# Memo

To: Honorable Mayor Hall & Board of Trustees

Through: Town Administrator Machalek

From: Utilities Director Bergsten

Department: Utilities Department, Trailblazer Broadband Division

Date: July 14, 2026

Subject: Resolution 83-26 Declining the Broadband Equity, Access, and Deployment (BEAD) Grant Award

Type: Resolution

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**Objective:**

To provide the Town Board with a resolution affirming the decision to pursue the staff recommended plan to continue Trailblazer Broadband's buildout using previously earmarked local match funds and decline the Broadband Equity, Access, and Deployment (BEAD) grant award.

**Present Situation:**

Trailblazer Broadband began construction in 2019 to bring locally owned fiber internet to all Power & Communications customers. Construction was paused in 2023 due to a lack of available funding with approximately 18% of the buildout and 10 % of the customers remaining. These remaining locations are in the lowest-density and highest-cost areas. Staff Outside and special council White reviewed the final draft agreement released in April 2026 and found that the inclusion of Exhibit G and related federal requirements included risks that materially changed staff's recommendation.

Staff reported their concerns at the June 23rd Town Board meeting.

**Proposal:**

Staff recommends declining the BEAD award and proceeding with a locally controlled buildout plan. This plan will use the $1.917 million previously set aside for the BEAD

match to progress the build-out based on customer density and registered customer interest. This approach allows the Town to maintain full local control over the project scope, phasing, construction pace, cost management, and customer rollout.

**Advantages:**

Proceeding with the staff-recommended local plan would:

- Preserve local control over construction timing, project phasing, scope, and cost management.
- Use funds already earmarked for the project without adding the delay of BEAD reimbursement or clawback risks.
- Prioritize higher-density and higher-interest areas first, generating revenue sooner to support continued buildout into harder-to-serve areas.
- Avoid BEAD's extensive long-tail federal reporting, documentation, audit, and compliance obligations.
- Maintain flexibility to pursue future state, local, or federal funding opportunities that may better align with municipal limitations.

**Disadvantages:**

- Declining BEAD funding means the Town will not access up to $5.74 million in potential federal reimbursement; however, those funds represent grant imposed costs and additional ineligible administrative costs.
- The staff-recommended local plan reaches fewer locations in the first portion of Phase 4 than the BEAD plan; however, accumulation of net positive revenues will fund construction in those highest cost/lowest revenue density locations.

**Action Recommended:**

Staff recommends that the Board approve the resolution formally declining the BEAD award and direct staff to continue construction buildout using the earmarked Town funding.

**Finance/Resource Impact:**

$1.917 million in previously earmarked local funds directly for locally controlled construction. While this option does not provide external grant funding, it entirely avoids

BEAD reimbursement risks, federal compliance exposure, potential clawbacks, and anticipated non-reimbursable grant administration costs.

**Level of Public Interest:**

Public interest remains high, particularly in unbuilt areas where residents and businesses have requested service updates since the 2023 construction pause.

**Sample Motion:**

I move for the approval/denial of Resolution 83-26.

**Attachments:**

1. Resolution 83-26

**Attachment 1**

**RESOLUTION 83-26**

DECLINING THE BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) GRANT AWARD

**WHEREAS,** Trailblazer Broadband began construction in 2019 to bring high-quality, locally owned fiber internet service to all Power & Communications customers, and paused construction in 2023; and

**WHEREAS**, the Town of Estes Park initially pursued and was preliminarily awarded federal grant funding through the Broadband Equity, Access, and Deployment (BEAD) program; and

**WHEREAS,** the federal grant terms created risks greater than previous grant agreements.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF ESTES PARK, COLORADO:**

DATED this _____ day of _____, 2026.

TOWN OF ESTES PARK

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney