

## **NEVADA COUNTY LAST-MILE BROADBAND GRANT FY 20/21 and FY 2021/22 GRANT AGREEMENT**

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**THIS GRANT AGREEMENT** is made and entered into as of the 27<sup>th</sup> day of April, 2021 by and between the COUNTY OF NEVADA, a political subdivision of the State of California (“COUNTY”), and Spiral Fiber, Inc. (“ORGANIZATION”) and is effective as of April 27, 2021 (“Effective Date”).

### **RECITALS:**

- A.** The Nevada County Board of Supervisors adopted Resolution 18-324 supporting broadband expansion; and in 2021 made Broadband a Board Objective to: “Equitably expand broadband to support economic development, distance-learning, telework, telemedicine, and general quality of life for all residents by championing the implementation of Nevada County Broadband Strategy Plan policies and last-mile infrastructure PROJECTs.”
- B.** The Nevada County Board of Supervisors approved \$250,000 to fund the second round of the Last-Mile Broadband Grants Program and allocated another \$250,000 from the PG&E Settlement Funds for a total of \$500,000 for FY 20/21.
- C.** The Nevada County Board of Supervisors has a Professional Services Agreement with the Sierra Business Council (PROJECT ADMINISTRATOR), which includes the solicitation, facilitation, and administration of the Nevada County Last-Mile Broadband Grant.
- D.** County staff and PROJECT ADMINISTRATOR conducted a competitive application process and determined that ORGANIZATION is qualified and able to ensure timely and successful completion of the proposed project (“PROJECT”) as submitted to PROJECT ADMINISTRATOR for the FY 20/21 and FY 21/22 Last-Mile Broadband Grant Program (incorporated herein as Exhibit A).
- E.** The Nevada County Board of Supervisors approved the recommendation from County staff and PROJECT ADMINISTRATOR to award \$205,000 to ORGANIZATION and directed staff to enter into grant agreements with the ORGANIZATION.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and agreements set forth below, the parties hereto agree as follows:

1. ORGANIZATION shall perform all services and provide all staffing, equipment and materials, funding and other resources necessary to design, permit, make purchases for, construct and/or install the PROJECT as set forth in Exhibit “A” attached hereto and incorporated herein by reference. ORGANIZATION shall pay for all costs and expenses necessary to complete the PROJECT, subject to reimbursement from the COUNTY as provided in this Agreement.
2. ORGANIZATION shall obtain all approvals for and shall execute the PROJECT so that within 18 months after the Effective Date of this Agreement, the PROJECT shall be completed to the satisfaction of, and accepted by, the COUNTY; provided that said timeframe may be extended by mutual written agreement of the parties. Any funds not utilized by ORGANIZATION within this timeframe shall be retained by COUNTY.

3. COUNTY shall issue reimbursements to ORGANIZATION based on an established “Fee Schedule” tied to agreed upon deliverables (see Exhibit B) from the Information General Services Administration Budget, as follows:
  - a. ORGANIZATION shall resolve all project contingencies prior to invoicing for grant reimbursements.
  - b. ORGANIZATION shall submit to PROJECT ADMINISTRATOR and COUNTY written requests for reimbursement pursuant to this Agreement. Each request shall specifically identify the item(s) for which reimbursement is sought and the amount of reimbursement requested for each such item and shall certify that the ORGANIZATION has complied with all terms and conditions of this Agreement. ORGANIZATION shall be reimbursed only for eligible expenses as identified in Exhibit “A,” ORGANIZATION’S “Last-Mile” grant application, and in the estimated amounts set forth in Exhibit “A”. However, the Information General Services Agency Director, in his/her discretion, may reallocate estimated amounts between eligible expenses once actual PROJECT costs are known provided that the expenses qualify under the same expenditure category and that the total award amount remains the same. Each reimbursement request shall be accompanied by receipts, invoices, proof of payment and other such written documentation as PROJECT ADMINISTRATOR and/or COUNTY may deem necessary to substantiate and support ORGANIZATION’S claim for reimbursement.
  - c. COUNTY shall issue reimbursements to ORGANIZATION within thirty (30) days after all the following events have occurred: (i) the portion of the PROJECT for which reimbursement is sought has been completed to the satisfaction of the PROJECT ADMINISTRATOR and COUNTY and (ii) COUNTY has received a written request for payment and copies of all written documentation with the approval from the PROJECT ADMINISTRATOR required as noted above.
  - d. ORGANIZATION shall submit to PROJECT ADMINISTRATOR and COUNTY a final written request for up to, but not to exceed the amount of any amounts remaining, as allocated in this agreement, in the Information General Services Administration Budget, within thirty (30) days after: (i) the PROJECT ADMINISTRATOR and COUNTY has determined the PROJECT has been satisfactorily completed and the PROJECT has passed a final inspection, and (ii) the broadband service within the proposed PROJECT area is available (“Completion Date”). The final reimbursement request shall comply with all requirements and conditions set forth above.
  - e. COUNTY may withhold all or any portion of a reimbursement payment if it determines, in its sole discretion, that: (i) the reimbursement request includes ineligible activities, services or items, (ii) the reimbursement request is untimely or inaccurate, (iii) PROJECT ADMINISTRATOR has not approved the reimbursement request due to insufficient documentation or PROJECT progress or completion, (iv) the ORGANIZATION has failed to provide receipts or other appropriate documentation to support the reimbursement request, (v) the ORGANIZATION has not complied with applicable federal, state or local laws, ordinances or regulations in connection with its activities under this Agreement, (vi) the ORGANIZATION has failed to obtain or maintain a necessary license or permit in connection with its activities under this Agreement, or (vii) the ORGANIZATION has otherwise failed to comply with a material term or condition of this Agreement.

- f. If ORGANIZATION fails to satisfactorily execute or complete the PROJECT in accordance with the terms and conditions of this Agreement, then COUNTY may, in its discretion, require ORGANIZATION to repay all or any portion of the grant funds provided under this Agreement. Any funds paid to, but not expended by, ORGANIZATION for the purposes stated or in accordance with the terms and conditions of this Agreement shall be refunded to COUNTY. ORGANIZATION shall repay all such sums within thirty (30) days after ORGANIZATION receives a written repayment request from COUNTY.
  - g. Any portion of the Information General Services Administration Budget which COUNTY does not pay to ORGANIZATION and any grant funds returned to COUNTY shall be retained by COUNTY.
4. COUNTY is a funding source only, and has no right, title, obligation or interest in the PROJECT, nor any control over the design, permitting, purchases, construction and/or installation, operation or maintenance of the PROJECT. ORGANIZATION shall be solely responsible for the proper execution of and on-going operation and maintenance of the PROJECT, and for full compliance with all legal requirements including, but not limited to, safety codes, accessibility laws, development regulations and permitting requirements, CEQA/NEPA, and legal requirements relating to public contracting and construction, public bidding, and prevailing wages.
  5. ORGANIZATION shall pay all costs and expenses associated with maintenance and operation of the PROJECT and shall keep the PROJECT and all portions thereof in a good, safe and useable condition.
  6. The PROJECT to be funded pursuant to this Agreement shall remain property of the ORGANIZATION and shall be used for purposes of PROJECT as set forth herein for a minimum of three (3) years after the Completion Date. If the PROJECT or any portion thereof is closed, materially damaged, destroyed or otherwise made unavailable for purposes of PROJECT prior to the expiration of this three (3) year period, the three (3) year period shall be extended by the amount of time the PROJECT or portion thereof is not available for public use; provided, however, that closures for brief periods to perform routine maintenance and repairs shall not extend this three (3) year period. ORGANIZATION shall notify COUNTY in writing in the event of any such closures, whether temporary or permanent. In the event that the PROJECT or any portion thereof is permanently closed to the public before the expiration of the three (3) year period and any extension thereof, ORGANIZATION shall refund a pro-rata share of COUNTY's contribution under this Agreement based upon the percentage of the three (3) year period that the PROJECT will not be available for public use.
  7. To the fullest extent permitted by law, ORGANIZATION shall indemnify, defend and hold harmless the COUNTY against any and all claims, losses, liabilities, and damages from every cause, including but not limited to injury to person or property or wrongful death, with the indemnity to include reasonable attorneys' fees, and all costs and expenses, arising directly or indirectly out of any act or omission of ORGANIZATION, or its agents, officers, employees, or volunteers relating to or during the performance of its obligations under this Agreement. ORGANIZATION's obligation to defend, indemnify, and hold COUNTY harmless under the provisions of this Paragraph 7 shall survive the termination of this Agreement and is not limited to or restricted by any requirement that ORGANIZATION procure and maintain a policy of insurance.
  8. Organization shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from work hereunder by the Organization, its agents,

representatives, employees, or subcontractors. Coverage shall be at least as broad as:

- (i) **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this PROJECT/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- (ii) **Automobile Liability** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
- (iii) **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- (iv) **Director and Officers (D&O) Liability Insurance** covering breach of fiduciary duty, misrepresentation of company assets, misuse of company funds, fraud, failure to comply with workplace laws, theft of intellectual property, and lack of corporate governance with limit no less than **\$1,000,000** per occurrence or claim, **\$2,000,000** aggregate.
- (v) If the Organization maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Organization. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

**Other Insurance Provisions:**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- (i) **Additional Insured Status: The County, its officers, employees, agents, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of the work or operations performed by or on behalf of the Organization including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Organization’s insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 25, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used.)
- (ii) **Primary Coverage** For any claims related to this grant, the **Organization’s insurance shall be primary** insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, employees, agents, and volunteers shall be excess of the Organization’s insurance and shall not contribute with it.
- (iii) **Notice of Cancellation** This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Nevada.
- (iv) **Waiver of Subrogation** Organization hereby grants to County a waiver of any right to subrogation which any insurer or said Organization may acquire against the County by virtue of the payment of any loss under such insurance. Organization agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
- (v) **Sole Proprietors** If Organization is a Sole Proprietor and has no employees, they are not required to have Workers Compensation coverage. Organization shall sign a statement attesting to this condition, and shall agree they have no rights, entitlements or claim against County for

any type of employment benefits or workers' compensation or other programs afforded to County employees.

- (vi) **Deductible and Self-Insured Retentions** Deductible and Self-insured retentions must be declared to and approved by the County. The County may require the Organization to provide proof of ability to pay losses and related investigations, claims administration, and defense expenses within the retention. (**Note – all deductibles and self-insured retentions must be discussed with risk, and may be negotiated**)
- (vii) **Acceptability of Insurers:** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County.
- (viii) **Claims Made Policies** if any of the required policies provide coverage on a claims-made basis: (*note – should be applicable only to professional liability*)
  - a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  - b. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
  - c. If the coverage is canceled or non-renewed, and not replaced with another **claims-made policy form with a Retroactive Date**, prior to the contract effective date, the Organization must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of contract work.
- (ix) **Verification of Coverage** Organization shall furnish the County with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to County before work begins. However, failure to obtain and provide verification of the required documents prior to the work beginning shall not waive the Organization's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- (x) **Subcontractors** Organization shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Organization shall ensure that County is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.
- (xi) **Special Risks or Circumstances** County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- (xii) **Conformity of Coverages** If more than one policy is used to meet the required coverages, such as an umbrella policy or excess policy, such policies shall be following form with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the County as noted above. In no cases shall the types of policies be different.
- (xiii) **Premium Payments** The insurance companies shall have no recourse against the COUNTY and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.
- (xiv) **Material Breach** Failure of the Organization to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.
- (xv) **Certificate Holder** The Certificate Holder on insurance certificates and related documents should read as follows:

County of Nevada  
950 Maidu Ave.

Nevada City, CA 95959

Upon initial award to your firm, you may be instructed to send the actual documents to a County contact person for preliminary compliance review.

Certificates which amend or alter the coverage during the term of the contract, including updated certificates due to policy renewal, should be sent directly to Grant Administrator.

9. Throughout the term of this Agreement, ORGANIZATION shall possess or secure all licenses, permits, qualifications and approvals legally required to design, make purchases for, construct and/or install the PROJECT and shall comply with all applicable federal, state, and local laws, ordinances and regulations. Prior to commencement of construction, ORGANIZATION shall obtain any and all land use and building entitlements necessary to complete the PROJECT, including without limitation all zoning, development and site plan approvals, rights of entry, and appropriate building, environmental health or other permits. Upon COUNTY's request, ORGANIZATION shall provide COUNTY with copies of all final permits, documents or other approvals required to design, make purchases for, construct and/or install the PROJECT.
10. Upon request, COUNTY or its authorized representative shall have access to and the right to examine all records, books, papers or documents of ORGANIZATION related to the PROJECT and use of COUNTY funds provided under this Agreement. ORGANIZATION shall retain such records, books, papers and documents for a period of not less than five (5) years from the Completion Date.
11. The Parties to this Agreement hereby certify that they are acting independently and not as agents, employees, or joint ventures with each other. Neither Party nor its officers, employees or volunteers are employees of the other.
12. The terms and conditions of this Agreement, including any exhibits hereto, may not be amended except in writing, signed by both parties. Any amendment or addendum to this Agreement shall expressly refer to this Agreement.
13. The waiver of any provision of this Agreement shall be in writing, signed by the party granting the waiver, and such waiver shall not operate or be construed as a waiver of any other provision of the Agreement.
14. ORGANIZATION warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with performance of its obligations under this Agreement, or with the expenditure of Information General Services Budget as provided in this Agreement. ORGANIZATION further warrants that it will not employ or contract with any person or entity having such interest and that it will adopt appropriate safeguards to prohibit members, officers, employees, agents, contractors or volunteers from (a) having any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the PROJECT or (b) using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties.
15. Any notices that either Party desires to or is required to give to the other Party or to any other person shall be in writing and either served personally or sent by prepaid first-class mail. Such notices shall be addressed to the other Party at the address set forth below. Either Party may change its address

by notifying the other Party of the change of address. Notice shall be deemed received within seventy-two hours from the date of mailing, if mailed as provided in this Paragraph.

<u>To PROJECT Administrator:</u>	<u>To County:</u>	<u>To Organization:</u>
Kari Sinoff Sierra Business Council P.O. Box 2428 Truckee, CA 96160 (530) 562-4992 <a href="mailto:ksinoff@sierrabusiness.org">ksinoff@sierrabusiness.org</a>	Elise Strickler Information General Services 950 Maidu Avenue, Suite 130 Nevada City, CA 95959 (530) 265-1705 <a href="mailto:Elise.Strickler@co.nevada.ca.us">Elise.Strickler@co.nevada.ca.us</a>	John Paul CEO (530)802-0069 x701 <a href="mailto:john@Spiral.com">john@Spiral.com</a> Sandy Hakala Chief Business Development Officer (530)802-0069 x700 <a href="mailto:sandy@spiral.com">sandy@spiral.com</a>

16. The language of all parts of this Agreement shall, in all cases, be construed as a whole according to its fair meaning. This Agreement is to be deemed to have been prepared jointly by the parties hereto and shall not be interpreted or construed against either party as the drafter.
17. This Agreement contains the entire agreement and understanding between the Parties concerning the subject matter hereof and supersedes all prior discussions, agreements, proposed agreements, or conditions, whether written or oral.
18. Should all or any portion of any provision of this Agreement be held unenforceable or invalid for any reason, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then the remaining portions or provisions shall be unaffected.
19. This Agreement may not be assigned by either party. This Agreement is made and entered into for the sole protection and benefit of COUNTY and ORGANIZATION and their respective successors. No other person or entity shall have any right of action based upon any provision of this Agreement. In addition, no transfer of rights of any kind contained in this Agreement may occur without the written prior consent of COUNTY, including but not limited to transfer and/or sale of any or all terms and conditions contained within.
20. This Agreement shall be governed by the laws of the State of California and venue shall be in the appropriate Superior Court in Nevada County, California.
21. Each person executing this Agreement on behalf of a Party represents and warrants to the other Party that he or she has authority to bind and commit each such Party to this Agreement.
22. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
23. ORGANIZATION will recognize the County of Nevada in all online and print marketing and communication materials; ORGANIZATION may use the County logo and the following text: "Made possible by the County of Nevada's "Last-Mile Broadband Grants Program."

**IN WITNESS WHEREOF**, the parties hereunto have executed this Agreement on the dates hereinafter set forth.

Dated: \_\_\_\_\_

COUNTY OF NEVADA

ATTEST:

By: \_\_\_\_\_  
Chair, Board of Supervisors

By: \_\_\_\_\_  
Julie Patterson-Hunter  
Clerk of the Board

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
County Counsel

**CONTRACTOR:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name:

Title:

**Exhibits**

- A. ORGANIZATION’S “Last-Mile” Grant Application
- B. Fee Schedule and deliverables/milestones



## Exhibit A

### Nevada County 2021 Last Mile Broadband Grant Application



#### 1. Applicant Information

##### 1.1. *Applicant Contact Information*

Sandy Hakala / John Paul  
Spiral Fiber, Inc.  
CEO / Chief Business Development Officer  
sandy@spiral.com / john@spiral.com  
530-802-0069 x700 / x701

##### 1.2. *What type of legal entity is the applicant?*

S Corporation

##### 1.3. *Describe applicant's history with other Broadband deployment projects*

John Paul has been involved in broadband deployment since 2006, when he and Chip Carman took over the customers of NCCN by forming Spiral Internet. In 2009, they applied for a American Recovery & Reinvestment Act grant under NTIA's BTOP to build a fixed wireless & public safety middle-mile project modeled after the project in Cambria County, PA that was built in response to the crash of Flight 93 on 9/11. Inspired by Google Fiber, he applied for a CASF grant in 2013 which resulted in a successful \$16.2M grant for the Bright Fiber Network Project now being built by Race Telecommunications. Sandy Hakala joined Spiral just prior to the Bright Fiber Network Project sale. Together they formed Spiral Fiber to continue providing high-speed internet connectivity in Nevada County.

##### 1.4. *Provide a Financial Statement of Entity*

See attached "Item 1.4 – Financial Statement of Entity"

#### 2. Project Overview

##### 2.1. *Project Name*

95959 North Bloomfield - Lake Vera Purdon Fiber Project

##### 2.2. *Project Technology*

100% fiber optic open-access ready and 10 Gigabit ready network using XGS-PON technology and Calix equipment.

##### 2.3. *Described the proposed network design*

Due to the Tier 3 wildfire danger status in this part of western Nevada County, the network will be built all-underground. XGS-PON technology coupled with the network's design will result in no electronics in the field which will result in no network outages during PSPS events or general power outages. This project is part of a larger build that collectively will leverage the Vast Networks middle-mile

project by leasing 41 miles of dark fiber, and providing redundant backhaul for the Spiral Fiber network.

#### **2.4. *Proposed Service Area***

The 6.92 square mile service area is located north of the Nevada City city limits in an unincorporated part of Nevada County. It will serve the communities and roadways that are located off of Lake Vera Purdon Road and North Bloomfield Road which are the main arteries in the project area.

#### **2.5. *Project Permitting***

Spiral Fiber along with its engineering and construction team from Praxis Optical Networks has had a number of meetings with Trisha Tillotson, Nevada County Director of Public Works. Praxis is prepared to submit enrichment permits for broadband construction following the guidelines provided. Spiral has a proposal and is prepared to engage with Ascent Environmental in creating a preliminary EIR in order to secure a negative declaration for CEQA. Spiral Internet used Ascent for a similar report for the Bright Fiber Network Project, which was approved by the CPUC.

#### **2.6. *Service and Pricing Levels***

Spiral Fiber will be providing one level of service: 1 Gbps symmetrical connectivity for \$139 per month with unlimited data. It will also be providing the same level of service to low-income households (as determined by collaborating with the local schools and Nevada County) for \$49 per month with unlimited data. See attached "Item 2.6 Value Proposition" to see how households will be paying overall less per month due to consolidation of communication services with a gigabit connection.

2.6a There are no data caps nor reduction of speed during times of network congestion, as Vast Networks backhaul is scaleable.

#### **2.7. *Project Schedule and Timeline***

Spiral Fiber is planning to break ground in summer 2021, and complete construction and passing of all households within a one-year schedule. During that timeframe, Spiral expects to connect all of the the households that have signed up for service within the project area. A detailed project schedule will be available from Praxis Optical Services prior to grant approval.

##### **2nd Quarter 2021**

Network operations center construction begins. Environmental report completed for CEQA negative declaration. Final network design completed. Required reporting for project and drawings submitted to Nevada County for permitting.

##### **3rd Quarter 2021**

Ground breaking for network laterals begins. Network operations center complete. Lateral to Vast Networks complete. Road-to-home connections begin.

4th Quarter 2021

Interior installations begins. First homes connected to service. Construction of project and road-to-home connections continues.

1st Quarter 2022

30% of homes connected to service. Construction and installations continue.

2nd Quarter 2022

50% of homes connected to service. Installations continue.

3rd Quarter 2022

80% (projected take rate) of homes connected to service.

2.7a An extremely wet winter in 2021-22 could impede the construction schedule.

### **3. Level of Service Verification**

#### **3.1. *Provide evidence of current service levels***

The CPUC deems 1.5 square miles (or 22%) of the project area as “unserved”. (see “Item 3.1 – CPUC overlap”). There is no Comcast service in the area, limited AT&T DSL, and basically no fixed wireless service available from DigitalPath or SmarterBroadband due to lack of line-of-sight access from Banner Mountain and Oregon Peak broadcast locations. In a 2017 online survey conducted by Spiral — which enabled households outside the Bright Fiber Network Project area to indicate interest in gigabit service due to access of less than 10 Mbps down / 1 Mbps up speeds — 25% of the households in this project area responded accordingly. (see “Item 3.1 – Survey Response Map”)

#### **3.2. *Describe the methodology used to determine the number of locations***

Data provided by Nevada County GIS.

#### **3.3. *With respect to density, what is the average number of homes, businesses and institutions per square mile within the proposed service area?***

55 homes per square mile.

#### **3.4. *In terms of infrastructure installation, explain why this area was chosen for the grant and is unlikely to be served without Nevada County grant funding. Include an explanation of terrain, population density, or other factors contributing to the overall cost of the project.***

This project area is geographically diverse and has high forestation. It has historically been an area without access to fixed wireless providers, as it sits in a “bowl” with ridges surrounding it. The aging telecommunications pole infrastructure (with trees often growing through the cables, and cables often connected to trees — see attached “Item 3.4 – Pole Examples) leaves the cables

vulnerable to wind, snow, and wildfires (as a Tier 3 Fire-Threat Area). This all-underground fiber network will be future safe, allowing scalability as bandwidth needs become greater. As there will be no electronics in the field, the network will remain up and operating during a PSPS event or other power outages unlike Comcast and AT&T services.

**3.5. Anticipated Improvements.**

# of Passings:	Speed Now:	Speed After Build:
Households: 380	1.5 - 6.0 Mbps / < 1Mbps	1 Gbps symmetrical
Businesses: 10	1.5 - 6.0 Mbps / < 1Mbps	1 Gbps symmetrical
Community Anchor Institutions: 0	1.5 - 6.0 Mbps / < 1Mbps	1 Gbps symmetrical
Total: 390		

**3.6. If applicable provide a list with the names of the community anchor institutions.**  
From what we know, there are no community anchor institutions within the project area.

**3.7. Include a description of the business model and plan to sustain operation of the network. Include estimated take-rate in the grant area.**

This project comprises 3% of a larger scope of phases that will bring symmetrical gigabit internet speed access via an all-underground network to over 12,000 homes and 400 businesses in western Nevada County. Although our financial model is based on a 60% take rate, analysis by the Fiber Broadband Association shows that deployment of these networks in rural areas such as this results in 80-85% take rate.

**4. Project Cost Analysis**

**4.1. What are the total eligible costs?**

\$505,661.44

**4.2. How much grant money are you seeking from the Nevada County Last Mile Grant program for this project?**

\$250,000.00

**4.3. Fill out a Project Budget Table indicating the sources, uses, and amounts of all funds that will be used for eligible broadband development costs as defined in the guidelines. Attach your full project budget to the grant application. Be sure**

*to include a contingency for project completion.*

See “Item 4.3 – Project Budget Table”

- 4.4. *Attach all written funding commitments from all project funding partners, including public, private and non-profit or philanthropic sources.*

We are currently in due diligence with an infrastructure private equity investment firm and can provide that paperwork upon completion.

- 4.5. *If the grant request was approved for this project, is the remainder of the financing (the local match) in place for building this project?*

No, the local match funds are not yet in place. Our timeline to secure private equity matches the timeline for the grant approval.

- 4.6. *Are there additional costs related to this project that are not eligible costs that will be incurred as part of the overall project costs for deploying broadband to this area? If yes, what are these costs?*

Yes. See “Item 4.3 – Project Budget Table”

- 4.7. *Is this project part of larger build for which the applicant is not requesting Nevada County grant funds? Is there any additional relevant information regarding the investment in the area surrounding the grant project area? If yes, please explain and/or attach proof of leveraged financing.*

The “95959 North Bloomfield - Lake Vera Purdon Fiber Project” is part of three phases involving 19 neighborhood projects that will connect 12,000 households and 400 businesses. Spiral Fiber is currently in due diligence with an infrastructure private equity investment firm to secure funding for the entire build.

## **5. Financial and Governance Plan**

- 5.1. *Describe the need for funding and why the project could not proceed without this funding.*

The infrastructure private equity investment firm has asked the project for an investment from local government to indicate “political will” in support of the overall build. Spiral believes that the Nevada County 2021 Last Mile Broadband Grant is an ideal representation of this participation.

- 5.2. *Provide an organizational chart, applicant’s history including experience relevant to the proposed project, and an indication of readiness to build, manage, and operate the proposed broadband project. Include resumes of key officers and management personnel.*

See “Item 5.2 – Organizational Chart”, 2 pages.

## **6. Community & Economic Development Impact**

**6.1. Describe the economic and community development potential of the project, including how the project will provide opportunities for existing businesses, new businesses, telecommuting, improved public safety, telehealth care, improved distance learning, and improved service to economically distressed areas.**

As the pandemic has so clearly shown us, the need for a reliable internet network which can offer symmetrical and reliable high-speed access speeds is critical to our rural community. Building a network that is future safe, environment safe (weather and fire), and is easily scalable for next-generation applications needs is critical for the economic development of Nevada County. Spiral Fiber will be an active participant with local government, schools, and healthcare institutions in helping leverage its network for the public good, and to help promote and build the local economy. The Spiral Fiber network will be open-access ready for the deployment of applications that address telehealth care, and distance learning.

**6.2. Describe any partners or subcontractors associated with the project's deliverables related to deployment and service delivery. Please describe each party's role in the project. Please include copies of any applicable executed contracts or anticipated contractual language and/or insurance requirements.**

See "Item 6.2 – Project Partners". Spiral has proposals and proposed contracts in place for all partners and vendors, and can provide that documentation upon request.

## Item 1.4 – Financial Statement of Entity

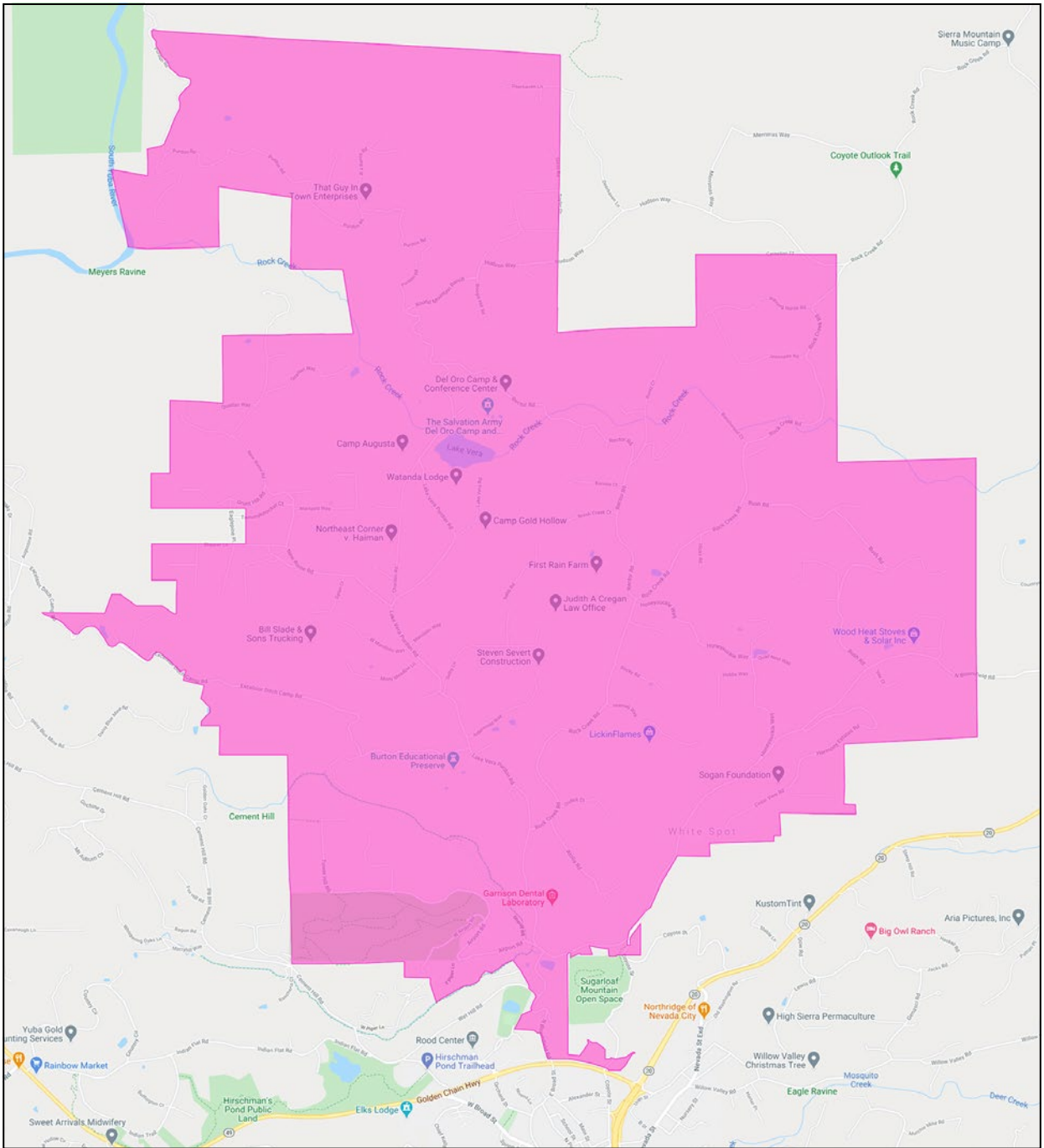


### Spiral Fiber Income Statement Year Ended 12/31/2020

Revenue:	\$	-
Expenses:		
Consulting Expense - Network Design	\$	53,827.20
Legal Fees	\$	2,500.00
Bank Charges	\$	44.00
		\$ 56,371.20
Total Expenses		\$ 56,371.20
Net Loss		\$ (56,371.20)

		Spiral Fiber Balance Sheet 12/31/2020
Assets		
Cash in Bank - Tri Counties	\$	1,956.00
Prepaid Rent	\$	2,278.60
Note Receivable from Shareholder - SH	\$	1,000.00
Security Deposit	\$	3,000.00
Website Deposit	\$	2,000.00
Total Assets		\$ 10,234.60
Liabilities & Equity		
Note Payable to Shareholder - JP	\$	64,605.80
Total Liabilities		\$ 64,605.80
Equity		
Common Stock	\$	2,000.00
Retained Earnings	\$	(56,371.20)
Total Equity		\$ (54,371.20)
Total Liabilities & Equity		\$ 10,234.60

# Item 2.4 – Proposed Service Area







## Value Proposition for Customers

### Residential Customer #1

- \$80 AT&T landline
- \$135 Satellite TV w/HBO+Showtime
- \$160 SmarterBroadband 12/3 Mbps\*  
HughesNet 25/3 Mbps\*

**\$375 Current Total**

- 
- \$139 Spiral 1000/1000 Mbps
  - \$73 AppleTV (SlingTV, Netflix, HBOMax, ESPN, Hulu, Disney+)
  - \$0 Mobile phone uses WiFi

**\$212 Total with Spiral**

**\$173 savings per month**

### Residential Customer #2

- \$35 AT&T landline (LifeLine)
- \$60 Satellite TV Basic
- \$55 AT&T DSL 6/1 Mbps

**\$150 Current Total**

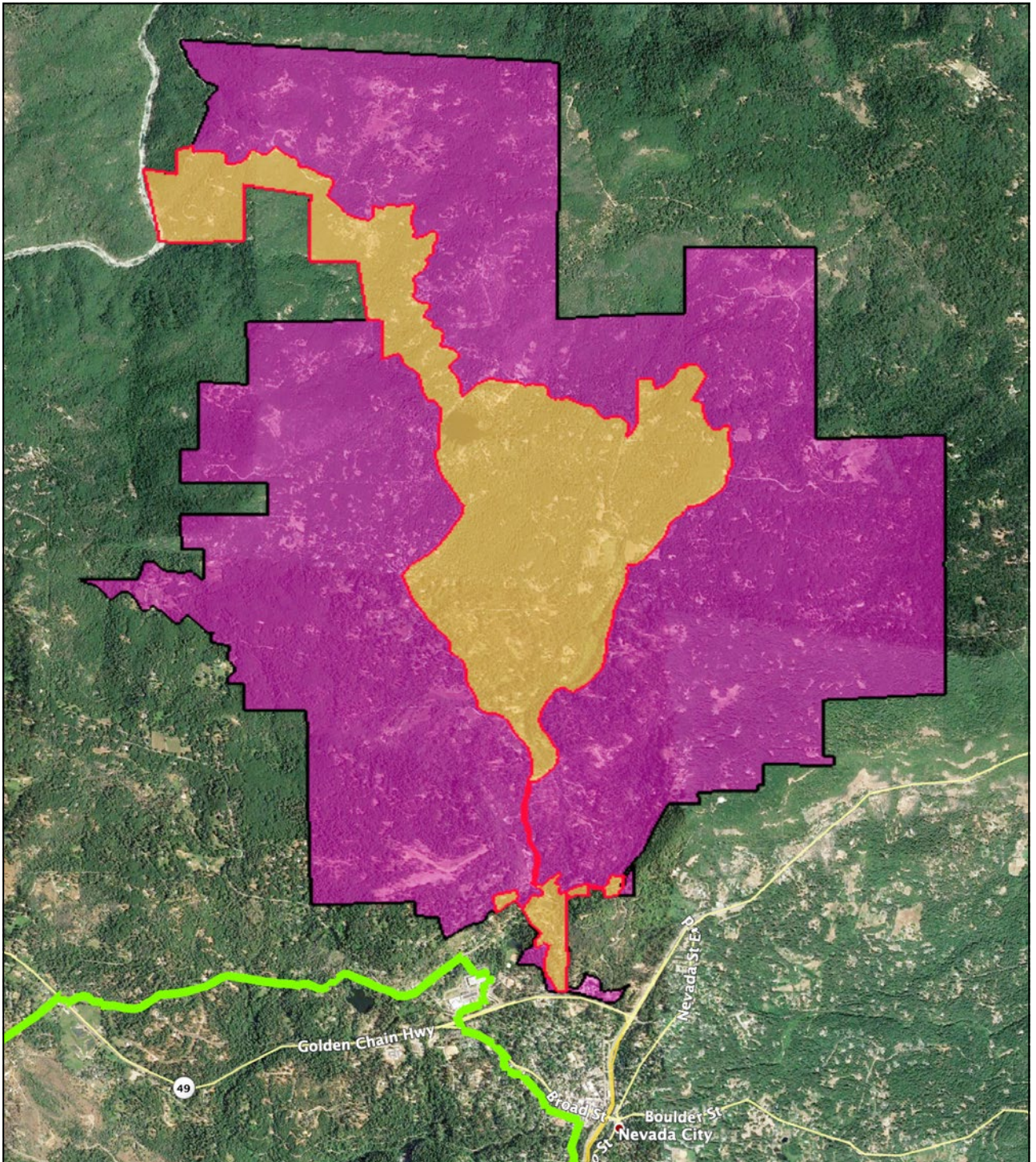
- 
- \$49 Spiral 1000/1000 Mbps  
Restricted Income Pricing
  - \$30 AppleTV (SlingTV)
  - \$20 VoIP landline



**\$99 Total with Spiral**

**\$51 savings per month**

\* Data limits each month

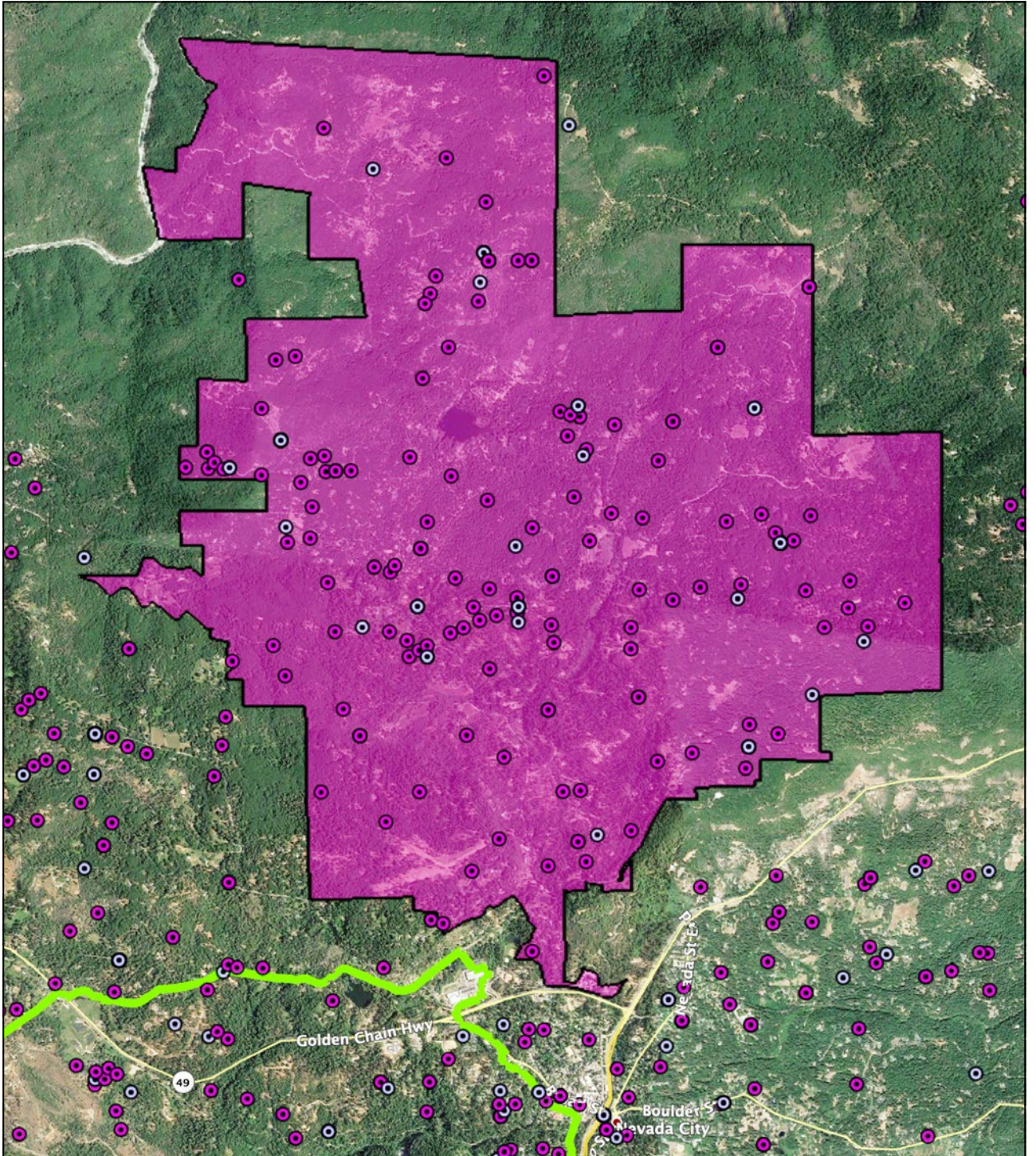
Item 3.1 – CPUC Overlap



-  95959 North Bloomfield - Lake Vera Purdon Fiber Project
-  CPUC unserved area overlap



Item 3.1 – Survey Response Map



 95959 North Bloomfield - Lake Vera Purdon Fiber Project



## Item 3.4 — Pole Examples



### All-underground network

Due to wildfire danger, pole degradation, winter snow load, high wind, tree branches extending through cables on poles, and existing networks connected to tree trunks, the project will be all underground. This type of build will reduce continual maintenance, repair, and prevent interruption of service due to weather, wildfire, or PSPS events.



Item 4.3 — Project Budget Table (updated 4/10/21)



**Materials per household**

Calix ONT	\$129.00	
Pre-connectorized 300 ft. Drop	\$57.17	
Wall Mount Patch & Splice Panel	\$16.00	
Conduit (300 feet)	\$210.00	
Handhole Assembly	\$434.00	
Subtotal Materials Per House		\$846.17
Road to home installation		\$2,480.55
<b>Total Materials &amp; Installation for Outside Connection</b>		<b>\$3,326.72</b>
Grant Contribution (50%) Per Connection		\$1,663.36
Number of Households Connected (380 x 80% Take Rate)		304
<b>Total Eligible Costs</b>		<b>\$505,661.44</b>
<b>Grant Amount Requested</b>		<b>\$250,000.00</b>
Excess Costs Not Reimbursable		\$255,661.44
Excess Per House		\$840.99
Final Network Design per house passed	\$ 92.52	
Construction of Laterals, including node	\$5,143.65	
Other Materials Used In Laterals	\$1,544.79	
Costs Paid by Spiral per Home		\$9,285.30
Environmental report for CEQA negative declaration	\$65,000.00	
Geotechnical (soil/substrate) study	\$20,000.00	
Lateral installation to Spiral office	\$147,716.39	
Construction management, including permits	\$150,000.00	
Cost Paid by Spiral for Project Area		\$3,205,448.58
Grant Contribution as % of Total Construction Cost		7%
Spiral Construction Cost Coverage		93%

### Sandy Hakala, CEO/CFO, Co-Founder



Sandy Hakala has worked in CEO and CFO/Controller positions for the last 15 years. She has worked extensively with both start-up and established growth-oriented companies, both as an employee and as a consultant through her own company. Sandy worked to successfully manage the financial and legal aspects of equity raises, and acquisitions including negotiations in purchase price. As CEO of a local engineering service firm and subcontractor to CalTrans, she also managed and led annual business planning processes, including completions of strategic plans.

In addition to Sandy's business experience, she has been an active volunteer and member of the community since her family moved here in 2000. She has served as treasurer for numerous clubs and organizations, including participating on her local church finance council. She also served as part-time Accounting faculty for Sierra College NCC campus. More recently, she was appointed to the Nevada City School District Board of Trustees where she is in her second four year term and is currently in her third year as Board President. Sandy is closely tied with both district and county school officials and has a keen understanding of the unique challenges our community faces in trying to meet the demands of today's working and teaching challenges.

Sandy holds a BSC in Accounting and an MBA from Santa Clara University. Sandy also was chosen by the SBA to participate in the inaugural Sacramento class of "Emerging Leaders" and completed this program in October 2016.

### John Paul, Chief Business Development Officer, Co-Founder



John Paul and his late business partner, Chip Carman formed Spiral Internet in 2006. In 2013, John submitted a California Public Utilities Commission grant application to build a gigabit fiber optic network in western Nevada County, CA. The California Advanced Services Fund \$16.2M grant for the Bright Fiber Network Project was approved in 2015.

In 2019, he sold the Bright Fiber Network Project to Race Telecommunications (based in Millbrae, CA), and in May 2019 sold the Spiral Internet DSL business to Omsoft (based in Davis, CA).

John has been a featured speaker on customer aggregation and marketing at Broadband Communities Summit, Fiber Broadband Association's FiberConnect Conference, and Gigabit City Summit. In 2014, John was awarded the Visionary of the Year award from Innovate North State – a regional California economic development organization.

John sits on the Marketing Committee of the Fiber Broadband Association, and was a founding member of the Nevada County Broadband Advisory Group. He was recently asked to join California's Broadband for All working group which is drafting a California State Broadband Plan per Governor Gavin Newsom's executive order.

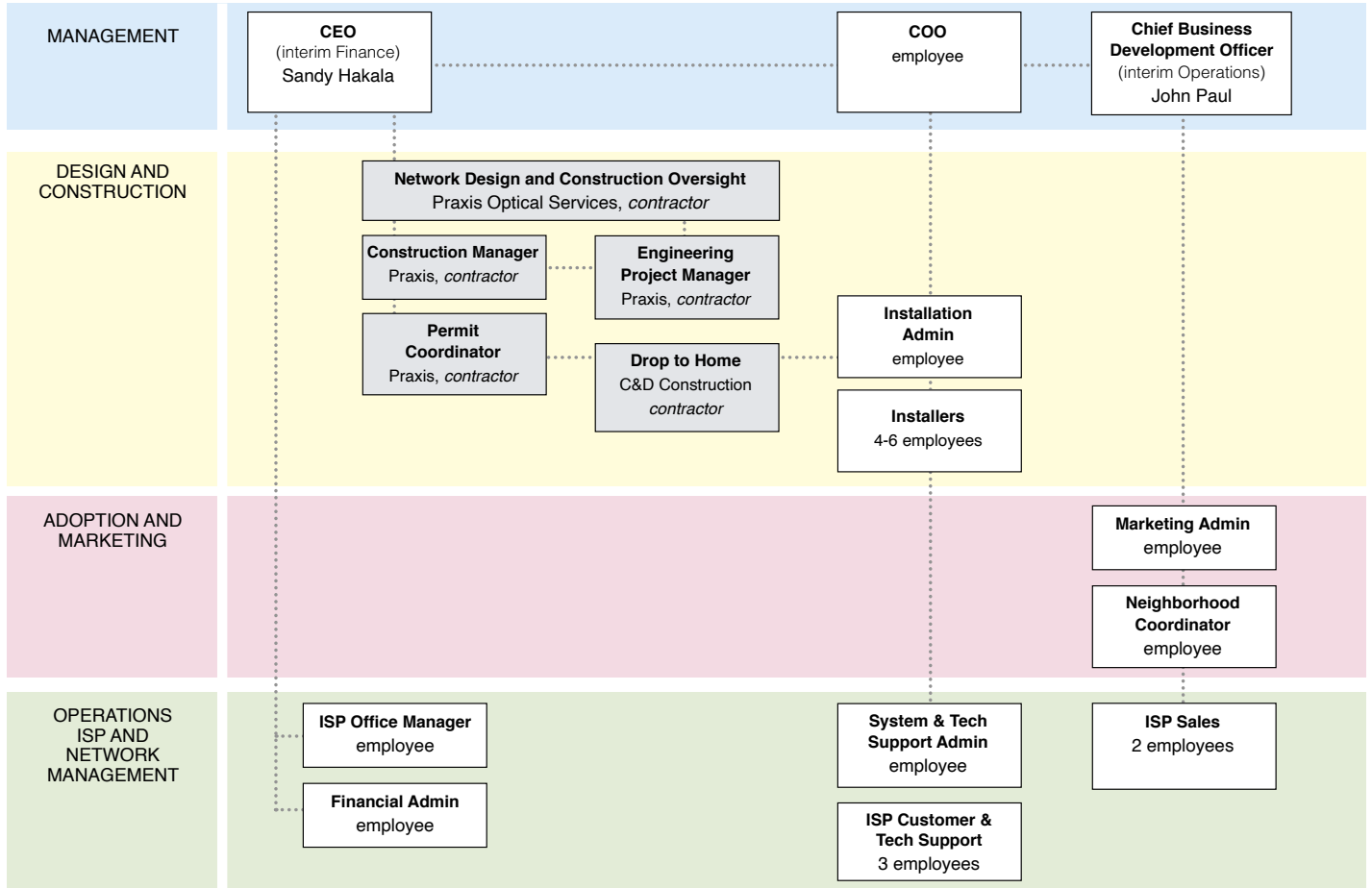
John has been a member of the 49er Breakfast Rotary Club of Nevada City since 1997; serving as its President from 2006-07. He sits on the board of the Miners Foundry Cultural Center in Nevada City, although he is currently on hiatus until January 2022.

John holds a Bachelor of Arts degree in Architecture from Washington University in St. Louis.

Item 5.2 – Organizational Chart



Spiral Fiber will create 19 local jobs in western Nevada County.



## Exhibit B - Deliverables and Payment Schedule

### Reimbursement Schedule (See Appendix A for project cost allocations)

Name: Spiral Fiber, Inc.

Project: 95959 North Bloomfield - Lake Vera Purdon Fiber Project

Deliverables	Amount Reimbursed	Estimated Date
No. 1 -50% at onset of approval to release funds; pending a letter of intent to fund from infrastructure investment firm prior to release of any grant monies.	\$102,500.00	May 14, 2021
No. 2 - 25% at the end of 60 days. Payment will coincide with the network design, construction drawings, permitting, and environmental report schedule work. Vendor proposals and invoices will be provided.	\$51,250.00	June 15, 2021
No. 3 - 25% at the end of 90 days. Payments will coincide with the completion of network design, construction drawings, permitting, and environmental report schedule work. Construction of phase of network ready to commence. Vendor proposals and invoices will be provided.	\$51,250.00	July 15, 2021
Total Reimbursement	\$205,000.00	

### Reimbursement Documentation and Reporting

Upon the completion of each project phase, Organization shall submit an invoice to County and Project Administrator that includes documentation for all expenses of project including labor, equipment, permits and any other administrative costs. Organization shall provide a summary report that includes the following sections:

1. **Project Overview Narrative:** This section shall provide an overview update of the total project progress, including the number of unserved and underserved households or businesses eligible to be served, the number of households or businesses being served, and any unexpected challenges, delays, or other unanticipated impacts to the project.
2. **Project Phase Narrative:** This section shall provide a detailed narrative on the work completed for the invoiced project phase including detailed information for all



expenses of project phase including labor, equipment, permits and any other administrative costs.

3. **Project Financial Reporting:** This section shall provide detailed financial documentation on the overall project and project phase that includes 1) Project Operating Statement, 2) Project Balance Sheet, and 3) Labor Expenses. Back-up documentation may include but is not limited to project receipts, accounts payable and any other applicable documentation that may be requested by County and/or Project Administrator.
4. **Project Phase Invoice:** All invoices shall include a) breakdown of total project phase costs, b) total project phase equipment costs, c) total project phase labor costs, and d) total eligible labor costs being requested for reimbursement.
5. **Invoice Submittal:** All Invoices shall be submitted to County and Project Administrator on the same day. Project Administrator will review each invoice within 15 days and will notify Organization if any additional information is needed. Organization will work directly with project Administrator to answer any questions or provide any additional documentation requested by Project Administrator or County necessary for the approval of an invoice. Project Administrator will provide County with signed and dated invoice within 15 days of approval and shall cc: Organization. County shall process invoice within 15 days of receipt of approved invoice. County will provide grant reimbursement directly to Organization and will work directly with Organization on any administrative processes related to payment or processing of payment.

Organization shall submit invoices/reports to:

County:

Attn: Elise Strickler

Nevada County Information General Services Agency

950 Maidu Avenue, Suite 130

Nevada City, CA 95959

[Elise.strickler@co.nevada.ca.us](mailto:Elise.strickler@co.nevada.ca.us)

Project Administrator:

Attn: Kari Sinoff

Sierra Business Council

P.O. Box 2428

Truckee, CA 96160

[ksinoff@sierrabusiness.org](mailto:ksinoff@sierrabusiness.org)

If County has already advanced funds for eligible labor reimbursement activities and later determines that eligible activities have not been provided, Organization shall refund said amounts within five (5) days of demand of County. County at no time shall make payments for any amount in excess of the total of this agreement.

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