



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/6/2022

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Economic Development Board
Staff Name and Phone Number: Ethan Brown (707) 565-7170
Vote Requirement: 4/5th
Supervisorial District(s): All

Title:

California Public Utilities Commission Local Agency Technical Assistance Grant and Broadband Update

Recommended Action:

1. Adopt a resolution delegating authority to the County Administrator and the Director of the Economic Development Department, and designees, to negotiate and execute grant agreement(s), and any amendments, Consent Forms, and related grant documents necessary for obtaining funding, from the California Public Utilities Commission (CPUC) under the local agency technical assistance (LATA) broadband funding program, in form approved by County Counsel.
2. Adopt a resolution authorizing a budgetary adjustment of \$499,554 to the Economic Development Department 2022-2023 Final Budget (4/5th Vote Required).
3. Delegate authority to the Director of the Economic Development Department to negotiate and execute a Memorandum of Understanding between the County of Sonoma and Golden State Connect Authority, in consultation with County Counsel for the purpose of engaging network design services in fulfillment of the Local Agency Technical Assistance funding and related broadband efforts.

Executive Summary:

Many unincorporated areas of Sonoma County have long experienced limited broadband availability, often referred to as unserved and underserved areas. In 2021, the Board of Supervisors took significant action to start to close the internet availability gap by directing staff to research options to expand broadband access. The Board's actions are reaffirmed by recent state and federal laws that fund and facilitate broadband planning and infrastructure, including Senate Bill 156, the American Rescue Plan Act, and the Infrastructure Investment and Jobs Act.

To further broadband availability and develop foundational information that can be used in future decision-making, the Economic Development Department applied for and received notice of an intent to award grant funds totaling \$499,554 from the California Public Utilities Commission's (CPUC) Local Agency Technical Assistance (LATA) program. The grant can be used to fund refined high-level designs for unserved and underserved areas in the unincorporated county, and low-level designs for priority areas to be selected by the Board of Supervisors. High-level design can be defined as the overview of the necessary systems and functions required for the entirety of a specific region (i.e.: County of Sonoma) whereas low-level design is recognized as providing detailed and in-depth information for specific areas (i.e.: specific road, intersection, or zip code) within the high-level design area.

Discussion:

On June 8, 2021, the Sonoma County Board of Supervisors accepted the Economic Development Department's Broadband Action Plan and directed staff to evaluate governance models that could support public development and ownership of broadband infrastructure. Since that time staff has leveraged internal county knowledge and engaged contractors to review broadband deployment models, perform legal analysis on deployment models, conduct stakeholder engagement, and obtain a high-level design for the unincorporated county's unserved and underserved areas.

On October 5, 2021, the Board of Supervisors voted to adopt a resolution to approve the County's participation in Golden State Connect Authority (GSCA), a statewide Joint Powers Authority with a primary goal of promoting access to quality broadband. By being a member of these statewide efforts, Sonoma County can maximize the region's efforts in evaluating optimal governance models for the development, ownership, and management of broadband infrastructure critical to the provision of reliable broadband access to all residents in Sonoma County.

In coordination with GSCA, the Economic Development Department applied for a LATA Grant on September 28, 2022, in the amount of \$499,554. If the County accepts the grant award the grant funding will finance completion of the County's existing high-level design for unserved and underserved unincorporated areas, as well as pay for the development of low-level, shovel-ready network designs for priority areas in and around those same areas. The County anticipates that the grant will fund approximately 40 miles of low-level design in priority areas.

LATA funding is awarded to reimburse entities for eligible pre-construction expenses for potential future broadband projects, such as needs assessments, environmental and engineering studies, network design, and broadband strategic plans. No construction is funded under the program.

As a prerequisite to the LATA funding application, a contractor was required to be identified, and pertinent information such as scopes of work, detailed cost estimates, and proposed timeframes were required. The County proposed that it would use and contract with GSCA to lead the broadband design services, to leverage the GSCA's existing broadband services contractors and existing statewide efforts. GSCA's existing design, engineering, and management contractors include Tilson Technology and Utah Telecommunication Open Infrastructure Agency (UTOPIA). A single source waiver for the MOU arrangement with GSCA and its contractors has been approved by the County of Sonoma Purchasing Division.

At current industry rates available to GSCA, it is estimated that all high-level design will be completed and approximately 40 miles of low-level design can be obtained with the LATA funding. Administrative (indirect) costs are estimated not to exceed 8% of the total grant amount, of which 3% would reimburse GSCA and 5% would reimburse the County. Golden State Connect Authority will manage the associated work product to ensure it meets the required standards and milestones associated with the specific projects presented in the scope of work.

Next steps

If the County accepts the grant funding and enters the proposed MOU with GSCA for network design, then the Authority will initiate work by its contractors to refine the County's existing high-level broadband network design. The current design indicates that 1,406 miles of fiber are needed to reach all unserved and underserved unincorporated areas, at an estimated cost of \$292 million. Notably, the initial design was based

on available data on unserved and underserved areas from the California Public Utilities Commission, which is widely recognized as incomplete. The refined design will utilize newly released address-level data for more accurate results. Staff anticipates the refined high-level design will be complete in February 2023.

When the County receives the refined high-level design, staff will bring an item before the Board of Supervisors to prioritize areas for low-level design as Select Priority Areas. To facilitate the Board's decision-making process, GSCA will analyze potential project locations identified in the high-level design to determine if locations can be financed with bonds and/or grants and apply census data to determine the demographics of the locations. As part of this process, the County will determine if data from the Portrait of Sonoma can be used to provide additional demographic information.

Once the Select Priority Areas are selected, low-level design would move forward. Staff anticipates that the low-level design will be complete in June 2023.

Beyond areas for selection as high-priority, further Board direction will be needed on infrastructure financing, delivery, and deployment models including, but not limited to, private ownership of broadband infrastructure or participation in Golden State Connect Authority's open access network.

Selection of high-priority areas and any future implementation of design or construction of any broadband network or infrastructure will comply with all applicable laws, regulations, and processes, and environmental and other analyses will be conducted as and when appropriate, including as may be required under the California Environmental Quality Act (CEQA).

American Recovery Plan Act funding update

As part of the process of distributing American Recovery Plan Act funds received by the County, on December 14, 2021, the Board of Supervisors allocated three million dollars to enhance broadband availability and adoption. Two million of the funding was planned for funding pre-revenue startup costs, administration and overhead for an organizational structure to govern the development, ownership, and management of broadband infrastructure, while one million dollars of the funding was slated for grant match for infrastructure.

The County's initial broadband deployment model analysis indicates that a county-owned or local joint powers authority is not a favorable model. This outcome significantly lowers the anticipated pre-revenue costs to the County. Staff are evaluating alternative uses of the two million dollars that were allocated at pre-revenue organizational costs. Staff will present options for reallocating the two million dollars to the Board of Supervisors in spring 2023.

Strategic Plan:

This request directly supports the Resilient Infrastructure pillar, Goal 4, Objective 2 of the County's Strategic Plan.

Approving access to this grant fund and authorization of the MOU will support necessary foundational planning for broadband infrastructure in Sonoma County as we continue to research different deployment models.

This item directly supports the County’s Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Resilient Infrastructure

Goal: Goal 4: Seek out grant funding to enhance programs and improve infrastructure

Objective: Objective 2: Leverage existing fiber optic infrastructure and grant opportunities to expand wireless and broadband access across County.

Prior Board Actions:

4/5/22 - Economic Development Department Broadband Analyst (Resolution No. 22-0123)

12/14/21 - ARPA Funding Allocation (File No. 2021-1386)

10/5/21 - Golden State Connect Authority JPA - Broadband (Resolution No. 21-0409)

6/8/21 - Access Sonoma Broadband Action Plan (Resolution No. 21-0263)

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$499,554		
Total Expenditures	\$499,554		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$499,554		
Use of Fund Balance			
Contingencies			
Total Sources	\$499,554		

Narrative Explanation of Fiscal Impacts:

\$499,554 has been awarded to Sonoma County by the California Public Utilities Commission. Estimated administrative costs to be borne by Golden State Connect Authority (\$13,876) and the Economic Development Department (\$23,128) include \$37,004 for indirect overhead costs attributable to the project including, but not limited to vendor and project management as well as local agency staff hours. Approximately \$15,450 of the grant will be used by Tilson Technology Management and UTOPIA Fiber to refine existing high-level design and develop foundational planning for broadband infrastructure in Sonoma County. The remaining balance of these funds (approximately \$447,100) will be used by the same vendors for low-level design and engineering for select priority project areas in Sonoma County.

Narrative Explanation of Staffing Impacts (If Required):

None.

Agenda Date: 12/6/2022

Attachments:

Delegate Authority Resolution

Budget Resolution

California Public Utilities Commission Local Agency Technical Assistance Notice of Intent to Award Grant

Golden State Connect Authority Single Source Waiver

Golden State Connect Authority Joint Powers Authority - Broadband (Resolution No. 21-0409)

Related Items “On File” with the Clerk of the Board: