

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.¹ 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.

¹ 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.”² 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.”³

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

² City of Sandy, 2024, *SandyNet Master Plan* p.24

³ 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.