

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Communications Division  
Licensing, Tariffs, Rural Carriers & Cost Support  
Branch****RESOLUTION T-17114  
November 1, 2007****R E S O L U T I O N****Resolution T-17114. Rural Telecommunications Infrastructure  
Grant Program.****Resolution Authorizing Revised Scope And Disbursement Of  
Funds for Additional Grant Funding From California High  
Cost Fund A for the Iowa Hill (Placer County) Project.**

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**Summary**

As part of the Rural Telecommunications Infrastructure Grant Program, this resolution grants a revised scope and the disbursement of additional funding in the amount of \$420,100 from the California High Cost Fund A for the project in the Community of Iowa Hill in Placer County. In Resolution T-16846 dated June 9, 2004, the California Public Utilities Commission (Commission or CPUC) granted funding in the amount of \$1,834,900 to fund a combination Wireless Transport Link and Wireline Distribution Infrastructure for the project in the community of Iowa Hill in Placer County. In Resolution T-17012 dated April 13, 2006, the Commission granted additional funding in the amount of \$245,000. The increases in funding have been due to additional environmental review costs, cost increases for copper cable and labor and materials. This additional funding will bring the total approved funding for this project to \$2,500,000, the maximum allowable under California Assembly Bill (AB) 140. The fiscal agent for this project is the County of Placer.

**Background**

AB 140 (Ch. 903, Stats. 2001) created the Rural Telecommunications Infrastructure Grant Program. It was amended by Stats. 2004, Ch. 767, Sec. 3, effective January 1, 2005, and repealed as of January 1, 2009, by its own provisions. The first of its kind in the nation, the program provides grants of up to \$2.5 million per project, with total grant funding of \$10 million per year, for construction of telecommunications infrastructure to low-income,

rural communities currently without telephone service. The legislation required the Commission to develop eligibility criteria for community-based groups to apply for grants and establish a government-industry working group to develop technical criteria for use in evaluating grant applications.

On February 27, 2003, the Commission issued an Order Instituting Rulemaking (Rulemaking 03-02-034) to develop application eligibility criteria. After consideration of comments, the Commission issued an interim decision adopting an application process and eligibility criteria for the grant program on September 18, 2003 Decision (D.)03-09-071. On March 17, 2005, the Commission subsequently issued D.05-03-005 which adopted the interim grant program administration rules from D.03-09-071 as final rules and closed the Rulemaking.

The Iowa Hill project was one of three grant applications received by the CPUC during the program's first year funding cycle (2003-04). On June 9, 2004, the Commission approved Resolution T-16846, providing funding for three projects, including the Iowa Hill project. The project in the community of Iowa Hill, in Placer County, was awarded \$1,834,900 for a combination wireless and wireline infrastructure project.

The complex process associated with securing the required approvals to begin the project took much longer than Placer County had anticipated. On February 15, 2006, via letter, Placer County formally requested additional funding in the amount of \$245,000 to cover costs associated with unanticipated Environmental Impact Review (EIR) requirements, increased costs of the copper cable and increased labor costs associated with prevailing wage requirements. Resolution T-17012, dated April 13, 2006, was approved by the Commission and increased the funding by \$245,000.

On March 7, 2007, via letter, Placer County formally requested additional time to complete the project and the contract termination date was extended to June 30, 2009, and the remaining contract balance was moved to fiscal year 2006-07.

On June 14, 2007, via letter, Placer County formally requested an additional \$420,100 and a minor change in scope of the project. The wireless transport link tower will now be located in Foresthill instead of Colfax.

## **Discussion**

The community of Iowa Hill is located in rural Placer County; the area is east of Colfax and north of Foresthill. It is a low-income community of about fifty families struggling without phone service and holds the distinction of being one of the few, if not only, U.S. Post Office in the State of California without telephone service. In addition to the fifty residences,

there is a volunteer fire department, the Iowa Hill School and a small general store. The general store has discontinued accepting food stamps since the Government Food Stamp program requires a telephone connection. This is very difficult for residents of Iowa Hill who rely on food stamp assistance.

The proposal for Iowa Hill is to build a combination wireless transport link and wireline distribution infrastructure project. The wireless transport system consisting of two towers and associated equipment will connect from the town of Foresthill to Iowa Hill. Since Iowa Hill does not have commercial power service, the proposed power source includes a solar array and battery chain equipped with a supplemental liquefied petroleum (LP) gas and diesel generator. From the Iowa Hill tower site, the distribution facilities will include buried copper cable to all known potential subscribers of the Iowa Hill Community. It is estimated 22 miles of telecommunication outside plant will be placed, including main distribution routes and individual subscriber drops.

Resolution T-16846 approved by the Commission on June 9, 2004, originally approved the Iowa Hill project and included an Attachment A. Attachment A required Placer County, California, to provide to the Commission, a) final engineering plans and b) Confirmation that the applicant has explored grant funding with the Energy Commission for the solar installation portion of the project. Placer County has provided both of the items required in Attachment A and the Commission considers these requirements to be completed.

The Communications Division (CD) concludes that the request by Placer County for revision for the Iowa Hill project meets the requirements set forth in California AB 140 (Ch. 903, Stats. 2001) and Commission Decisions, D.03-09-071 and D.05-03-005 and recommends that the Commission approve the request for change of scope and additional funds. CD further recommends that the Commission find that approval is based on the specifics found in this Resolution and the Resolution shall not establish a precedent for the contents of future filings or for Commission approval of similar requests.

### **Comments/Protests**

In compliance with PU Code Section 311(g), notice letters of availability were e-mailed on October 2, 2007, to parties of record in R.03-02-034, the 17 small LECs, the CHCF-A Administrative Committee, fiscal agent for Iowa Hill Project - Placer County and the parties of record in R.01-08-002 and A.99-09-044.

This Notice advises parties that the draft of this Resolution is accessible on the Commission's web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) and is available for comments in accordance with PU Code Section 311(g).

CD will include any comments/protests received for this draft resolution.

### **Findings**

1. The County of Placer, on behalf of the community of Iowa Hill, did timely submit a Rural Telecommunications Grant Application for wireless telecommunications network infrastructure in the amount of \$1,834,900 and funding was granted by Resolution T-16846.
2. Additional funding, in the amount of \$245,000, was approved by Resolution T-17012.
3. Additional funding, in the amount of \$420,100, and the requested change in scope is necessary to timely complete the Iowa Hill Rural Telecommunications Infrastructure Grant project.
4. The County of Placer, as required by Resolution T-16846, Attachment A, provided the Commission with final engineering plans and confirmation that the applicant explored grant funding with the Energy Commission for the solar installation portion of the project, and thus, completed these requirements.
5. The source of the funds for these grants is the California High Cost Fund (CHCF) A.
6. There are sufficient funds in the CHCF-A to cover the additional cost of the project.
7. The Commission finds that the request meets the requirements established by California Assembly Bill 140 and Commission Decisions (D.) 03-09-071 and D.05-03-005.
8. The Commission finds that approval be based on the specifics found in this Resolution and the Resolution should not establish a precedent for the contents of future filings or for Commission approval of similar requests.

### **THEREFORE, IT IS ORDERED that:**

1. For the Rural Telecommunications Infrastructure Grant Program, additional funds shall be granted from the California High Cost Fund A for the Iowa Hill, Placer County, project in the amount of \$420,100 or less.
2. The Commission's Executive Director is authorized to amend the existing agreement with the fiscal agent, Placer County, to include an additional amount of \$420,100 and change the scope of the agreement as discussed in this resolution.

Resolution T-17114  
CD/MWC

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 1, 2007. The following Commissioners approved it:

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PAUL CLANON  
Executive Director

[T17114 Notice Letter for Rural Telecommunications Infrastructure Grant Program resolution](#)