

NBNCBC OVERSIGHT COMMITTEE MEETING NOTES
Thursday October 20th, 2:00 - 3:30 pm

I. Welcome and Call to Order

A. Roll Call of Oversight Committee Members (absent in red)

- (1) Supervisor Kinsey-Marin
- (2) Supervisor Dan Hamburg-Mendocino
- (3) Supervisor Diane Dillon-Napa
- (4) Supervisor Carrillo-Sonoma
- (5) Tom West - non-voting Chair (call-in)

A. Introduction of NBNCBC Management Teams

- (1) Marin Management Team
 - Barbara Thornton, EO, Marin County Telecommunications Agency (MTA)
 - Scott Armstrong, Chief Assistant Director of Information Services and Technology
 - Barbara Layton, County Enterprise Systems Mgr.
 - Peter Pratt
 - Liza Crosse- Aide to Supervisor Kinsey
- (2) Mendocino Management Team
 - Steve Dunicliff - County Manager
 - Trish Steel - Count deputy-Manager; recording secretary Napa Management Team
- (3) Sonoma Management Team
 - Mike Nicholls, County Liaison/Manager
 - Steve Sharpe, County Liaison/Manager
- (4) Napa Management Team
 - Anthony Halstead, County Liaison/Manager

B. Introduction of Guests

- (1) Scott Rasmussen, Congressman Huffman's office - call in
- (2) Nelson Cortez (Supervisor Dillon's staff assistant)

II. Update from Congressman Huffman's Office

- A. Scott Rasmussen provided an update from Congressman Huffman's office. Congressman Huffman, along with Congresswoman Eshoo, recently introduced the Public Lands Telecommunications Act into the house. There is bi-partisan interest in this bill and they expect it to be taken up in the next congress. The bill would unlock new opportunities for broadband deployment on and near our nation's public lands. The legislation ensures that public land management agencies have the capability and incentives to act as partners to improve connectivity and broadband deployment in rural and remote communities by providing fee retention authority for rights-of-way and other telecommunications infrastructure, which en-

sure a consistent funding source from year to year to expand deployment. The bill also provides for cooperative agreement authority to public land management agencies for the administration of communications sites to break down funding silos, aggregate demand and encourage new federal partnerships. Scott said that a great example of this type of cooperative agreement is in Death Valley, where agencies partnered to provide services to the Park, communities, and Public Safety groups.

- B. Scott was asked about the status of HR 4160 (Huffman) Rural Broadband Infrastructure Investment Act, the bill introduced by the Congressman on 12/2/15. He said that recently similar legislation was introduced in the Senate that is a combination of loan and grant funding, so next year they are hoping to coordinate these efforts. If the Senate changes hands, and there is a new majority leader, then it would bode well for these proposals.
- C. Congressman Huffman is also on the Transportation and Infrastructure Committee, and so it is hoped that there can be strong discussions on broadband topics including infrastructure bonding.

III. Discussion-Formation of JPA or 501c 3 or LLC (Exhibit #1)

- A. NBNCBC Manager Tom West started this discussion by updating everyone on the status of the grant application. He was informed just this morning that the application review has been completed by PUC staff, and that it has moved forward with a draft resolution and is now under review by legal. There is a 30 day comment period, and it is projected to be on one of the PUC December meeting agendas (there are meetings on Dec. 1st and 15th), with a start date of January 1st (or later). The amount is for \$125,000/year for 2 years.

West moved into the JPA discussion by asking each supervisor to provide a brief statement on the current thinking from each county on the idea of the formation of a JPA or similar entity.

B. Marin

- (1) Supervisor Kinsey reported that they have discussed this idea internally, and continue to believe the consortium has beneficial value. Continuing at the current MOU scale and structure, and committing themselves to the current financial obligations, works for them. Currently they have made contributions of \$65,000 for the last 2 years. For a JPA, which is a more robust structure and higher level of commitment, they would need more conversation to understand the real value and the need for it, with details about a more developed structure. He also appreciated the white paper on JPAs that was put together by Steve Sharpe.

C. Mendocino

- (1) Supervisor Hamburg echoed what Supervisor Kinsey said, in that the Mendocino Board of Supervisors, and CEO, remain committed to the idea of the consortium and feel it's doing a good job. Mendocino has made a financial commitment through the hiring of Trish, who reports weekly to the CEO. They are favorable to the idea of forming a JPA and a more formalized relationship, but their main concern in moving forward on this is, "What would the new com-

mitments be?” They would also have concerns about the ownership of assets, and how that would work because it is beyond the level of what we have done so far. Hamburg believes that a more formalized relationship such as a JPA structure would be beneficial in funding projects, such as a regional middle mile infrastructure.

D. Napa

- (1) Supervisor Dillon reported that Napa definitely wants to continue with what we have now, and is comfortable with their current level of commitment, and perhaps with some augmentation. They are not opposed to moving forward with a JPA, but she is uncertain what that means. They have made a staffing commitment (Anthony), and are in discussions with the new CEO on the current structure of the consortium versus a JPA.

E. Sonoma

- (1) Supervisor Carrillo thanked Supervisor Kinsey for his leadership on the Oversight Committee, and believes that we are stronger together and united. He wants to continue to have this team work together, and believes the MOU model has served its purpose well. He hears the others when they express concern about what sort of commitment would be expected with a JPA. He recognized that two of the Oversight Committee members are leaving (himself, and Supervisor Kinsey) and so jumping into a JPA with that transition ahead may be difficult. He also expressed that a more formal structure could be more effective in getting projects funded, but the JPA construct is not the only vehicle for getting this done. He said that Sonoma has a strong management team, and so they will be fine, but his commitment is getting the new Oversight Committee appointee from the Sonoma County Board of Supervisors up to speed so the transition will be seamless.

F. Management Team Comments

- (1) Scott Armstrong from the Marin team echoed what Supervisor Kinsey said, and thought that a JPA may be in the future, but may be too early at this point because we don't have a body of work, and this is exploratory. More importantly, a strong governance group may be necessary to help manage a broader network beyond county lines at some point in the future.
- (2) Peter Pratt suggested that if we look at the 2008 when the Democratic President came into office, and stimulus money was available for broadband and infrastructure, California was not prepared to take in this federal money. The regions that were successful in getting this federal money identified in advance what they wanted to do with their assets they brought to the table. He feels it is very important that we inventory the networks we now have, and lock in who owns what, so that we can bring those assets to any federal initiatives that may happen after the elections.

In grants several things are very important to get you “across the finish line,” such as deeded property interests in fiber, documentation of on-going maintenance, and IRUs (Indefeasible Rights of Use). The counties should get this from the SMART board. These assets have a direct dollar effect in that counties can

declare the value of the fiber as a direct contribution as a match. The fiber should also be tied back to public safety such as firefighting and FirstNet. There is federal interest in another Trans-Pacific landing cable Congressman Huffman's district (Mendocino and Humboldt). We have to determine how to get a short list working together on these projects that can be funded.

G. West summarized the discussion to this point:

- (1) All four counties are satisfied with continuing the consortium, maybe with some sharpening of some of the goals;
- (2) It's pre-mature for moving to a formal organization such as a JPA;
- (3) We have been successful to date, but going forward counties should be concerned with 2 things: 1) what assets can we bring to the table in pursuit of new funding/are there vehicles to do what Peter has talked about? and 2) how to leverage existing incumbents/can the consortium continue to have an impact on incumbents?
- (4) Although a more formal organizational structure is pre-mature, West believes that our counties should work together more cohesively in regard to the incumbents, and to tie in with legislators on issues. The consortium can be a vehicle for the supervisors to push back on the incumbents.

H. Supervisor Hamburg wondered that since a formal organization would be more effective in securing grant funding, if it wouldn't be better to formalize the relations now so that it is in place and ready as soon as funding becomes available, as the formation of a JPA could take a year or more.

I. Since the creation of a new organization such as a JPA has a cost factor, West asked if there were any already-existing 4-county organizations that could add broadband to their responsibilities. There was some discussion of the SMEDD, MTA, and how to tie some of these groups together but nothing really seemed workable. For example, any federal EDA funding for SMEDD would be limited to the boundaries of the Economic Development District itself (Sonoma and Mendocino). Having a fiscal agent is also a very important aspect.

J. Supervisor Kinsey made a formal motion to prepare a new MOU for a two-year period, which has stronger "muscle" than the previous MOU. In the new MOU, we will identify goals and associated work programs for the consortium. The next year can be used to study the ownership of assets, and the eventual formalization of the MOU into a JPA structure. The consortium will be able to speak on behalf of the four counties, subject to the BoS appointees. Sonoma County EDB will continue to act as the consortia fiscal agent.

K. Supervisor Dillon seconded the motion, and the motion passed with all Oversight Committee members in agreement.

L. Marin agreed to take the lead and work on getting a draft of a new MOU developed. The timeline for this would be to have the new MOU in place before the PUC acts to approve our consortium (December).

IV. Update on CASF Programs and County Activities

A. Marin

- (1) Peter Pratt reported that the Marin Nicasio grant was awarded on July 14th for \$1.5 million to Inyo Networks, Inc. by a 4-1 vote by the CPUC Commissioners (President Picker the no vote). Inyo networks is using a private securities offering as a vehicle that will be used to raise the million dollars in a local match in the next year; already they are seeing interest from ranchers, businesses and other communities thinking to buy shares.

B. Mendocino

- (1) Trish reported on some of the recent activities in Mendocino County, including:
 - ◆ becoming a member county of Next Century Cities (nextcenturycities.org)
 - ◆ convening a Broadband Working Group to develop County Broadband Goals and Strategies, and eventually to update the county Broadband Plan.
 - ◆ the successful CPUC Public Participation Hearing in Ukiah in July, and subsequent submission of comments to the PUC on requested action the PUC should take in reaction to the public comments
 - ◆ changes to the [Broadband Alliance website](#) to make it more “consumer friendly” and educational

C. Napa

- (1) Supervisor Dillon expressed appreciation to the other counties for all their efforts, while expressing that they are not entirely sure how to be most effective. They know that there are big swaths of people in Napa who are not served, such as near the Pope Valley Elementary School where they established a library “outpost.” West added that Napa is in a unique circumstance because the incumbents are reporting that the county is almost universally served, and that the single focus in the next funding cycle will be to prove or dis-prove that status. Supervisor Dillon also reported attending a recent PUC hearing in San Francisco.
- (2) Supervisor Kinsey added that he is glad Napa is part of our team, and that there will be future opportunities to work together, such as the SMART line, and the reconstruction of Hwy 37 over the next 20 years.

D. Sonoma

- (1) Mike reported on Sonoma’s recent activities, including:
 - ◆ a PUC Public Participation Hearing in Guerneville, a first for the community and which also included a tour of facilities with Commissioner Sandoval.
 - ◆ submission of comments in the Rural Call Completion Proceeding via TURN comments
 - ◆ working to understand AT&T’s CAFII funding plans for their county

IX. Public Comments

- A. Trish added that she was shocked to read a [report by the Consumer Federation of America](#) about Business Data Services, or Special Access connections that businesses use for high speed, large volume data transfers. This report found that in this \$40 Billion a year market in which incumbents have a huge market share, an estimated 50% of the billing are overcharges, which has cost the US economy \$150 Billion in the last five years. She encouraged everyone to read the report, and that increasing competition and choice in our 4-county broadband market is important.

II. Adjournment of Meeting

- A. Meeting adjourned at 3:30 pm

- IX. **Next scheduled Oversight Committee Meeting** is on December 8th, via conference call, at 2:30 pm. The agenda will include making sure that the MOU is in place and to acknowledge and appreciate the work from supervisors Carrillo and Kinsey these past two years; both will be leaving their appointed position as members of the NBNCBC Oversight Committee.