completing and adopting the master plan, was a sub goal to “[d]evelop clear criteria for determining when and where SandyNet expansion will occur.”<sup>1</sup>

Staff completed an internal analysis that included a design of nine spots within or near the UGR that are unserved by SandyNet fiber. Staff then ranked those deployments on the basis of cost, number of homes passed and return on investment.

After meeting with the Mayor and City manager on March 13, 2025, SandyNet Staff agreed to within the SandyNet and administration departments, wordsmith the criteria for expansion. Under the discussion section is the original criteria for expansion.

## Analysis

The following areas were walked by SandyNet staff to produce 60% designs for nine locations outside of Sandy city limits that show potential for future fiber deployments.

Area	Rank
Mt. Shadows	1
Edelweiss	2
Bluff Rd.	3
370 <sup>th</sup>	4
Jacoby	5
Hudson	6

<sup>1</sup> City of Sandy, 2025, City Council Goals for 2025-2027, <https://www.ci.sandy.or.us/citycouncil/page/2025-27-city-council-goals>

362 <sup>nd</sup>	7
Langensand	8
Trubel Rd	9

See *Appendix A* for a map of each of the locations. See *Appendix B* for a breakdown.

**Note:** Some areas of the UGR were excluded from the initial assessment, along with areas already claimed to be constructed or build with fiber from competitors, particularly along Orient Drive.

**Mt. Shadows.** This neighborhood that has 80 potential subscribers. In order to provide fiber, the Edelweiss project would also have to be completed, in order to tie into the existing fiber that ends at Everfresh Fruit Co. The area has an average of 46 subscribers per mile of fiber and a return on investment (ROI) of three years per drop. The average cost per subscriber passed is \$2,657. The project requires 10,107ft of mainline fiber to be constructed and 9,106ft of drop conduit to be installed.

**Edelweiss.** This neighborhood has a potential of 28 subscribers and must be fed from the conduit extending to the Everfresh Fruit co. The area has an average of 28 subscribers per mile of fiber and an ROI of 3-4 years per drop. The project requires 2,892ft of mainline fiber to be constructed and 5,323ft of drop fiber to be installed with 14 terminals.

**Bluff Rd.** This area has 65 potential subscribers. Existing fiber already runs down Bluff rd., which pipes back to City Hall. The area has an average of 18 subscribers per mile and an ROI of 4-5 years per drop. The average cost per subscriber is \$3,802. The project requires 6,605ft of mainline fiber and 19,598 ft of drop cable to be installed.

**370<sup>th</sup>.** This area has 19 potential subscribers. Existing fiber already runs down Sandy Heights Street, which feeds the Sleepy Hollow neighborhood. This area has a ROI of 4-5 years and an average drop cost of \$4,069. The project requires 2,356ft of mainline and 6,999ft of drop cable to be installed.

**Jacoby.** This area has 14 potential subscribers. Existing fiber is available further down Jacoby rd. The ROI for this area is 5-7 years per subscriber and an average drop cost of \$4,503. The project requires 1,412ft of mainline and 5,460ft of drop cable to be installed.

**Hudson.** This area has 24 potential subscribers. Existing fiber is available from Bluff rd. and passes down to Lusted rd., for a Public Works project. The ROI for this area is 5-6 years per subscriber and an average drop cost of \$4,999. The project requires 2,262ft of mainline and 9,877ft of drop cable to be installed.

**362<sup>nd</sup>.** This area has 21 potential subscribers. Existing fiber is available between Bluff rd. and the Everfresh Fruit Co. The area has an average of 15 subscribers per mile and an ROI of 5-7 years per drop. The average cost per subscriber is \$5,161. The project requires 5,516ft to mainline and 7,523ft of drop cable to be installed.



**Langensand.** This area has 21 potential subscribers. Existing fiber is available further up on Langensand. The ROI for this area is 5-7 years per subscriber. The average cost per drop is \$5,527. The project requires 3,153ft of mainline and 9,877ft of drop cable to be installed.

**Trubel.** This area has 53 potential subscribers. Existing fiber is available on Bornstedt Rd. the ROI for this project is 6-7 years with an average cost of \$5,639 per drop. The project has an average of 12 subscribers per mile and requires 10,628ft of mainline and 22,309ft of drop cable to be constructed.

## Discussion

The following method for deploying fiber was based upon several factors. Much of SandyNet's expansion must be in accordance with feasibility requirements. Deployments must pass economically feasible, effectiveness feasibility, efficiency feasibility and political feasibility. The following criteria seeks to ensure that each of those aspects are properly represented in each deployment.

Rural deployments have fewer homes per mile. Within city limits, Sandy has 60+ homes per mile of fiber, which drove down the cost per subscriber. In rural areas, anything less than 12-15 subscribers per mile, makes it hard to achieve an acceptable ROI, when deploying underground fiber optic cable. Rural deployments also have different considerations. Crews can typically install more conduit in a day in rural settings since there are fewer conflicting utilities and underground obstructions. The increased distance also requires larger machinery which reduces setup and tear down time.

SandyNet has taken some lessons learned from the Colorado Rd construction IGA and has completed six of the eight drops identified under the agreement. The SandyNet team has drilled 3,660ft of the required 5,060ft within 18 workdays using four crew members. The remaining 1,400ft is on scheduled to be completed once the proper rights-to-access are obtained. This increase in distance per day is nearly twice of SandyNet's traditional bore speed when performing work inside city limits, which averaged between 200-250ft a day.

It is possible that the price per foot could be driven down even further, if SandyNet were to acquire a larger directional drill (currently borrowing one from Clackamas County), it could complete longer shots at a higher speed in rural deployments.

To ensure that SandyNet grows and becomes sustainable, requires control over costs. This means that SandyNet must also build out to areas that will not pose significant risk to SandyNet's financials. In order to drive those deployment costs down, SandyNet has focused on leveraging existing assets to highlight expansion areas and prevent duplication of assets.

After compiling, ranking, and analyzing the previously described nine sites, SandyNet has created a standard that helps guide areas of deployment:

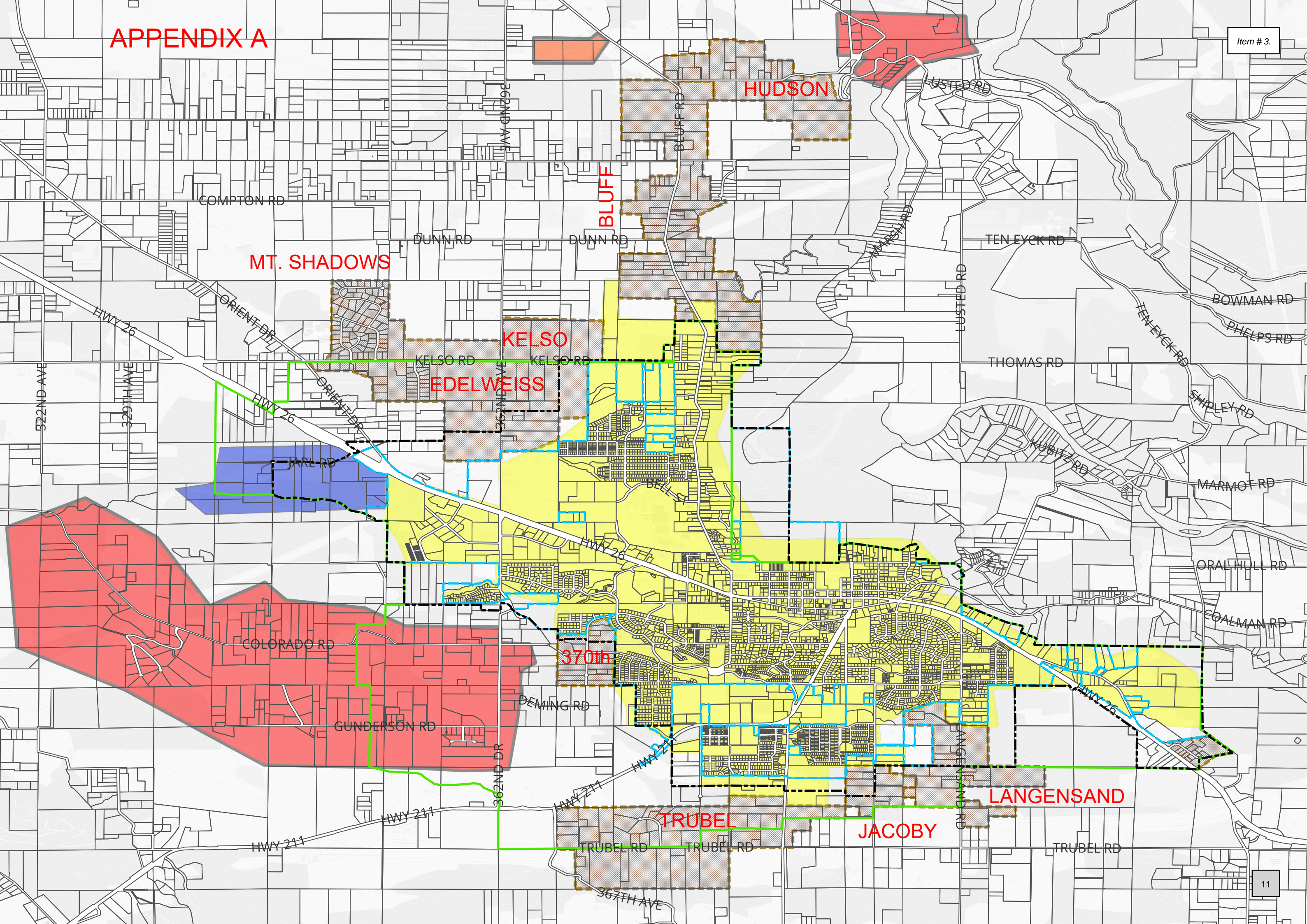
***Ranking Considerations***

- 1) When self-funding deployments, deployments shall be no fewer than 12 subscribers per mile, except when the ROI is less than or equal to five years.
  
- 2) Only then should preference be given to areas that can take advantage of existing underutilized fiber mainline. If the first condition is met, but no existing fiber mainline is nearby, preference is then given to deployments within the UGR, so long as the project is deemed feasible.
  
- 3) If no feasible UGR deployment is identified, preference is then given to other areas showing substantial benefit to SandyNet or its mission (access, equity, ROI, etc).

**Actions**

SandyNet Staff requests that the SandyNet Advisory Board review the ranking consideration criteria, and provide recommendations under the knowledge that the wording may change, but aims to not substantially alter the criteria itself.

# APPENDIX A



## Appendix B

Project	370th	362nd	Bluff	Edelweiss	Hudson	Jacoby	Langensand	Mt. Shadows	Trubel
<b>Materials</b>									
Mainline Distance (ft)	2356	5517	6606	2892	2263	1413	3153	10107	10628
Drop Count	19	21	65	28	24	14	21	80	53
Distance (ft) w/15% Buffer	7000	7524	19599	5324	11313	5461	9878	9106	22391
Terminal Count	15	8	23	14	8	6	7	42	19
Req PON Ports	1	1	3	1	1	1	1	3	2
Average Homes Per Mile	14	15	18	28	11	14	11	46	12
<b>Costs</b>									
Total Mainline Cost	\$ 22,302.06	\$ 52,215.87	\$ 62,523.97	\$ 27,375.84	\$ 21,415.81	\$ 13,371.80	\$ 29,847.05	\$ 95,666.06	\$ 100,595.13
Total Drop Cost	\$ 52,568.75	\$ 56,503.06	\$ 147,188.01	\$ 39,980.93	\$ 84,958.74	\$ 41,009.21	\$ 74,180.68	\$ 68,386.74	\$ 168,155.32
Total Terminal Cost	\$ 7,901.55	\$ 4,214.16	\$ 5,215.71	\$ 3,174.78	\$ 1,814.16	\$ 1,360.62	\$ 1,587.39	\$ 9,524.34	\$ 4,308.63
Total OLT Cost	\$ 1,018.66	\$ 1,018.66	\$ 3,055.97	\$ 1,018.66	\$ 1,018.66	\$ 1,018.66	\$ 1,018.66	\$ 3,055.97	\$ 2,037.32
Total Project Cost (100% Build)	\$ 68,791.02	\$ 98,951.75	\$ 217,983.66	\$ 71,550.21	\$ 109,207.36	\$ 56,760.28	\$ 106,633.77	\$ 176,633.12	\$ 275,096.40
Average Cost Per Sub	\$ 4,069.79	\$ 5,161.20	\$ 3,802.80	\$ 3,004.57	\$ 4,999.52	\$ 4,503.52	\$ 5,527.01	\$ 2,657.12	\$ 5,639.71
<b>Return</b>									
ROI Years (500Mbps)	5	7	5	4	6	6	7	3	7
ROI Years (1000Mbps)	4	5	4	3	5	4	5	3	6

To: SandyNet Advisory Board  
From: Gregory Brewster  
Date: 3/20/2025  
Subject: SandyNet and CBX IGA Amendment for Marmot Rd

## Background

In late December 2024, the Clackamas Broadband eXchange (CBX) put out to a construction bid to expand fiber optic broadband across the entire span of Marmot rd. In February 2025, SandyNet was informally asked to be an ISP for the upcoming area of expansion.

CBX has allocated much of their remaining American Rescue Plan Act (ARPA) funds towards this project. United States Treasury required ARPA funds be allocated by the end of calendar year for 2024. The CBX proposed territory is found under *appendix A*.

SandyNet Staff has responded that it is interested in pursuing an amendment to their already existing intergovernmental agreement (IGA) with CBX to include the new Marmot Rd area for expansion. The project contains no new requirements from its prior agreement for the Colorado and Gunderson Rd project. The required changes for the IGA would only include updating the IGA renewal term and adding the Marmot Rd list to the approved service areas for SandyNet.

## Considerations

On March 3, 2025, Sandy City Council adopted their 2025-27 goals. Its adoption, one goal must be considered when making decisions with CBX; “Advocate for development of a Clackamas County CBX master plan that incorporates Sandy’s needs and priorities into the decision-making process for CBX system expansion in the Sandy area.” Going forward, when SandyNet engages in projects with CBX this new goal must now consider the impact that those projects may have on SandyNet.

At this time, CBX and SandyNet are not interested in increasing the price for broadband service under the IGA. The IGA allows for mutually agreed upon rate increases, outside of government-imposed taxes or fees.<sup>1</sup> Both CBX and SandyNet are currently working to sign up as many new connections as possible, and both parties benefit enough from the cost and responsibility sharing under the existing IGA, that the revenue sharing is enough to maintain their services.

SandyNet has about 50 wireless subscribers that it currently serves within the proposed CBX project. Those subscribers could be converted to fiber, which would maintain a similar revenue share that SandyNet currently receives.

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<sup>1</sup> City of Sandy; Clackamas County, 2022, Intergovernmental Agreement Between Clackamas County and the City of Sandy for Residential ISP Services, p.3.

## Analysis

Based on feedback from the Council during goal setting and the December 16, 2024 presentation of the SandyNet Master Plan to the Council, there is a strong desire to ensure that SandyNet's interests are protected and aligned with the Council when doing business with CBX. While the Council goal above does not speak directly to items like the IGA that is currently being discussed, it does require that SandyNet considers its goals and position when responding.

The SandyNet Master Plan draft states that “SandyNet should keep filling the role of ISP if CBX remains a strong operational partner and continues to expand its fiber network throughout Clackamas County.”<sup>2</sup> At this time, SandyNet has no evidence or circumstances where CBX has not operated as a strong operational partner. Additionally, if SandyNet were to expand its relationship with CBX under that model, “SandyNet [will likely] still need to follow CBX’s lead on location and pacing of new construction.”<sup>3</sup>

During the deployment of the Colorado and Gunderson Rd project, CBX showed that it had run into multiple procedural issues that slowed down the deployment and significantly delayed some customer turn-ups. SandyNet entered into an IGA in December 2025 to help perform some construction work, in exchange for compensation. SandyNet has since helped complete some significantly large fiber runs to subscriber homes. SandyNet understands that some of the issues that caused delays were due to how contracts were handled or assigned. CBX has shared some of its lessons learned from the project, but SandyNet at this time does not know how many of these issues are resolved, or what may be experienced again should SandyNet agree to service the Marmot Rd area.

If SandyNet does not engage in the Marmot Rd project, there is a potential that SandyNet will lose some or all of its 50 wireless subscribers in that area. This risk is also present under any future BEAD ventures or changes, such as low Earth orbit satellites.

CBX has indicated that they will likely begin construction near Dodge Park and work its way towards Sleepy Hollow. CBX will need a pair of dark fiber from SandyNet to complete its work. This negotiation will likely remain independent of the IGA, because it is a requirement of CBX regardless of whether SandyNet engages in the IGA.

Project construction is still not finalized. 90% designs are being completed by CBX, and while they have a signed contract with a company to begin construction, CBX may need to delay construction in order to balance a parallel project; an application for BEAD funding through the Oregon Broadband Office.

Regardless of SandyNet’s participation in serving the Marmot Rd area, CBX will be constructing the project to meet their goals. CBX has indicated that if SandyNet does not participate in the

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<sup>2</sup> City of Sandy, 2024, *SandyNet Master Plan* p.24

<sup>3</sup> Ibid.

IGA, they will need to solicit another provider to service the area. While CBX maintains its open access model, no other provider has engaged as a provider with CBX at this time.

### **Discussion**

A meeting between the Mayor, City Manager and SandyNet General Manager was set up on March 13, 2025, to primarily discuss the SandyNet Master Plan. There was also discussion around the potential IGA with Clackamas County, where SandyNet explained the upcoming project. SandyNet Staff clarified that because the County was already planning on constructing the area, regardless of any input from Sandy, there is likely little strategic planning that could occur between the City and CBX at this time. Further, SandyNet's infrastructure is substantially further away from any serviceable area in the Marmot Rd project, and SandyNet lacks the sufficient funding to deploy rural fiber to the Marmot area. At this time, SandyNet sees current or expected conflict between CBX and SandyNet territories. It was signaled to SandyNet Staff that no major issues were identified, of which might prevent a revision to the IGA from occurring. SandyNet Staff agreed to discuss the project in detail with the SandyNet Advisory Board prior to bringing an IGA before City Council.

SandyNet has begun the process of revising the IGA between the City of Sandy and Clackamas County. SandyNet is still mitigating the identified risks in the analysis section of this document.




### **Desired Action**

SandyNet Staff is requesting discussion from the board to assist in vetting any overlooked considerations before finishing its negotiations with CBX and submitting an IGA to City Council.

SandyNet Staff welcomes an endorsement from the board, should it be appropriate.

# Marmot Rd Project

**Legend**

-  Marmot Serving Area
-  SandyNet Fiber
-  SandyNet/CBX Lusted Rd Project

Item # 4.

