

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

THIS GRANT AGREEMENT is made and entered into as of the 27th day of April, 2021 by and between the COUNTY OF NEVADA, a political subdivision of the State of California (“COUNTY”), and Northern Sierra Broadband (“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 \$120,000 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.

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 ksinoff@sierrabusiness.org	Elise Strickler Information General Services 950 Maidu Avenue, Suite 130 Nevada City, CA 95959 (530) 265-1705 Elise.Strickler@co.nevada.ca.us	Michael Anderson Founder/Director (530)902-3549 mikea@clientworks.ccom

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:

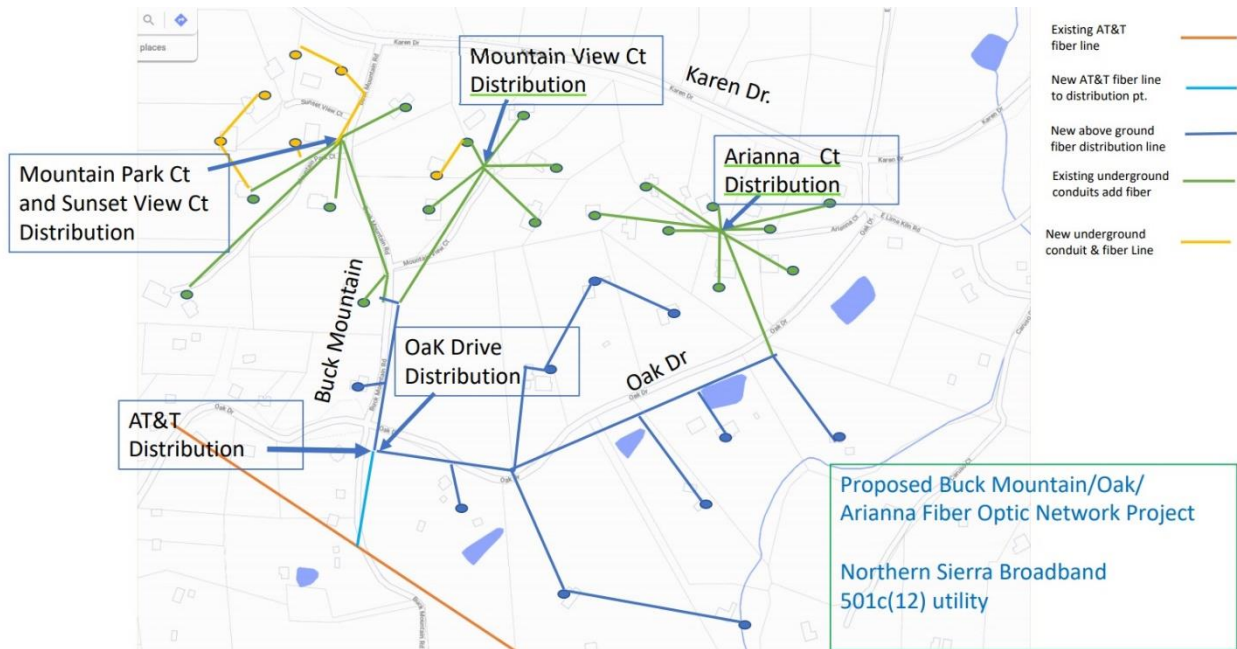
Exhibits

- A. ORGANIZATION'S "Last-Mile" Grant Application
- B. Fee Schedule and deliverables/milestones

Exhibit A

Nevada County Last Mile Broadband Grant Application

A Proposal to bring not-for-profit last mile fiber transport to the Buck Mountain, Oak, and Arianna neighborhoods in Grass Valley California



1. Applicant Information

1.1. Applicant Contact Information

Name: Bert Spencer / Michael Anderson
Company: Northern Sierra Broadband
Titles: Technical Consultant / Founder and Director
Email: hwsengr@pacbell.net / mikea@clientworks.com
Phone: 661-993-9315 / 530-902-3549

1.2. What is the name and what type of legal entity is the applicant?

Northern Sierra Broadband, a 501(c)12 utility

1.3. Describe applicants' history with other Broadband deployment projects

- Michael Anderson – Founder and President of Clientworks, Inc., an IT managed services company based in Nevada City that provides broadband consulting to business clients in Nevada, Sierra, Plumas,

Placer, El Dorado, and Sacramento counties; CIO of Bright Fiber Network (formerly Spiral Internet) from April 2014 to December 2017; Network Engineer and Project Manager for the Sierra Vista gated community FTTH project in El Dorado county

- Bert Spencer – Bert Spencer is currently the CTO of TraitWare Inc., an innovative start-up company providing passwordless multi-factor authentication. He has commercialized multiple new technologies and is a co-inventor of the U2A process and founder of EC&C Technologies. He is the Vice President of the Buck Mountain Road Association and is a resident of the proposed project area. He has a Ph.D. in physics

2. Project Overview

2.1. Project Name

Buck Mountain-Oak-Arianna FTTH Project

2.2. Project Technology

What type of technology will the applicant use to provide broadband?

The project will utilize single-mode Fiber to the Premise technology

2.3. Describe the proposed network design

The project will be 75% underground, with an Active Ethernet topology and fuel cell backup power at the cabinets and environmental distribution centers (EDCs) to provide a minimum of 72-hour uptime capability during power outages. The POP (point of presence) will be located in a secure cabinet enclosure at 10926 Oak Drive, Grass Valley (see map above). The underground portions of the network will mostly use existing conduit that was installed in the neighborhoods for a cable company that never materialized. Six of the 35 homes will have new underground conduit installed on private property with deeded easements. Above ground service loops are planned on Oak Dr. due to the difficult terrain, but also because AT&T has expressed interest in bidding to supply the service fiber on poles to access Arianna Court.

2.4. Proposed Service Area

The service area comprises Buck Mountain Road, Oak Drive, Arianna Court, Mountain View Court, Sunset View Court, and Mountain Park Court. Other

neighborhoods in the immediate vicinity have learned about this project and are asking to be added to the service area in a potential Phase II.

2.5. Project Permitting

Request For A Pre-Application Review process started -- Nevada County Planning land use pre-application request:

<https://www.mynevadacounty.com/DocumentCenter/View/12212/Pre-application-Request-PDF>

2.6. Service and Pricing Levels

Provide the service and pricing levels to be offered in the grant project area:

Service Level/Tier	Pricing
100/100 Residential	\$120 per month
1G/1G Residential (future)	\$120 per month – requires cheaper (or non-AT&T) backhaul

2.6a There will be no data caps for broadband service in the project area

2.7. Project Schedule and Timeline

- Engineering & Planning – Early Spring 2021
- Nevada County permits approval – Late Spring 2021
- Construction Begins – Summer 2021
- Project Complete – Winter 2021/2022

3. Level of Service Verification

3.1. Provide evidence of current service levels:

- DSL connections are available in the service area only on Arianna Court, and those residents suffer from frequent outages and very slow speeds (<1.5 Mbps); AT&T has indicated that DSL will be phased out on Arianna Court sometime in the future
- Traditional satellite service is available but not useful due to the latency issue; Starlink will not be ubiquitous for the foreseeable future and will only provide 300 Mbps service at best, unlike fiber which is futureproof
- AT&T dedicated fiber in the service area would cost >\$400 if/when it became available (reflects current Nevada County rate)
- Fixed wireless is available to some homes in the service area but is not reliable due to terrain and vegetation variables. Fixed wireless upload speeds are often less than 2 Mbps during peak times

- Cellular is available to some homes in the service area, but only with <12/2 speed and with data caps. Also, cellular service quality in Nevada County has been severely impacted by increased usage caused by the pandemic and in many cases is no longer a viable option for telehealth, telework, and distance learning
- Please see attached letters from 20 of the service area residents for some further anecdotal evidence of broadband challenges and needs

List in the box below the total number of passings proposed in your project by type of location:

PASSINGS TALLY SHEET	HOUSEHOLDS	BUSINESSES	COMMUNITY INSTITUTIONS
<u>Currently UNSERVED</u> Number of passings expected to improve to at least 25/3 as a result of the project	--	--	--
<u>Currently UNDERSERVED</u> Number of passings expected to improve from at or below 25/3 to 100/20 and above as a result of the project	35	0	0

3.2. Describe the methodology used to determine the number of locations:

House to house survey performed by neighborhood project leader Bert Spencer

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

Total area = 1.44 square miles, 24 homes per square mile
~10 home businesses, 35 residences project total

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

This area was chosen primarily because the residents are so highly motivated to improve the speed, reliability, and quality of their broadband. Current broadband service offerings provide erratic speeds, unreliable connectivity, and substantial issues with latency, jitter, and packet loss. AT&T offers DSL on only one street in the project area; AT&T is working directly with Northern Sierra Broadband to come up with this solution, **a great example of coopetition.**

The fact that the area has substantial unused telecommunications conduit in the ground that belongs collectively to the neighborhood is also notable. The area has diverse demographics such that a 100% self-funded neighborhood project is not economically feasible. The residents are a mix of retired people, entrepreneurs, mixed families with school-aged children, and commuters who often work from home—their collective need for access to quality telehealth, telework, and distance learning solutions is substantial.

This project was already in the planning stage prior to the notice of the grant application, with an initial site survey and initial site map already completed, and negotiations with AT&T were already ongoing. The area for the project is in the non-incorporate area of Nevada County as required by the grant application request.

3.5. Anticipated Improvements

Anticipated Improvements in Broadband Service Based on the Broadband Project Investments

# of Passings	Speed Now: ----- Speed After Build:	0/0 ----- 25/3	<10/1 ----- 25/3	0/0 ----- 100/20	<10/1 ----- 100/20	25/3 ----- 100/20	0/0 ----- 1G/1G	<25/3 ----- 1G/1G	<100/20 ----- 1G/1G
Households		--	--	--	10	25	--	--	35
Home Businesses		--	--	--	2	8	--	--	~10
Anchors		--	--	--	--	--	--	--	--
TOTAL		--	--	--	--	--	--	--	35

3.6. If applicable, provide a list with the names of the community anchor institutions.

There are no typical anchor institutions in the service area. There is interest in using the NSB utility fiber **to improve local cellular service via Telco Pods** but there are no concrete plans at this time

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:

The business model calls for an Open Access fiber-to-the-premise network, based upon the Ammon, Idaho model, with a 70% take-rate required for the project to be viable. The Physical Transport layer is democratically controlled by the Northern Sierra Broadband 501(c)12 utility, while the Operations & Maintenance (O&M) and Services layers are open to the free market. The proposal is to use EntryPoint Networks (<http://www.entpnt.com/>) to provision and manage the O&M and Services layers. The following EntryPoint technologies will be utilized:

- 1) The FlowOps Network Management Platform
- 2) The FlowOps Authentication Module
- 3) The Virtual Broadband Gateway (VBG)

Northern Sierra Broadband Coop (NSB) is a regional not-for-profit organization with no current physical boundaries. Its bylaws are based upon the bylaws currently used by the Plumas-Sierra Rural Electric Cooperative (PSREC) and Plumas-Sierra Telecommunications (PST).

Michael Anderson and Bert Spencer are the main preparers of this grant application. Northern Sierra Broadband board members also contributed to this grant application:

Bob Rhodes – Past Member, Nevada County Consolidated Fire District Board of Directors, Nevada County, CA. Rhodes' work experience includes more than twenty-two years of product development management. Engineering Manager at 2-Wire until retiring in 2014, where he was responsible for managing DSL router and cable box development. Rhodes was responsible for production switcher engineering development at Grass Valley Group in the 1990s and 2000s

Michael McLaughlin – Founder and president of the Beckville Network community internet project, IT Manager at AJA Video Systems

John Lorance – Vice President of Engineering at Telegraph Hill Software, John leads development of Telegraph's Interim CTO practice, delivering critical engineering management support and agile coaching to startups and organizations undergoing digital transformation. He is a particular expert in leading global development teams, with successful outcomes as a result of effective team communication and inclusive stakeholder input

Deborah Lewis – Director for United Way of Nevada County 2018 – 2020, current Interim Executive Director. Consultant to transforming and startup businesses, former Director of Sales at SunTegra Solar

4. Project Cost Analysis

The project budget total is estimated to be \$245,000.

4.1. What are the total eligible project costs?

Eligible project costs are estimated to be 80% of the estimated total.

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

\$120,000

4.3. Fill out the PROJECT BUDGET TABLE below:

Sources and Uses of Broadband Grant Funds and Local Match for the Project

PROJECT BUDGET

Use of Funds (Activity-Category)	Amount	Costs Incurred (Y/N)	Date Incurred	Source of Funds (Local portion/ County grant)	Date Funds Committed
Eng. & Plan	\$30K	N	--	100%	--
Const Hrdwr	\$60K	N	--	50%	--
Hrdwr/Sftwr	\$15K	N	--	100%	--
Labor & Equ	\$140,000	N	--	32%	--

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

- \$17,500 (7%) of the project cost will come from the residents' \$500 deposit to begin construction
- \$22,500 (9%) of the project cost will come from AT&T to build the distribution connection to the POP (point of presence)
- \$85,000 (35%) of the project cost will come from a loan from 1 of 3 possible sources: First US Community Credit Union (in process); Net

Equity (<https://www.netequity.net/>), a fiber broadband investor (in process); a hard money self-funding mechanism (in process)

- \$120,000 (49%) of the project cost will hopefully come from the Nevada County Last Mile Broadband Grant

4.5. If the grant request was approved for this project, is the remainder of the financing in place for building this project?

Not yet in place, but in process

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 in this area? If yes, what are those costs?

No

4.7. Is this project part of a larger build for which the applicant is not requesting 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

NSB seeks to expand this model in Nevada and other counties. Leveraged financing is anticipated, but written documents are still in process

5. Financial and Governance Plan

This project will be administered by Northern Sierra Broadband. Further information regarding NSB is available upon request.

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.

The Buck Mountain/Oak/Arianna Fiber Optic Network Project will serve as a 21st century broadband anchor in an area of Nevada County that has not yet been addressed by the Race Communications project, and will most likely never receive viable last-mile service from AT&T, Comcast, Suddenlink, or any other private wireline provider. More importantly, with Northern Sierra Broadband as the non-for-profit owner of the network, the **transparency of income and expense of the network at the transport layer** will be a new and refreshing approach to providing futureproof broadband to not just

Nevada County but other unserved and underserved regions in Northern California as well.

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 other anticipated contractual language and/or insurance requirements.

Anticipated contractors for the project:

- Clientworks, Inc. will serve at the General Contractor for the project—all of the work on this project has been pro bono thus far, and will be continue to be nominal. Clientworks has had a Nevada County contract in place since 2009, providing IT services for the wastewater treatment plants in Lake of the Pines, Lake Wildwood, and Cascade Shores. Current insurance information, including Nevada County as additional assureds, is available by reviewing that contract
- HP Communications (www.hpcomminc.com) is the planned vendor for the boring, trenching, and on-pole construction, with the possible exception of distribution work beyond the POP that is still to be bid by AT&T
- EntryPoint Networks will be providing the SD-WAN Open Access layer software to administer O&M, G&M, and a menu for NSB customers to subscribe to plans for data, VoIP, video, home security, and other services, that are available through the free market [Clientworks has a signed NDA with EntryPoint, but has no financial relationship and will receive no funds under their contract]

6.3 Attach evidence of community support for the project. This may include resident surveys, local government resolutions, and/or letters from residents, businesses, government officials, other stakeholders or the partners listed above. Note: the upcoming public comment period is not designed to extend the application period. Members of the public may comment during this time, but all community support intended for the application must be included at time of submission.

See attachments:

- Neighborhood letters of support as indicated in 3.1 above, attached
- Letter of support from the City of Nevada City for the first Nevada County Last Mile Broadband Grant application presented by the not-for profit Northern Sierra Broadband in January of 2020, for a project to provide fiber optic connectivity to the Nevada County Tech Center, including the former Grass Valley Group buildings, on Providence Mine Road

<https://www.nevadacityca.gov/files/documents/CityCouncilMinutes01-08-20121411051420PM1329.pdf>

- Support from founders, builders, and users of the Beckville Network, which has been resoundingly recognized as a model for how to provide democratically controlled 21st century wireless broadband service to unserved and underserved premises in Nevada County according to the Nevada County Broadband Strategy document, approved by the Board of Supervisors in September of 2019 (letter of support still in process)

Nevada County community and business leaders are aware of the Buck Mountain-Oak-Arianna FTTH Project. It is being recommended as a model for how to properly build robust *democratically-owned* broadband infrastructure, with the speed, reliability, affordability, and upgradeability that will scale well into the 21st century.

Exhibit B - Deliverables and Payment Schedule

Reimbursement Schedule (See Appendix A for project cost allocations)

Name: Northern Sierra Broadband

Project: Buck Mountain-Oak-Arianna FTTH

Deliverables	Amount Reimbursed	Estimated Date
No. 1 – Completion of first 10 fiber-to-home connections	\$40,000	September 2021
No. 2 – Completion of next 10 fiber-to-home connections	\$40,000	November 2021
No. 3 – Completion of final fiber-to-home connections project, plus any fixed wireless connections	\$40,000	February 2022
Total Reimbursement	\$120,000	

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

Project Administrator:

Attn: Kari Sinoff

Sierra Business Council

P.O. Box 2428

Truckee, CA 96160

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.

End of document