



Department: Information Technology
Cost Center: 1101
For Agenda of: 12/10/2024
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Joshua Erquiaga, Information Technology Manager

SUBJECT: ACCEPTANCE OF BROADBAND GRANTS FROM THE CALIFORNIA PUBLIC UTILITIES COMMISSION

RECOMMENDATION

1. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, accepting Broadband Grants from the California Public Utilities Commission" authorizing the Mayor to accept a Last Mile Federal Funding Account Grant in the amount of \$4,863,799 from the California Public Utilities Commission and \$20,000 from the California Emerging Technology Fund; and
2. Authorize the Finance Director to appropriate \$4,863,799 of awarded grant funding from the California Public Utility Commission (CPUC) to the project account (Spec. 2001063), and \$20,000 to the Network Services contract services account once awarded.

POLICY CONTEXT

The recommended actions are consistent with the City of San Luis Obispo's Financial Management Manual, Section 740 – Grant Management Policy, and Section 540 - Budget Amendments. The Policy states that the Council must approve all grant applications in excess of \$5,000, and designates Council as having "sole responsibility for adopting the City's budget and may amend or supplement the budget any time after its adoption by majority vote of the Council" per Section 804 of the City Charter.

DISCUSSION

Background

The City Council adopted its first-ever [Broadband Plan](#) on June 20, 2023. The Broadband Plan aims to bring affordable, equitable broadband access to all residents of the City of San Luis Obispo. The City aims to do this through a combination of new infrastructure and public/private partnerships to provide services through that new infrastructure. As part of the Council's adoption of the Broadband Plan, Council authorized staff to apply for any current and future grant opportunities that become available to support Broadband Plan implementation. City staff have applied for and the City has been awarded two grants, one from the CPUC Last Mile Federal Funding Account, and one from the California Emerging Technology Fund Best Practices Check List Project Learning Community.

Last Mile Federal Funding Account

City staff applied for the CPUC Last Mile Federal Funding Account grant in September 2023. CPUC staff completed their application review and recommended the City's project for funding at the CPUC's October 17, 2024 meeting. The commissioners voted unanimously to approve CPUC resolution T-17852, which awarded \$4,863,799 to the City of San Luis Obispo to fund infrastructure build to provide high-speed, affordable Internet access to 490 locations that are currently unserved or underserved within our community and ultimately benefit over 13,000 individuals.

City Information Technology and Public Works staff are currently working with consultants from Entrust Solutions Group to complete the project design and engineering. Construction is expected to begin in Winter 2025. The project will be completed by Summer 2026. Last Mile funding is provided on a reimbursement basis throughout completion of the project (see Attachment B.)

Best Practices Check List Project Learning Community

City staff applied to be a part of a learning community through the California Emerging Technology Fund ("CETF") and subsequently applied for the Best Practices Check List Project Learning Community grant. This learning community aims to bring together staff from local governments across the state to share ways that they are improving broadband access and addressing digital equity issues within their jurisdictions. Local governments selected for the learning community also receive a \$20,000 grant to implement strategies that align with the CETF Best Practices Check List to improve digital equity within participants jurisdiction. This learning opportunity should help staff as they continue to evaluate strategies to achieve the goals set forth in pillar two of the DEI Strategic Plan – Equitable Communication and Accessibility. The first item staff are evaluating in support of equitable communication and accessibility is automated live translation of City Council meetings. Live translation allows for community members that do not speak English as their primary language to more easily understand and engage with public meetings. Initially, translation will be limited to the meetings the City broadcasts online. CETF funding is disbursed in phases and requires City participation in Learning Community Workshops (see Attachment F). The first of these meetings was held in September, and the second will be held prior to acceptance of the grant. City staff attended the first and plan to attend the second.

Previous Council or Advisory Body Action

The City Council adopted the [Broadband Plan](#) on June 20, 2023, to facilitate work to improve broadband access and affordability within the City.

The City Council adopted the [DEI Strategic Plan](#) on February 20, 2023. Pillar two of the DEI Strategic Plan addresses equitable communication and accessibility.

Public Engagement

This item is on the agenda for the December 10, 2024 City Council meeting and will follow all the required posting and notification. Public comment on the item can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

CONCURRENCE

Information Technology staff are working closely with the Public Works Department on the Broadband Plan implementation capital improvement project and Public Works staff concur with the recommendation. Staff from the Office of Diversity, Equity, and Inclusion have also advised on strategies to address digital equity and are in agreement with the recommendation.

ENVIRONMENTAL REVIEW

Staff’s recommendation (acceptance of grant funding) is not a project with the potential to result in direct or indirect physical change to the environment and, therefore, does not require environmental review. (See CEQA Guidelines Section 15378.) Projects funded in whole or in part by the Last Mile and CETF grant awards will be separately evaluated for CEQA compliance, including applicable exemptions.

FISCAL IMPACT

Budgeted: No

Budget Year: 2024-25

Funding Identified: Yes

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State (CPUC)	\$4,863,799			
Federal				
Fees				
Other:	\$20,000			
Total	\$4,883,799	\$	\$	\$

Staff is requesting Council authorize the Finance Director to appropriate \$4,863,799 in CPUC funds to the project account (2001063), and \$20,000 in CA Emerging Technology funds to the Network Services contract services operating account upon receipt of funds.

The total cost of the Last Mile project is \$6,074,810. The Last Mile Federal Funding Account grant is providing \$4,863,799 of the total project cost, and the City’s broadband partner, Astound Broadband, has committed \$1,211,011 in matching funds. There are no matching funds required from the City.

ALTERNATIVES

1. ***Council could decide not to adopt the resolution.*** If the Council did not accept the resolution, City staff would notify the awarding agencies that the City had declined to accept the awards. Declining the awards would prevent City staff from continuing to implement the Broadband Plan, as there is currently no General Fund money available to complete that work.
2. ***Council could direct staff to accept one grant and not the other.*** The Council could direct staff to accept one grant and decline the other. For example, the Council could accept the Last Mile Federal Funding Account grant but not the Best Practices Checklist Project Learning Community grant. In this case, staff would inform the relevant granting agencies of the City's decision to accept or decline the grants. However, staff does not recommend this approach because declining a grant would restrict their ability to carry out the work the declined grant would have supported.

ATTACHMENTS

- A - Draft Resolution Accepting Broadband Grants from the CPUC
- B - CPUC Last Mile Federal Funding Account Award Letter
- C - CPUC Resolution T-17852 (Adopted)
- D - CPUC Award Deadline Extension
- E - City of San Luis Obispo CETF Grant Award Letter