

TOWN COUNCIL STAFF REPORT

Title: Accept the California Public Utilities Commission Local Agency Technical Assistance \$500,000 Grant Award and Authorize the Town Manager to complete all required documents and agreements for the CPUC and GSCA to proceed with the grant.

Meeting Date: November 2, 2022

Prepared by: Daniel C. Holler, Town Manager

RECOMMENDATION:

Accept the California Public Utilities Commission Local Agency Technical Assistance \$500,000 Grant Award and Authorize the Town Manager to complete all required documents and agreements for the CPUC and GSCA to proceed with the grant.

BACKGROUND:

Town Council authorized the application of California Public Utilities Commission (CPUC) Local Agency Technical Assistance Grant in the amount of \$500,000 on July 6, 2022. The grant was received on August 31, 2022 by the CPUC. The attached Grant Award Letter to the Town was Received on October 17, 2022. The grant application was prepared in coordination with Rural County Representatives of California (RCRC) and their Joint Powers Authority known as the Golden State Connect Authority (GSCA) and with Mono and Inyo Counties. The Award letter requires the Town to consent to the grant award, which binds the Town to terms of the Grant (copy attached). The Town will also need to enter into an agreement with GSCA who will facilitate the grant project work (copy attached). A kickoff meeting for the project was held on October 26th.

High quality broadband service has been a priority for the Town of Mammoth Lakes for over a decade. Following the completion of Digital 395, Town staff worked closely with Suddenlink to encourage and ultimately compel them to invest in our community by upgrading equipment to improve their service offerings. As a result of these efforts, in 2014 Suddenlink launched Gigabit service in Mammoth Lakes.

With the passing of SB 156 comes broadband policy and funding never before seen in California. Under this legislation are programs to develop a statewide open access middle-mile network (Statewide Middle Mile Initiative), allocate funding to each County for developing last-mile in unserved communities (Federal Funding Account), and assist local agencies in planning and preparing for the future of broadband within their jurisdictions (Local Area Technical Assistance or LATA).

Given the availability of Digital 395 (which resembles the State's middle-mile efforts in other parts of California) and the availability of broadband with speeds greater than 25mbps in the community, the Town of Mammoth is not eligible for SB 156 funding to build out new broadband offerings. However, other opportunities for improving broadband service in Mammoth do exist and have been receiving attention from Town staff.

Late last year, the Rural County Representatives of California (RCRC) established a new Joint Powers Authority known as the Golden State Connect Authority (GSCA). The intent of the GSCA is to leverage additional funding from SB 156 via the Loan Loss Reserve Program coupled with the capacity and knowledge within RCRC to bond for additional monies which could be used to develop new fiber-based broadband networks.

GSCA assisted the Town of Mammoth Lakes with the identification and acquisition of resources via the Local Area Technical Assistance (LATA) program. This program grants local agencies up to \$500,000 for the preparatory work needed for broadband development (such as strategic planning, environmental review, engineering and design, and staff time).

The Grant will fund our work with GSCA who will retain a qualified engineering firm to provide the high-level development design of a broadband fiber network for the Town of Mammoth Lakes. Once the planning, engineering, design, and environmental work is final the economics of implementing the plan will be reviewed. If it is determined that there is adequate demand to support the installation of the system, then a third-party provider under GSCA will take on project and risks associated with building out the system. The goal of having a town-wide fiber network to deliver quality broadband to the community will require a substantial amount of time and effort, the first step in the process is now funded.

FINANCIAL CONSIDERATIONS:

Staff time will be required to assist in the grant funding application. Town will serve as the fiscal agent. This is a reimbursable grant so the Town will need to incur expenses and then submit for reimbursements. Town staff is ready to provide fiscal services and cash flow for the grant reimbursement requirements. There is no direct match for the grant. Additional information will be provided to Council as the grant work moves forward. This grant award is funded from the \$50 million allocated to Local Area Technical Assistance (LATA) program.

With the enactment of SB 156 in July 2021, \$6 billion was allocated to the California Public Utilities Commission for broadband deployment across four program areas:

- Middle Mile (\$3.25 Billion) – state owned and operated, open-access middle mile infrastructure
- Federal Funding Account (FFA)/Last Mile (\$2 Billion) – formula allocations calculated on a county basis to provide last mile grant funds to the designated unserved/underserved areas (Important note: monies, while allocated on a county basis, do not flow to the counties – they are available to providers who apply for funds and commit to delivering a minimum 100/100 service to ALL unserved/underserved addresses in the area in which they applied)
- Loan Loss Reserve fund (\$750 Million) – available to municipalities to serve as security against financing models that attract private investment
- Local Agency Technical Assistance (LATA) Fund (\$50 Million) – provided to eligible local agencies (including counties) to cover 100% of pre-deployment project costs that advance the deployment of broadband infrastructure

Following the design of a system for the Town (pre-deployment work), the Town will continue to work with GSCA to determine the option to leverage the Loan Loss Reserve as one means to attract private investment to build out the system in the Town.

ENVIRONMENTAL CONSIDERATIONS:

To the extent the grant planning work requires environmental analysis it will be incorporated into the grant work program.

Attachments:

CPUC Grant Award Letter

Consent Form

Draft GSCA MOU (Attachments to MOU being prepared)