

# El Dorado County, 2021 Broadband Initiatives

## Background Information:

- NEO Connect completed the Broadband Strategic Plan in late 2019, with several options to improve broadband, including targeting priority areas, grant funding and public-private partnerships for implementation.
- The Board decided to pursue smaller, priority areas and grant funding to implement.
- In 2020, El Dorado County applied for and was awarded a conditional grant from EDA for \$3,782,433 with a county match of \$420,270 (10%), for a total amount of \$4,202,703 to build fiber in Georgetown, Cool and Garden Valley. The grant has an emphasis on improving economic development prospects by building fiber along commercial, industrial parks and business corridors.
  - Currently El Dorado County has completed the Environmental Review, historical preservation and soil maps per the requirement of the grant.
  - When final award is approved, the County will
    - Issue an RFP process for Final Design and Engineering
    - Issue an RFP process for Fiber Infrastructure construction company.
    - Undergo a competitive process selection of Internet Service Provider to connect last mile to homes and businesses and enter into a form of Public-Private Partnership
- EDA has received an additional \$3 Billion in funding through the American Rescue Act and has encouraged El Dorado County to apply again

## The Pandemic Shed a Bright Light on the Need for Better Broadband, Funding Efforts to Improve Broadband

### December 2020 Act –

- \$300 Million PPP funding broadband, \$1 Billion set aside for Native American Tribes.
- Applications are due August 17<sup>th</sup>, 2021
- Administered through NTIA, change of definition for broadband; still 25/3 Mbps but more broadly written; if one household is unserved in the census block, the entire census block is eligible for funding
- Greater emphasis on Public Private Partnership (PPP) models. The applicant for the grant must be a local government with an Internet Service Provider partner (PPP model).

## American Rescue Plan Act, \$340 Billion Available in Broadband Funding

- **Economic Development Administration (Department of Commerce):** *\$3 billion* in additional funding to the Public Works and Economic Adjustment Assistance (PWEAA) program through September 2022
- **Coronavirus Capital Projects Fund (Department of the Treasury):** *\$10 billion* for “capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency”; in addition to capital projects, eligible efforts include ancillary services (such as broadband mapping) to increase efficiencies of capital projects, and cost support efforts (such as subsidies)
- **Emergency Connectivity Fund (FCC):** *\$7.2 billion* for E-Rate support to reimburse schools and libraries for provision of eligible equipment and advanced telecommunications and information services during the pandemic, including for locations other than schools and libraries
- **Coronavirus State Fiscal Recovery Fund:** *\$219.8 billion* for investments in water, sewer, or broadband infrastructure
- **Coronavirus Local Fiscal Recovery Fund:** *\$130.2 billion* for rural community development block grants (CDBG) (*\$45.6 billion*), rural areas (*\$19.5 billion*), and counties (*\$65.1 billion*, population-based), including for investments in water, sewer, or broadband infrastructure
- **Local Assistance and Tribal Consistency Fund:** *\$500 million* (*\$250 million* per year for 2022 and 2023) for Tribal use only “for any governmental purpose other than a lobbying activity”

## State Funding

AB/SB 156 invests \$6 billion in broadband infrastructure

- \$3.25 billion to build, operate and maintain an open access, state-owned middle mile network – high-capacity fiber lines that carry large amounts of data at higher speeds over longer distances between local networks.
- \$2 billion to set up last-mile broadband connections that will connect homes and businesses with local networks. The legislation expedites project deployment and enables Tribes and local governments to access this funding.
- \$750 million for a loan loss reserve fund to bolster the ability of local governments and nonprofits to secure financing for broadband infrastructure.
- Creation of a broadband czar position at the California Department of Technology, and a broadband advisory committee with representatives from across state government and members appointed by the Legislature.

## Future Federal Infrastructure Bill

The US Senate passed a historic, sweeping \$1.2 trillion bipartisan package on August 10<sup>th</sup> by a bipartisan majority vote of 69-30 to shore up the nation’s crumbling infrastructure with funding for priorities like roads, bridges, rail, transit and the electric grid. \$65 billion is available for broadband infrastructure.

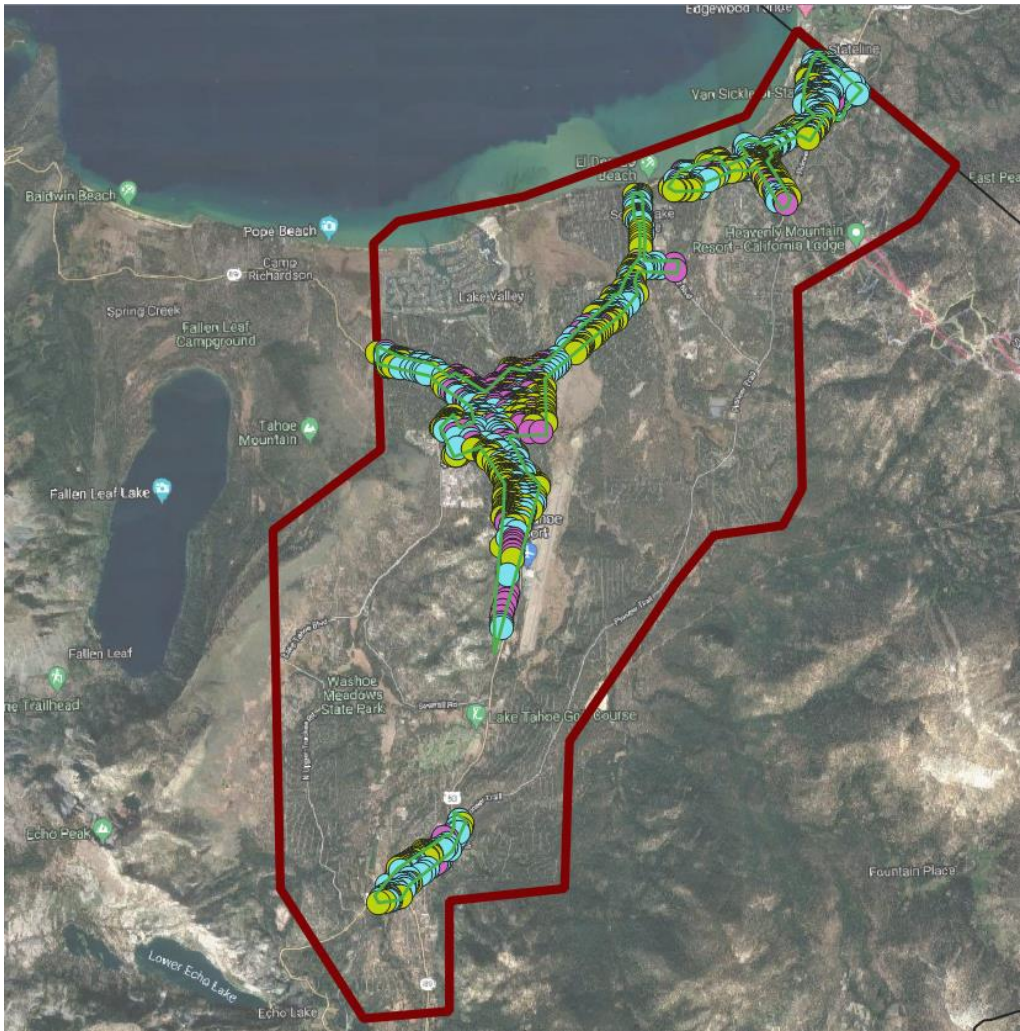
## Recommended Strategy for 2021 to Leverage Further Funding for Broadband, Phase 1

1. Apply for additional funding through the EDA Program to continue to target priority areas for broadband. Preliminary discussions include a focus on the South Tahoe area, as EDA has suggested including their priorities of improving tourism, economic development and infrastructure.
  - a. Targeted grant amount: \$5-9 Million (ceiling is \$30 Million)
  - b. 20% Match from the County. Preliminary discussions with EDA suggest that matching funds cannot come from the Local Covid Relief Funds (federal \$\$ match, for federal \$\$ grants is prohibited)
  - c. Our team will continue to work with Tahoe Prosperity on identifying key fiber routes to align priorities
  - d. NEO Connect has suggested the following areas which target commercial and industrial parcels. Below is a map of the South Lake Tahoe area outlined in red with a proposed fiber route shown in green.



The network will pass 1,828 total parcels. 667 of the parcels are classified as commercial, 943 are residential and 218 of the parcels are industrial.

Below is a map showing the various types of parcels along the fiber route.



Blue dots are commercial. Pink dots are industrial and yellow dots are residential parcels. Below are the high-level estimates for building this route:

		<b>South Lake Tahoe, Small Section, Commercial, Industrial and Residential</b>
<b>Total Capital Costs</b>		<b>\$ 10,750,269</b>
80% Grant		\$ 8,600,215
20% Match		\$ 2,150,054
<b># of Homes</b>		943
<b># of Commercial Parcels</b>		667
<b># of Industrial Parcels</b>		218
<b>Total # of Parcels/Passings</b>		<b>1828</b>

A more detailed breakdown of these costs is shown below:

<b>Major Assumptions</b>		<b>South Lake Tahoe, Small Section, Commercial, Industrial and Residential</b>
<b>Capital Costs less Installation and CPE Costs, Electronics</b>		\$ 8,464,779
<b>Engr. Project Management, Construction Management, Permitting, As-builts</b>		\$ 423,239
<b>Administrative and Project Management (2%)</b>		\$ 169,296
<b>Contingency (20%)</b>		\$ 1,692,956
<b>Total Capital Costs</b>		<b>\$ 10,750,269</b>

2. A. Apply for Technical Assistance Grant through the EDA Program to complete the final design and engineering of densely-populated and priority areas for Fiber to the Premise
  - a. Targeted grant amount: \$4.8 Million
  - b. 20% Match of \$960,000 from the County
  - c. Further prepares the County for additional grant funding opportunities

OR

- B. Apply for Technical Assistance Grant through the EDA Program to complete the final design and engineering of the entire County for Fiber to the Premise
  - d. Targeted grant amount: \$8.4 Million
  - e. 20% Match of \$1.68 Million from the County
  - f. Further prepares the County for additional grant funding opportunities for the entire County, prepares discussion for Public-Private Partnerships, further refinement of capital costs
3. Consider putting together a speed test campaign to refute federal and state maps showing the areas that are served.

- a. GEO Partners is a company that provides GIS mapping and other tools for speed test results. Typically, they will charge a county \$5,000 for a county-wide speed test assessment and mapping tool.
4. Use Local Covid Relief Funding to further invest in priority areas and to prepare for possibility of Federal Infrastructure Bill application

	Total Capital Costs	# of Homes	# of Commercial Parcels	# of Industrial Parcels	Total # of Parcels
<b>Chrome Ridge</b>	\$ 183,688	23	2	3	28
<b>Coloma</b>	\$ 1,027,886	41	4	0	45
<b>Cool</b>	\$ 4,617,429	512	18	5	535
<b>Remaining Cool</b>	\$ 3,220,599				
<b>Georgetown</b>	\$ 16,487,219	882	46	16	944
<b>Greenwood</b>	\$ 965,497	46	5	1	52
<b>Latrobe</b>	\$ 379,712	11	1	0	12
<b>Pilot Hill</b>	\$ 750,509	44	2	0	46
<b>Pleasant Valley</b>	\$ 1,555,996	143	5	2	150
<b>Rescue</b>	\$ 2,463,309	390	3	1	394
<b>Sommerset</b>	\$ 1,035,032	40	7		47
<b>Fairplay</b>	\$ 2,006,060	99	7	1	107
<b>Pollock Pines</b>	\$ 19,939,325	3069	0	0	3069
<b>South Lake Tahoe</b>	\$ 74,027,941	17966	0	0	17966
<b>Tahoma</b>	\$ 11,649,688	1787	0	0	1787
<b>South Lake Tahoe, Small Section, Commercial, Industrial and Residential</b>	\$ 10,750,269	943	667	218	1828

5. Issue an RFP for a Public-Private Partnership to build Fiber to the Premise networks for densely-populated and priority areas and to seek additional funding through the proposed Federal Infrastructure Bill
- a. PPP service provider to provide 40 – 85% of capital costs to fund Fiber to the Premise builds
  - b. Initial focus will be compliance with current EDA grant of Cool, Garden Valley and Georgetown
  - c. Next focus area could be South Lake Tahoe and other funded areas
  - d. Depending upon results of the RFP process, prepare for application to Federal Infrastructure Bill and State of California Funding

Below is a summary of the proposed investments and strategies for Phase 1.

Description	Total Estimated Costs	Grant	Match (EDC)	Outcome	Funding Source
1. EDA, South Lake Tahoe Fiber	\$ 10,750,269.00	\$ 8,600,215.00	\$ 2,150,054.00	Further Build out Middle Mile Infrastructure for Priority Areas	EDA, TOT Funds; Partnership with City of South Lake Tahoe for Match
2a. Final Design, Engineering for Densely Populated and Priority Areas or or	\$ 4,800,000.00	\$ 3,840,000.00	\$ 960,000.00	Shovel Ready Fiber to the Premise Networks for Densely Populated and Priority Areas	Possible ARPA Funding? Possible EDA Technical Assistance Grant?
2b. Final Design, Engineering for All areas in County	\$ 8,400,000.00	\$ 6,720,000.00	\$ 1,680,000.00	Shovel Ready Fiber to the Premise Networks for Densely Populated and Priority Areas	
3. Speed Test Campaign	\$ 5,000.00		\$ 5,000.00	Broaden Areas that are Eligible for Grant Funding, Correct FCC Maps	
4. Further Invest in Priority Areas	??	??	??	Investments to Leverage in PPP Discussions	Possible ARPA Funding?
5. Engage Private Sector in PPP Discussions	??	??	??	Goal to build Fiber to the Premise in a PPP to all Densely Populated and Priority Areas	Possible Infrastructure Bill and State of California Bill for Last Mile Connections

Lay a strong foundation to partner with the private sector for potentially building out all of the densely populated and priority areas within the County.