



COUNTY of VENTURA

INFORMATION TECHNOLOGY SERVICES
Terrence Theobald
Chief Information Officer

June 18, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT: Adoption of a Resolution Finding that the Ventura County Broadband Infrastructure Project (Project) is Statutorily Exempt from the California Environmental Quality Act (CEQA) and that the Project is Exempt from the National Environmental Policy Act; and Direct Filing of CEQA Notice of Exemption; Approval of the Project; Ratification of Submission of the Information Technology Services' Grant Application to, and Authorization to Accept, the California Public Utilities Commission Federal Funding Account Grant for the Development of a not to Exceed \$20.3 Million; Authorization for the Chief Information Officer to Sign Grant-Related Documents; Approval of, and Authorization for the Public Works Director or Designee to Sign, the Right of Way License Agreements with the Ventura County Transportation Commission and Cities of Fillmore, San Buenaventura, Santa Clarita, and Santa Paula for the Project.

RECOMMENDATIONS:

1. Adoption of a resolution finding that your Board's approval of the proposed Project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Senate Bill 156 (2021) (SB 156) (Pub. Res. Code section 21080.51), and that the Project is exempt from the National Environmental Policy Act (NEPA) pursuant to the Department of the Treasury's Final Rule, Coronavirus State and Local Fiscal Recovery Funds, 31 C.F.R. Part 35, 87 FR 4338-4454 (January 27, 2022). Pursuant to SB 156, CEQA does not apply to a project funded by Item 7502-062-8506 of the Budget Act of 2021 or any entity, including a public entity or private or nonprofit corporation, that consists of linear broadband deployment in a right-of-way and meets all necessary conditions. The Project's activities meet the conditions for the statutory exemption outlined in Public Resources Code section 21080.51 per Senate Bill 156. Direct the Chief Information Officer to timely file a CEQA Notice of Exemption.

2. Approval of the Project and Ratification of the submission of the Information Technology Services' (IT Services) grant application (Exhibit 2) to, and Acceptance of a Funding Account Grant from the California Public Utilities Commission for the Project not to exceed \$20.3 million and Authorization for the Chief Information Officer to sign grant-related documents.
3. Approval of and Authorization for the Public Works Director or designee to sign the Right of Way License Agreements (ROW Agreements) with the Ventura County Transportation Commission (VCTC) and the Cities of Fillmore, San Buenaventura, Santa Clarita, and Santa Paula for the development of a broadband infrastructure project (Project) in Ventura County, attached hereto as Exhibits 3 through 7.
4. Authorize the Chief Information Officer to make corrections, clarifications, and technical modifications to the ROW Agreements, provided such changes are consistent with the stated intent of the ROW Agreements, do not result in the loss of any income to the County, do not subject the County to additional costs, and are subject to review and approval by County Counsel and the County Executive Office.

FISCAL/MANDATES IMPACT:

Mandatory:	No
Source of Funding:	California Public Utilities Commission Federal Funding Account Grant
Funding Match Required:	\$3,000,000 (Astound) and \$4,779,129 (California Department of Technology)
Impact on Other Departments:	Minimal

IT Services will return to your Board to process any budget adjustments as a result of the FFA grant award.

REASON FOR RATIFICATION

IT Services did not originally intend to submit for this grant due to a lack of matching funds. It was only when the California Department of Technology joined the project and their details worked out that the decision was made to apply. Due to the deadline for submission of the grant application, we were unable to make a formal request to the Board to authorize the application. IT Services did, however, notify the CEO prior to submitting the grant application.

EXECUTIVE SUMMARY

The purpose of this project is to implement the first phase of a County regional broadband plan to spur economic development and deliver internet services to underserved communities within the county. The project consists of a middle mile fiber construction project aligning along the 126 Hwy from Santa Clarita to the City of San Buenaventura, and direct connections to over 1,800 households. A significant portion of the route will utilize the Ventura County Transportation Commissions Santa Paula Branch Line Right of Way due to lower construction costs. This project provides capacity for cities along the route for their own broadband projects. The total cost of this project is estimated at over \$28 million with most of the cost being funded through State of California grants, contribution from the County's construction partner (Astound), and the California Department of Technology.

BACKGROUND:

In 2014, IT Services, in partnership with the Pacific Coast Broadband Consortium, presented a high-level plan to support economic development throughout the county by installing a municipal fiber backbone. This would allow businesses to have access to high-speed internet in areas it did not exist or was not affordable. The plan was not brought forward due to cost considerations.

In 2020, the COVID-19 pandemic appeared causing a significant change in how people work, businesses operate, healthcare is delivered, and students learn. The "Digital Divide" – or the disparity in socio-economic outcomes due to households' broadband use, typically caused by lack of access, affordability, technology devices, language, and/or geography – resurfaced as a top priority for government entities. Several groups became focused on this issue including the Federal Government, State of California, the Southern California Association of Governments (SCAG), California State Association of Counties (CSAC), etc., and state and federal grant funding began to be directed toward broadband projects.

IT Services refocused its efforts at this time to align with the efforts of these other entities, but still maintained that County-owned fiber, that could ensure a public benefit, should be part of these efforts due to a long history of disadvantaged neighborhoods being ignored by private telecom and internet providers because they did not provide sufficient profits to justify investment.

THE PROJECT:

In early 2020, the County completed a regional broadband strategy to develop three potential middle mile routes that would serve the underserved and disadvantaged

unincorporated communities while also providing connectivity opportunities for all incorporated cities as a preliminary assessment of potential avenues for achieving enhanced broadband connectivity within Ventura County.

In August 2020, Governor Newsom signed executive order N-73-20PDF allocating \$6 billion dollars to broadband initiatives. The California Public Utilities Commission (CPUC) was given oversight responsibility, working closely with the California Department of Technology (CDT) and California Department of Transportation (Caltrans). Grant funding included \$3.5 billion to construct a state-wide middle-mile network (California Middle-Mile Broadband Initiative, or MMBI), which included many of the same routes the County had previously identified as part of its regional plan – Highways 126, 118, 33, etc. State grant funding also included \$2 billion through the Federal Funding Account (FFA) for “Middle Mile” and “Last Mile” projects that would connect unserved and under-served locations¹ throughout the state. Entities eligible to apply for a FFA grant included private telecoms, public agencies, and tribal organizations. Based on its proportion of unserved locations, the State earmarked \$23 million specifically for deployment within Ventura County. State grant funding also included \$50 million for Local Area Technical Assistance (LATA) for public agencies to undertake broadband planning and design work (up to a maximum of \$500,000 per applicant).

The County applied for and was awarded a LATA grant of \$491,000 to conduct detailed design engineering to begin scoping proposed routes and phases for the County’s Project (the route aligned with State Highway 126 and a portion of State Highway 118, as shown in Exhibit 1). The County envisioned the construction of the Project would be funded by an FFA grant. The design work for the Project has already begun and is currently at the 60% Low Level Design stage; it is anticipated to be completed by the end of Summer 2024.

In September 2023, the County submitted a \$20.3 million FFA grant application for the Project (Exhibit 2) to construct more than 44 miles of underground conduit and fiber optic cable – from the northern edge of the City of Oxnard at U.S. Highway 101 and running east all the way to the City of Santa Clarita, largely following State Highway 126 and the Santa Paula Branch Line Railway. The Project would install six (6) 2-inch conduits and three (3) 288-strand fiber optic cables along the route. The foregoing includes two (2) 2-inch conduits and one (1) 288-strand fiber optic cable that would be owned, operated, and maintained by CDT as outlined more fully below. The Project also includes a 2-mile portion of 288-strand aerial cable along existing or replacement utility poles along State Highway 118 to interconnect the unincorporated communities of Lagol and Somis. FFA grant awards are anticipated to be announced in June or July 2024.

¹ California defines “unserved” as locations unable to access a minimum speed of 100 Mbps download and 25 Mbps upload, or locations where the only internet access was provided through legacy copper telephone wires.

As the Project was sketched out, several entities expressed interest:

Astound: On January 9, 2023, the County issued an RFP seeking a telecommunication partner to assist the County with the development and implementation of the Project. Key elements of the RFP included construction, network operations and maintenance, and providing matching funds for the County's FFA grant application. A qualified partner would also need to provide internet services at reasonable prices as defined by the CPUC. The County issued a Notice of Intent to Award to Astound as the selected proposer under the RFP on July 28, 2023. Astound has agreed, through the submission of the County's September 2023 FFA grant application, to provide \$3 million in match funds for the FFA grant. Two final agreements with Astound are anticipated to come before the Board of Supervisors in July 2024 for consideration including a Construction Agreement addressing Astound's construction of the Project, and an Indefeasible Right of Use Agreement, which *inter alia*, addresses Astound's obligation to offer broadband internet connectivity to unserved households, Astound's maintenance and operation of the County Network, and Astound's use of a portion of the Project facilities among other obligations and responsibilities. Execution of the two final agreements with Astound will be conditioned upon County's receipt of FFA grant funding.

Ventura County Transportation Commission (VCTC): The Santa Paula Branch Line Railway runs parallel to Highway 126 for approximately 27.54 miles of the Project route from Santa Clarita to the City of San Buenaventura. Due to the nature of the VCTC Right of Way (ROW), design engineers believe the County would be able to cable plow the majority of the VCTC ROW route; with limited use of directional boring techniques where necessary due to field conditions. Cable plowing is an accepted technique to bury fiber conduit and cables along low/no traffic dirt routes at a significantly lower construction cost than conventional trenching and excavation, or directional drilling. In exchange for the use of the VCTC ROW, the County would provide VCTC twelve (12) fiber strands at no cost (market value to lease of these strands is approximately \$55 per strand mile, per month). VCTC, at its own cost, may connect to and maintain its own systems using these strands or enter into a separate agreement with another telecom provider to use these strands. See Exhibit 3: VCTC License Agreement.

California Department of Technology (CDT): When the State published their MMBI map, the State anticipated using Caltrans ROW to install underground fiber. One of their proposed routes was along Highway 126 from Santa Clarita (connecting to their North/South route along Interstate 5) to the interchange of Highway 150 at the City of Santa Paula. This route mostly aligned with the Project. CDT studied the County's proposed route and recognized a substantial cost savings if CDT partnered with the County to simultaneously deploy CDT owned cables, fiber and conduits in the VCTC ROW rather than the initially planned route. Moreover, by combining the State and County projects together along the VCTC ROW, the cost savings for both parties was exponential, as construction costs to add an additional two conduits were anticipated to only marginally increase, while the cost share between County and State could be split

50/50. The County and the CDT signed a letter of intent in September 29, 2023 to partner on this portion of the Project within the VCTC ROW. Two (2) additional 2-inch conduits and a single 288-strand fiber optic cable would be added to the build for the State within the VCTC ROW. The State agreed to provide \$4,779,129 in match funding for the FFA grant to cover the costs of the fiber, equipment and construction for their facilities within the VCTC ROW. The County (through its selected contractor Astound) would be responsible for the construction of the Project; however, Astound will construct the State CDT components and facilities within the VCTC ROW pursuant to a separate agreement between Astound and CDT.

Cities of Fillmore, San Buenaventura, Santa Clarita and Santa Paula: In order to allow these cities access to the fiber for their own underserved communities and to interconnect their government facilities, the County fiber route will divert from the Highway 126 and/or the VCTC ROW into the cities. All the construction through the cities will be along existing streets. Cable plowing is not suitable for these sections, so horizontal drilling and traditional trenching or microtrenching will be used as necessary for the Project. To perform this work, the County will need ROW agreements for authorization to access and encroach upon the cities' public ROWs. As compensation for the County's access and encroachment within the city public ROWs, the County will provide each city with two (2) dark fiber strands, for non-commercial use, at no cost. Each city may, at their own respective costs, connect to and maintain its own fiber systems using these strands or enter into a separate agreement with another telecom provider to use these strands to the extent permitted by the ROW Agreements. See Exhibit 4: Fillmore ROW Agreement; Exhibit 5: City of San Buenaventura ROW Agreement; Exhibit 6: City of Santa Clarita; and Exhibit 7: City of Santa Paula.

DISCUSSION:

This Project is critical to the technological future of the County. It will serve constituents, businesses, residents, those looking to move into the County, and government entities. Astound will initially offer high speed broadband internet service for more than 1,800 unserved households along the phase one route. Constituting a portion of Astound's matching funds commitment, Astound will continue a privately funded buildout into other existing communities and newly built communities within the County and will utilize the Project assets to enable these additional connections.

This Project is very complicated due to the various licenses, agreements, and State involvement. This effort included support from IT Services, Entrust (a broadband consulting company hired by IT Services in 2019), Public Works, County Counsel, Best, Best & Krieger LLP (an outside legal firm with expertise in broadband and telecommunications), and the CEO's Office.

All the licenses and agreements are required to move this Project forward. All agreements are included, except for the pending Construction Agreement and Indefeasible Right of Use Agreement with Astound, which are anticipated to be presented at a July 2024 Board meeting once the County and Astound have finalized drafts of both documents. The Project is required to be completed by December 31, 2026 as specified by the FFA grant rules and guidelines.

The Project funding is broken down as follows. Other than the estimated IT Services costs, there is no additional County funding expected.

Table 1

Party	FFA Grant Contribution	County Contribution	LATA Contribution
FFA Grant	\$20,335,563		
Astound (match)	\$3,000,000		
California Department of Technology (match)	\$4,779,129		
IT Services (VCTC review costs, legal, Public Works (estimated))		\$100,000	
Design Engineering			\$491,000

The date of the FFA grant award has not been published, but due to the mandated State deadlines for Project completion, the Grant must be accepted as soon as awarded. The United States Treasury has required that all FFA grant funds must be obligated by December 31, 2024, and all FFA grant funds must be expended by the deadline for performance on December 31, 2026. There are insufficient opportunities for near-term Board meetings to ensure this acceptance will occur in a timely manner.

California Environmental Quality Act (CEQA):

The County's action on the Project is discretionary and may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore is a "project" subject to CEQA under State CEQA Guidelines Section 21065. The County is the lead agency pursuant to Section 21067 of the Public Resources Code and Section 15051 of the State CEQA Guidelines because it has the principal responsibility for carrying out or approving the project. As set forth in the attached resolution that your Board is requested to adopt, the Project is statutorily exempt from CEQA pursuant to Senate Bill 156. Pursuant to SB 156, CEQA does not apply to a project funded by Item 7502-062-8506 of the Budget Act of 2021 or any entity, including a public entity or private or nonprofit corporation, that consists of linear broadband deployment in a right-of-way and meets all necessary conditions. The Project, as detailed in the proposed resolution, meets the conditions for the statutory exemption outlined in SB 156 and Public Resources

Code section 21080.51. A CEQA Notice of Exemption will be filed upon your Board's approval of the Project.

STRATEGIC PLAN

The Project would increase the availability of high-speed broadband internet connectivity at all levels and for all parties within the County in furtherance of every aspect of the County's Strategic Plan.

This item has been reviewed by the County Executive Office, Auditor-Controller's Office, General Services Agency-Procurement Services, and County Counsel.
If you have any questions regarding this item, please call Terrence Theobald at (805) 654-2744.



TERRENCE THEOBALD
Chief Information Officer
Information Technology Services Department



JOAN ARAUJO
Director Central Services
Public Works Agency

TT: jp

Attachments:

Resolution

- Exhibit 1: Phase 1 County Network Design
- Exhibit 2: Federal Funding Account Grant Application
- Exhibit 3: VCTC License Agreement
- Exhibit 4: City of Fillmore ROW Agreement
- Exhibit 5: City of San Buenaventura ROW Agreement
- Exhibit 6: City of Santa Clarita ROW Agreement
- Exhibit 7: City of Santa Paula ROW Agreement