



COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: September 22, 2020

TO: Board of Supervisors

FROM: Alison Lehman, County Executive Officer

SUBJECT: Resolution Approving the Grant Award Recipient Agreement by and Between the County of Nevada and Race Telecommunications Inc. dba Race Communications for the 2020 CARES Act Project as Part of the "Community Broadband Accessibility" Program in the Maximum Amount of \$1,000,000, and Authorizing the Chair of the Board of Supervisors to Execute the Agreement

RECOMMENDATION: Approve the resolution.

FUNDING: The State of California has allocated \$10,004,000 in Federal CARES Act Coronavirus Relief Funds (CRF) to Nevada County. Per Resolution 20-319, the Board of Supervisors approved the County's CRF Expenditure Plan (Expenditure Plan) allocating \$750,000 to \$1 Million for Community Broadband Accessibility, contingent upon identification of a viable project that meets state and federal guidance with respect to the CRF.

Resolution 20-319 included a budget amendment to increase CRF revenue and expense in the Fiscal Year 20/21 Information & General Services Administration (IGS) budget in the amount of \$750,000 to allow for this project to be managed through IGS. A budget amendment in the amount of \$250,000 is included in the Coronavirus Relief Fund update, item SR-20-3434 on the 9/22/2020 Board of Supervisors agenda, in order to bring the total IGS revenue and expense budget for the project up to \$1 Million. There is no impact to the general fund.

BACKGROUND: On March 10, 2020 the Board of Supervisors approved Resolutions 20-062, ratifying the declaration of a local health emergency in Nevada County, and 20-063 proclaiming a local emergency in Nevada County, due to rapid spread of COVID-19 and its threat to Nevada County. On March 19, 2020, the Governor of California issued a statewide Executive Order, N-33-20, requiring all Californians to remain in at their home or place of residence, except as necessary to carry out essential activities, and to heed State Public Health Officer directives.

In response to the COVID-19 public health and economic crisis throughout the country, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020. The CARES Act included a \$2 trillion-dollar economic relief package with approximately \$150 billion dollars of Coronavirus Relief Fund (CRF) monies directed at States, local governments, and

tribal entities for economic and disaster relief. On June 29, 2020, the Governor of California signed into law the Budget Act of 2020, which allocated an additional \$1.3 billion of State CRF monies, including \$10 million allocated to Nevada County.

On July 14, 2020 the Nevada County Board of Supervisors adopted Resolution 20-319, approving the County's CRF Expenditure plan which included \$750,000 to \$1 Million for "Community Broadband Accessibility" grants to increase capacity for teleworking, distance learning, and telemedicine.

Between August 3rd and 12th, 2020, a working group of County staff, Sierra Business Council (SBC) staff, and an outside consultant met (Panel) with and solicited "Letters of Interest" (LOI) from broadband and wireless providers known to be operating locally. The Panel sought broadband proposals that could fill the immediate community need caused by the COVID-19 public health emergency, while advancing the long-term broadband expansion goals of Nevada County. The LOI stated that Nevada County was "looking for shovel ready projects, which could be deployed by December 30, 2020" as required by the federal guidelines.

On the August 14th due date, the Working Group received six (6) LOIs and contacted applicants with follow up questions as needed.

Working Group Recommended proposal:

Race Communications - \$1,000,000 (Above Ground Fiber)

While the Working Group was impressed by the breadth and innovation of all submitted proposals, they ultimately agreed Race Communications possessed the most "shovel ready" plan and the ability to connect 500 households at the most reasonable cost per connection by the CARES Act deadline of December 30, 2020. Race's project has a defined scope of work (SOW), timeline and budget, and provides the most efficient and direct path to immediate "substantial expansion of broadband services" to distance learners, telecommuters, and access to telehealth. The design, engineering and permitting activities have been completed.

Race's project summary:

(See Attachment A, Race Letter of Interest and Project Timeline)

Race is requesting \$1,000,000 of Nevada County CRF dollars to provide Broadband Internet to the community, assisting eligible residents with access for telecommuting, online education, and telemedicine during the current COVID-19 pandemic.

The CRF dollars will advance Race's investment schedule allowing for 500 homes to be completed on or before the December 30, 2020 deadline. Without the CRF dollars, Race's investment schedule would have these homes completed at the end of 2021, which would not help the residents of these homes during the current COVID-19 pandemic.

Benefits to the community will be high-speed broadband connection to 500 homes, which will have access to fiber Internet offering 1 Gigabit symmetrical speeds during the current pandemic. This speed exceeds Governor Newsom's new Executive Order N-73-20 stating homes should have a minimum of 100Mbps up/down. This broadband access will erase the disadvantage these current 500 homes currently have and put them on par with state recommendations.

Benefits to the local economy include Race's contracting with a local Grass Valley company to perform the in-home installation of services. This local company has stated that this will allow them to keep their staff of 19 employed during the downturn in business caused by COVID-19 pandemic.

The 500 homes are in the Peardale neighborhood, in the unincorporated area of Nevada County outside the city limits of Grass Valley. It shares some of the same demographics of the City of Grass Valley with a median household income of \$35,157, a median age of 43.7 and a poverty level of 26.3%. 82% of the population has a computer, however, 26% of the population in Grass Valley does not have access to broadband internet. Although the local school districts do not have statistical data they can release to the public, they did confirm through parent requests that Peardale is the largest area of concern during this COVID-19 pandemic as students do not have adequate internet to connect for online education. Without the access to quality broadband during this current pandemic, it puts the students as well as their parents at a disadvantage over other residents of Nevada County. The 2020 CARES Act Project will erase the disadvantage for these residents, providing them with quality fiber-based internet for telecommuting, online education, and telemedicine that is required during this pandemic.

The Race project aligns with all aspects of the CARES Act guidelines and supports the Nevada County Broadband Strategy. Race is committed to deploying high-speed internet technology at 1 GB symmetrical speeds (no data caps) with an opportunity to increase speeds in the future as demand for higher speeds increases (up to 2 GB). Race also offers low-income subscription levels at \$25 a month. In addition, Race's networks are built to maintain network integrity during multiple day power outages such as PSPS events.

Award agreement and reporting requirements:

Race Communications will enter into a "Grant Award Recipient Agreement" with the County. Grant Recipients will use the Coronavirus Relief Fund (CRF) monies to cover only those eligible costs for the COVID-19 public health emergency during the period that ends on December 30, 2020, in accordance with federal guidance. Grant Recipient shall be responsible for reimbursement to County of any grant funding provided under this Agreement that are determined by federal or state officials to be unauthorized expenditures.

A "mid-term" report will be due October 31, 2020, and a final report will be due by January 31, 2021.

Therefore, staff recommends the Board (i) adopt the attached resolution awarding the "Community Broadband Accessibility" grant; and (ii) authorize the Chair of the Board of Supervisors to execute the grant agreement with Race Communications. A budget amendment is included in the Coronavirus Relief Fund update, item SR-20-3434 on the 9/22/2020 Board of Supervisors agenda.

Item Initiated by: Caleb Dardick, Projects Administrator

Approved by: Alison Lehman, County Executive Officer