

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T- 17817
June 20, 2024**

R E S O L U T I O N

RESOLUTION T-17817: Approves up to \$29,482,765.91 from the California Advanced Services Fund for the Broadband Infrastructure Grant Account application of LCB Communications LLC (U-7243-C) for the Aromas-San Juan Project.

I. SUMMARY

This Resolution approves grant funding in the amount of up to \$29,482,765.91 from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account (Infrastructure Account) for the grant application of LCB Communications LLC (LCB), (U-7243-C) for its Aromas-San Juan (Aromas) Project. This project will construct a hybrid middle-mile and last-mile broadband network combining fiber-to-the-home (FTTH) (at speeds of up to 5 gigabits per second (Gbps) symmetrical) to 1,038 unserved locations and Fixed Wireless Access (FWA) (at speeds of up to 600 megabits per second (Mbps) download and 100 Mbps upload) to an additional 63 unserved locations for a total of 1,101 locations in San Benito, Santa Cruz, and Monterey Counties. See Table 1 below.

Table 1: Summary of Funding for LCB’s Aromas-San Juan Project

Project	Project Type	Households	Initial Requested Amount	Updated Requested Amount	CASF Approved Amount
Aromas-San Juan	Hybrid	1,101	\$29,576,177.00	\$29,482,765.91	\$29,482,765.91

II. BACKGROUND

The CASF Infrastructure Account provides grant funding to Internet service providers (ISP)/eligible entities to build or upgrade broadband infrastructure in areas unserved by existing broadband providers. The CASF program was initiated in 2008 after the program was first adopted by the California Public Utilities Commission (Commission) in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia) which amended Public Utilities (Pub. Util.) Code Section 281, the statute governing the CASF program. The Commission issued D.18-12-018 to adopt the programmatic changes; Attachment 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure Account. On March 10, 2021, the Commission issued D. 21-03-006, modifying data submission requirements, and requiring open access for CASF projects. Revised CASF program guidelines were set forth in Appendix A of D. 21-03-006.

On July 20, 2021, Governor Newsom signed historic broadband legislation to help bridge the digital divide; Senate Bill (SB) 156 changed the definition of “unserved area,” allowing funding for “an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 megabits per second (Mbps) downstream, 3 Mbps upstream.”¹ Additionally, SB 156 requires grantees to “deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 Mbps downstream and 20 Mbps upstream”² and that any grantees receiving CASF funding must report subcontracted work in excess of \$25,000; this information must be posted by Commission on a monthly basis.³

On November 17, 2022, the Commission issued D.22-11-023, adopting programmatic changes to the CASF Infrastructure Account. Attachment 1 of D.22-11-023 (CASF Guidelines) set forth the rules, application requirements, and guidelines for the CASF Infrastructure Account.

Aromas-San Juan Project Application

On June 1, 2023, LCB submitted a CASF Infrastructure Account application for the Aromas Project requesting \$29,576,177.00 in funding for 100 percent of the total cost to deploy a hybrid (last-mile and middle-mile) FTTH and FWA network in San Benito, Santa Cruz, and Monterey Counties. The Aromas Project will bring FTTH connectivity to 1,038 unserved locations, 566 of which are priority eligible, at speeds up to 5 Gbps symmetrical and fixed wireless at speeds of up to 600 Mbps upload/100 Mbps download to 63 locations, for a total of 1,101 locations. The applicant will deploy 3.62 miles of open-access, middle-mile and, 121.7 miles of last-mile fiber infrastructure and 63 wireless hubs across the project area.

¹ See Public Utilities (Pub. Util.) Code § 281(b)(1)(B)(ii)(I).

² See Pub. Util. Code § 281(f)(5)

³ See Pub. Util. Code § 281(l).

Applicant

LCB Communications LLC (U-7243-C) is a privately held company affiliated with South Valley Internet, Inc. (SVI), an Internet Service Provider doing business as “garlic.com.” South Valley Internet Inc. (SVI,) founded in 1994, was the first company to offer very high-speed digital subscriber line (VDSL) and **single-pair high-speed digital subscriber line** (SHDSL) technology in Morgan Hill and Gilroy, California. In 2011, the Commission granted LCB Communications a Certificate of Public Convenience and Necessity (CPCN) to act as the Competitive Local Exchange Carrier affiliate of SVI. Together, LCB and SVI now provide communication services to more than 2,000 households, businesses, and anchor institutions in San Benito and Santa Clara Counties. In 2014, LCB opened a Central Office in Morgan Hill where customers are encouraged to visit, pay their bill, or receive assistance with SVI’s tools and services. SVI provides on-site technical support and local roving information technology services. SVI and LCB’s Network Operations Center is located in San Martin. In 2021, LCB completed the Light Saber Project, a project funded by the CASF Infrastructure Account that provides broadband access to 150 underserved households in the rural community of Paradise Valley, Santa Clara County.⁴

III. NOTICE

On June 1, 2023, the Communications Division (CD) received 74 grant applications⁵ for CASF Infrastructure Account funding. On June 15, 2023, staff posted the proposed project area map and project summary for the Aromas Project on the Commission’s CASF Infrastructure Project Summaries webpage and sent notice regarding the project to the CASF Distribution and Service Lists.⁶

IV. CHALLENGES

Pursuant to Pub. Util. Code Section 281(f)(8) and as required by D.22-11-023, the Commission provided an opportunity for entities to challenge the application. Challenges were due on July 6, 2023.

Only one Internet service provider, Razzolink, submitted a timely challenge to LCB’s CASF Infrastructure Account grant application. Staff’s review revealed that Razzolink’s

⁴ See [Resolution T-17545](#).

⁵ The Commission extended the CASF Infrastructure application deadline from April 1 to June 1, 2023, and all subsequent deadlines were moved back by two months.

⁶ See [CASF Infrastructure Proposed Project Summaries](#)

challenge had multiple inconsistencies with challenge requirements, as described in Section 11 of the CASF Guidelines, such as subscribers' bills showing broadband speeds of less than 25 Mbps/3 Mbps, subscriber bills with no connection speed listed and inconsistencies with coverage and propagation maps. As a result, staff denied this challenge.

V. APPLICATION REVIEW AND EVALUATION

In compliance with D.22-11-023, staff determined that LCB's Aromas Project is eligible to receive up to \$29,482,765.91 in CASF Infrastructure Account grant funding. LCB is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF Infrastructure Account funding as specified in D.22-11-023, CASF Guidelines, and this Resolution. Such compliance includes, but is not limited to, those listed in Appendices A and B. Payments to LCB will be made in accordance with Pub. Util. Code Section 281(f)(10).

Staff reviewed all applications according to the guidelines, requirements, and evaluation adopted in D.22-11-023, as follows:

- A. Project Area Eligibility
- B. Minimum Performance Criteria
- C. Funding Determination
- D. Safety and Community Support

Staff evaluation of LCB's Aromas Project application is summarized below. Compliance requirements, payment compliance, key project information, and maps are shown in Appendix A, B, C, and D, respectively.

A. Project Area Eligibility

According to the California Interactive Broadband Map (Broadband Map), all locations LCB proposes to serve in the Aromas Project area are currently unserved by any facilities-based wireline or fixed wireless access (FWA) broadband service providers.

In response to data requests from staff, LCB submitted a revised budget, (Proposed Project Expenditures) on April 12, 2024, which corrected an error in a prior submission and slightly reduced the number of locations to 1,101. See Table 2 below.

Table 2: LCB’s Original and Revised Proposed Project Expenditures

Submission Date	Total Eligible Locations	Funding Requested
June 1, 2023	1,189	\$29,576,177.00 (100%)
April 12, 2024	1,101	\$29,482,765.91 (100%)

Middle-Mile Component

The applicant will construct 3.62 miles of middle-mile or “feeder” infrastructure between the communities of Royal Oaks and Elkhorn in Monterey Counties (see Appendix D). This short spur of middle-mile fiber (technically a feeder cable to the last-mile network) will tie into LCB’s existing San Juan Bautista network based in San Martin, California. LCB commits to CASF Open Access requirements and will provide “nondiscriminatory interconnection and internet access at reasonable and equal terms to any communications service provider that wishes to interconnect with that infrastructure wherever technically feasible.”⁷

LCB’s proposed last- and middle-mile costs to deploy the Aromas Project are detailed below in Table 3.

Table 3: LCB’s Aromas-San Juan Project Proposed Last-Mile and Middle-Mile Costs⁸

Project Section	Current Budget Proposal
Last-Mile	\$28,163,829.25
Middle-Mile	\$936,576.82
Statewide Middle Mile (leased)	\$162,972.59
Administrative	\$219,387.25
Total	\$29,482,765.91

B. Minimum Performance Criteria

Staff reviewed LCB’s application and determined that the Aromas Project meets minimum performance criteria pursuant to CASF Guidelines, Section 6, as summarized in Table 4 below.

⁷ See [D. 21-03-006](#), Finding of Fact 13, Ordering Paragraph 3 and [D.22.11-023, Attachment 1](#), Section 5.2 Open Access.

⁸ LCB’s original request in their June 1, 2023, application for the Aromas-San Juan Project was for \$29,576,177.00, which reflected 100% of total project cost. On April 12, 2024, LCB submitted a revised project summary requesting 100% of the reduced project cost of \$29,482,765.91.

Table 4: Minimum Performance Criteria

	CASF Performance Criteria	Proposed Project
Project Completion	CEQA-exempt projects must be completed within 18 months, and all other projects shall be completed within 24 months after receiving authorization to construct	within 18 months of permitting approval (CEQA Exempt);
Pricing	Prices committed for five years after completion of the project	5-year commitment
Speed	At least 100/20 Mbps ⁹	600 Mbps/100 Mbps (FWA) 5 Gbps symmetrical (FTTH)
Latency	Maximum of 100 ms of latency	< 50 ms
Data Caps	Minimum of 1 terabyte per month	No data cap
Affordability	Must offer low-income plan	\$15.00/month ¹⁰

Project Completion and CEQA

Commission Staff must conduct an environmental review of all CASF projects unless the project is statutorily or categorically exempt pursuant to the California Environmental Quality Act (CEQA). For the Aromas-San Juan (Aromas) Project, LCB Communications LLC (LCB), is proposing to lease 4.04 miles of backhaul fiber from the existing CA Statewide Middle-Mile Network, constructing 3.62 miles of new middle-mile fiber and 121.7 miles of last-mile fiber to serve 1,038 households with Fiber-to-the-Home (FTTH) and 63 households with fixed wireless access (FWA). LCB will also run Fiber-to-the-Premise (FTTP) to two anchor institutions and three businesses. In all, the Aromas Project will provide broadband access to 1,106 unserved households and anchor institutions located within the unincorporated communities of San Juan Bautista, Aromas, Royal Oaks, and Las Lomas.

In its application for the Aromas Project, LCB requested a categorical exemption from CEQA and provided the Commission with its plan to complete this project. To initiate this

⁹ [SB 156](#), enacted on July 20, 2021, requires the Commission to fund projects that “deploy infrastructure capable of providing broadband access at a minimum of 100 Mbps downstream and 20 Mbps upstream.” See Pub. Util. Code § 281(f)(5).

¹⁰ If the ACP subsidy is either replaced by a successor program or no successor program is in place, the maximum cost to low-income subscribers will not exceed \$15 per month. For information on the ACP and its expiration, see [Affordable Connectivity Program | Federal Communications Commission \(fcc.gov\)](#).

project, LCB must build a short section of middle-mile infrastructure as well as connect to the California Statewide Middle-Mile Network. The proposed hybrid solution for the FTTH and FTTP will be used because the Aromas Project has diverse terrain ranging from open valleys to narrow, steep canyons that are heavily wooded and located in Tier 2 High Fire-Threat Districts. LCB's hybrid network will be capable of providing up to 5 Gbps symmetrical service to fiber subscribers. The fiber cable will be placed underground using directional boring technology,¹¹ in the public right-of-way (ROW). The cable will be bored in previously disturbed soil thus mitigating any environmental concerns. Outdoor-rated telecommunications cabinets will be placed in key locations along the path within the ROW and will connect to the existing backhaul network. The cabinets will be connected to commercial power and will be equipped with battery backup. Further, the deployment of fixed wireless technology placed on existing structures (towers, buildings, water storage tanks, etc.), will not create a significant environmental impact. There may be minimal replacement of existing infrastructure for maintenance and repair.

Based on the information that LCB provided, the Commission's Energy Division has confirmed that the Aromas Project is categorically exempt from CEQA review. The project will not require any environmental impact consulting or reporting, and the project is not subject to the National Environmental Policy Act, National Historic Preservation Act, or the Endangered Species Act. Therefore, the Aromas Project is categorically exempt from CEQA review. The project is categorically exempt from CEQA, pursuant to CEQA Guidelines Section 15301 (Existing Facilities), Section 15303.9 (Construction of Utility extensions), Section 15304 (Minor Alterations to Land), and Section 15332 (Infill Construction):

- Class 1 Exemption: Consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. 14 CCR Section 15301.
- Class 3 Exemption: Construction including water main, sewage, electrical, gas and other utility extensions of reasonable length to serve such construction. This includes the construction of limited numbers of small new facilities or utility extensions. 14 CCR Section 15303.9.

¹¹ Boring is the process of creating a horizontal hole underground for the purpose of placing cable with minimal disruption to the surface.

- **Class 4 Exemption:** Minor public or private alterations in the condition of the land, water, and/or vegetation that do not involve the removal of healthy, mature, scenic trees except for forestry and agricultural purposes. Among other things, this includes the filling of earth into previously excavated land with material compatible with natural features of the site, and minor trenching and backfilling where the surface is restored. 14 CCR Section 15304.
- **Class 32 Exemption for In-fill Development:** Applies where a) the projects are consistent with the applicable general plan designation and applicable general plan policies and zoning designation and regulation; b) proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; c) the project site has no value as habitat for endangered, rare, or threatened species; d) the project would not result in significant effects relating to traffic, noise, air quality or water quality; and e) the site can be adequately served by all required utilities and public services. 14 CCR Section 15332.

Environmental Impact Avoidance

The Energy Division CEQA staff coordinated with LCB on the CEQA review of the Aromas Project throughout late 2023 and early 2024. The environmental review covered sections of the San Juan Valley, San Juan Canyon, Aromas, Elkhorn, and unincorporated lands within San Benito, Santa Cruz and Monterey Counties.

Details on the proposed project are contained in the Aromas Project application, which includes the CEQA Questionnaire and project map. It also includes information on the Project Components, Installation Methods, Staging Areas, Ground Disturbance, Surface Restoration, Operations and Maintenance, Project Schedule, and Applicant-Proposed Measures such as Pre-installation Environmental Training, Traffic Control, Noise Control, Dust Suppression, Erosion Controls, and a Hazardous Materials Spill Prevention and Contingency Plan.

LCB's network upgrade to the Historic Town of San Juan Bautista will increase the capacity of up to 5 Gbps symmetrical service to fiber subscribers. The upgraded capacity will potentially bring service to a total of 1,106 unserved households and anchor institutions located within the unincorporated communities of San Juan Bautista, Aromas, Royal Oaks, and Las Lomas.

The above-ground construction will employ mitigation efforts to avoid fiber placement near any historic areas in San Juan Bautista. To avoid the historic town center located

between Second Street and Third Street, LCB will place underground fiber on Fourth Street.

On April 17, 2024, LCB forwarded an email from Don Reynolds, City Manager of San Juan Bautista, confirming approval for LCB to place infrastructure within City streets upon obtaining a standard City encroachment permit from the City Engineer. To minimize environmental impact, avoidance measures will be strictly followed, and best management practices will be implemented during the installation of the infrastructure. There will be no impact on historic areas.

LCB has been instructed to contact the Caltrans District 5 encroachment permit section before commencing any construction activities along state highways in the Aromas Project area.

Under CASF Program rules, project construction must be completed, following receipt of permits, within 18 months if the project is categorically exempt from CEQA and within 24 months for all other projects.

Pricing, Speed, Latency, Data Caps, and Affordability

For customers qualifying as low-income or who would have been eligible for the Affordable Connectivity Plan (ACP), which ended on June 1, 2024¹², or for any successor program the Commission designates,¹³ LCB commits to offering a low-income broadband pricing plan for five years starting from the completion of the project. LCB will waive standard installation and service connection fees for all broadband service customers in the project area during this five-year period. See LCB’s pricing commitment in Table 5, below.

Table 5: LCB’s Aromas San Juan Project Broadband Pricing Plan

Name of Tier	Advertised Speeds		Month-to-Month (\$/month)	1-Year Commitment (\$/month)	2-Year Commitment (\$/month)
	Downstream (Gbps)	Upstream (Gbps)			
Low Income ¹⁴					
Fiber	1	1	\$15	n/a	n/a
Wireless	600 Mbps	100 Mbps	\$15	n/a	n/a
Fiber					

¹³ See [D.22,11-023, Attachment 1](#), Section 8.11 Application Item 11 – Pricing Commitment.
¹⁴ The “retail cost” of the affordable plan is \$45 and would have been reduced with an Affordability Connectivity Program (ACP) subsidy to a \$15 out-of-pocket expense to participating low-income customers. If the now expired ACP subsidy is either replaced by a successor program or no successor program is in place, the maximum cost to low-income subscribers cannot exceed \$15 per month.

1 Gigabit Plan	1	1	\$139	\$99	\$79
2.5 Gigabit Plan	2.5	2.5	\$278	\$198	\$149
5 Gigabit Plan	5	5	\$500	\$360	\$275
Wireless					
Nitro XT	600 Mbps	100 Mbps	\$139	\$99	\$79

The proposed minimum speed offerings of 600 Mbps download and 100 Mbps upload meet the 100/20 Mbps minimum performance requirement. LCB’s network will also be capable of providing speeds of up to 5 Gbps symmetrical to customers on the FTTH network.

C. Funding Determination

LCB is eligible to receive 100 percent funding to cover the cost of its Aromas Project. Staff considered the statutory factors to determine the grant funding level, as described by Pub. Util. Code Section 281(f)(11) and in the CASF Guidelines, Section 2.2, Funding Criteria.¹⁵ Table 6, below, details Staff’s funding level determination for the project.

Table 6: Criteria for Project Funding Level for the Aromas-San Juan Project

Funding Factors	Proposed Project
Baseline for Eligible Projects in areas with Internet connectivity (60% of total construction costs)	60%
Low-Income Service (up to 40%):	
<ul style="list-style-type: none"> • Low-income area (30%) • Offers a low-income broadband plan for no more than \$15/month co-pay for a guaranteed minimum of five (5) years (10%) 	30%
	10%

¹⁵ See [D.22.11-023, Attachment 1](#).

Other P.U. Code Section 281(f)(11) Factors (up to 20%):	
<ul style="list-style-type: none"> • Inaccessible Location (10%) • Uses Existing Infrastructure (10%) • Makes a Significant Contribution to the Program Goal (10%) 	<p>10%</p> <p>10%</p> <p>10%</p>
Total Funding Level	100%¹⁶

Baseline for an Eligible Project qualifies for 60 percent funding

The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The Aromas Project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

Low-Income Service Consideration for an additional 40 percent funding

The calculated median household income (MHI) for each Census Block Group (CBG) that intersects the Aromas Project is \$101,610. This amount is designated as Low Income by the California Department of Housing and Community Development’s (HCD) 2023 State Income Limits¹⁷ for the County of Santa Cruz (\$132,100 low-income limit).

While the MHI thresholds in the two other counties exceed \$101,610, these areas face significant economic disparity. Wealthy and impoverished communities exist side-by-side, and historically unserved areas within these counties have suffered most from lack of affordable broadband access. The Aromas Project will address this inequity by serving the communities with the greatest economic hardship. Data from the California Department of Education indicates that in the Aromas San-Juan Unified School District, which encompasses large rural, agricultural areas, nearly 50 percent of the student population is eligible for the Federal Free and Reduced Price Meals (FRPM).¹⁸ The maximum household income for FRPM eligibility is \$57,720 (2023-2304 academic year.) This figure is well below the California Department of Housing and Community Development’s 2023 State Income Limit Low-Income threshold for San Benito (\$89,050) and Monterey Counties (\$96,350). In fact, 48 percent of the students participating in the FRPM program qualify as Very Low-Income. As many of the residents in the rural areas of the project are migrant workers and/or undocumented, staff has concerns that U.S. Census Bureau data reflects an

¹⁶ Per [D.22.11-023](#), maximum funding level is 100 percent.

¹⁷ Department of Housing and Community Development 2023 State Income Limits available at <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2023.pdf>

¹⁸ See the California Department of Education’s Free or Reduced-Price Meal (Student Poverty) Data webpage at [Free or Reduced-Price Meal \(Student Poverty\) Data - Accessing Educational Data \(CA Dept of Education\)](#).

underreporting of the true number of low-income households. Therefore, staff deems the entire Aromas Project to qualify for an additional 30 percent funding under CASF Infrastructure Account Guidelines.

LCB will offer low-income customers a \$15.00 per month broadband service plan whether or not a designated successor program to the ACP is in place. This plan commits LCB to offering low-income customers, who would otherwise have qualified for the ACP or any successor programs, a maximum out-of-pocket cost of \$15 per month and therefore meets CASF criteria for affordable, low-income pricing. This qualifies the Aromas Project for an additional 10 percent funding.

Other Factor Considerations qualify for an additional 20 percent funding

The Aromas Project area is in an inaccessible location and contributes to the CASF Program goal and therefore meets two out of the three criteria of “other factors” per P.U. Code Section 281(f)(11) and is eligible for an additional 20% in funding. The project area contains rugged or difficult terrain (mountains), is within Tier 2 - Elevated or Tier 3 - Extreme fire threat area and includes unincorporated communities.¹⁹

The Aromas Project makes a significant contribution to the CASF program goal to provide broadband Internet access to 98 percent of California households in each CASF Broadband Consortia region. The entire Aromas Project area is located within the Central Coast Broadband Consortium, which, according to the 2022 CASF Annual Report²⁰ is only 95 percent served.

D. Safety and Community Support

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, emergency services, and to allow first responders to communicate and collaborate during emergencies.

According to the Commission’s Fire-Threat Map, as noted previously, roughly half the locations in the Aromas Project are in Tier 2 - Elevated fire-threat zones. The Aromas Project’s middle- and last-mile FTTH and FWA network will provide access to communications in the event of a wildfire threat or active fire. During the Sonoma County

¹⁹ See [CPUC Fire Threat Map](#)

²⁰ See [CASF 2022 Annual Report](#)

wildfires in 2017 and 2018, fire destroyed aerial fiber-optic infrastructure and poles. Underground fiber and FWA infrastructure have less exposure to such threats. Project equipment will withstand extreme heat and heavy winter storms. Equipment in the San Juan-Bautista network is rated for sustained operation at high temperatures and protection against water intrusion. Each node will have backup power to provide reliable service during disruptions to the energy grid and will be supported by LCB's fleet of generators and outage response teams.

LCB received multiple letters of support for the Aromas Project from local government and community representatives, including California State Senator Anna Caballero, Assembly Speaker Robert Rivas, the County of San Benito, the Aromas-San Juan Unified School District, Monterey Bay Economic Partnership, the Central Coast Broadband Consortium, Rotary Club of San Juan Bautista, Youth Alliance, and Balanced Access. See Appendix E for a complete list of individuals and organizations.

VI. COMMENTS

In compliance with Pub. Util. Code Section 311(g), a notice letter was emailed on May 16, 2024 informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's documents website at <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available on the same website.

Formal comments were submitted by The Utility Reform Network (TURN) on May 31, 2024. Reply comments were submitted by LCB Communications LLC (LCB) on June 7, 2024 and by the California Broadband & Video Association (CalBroadband) on June 10, 2024 .

TURN's Comments

In its comments, TURN states that it generally supports the Draft Resolution but requests that it clarify the low-income funding commitments the Commission requires in the absence of the Affordable Connectivity Program (ACP), which ended on June 1, 2024, or of any designated successor program. Specifically, TURN recommends the Commission modify the Performance Criteria section of the Draft Resolution to indicate that even if no successor program to the ACP is designated, LCB must provide a low-income broadband plan that does not cost low-income subscribers more than \$15 out-of-pocket per month to meet the Affordability

requirement. Similarly, TURN requests that the Commission modify the Funding Determination section of this resolution to require LCB to provide the low-income broadband plan at a maximum \$15 per month cost to customers to receive the 10 percent additional funding incentive for offering qualifying customers a low-income broadband plan.

LCB's Reply Comments to TURN

LCB supports TURN's suggestions to clarify the language in this resolution to indicate that will offer a low-income broadband plan not to exceed \$15 per month in the absence of the ACP or any successor program. LCB states that this is consistent with its objective to help close the Digital Divide in California and with its commitment to offering low-income customers a broadband plan for \$15 per month for the duration of the 5-year commitment period irrespective of the ACP or any successor program.

CalBroadband's Reply Comments to TURN

CalBroadband responds that they take no position on the Draft Resolution. However, they note that the proposed revisions in TURN's opening comments are moot considering LCB's reply comments in which they state their commitment to a \$15 per month low-income plan even without a successor program to the ACP. CalBroadband therefore submits that TURN's proposed changes should not be incorporated into the final version of the resolution.

Staff Response to Comments and Reply Comments

Staff agrees with TURN's comments and LCB's reply comments. In its comments, TURN recommends changes in the resolution regarding the ACP program and LCB's low-income pricing plan. As TURN notes, the ACP program subsidy is no longer available, and a successor program to the ACP has not been identified. LCB commits to offering a broadband plan for \$15 per month, regardless of whether the ACP subsidy program, or a successor to the program, is available. Thus, LCB is eligible for an additional 10 percent of funding as discussed in Section V.C. above.

VII. FINDINGS

1. LCB submitted an application for CASF funding for its Aromas-San Juan Project on June 1, 2023 to deploy last-mile broadband infrastructure to enable Fiber-to-the-Home

(FTTH) service at speeds of up to 5 gigabits per second (Gbps) symmetrical and Fixed Wireless Access (FWA) service at speeds of up to 600 Mbps download and 100 Mbps upload to a total of 1,101 CASF Eligible locations in San Benito, Santa Cruz, and Monterey Counties.

2. On June 15, 2023, Staff posted a project summary of the Aromas-San Juan Project, including a proposed project area map and project summary. The summary was posted on the CASF Applications Project Summaries webpage, which may be found on the Commission's website.
3. Staff received one challenge to the Aromas-San Juan Project from Razzolink, Inc. The challenge was denied.
4. Based on its review, staff determined that the Aromas-San Juan Project qualifies for an Infrastructure Account grant pursuant to D. 22-11-023, Attachment 1 and recommends Commission approval of CASF funding up to \$29,482,765.91.
5. LCB proposes to offer FTTH broadband internet access at speeds up to 5 Gbps upload and 5 Gbps download and FWA technology at speeds up to 600 Mbps upload and 100 Mbps download to last-mile consumers. It also proposes to build a minimal segment of middle-mile fiber required to support the last-mile project locations. LCB proposes that new wireless equipment be installed on existing infrastructure.
6. The minimal middle-mile infrastructure in the Aromas-San Juan Project does not conflict with the Statewide Middle-Mile Network proposed by the California Middle-Mile Broadband Initiative.
7. The Commission has determined that Aromas-San Juan Project is categorically exempt from CEQA review, pursuant to CEQA guidelines at 14 C.C.R Section 15301 regarding exemption for existing facilities, 14 C.C.R. Section 15302 regarding minor modifications to existing structures, 14 CCR Section 15304 which consists of minor public or private alterations in the condition of land, and 14 CCR Section 15332, In-fill Structures.
8. LCB will take appropriate mitigation efforts to avoid placing network infrastructure near any historic areas by placing fiber along Fourth Street to avoid the Historic Plaza Square and associated historic areas along Second Street and Third Street in San Juan Bautista.
9. The Aromas-San Juan Project will also provide substantial safety and health benefits

including, but not limited to, resilient high-capacity broadband infrastructure that will provide access to emergency services and information, e-health services and voice service that will meet all safety standards, including E911.

10. A notice letter was emailed on May 16, 2024, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's documents website at <http://www.cpuc.ca.gov/documents/>. Formal comments were submitted by The Utility Reform Network (TURN) on May 31, 2024. Reply comments were submitted by LCB on June 7, 2024 and by the California Broadband & Video Association (CalBroadband) on June 10, 2024.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award up to \$29,482,765.91 to LCB Communications LLC (LCB) for the Aromas-San Juan Project as described herein and summarized in Appendix C of this Resolution, which shall be paid out of the CASF Broadband Infrastructure Grant Account in accordance with the guidelines adopted in D.22-11-023 and its Attachment 1 and with the process defined in Appendix B "Payments to CASF Recipients" of this Resolution.
2. LCB shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D.22-11-032 and its Attachment 1, and all requirements for this project included in this Resolution, including Appendices A and B.
3. LCB must offer open access to last-mile communications service providers requesting to use middle-mile infrastructure funded by CASF grants, as set forth in D.21-03-006 and D.22-11-023, Attachment 1, Section 5.2.
4. If LCB fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.22-11-023 and its Attachment 1, and the terms outlined in this Resolution, LCB must reimburse some or all the CASF funds that it has received.
5. LCB must complete and execute the consent forms (to be sent to the grantee after this Resolution is adopted) agreeing to the conditions set forth in this Resolution and return them to CASF Staff within 30 calendar days from the date of the adoption of this Resolution. Failure to submit the consent form within 30 calendar days from the adoption date of this Resolution may result in the Commission voiding the grant award.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 20, 2024. The following Commissioners approved it:

Rachel Peterson
Executive Director

APPENDIX A Compliance Requirements

A. Deployment Schedule

Having determined the Aromas-San Juan Project to be CEQA-exempt, the Commission requires LCB to complete the project within 18 months. If LCB is unable to complete the proposed project within the 18-month timeframe requirements, the grantee must notify the Director of the Communications Division as soon as it becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement of timely notification to the Director.

B. Execution and Performance

Staff and LCB shall determine a project start date after the CASF grant recipient has obtained all approvals, including permits. Should LCB or any contractor it retains fail to commence work by the designated date, upon five days written notice the Commission may terminate the grant. If LCB fails to complete the project in accordance with the terms of Commission approval as set forth in this resolution, LCB shall reimburse some or all of the CASF funds that it has received. LCB must complete all construction covered by the grant on or before the grant's termination date.

C. Letter of Credit

The Commission exempts Certificate of Public Convenience and Necessity (CPCN) holders from providing a letter of credit, on the basis that the company submitted a performance bond to the Commission to maintain its CPCN and that the Commission has other means to enforce compliance. In its application, LCB provided proof of CPCN registration and thus is exempt from the requirement of providing a letter of credit.

D. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.

LCB's invoices may be subject to a financial audit by the Commission at any time within three years of completion of the work.

E. Providing Voice Service

LCB has certified that its Voice Over Internet Protocol (VoIP) meets the FCC standards for E-911 service and battery backup.

F. Reporting

All grantees must submit biannual progress reports on the status of the project, irrespective of whether grantees request reimbursement or payment. These reports are due semi-annually, in March and September, until the project is completely built and operational. Progress reports shall describe the deployment schedule, major construction milestones, and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

Before full payment of the project is made, LCB must submit a project completion report. LCB shall also include test results on the download and upload speeds at a representative sample of locations in the completion report per CASF Guidelines, Section 13 Reporting Requirements.²¹ LCB must certify that each progress report is true and correct under penalty of perjury.

G. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. LCB has committed to following state prevailing wage requirements with regard to these projects.

H. Contractor Reporting

LCB must comply with the contractor reporting requirements of California Public Utilities Code Section 281(l)(1) of the, which requires reporting of certain information for all contractors and subcontractors undertaking a contract or subcontract in excess of twenty-five thousand dollars on CASF-subsidized project

²¹ See [D. 22-11-023, Attachment 1](#).

APPENDIX B

Payments to CASF Recipients

California Public Utilities (Pub. Util.) Code Section 281(f)(10) defines the costs the Commission may reimburse as follows:

- Costs directly related to the deployment of infrastructure.
- Costs to lease access to property or for Internet backhaul services for a period not to exceed five years; and
- Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

Additionally, D.22-11-023, Attachment 1, Section 7 caps administrative expenses directly related to the project at 10 percent of the grant amount.²²

The grantee may submit reimbursement requests at the following intervals:

- 10 percent completion.
- 35 percent completion.
- 60 percent completion.
- 85 percent completion; and
- 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report. Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved CASF funding budget included in the CASF grantee's application.

Payment to grantees shall follow the process adopted for funds created under Pub. Util. Code Section 270. The Commission generally processes payments within 20-25 business days, including Communications Division and Administrative Services review time. The State Controller's Office (SCO) requires an additional 14-21 days to issue payment from the day that requests are received by SCO from Administrative Services. All three projects are funded at 100%, CASF will not accept invoices that include a 10% handling fee.

²² Administrative costs are defined as "indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself." Applicants seeking additional funds will require a Commission exemption included in a draft resolution.

APPENDIX C
LCB - Aromas-San Juan CASF Application
Key Information

Project Name	Aromas-San Juan		
<i>Project Plan</i>	The project proposes to deploy FTTH and FWA across three counties to 1,101 unserved locations.		
<i>Project Size</i>	241.3 square miles		
<i>Maximum Download/Upload speed</i>	5 Gbps / 5 Gbps (FTTH) 600 Mbps / 100 Mbps (FWA)		
<i>Location</i>	Counties of San Benito, Santa Cruz, and Monterey		
<i>Median Household Income</i>	\$101,610		
<i>Estimated Potential Subscriber Size</i>	1,101 Households		
<i>Pricing Plan Residential (1-yr Commitment)</i>	Tier 1: 1/1 Gbps for \$99.00 (\$15.00 low-income plan) Tier 2: 2.5/2.5 Gbps for \$198.00 Tier 3: 5/5 Gbps for \$360.00 Wireless: 600/100 Mbps for \$99.00		
<i>Subscriber take rate</i>	60%		
<i>Deployment Schedule (from permit approval date)</i>	18 Months (CEQA-exempt) 24 months (after non-exempt CEQA process complete)		
<i>Proposed Project Budget (Total)</i>	\$29,482,765.91		
<i>Grant Requested Amount</i>	\$29,482,765.91		
<i>CASF Grant Amount (100 percent)</i>	\$29,482,765.91		
<i>Cost per household</i>	\$26,778.17		
<i>Census Blocks</i>	060530101012001 060530147001003 060530147003004 060530101021008 060530147001012 060530105013004 060530147003000 060530147003001 060530105013001 060530102023009 060530102021014 060530101022005	060690007022028 060690002007042 060690002007027 060690008023001 060690008024017 060690008024018 060690002007036 060690002001000 060690007022025 060690002005025 060690001004065 060690002007044	060690008024024 060690008023011 060690008023008 060690008023009 060690008023057 060690008024030 060690007022014 060690008023019 060690008023052 060690008023018 060690008024027 060690008024023

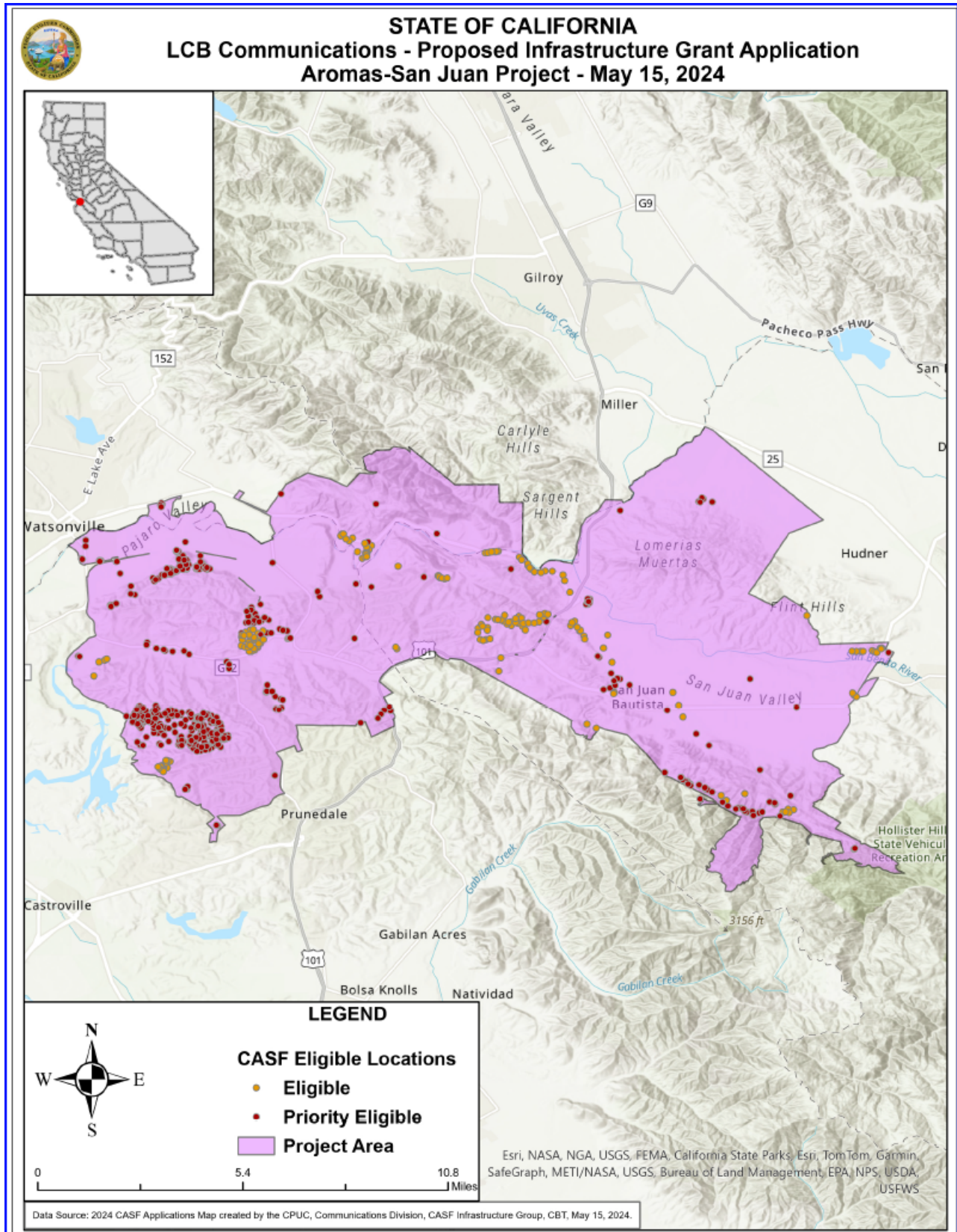
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APPENDIX D
LCB – Aromas-San Juan Project Location Map



APPENDIX E
LCB – Aromas-San Juan Project
Community Supporters

1. Anna Caballero, State Senator, 14th Senate District, California
2. Robert Rivas, State Assemblymember and Speaker Designate, 29th District, California
3. Ray Espinosa, County Administrative Officer, County of San Benito
4. Barbara Dill-Vargas, Ed. D, Superintendent, Aromas-San Juan Unified School District
5. Tahra Goraya, President and CEO, Monterey Bay Economic Partnership
6. Central Coast Broadband Consortium
7. Phillip Esparza, Access Chair and President-Elect, Rotary Club of San Juan Bautista
8. Diane Ortiz, CEO, Youth Alliance
9. Jose Aranda, President, Balanced Access