

April 9, 2025

**Agenda ID: 23417**  
**RESOLUTION T-17879**

TO: CASF Service List

This is Draft Resolution T-17879 of the Communications Division. This Draft Resolution will appear on the agenda at the next Commission meeting to be held May 15, 2025, which is at least 30 days after the date of this letter. The Commission may vote on this Resolution at that time, or it may postpone a vote until a later meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting. When the Commission votes on a Draft Resolution, it may adopt all or part of it as written, amend, modify, or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Any member of the public may serve comments on the Draft Resolution as provided in Public Utilities Code, § 311(g) and Rule 14.5 of the Commission's Rules of Practice and Procedure (Rules).

Comments along with a certificate of service (COS) shall be sent via email to: [angela.beane@cpuc.ca.gov](mailto:angela.beane@cpuc.ca.gov) by April 29, 2025, at 5:00 PM.

Those submitting comments on the Draft Resolution must serve their comments on the entire service list the Draft Resolution was served to on the same date that the comments are submitted to the Communications Division.

Comments shall focus on factual, legal, or technical errors in the proposed Draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted. Comments should list the recommended changes to the Draft Resolution.

Replies to comments must be submitted no later than May 5, 2025. Replies shall be submitted and served in the same manner as opening comments.

Sincerely,

/s/

Maria Ellis

563019493

Director for Broadband Initiatives  
Communications Division  
California Public Utilities Commission

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMUNICATIONS DIVISION

Agenda ID # 23417  
RESOLUTION T-17879  
May 15, 2025

**R E S O L U T I O N**

RESOLUTION T-17879: Approves the County of Napa’s Local Agency Technical Assistance modification request to include a network operator as a contractor.

PROPOSED OUTCOME:

- Approves the County of Napa’s request to modify its Local Agency Technical Assistance grant to include a network operator.

SAFETY CONSIDERATIONS:

- There are no adverse safety considerations identified by the Communications Division (CD). The projects which are planned to be implemented by the work products in this award have the potential to improve communications resiliency and redundancy.

ESTIMATED COST:

- There are no costs associated with this resolution.

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**SUMMARY**

This Resolution approves the County of Napa’s request to modify its Local Agency Technical Assistance grant, awarded on October 6, 2022, to include a network operator, Valley Internet, as a contractor.

**BACKGROUND**

As part of the Budget Act of 2021 and Senate Bill (SB) 156 (Stats. 2021, Chap. 84 and 112), the legislature provided, among other things, \$50 million to facilitate completion of the statewide broadband middle-mile network and last mile projects, the formation of municipal entities and agreements for financing broadband infrastructure and to

fund projects, distribute grants, or fund support costs associated with these projects, among other allowable uses.

On February 25, 2022, the Commission issued Decision (D.) 22-02-026 and authorized a total of \$50 million in funds for the Local Agency Technical Assistance (LATA) grant program, including a \$5 million set-aside for tribes.<sup>1</sup> In D.22-02-026, the Commission established rules under which technical assistance grants are available to eligible local agencies for reimbursable work products including guidelines for modification requests.

On October 6, 2022, the Commission approved the County of Napa's LATA grant application for \$500,000 in LATA funds for the "*Napa County Broadband Development Feasibility Study*". The County of Napa's project will create a Broadband Development Feasibility Study that will lead to the expansion of broadband fiber optic infrastructure in Napa County. Specifically, the County of Napa will address network connectivity gaps by working with private partners to build fiber optic backhaul, also referred to as County Middle Mile, and to build Last Mile fiber to the premises (FTTP) broadband Internet infrastructure that will be designed to serve those currently unserved and underserved in the County of Napa. The County of Napa will require its private partner(s) to provide minimum service levels of 100 Mbps symmetrical. The County of Napa's approved LATA application includes four work products to be completed in two years.

- Work Product 1: Scope Verification
- Work Product 2: High Level Initial Design
- Work Product 3: Engineering Walkouts of 13 Priority Areas
- Work Product 4: Full Draft of Engineering Walkout and Design Report and Exhibits of Areas 1-13.

### Modification Request

On December 20, 2024, the County of Napa requested a modification to its original application to include a network operator, Personal Networking Computing Inc. (doing business as Valley Internet), as a contractor.<sup>2</sup> The County of Napa identified CBG

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<sup>1</sup> Public. Utilities. Code section 281, subdivision (b)(5)(A) specifies activities including but not limited to "[p]roviding technical assistance to local governments and providers" to facilitate deployment of high-quality advanced communications services to all Californians.

<sup>2</sup> County of Napa's modification request also included a project timeline extension request to change the project end date from October 6, 2024, to October 15, 2024, that was approved ministerially by the CD Director.

Communications as the contractor in the original application and is requesting an update to use Valley Internet.

Through a competitive bid process, the County of Napa sought to determine the most qualified contractor to perform Work Products 1 through 4. The County of Napa received three proposals and ranked according to their total scores based on the following criteria: 1) Company history, in particular the number of successful broadband projects to date; 2) Qualifications and experience of the company and staff; 3) Their approach to the Scope of Services; 4) Environmentally sustainable business practices; and 5) Cost.<sup>3</sup>

Based on the results of the competitive bid, Valley Internet scored as the most qualified contractor to perform the County of Napa's Work Products 1 through 4.

Valley Internet received the highest score due to their combination of expertise and experience as described in the following.<sup>4</sup>

- The qualifications and experience of the company, staff and sub-consultants. Valley Internet has substantial experience in designing, constructing, operating and maintaining broadband networks, particularly fixed wireless networks.
- Valley Internet partnered with Fiber Channels as a sub-consultant for the LATA project whose staff have experience in Middle Mile and Last Mile fiber network design and Fiber to the Home network projects.<sup>5</sup>
- In addition, Valley Internet partnered with another local Internet Service Provider (ISP) and engineering firm, Etheric Communications, LLC which also has substantial experience in designing, constructing, operating and maintaining both fiber optic and fixed wireless networks, and has experience in designing and operating these networks in the surrounding region.

Based on receiving the highest score, the County of Napa hired Valley Internet on November 7, 2023, to complete Work Products 1-4 as described above at a cost of \$400,000. The County of Napa did not provide a 30-day notice to the Commission as required by LATA rules before hiring Valley Internet.<sup>6</sup> Valley Internet also builds and operates networks.

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<sup>3</sup> Letter from Napa County's Broadband Project Manager to CD Director Robert Osborn, dated December 20, 2024

<sup>4</sup> Letter from Napa County's Broadband Project Manager to CD Director Robert Osborn, dated December 20, 2024.

<sup>5</sup> Attachment D of Valley Internet's response to Napa County's RFP, email from Mark Revis, Napa County Broadband Grant Manager, to CD staff, dated March 21, 2024.

<sup>6</sup> D.22-02-026, Attachment A, p.11

## DISCUSSION

LATA Guidelines state that “grantees must communicate in writing to the Communications Division (CD) Director any changes to the substantive terms and conditions underlying Commission approval of the grant (such as changes to a reimbursable work product contract, work plan, or budget) at least 30 days before the anticipated change is to be effected.<sup>7</sup> Substantive changes may require approval by either the Communications Division Director or by Commission resolution before becoming effective.”<sup>8</sup>

The LATA Guidelines also state that the Commission will review applications which include network operators participating as contractors with greater scrutiny to ensure responsible and effective use of LATA funds.<sup>9</sup> The Commission’s intent is that LATA funds be used to engage entities that do not have a financial interest in the work product for which funds are granted.<sup>10</sup>

Based on the following analysis, CD staff determined that Valley Internet does not have a financial interest in the work product for which the funds are granted.

On March 7, 2024, the Commission approved a similar LATA grantee’s modification request to hire a network operator as a contractor. Specifically, in Resolution T-17814, the Commission approved the County of Inyo’s hiring of a network operator, Onward, to support their LATA project to create last-mile network construction engineering designs to connect unserved remote and rural population centers and cities in Inyo County to symmetrical 100Mbps or better broadband Internet service. Similar to the County of Napa, Onward served as a Technical Assistance provider for the LATA project. In the Resolution, the Commission determined that Onward did not have a financial interest in the final work product as a network operator.

Like Onward, CD staff determined Valley Internet to be akin to a Technical Assistance provider for the LATA project. Valley Internet as a Technical Assistance provider will offer a neutral solution that could be implemented by any network operator, whether it

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<sup>7</sup> Id

<sup>8</sup> Id

<sup>9</sup> D.22-02-026, p. 15. The Commission declined to adopt Charter’s recommendation to specify that network operators be excluded from participation as contractors and instead review such applications with greater scrutiny.

<sup>10</sup> Id

is a regional fiber-optic provider, cable company, incumbent telephone company, a local agency itself, or some combination thereof.<sup>11</sup>

Also, the County of Napa gave the following reasons why the LATA project supports an open-access broadband network:

- The award of this contract to Valley Internet will not give them a financial or competitive advantage over other Internet Service Providers (ISPs), because of the public availability of the study and its designs to any ISP that desires the study or designs. The County's intent is to foster public/private partnerships with ISPs that wish to utilize the designs to underpin their fiber optic deployment projects, and to work with these ISPs to submit broadband grant applications. The County welcomes proposals from any ISP for broadband deployment in any one or more of the County's rural priority areas.<sup>12</sup>
- The design documents and attachments will be available to the public on the County of Napa's website.<sup>13</sup>

Furthermore, the County of Napa's Feasibility Study calls for exclusively Fiber-to-the-Premise (FTTP) designs. Although Valley Internet, in partnership with Fiber Channels, has experience in Fiber to the Premise projects, Valley Internet has stated they operate and deploy, and plan to continue, hybrid FTTP/fixed wireless solution, not exclusively FTTP.<sup>14</sup> This in mind, Valley Internet, as a hybrid network operator, would not gain an unfair advantage from the Feasibility Study that calls for a non-hybrid FTTP network.

As such, the County of Napa's proposed modification to include Valley Internet as a contractor for the County of Napa's project satisfies the Commission's concern that LATA funds be used to engage entities that do not have a financial interest in the final work product for which funds are granted.

CD notes that while the County of Napa did not provide 30-day notice to the CD Director before hiring Valley Internet as required in D.22-02-026, CD recommends that the Commission consider the modification request because of the following reasons:

- The County of Napa responded with full transparency on what Valley Internet is doing to support the LATA project.
- Approval of the modification to add a network operator will further assist with the County of Napa's completion of the four phases of the project in accordance with D.22-02-026.

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<sup>11</sup> Id at CPUC R-20-08-021, p.5

<sup>12</sup> Letter from Napa County's Broadband Project Manager to CD Director Robert Osborn, dated December 20, 2024.

<sup>13</sup> Id

<sup>14</sup> Email from Mark Revis, Napa County Broadband Grant Manager, to CD staff, dated October 29, 2024.

Because CD determined that Valley Internet does not have a financial interest in the final work product as a network operator, CD recommends the Commission approve the County of Napa’s modification request.

## **COMPLIANCE REQUIREMENTS**

The County of Napa is required to comply with all the guidelines, requirements, and conditions associated with the Local Agency Technical Assistance grant funding as specified in D.22-02-026 and this Resolution. Such compliance includes, but is not limited to those requirements listed in Appendix A.<sup>15</sup>

## **COMMENTS**

In compliance with Public Utilities Code section 311, subdivision (g)(1) a Notice of Availability was e-mailed on April 9, 2025, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission’s website at <http://www.cpuc.ca.gov/>. This letter also served to inform parties that the final conformed Resolution the Commission adopts will be posted and available on this same website.

## **FINDINGS AND CONSLUSIONS**

1. On October 6, 2022, the Commission approved the County of Napa’s LATA grant application for \$500,000 in LATA funds for the “Napa County Broadband Development Feasibility Study”.
2. On December 20, 2025, the County of Napa requested a modification to its original application and grant award to include a network operator, Valley Internet, as a contractor.
3. Based on the review of the modification request, CD determined the modification should be approved as CD determined that Valley Internet does not have a financial interest in the work product as a network operator contractor.

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<sup>15</sup> See D.22-02-026, Appendix 1 for a full list of Local Agency Technical Assistance program requirements and guidelines.



4. Although the County of Napa did not give a 30-day notice of hiring the contractor as required in D.20-02-026, CD recommends that the modification still be approved.
5. A notice letter was e-mailed on April 9, 2025, informing all applicants filing for CASF funding, parties on the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commissions website found here at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

**THEREFORE IT IS ORDERED THAT:**

1. The County of Napa's Local Agency Technical Assistance request to modify its original application and grant award to include a network operator as a contractor is approved.
2. This modification does not change any other conditions approved in the original LATA application and subsequent modifications.
3. This modified LATA award is based on the description of the project as described herein and are predicated on commitments to provide the reimbursable work products as expressed in the grantee's application and in compliance with all guidelines, requirements and, conditions associated with the award, as specified in D.22-02-026 and this Resolution.
4. The grantee must comply with all guidelines, requirements and conditions associated with the Local Agency Technical Assistance program, including those in D.22-02-026 and its Attachment 1, and Appendix A to this Resolution.
5. By receiving LATA grant funding, the grantee agrees to comply with the terms, conditions and requirements of the grant and thus submit to the jurisdiction of the Commission regarding disbursement and administration of the grant.
6. If the grantee fails to complete the project in accordance with the terms outlined in D.22-02-026 and this Resolution, they must reimburse some or all the Local Agency Technical Assistance funds it has received.

This Resolution is effective today.

Commissioner Signature blocks to be added  
upon adoption of the resolution

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 15, 2025, the following Commissioners voting favorably thereon:

Dated \_\_\_\_\_, at <Voting meeting location>, California

## **APPENDIX A**

### **Compliance Requirements**

#### **A. Contractor Reporting**

Grantees must comply with Pub. Util. Code section 281, subdivision (l)(1) contractor reporting requirements if they are using a licensed contractor or subcontractor to undertake a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) to perform work on the project funded or financed by CASF. Licensed contractor or subcontractor means any contractor that holds a California state license through the contractor's state license board (<https://www.cslb.ca.gov/>). Please refer to the Local Agency Technical Assistance website for reporting templates and instructions.

#### **B. Execution and Performance**

The grantee must complete the project within the 24-month timeframe of the award date. If the grantee is unable to complete the proposed project within the required 24-month timeframe, it must notify the Commission or the Director of Communications Division as soon as it becomes aware of this prospect. The Commission reserves the right to reduce or withhold payment for failure to satisfy this requirement. The grantee, after accepting the award as outlined in Section A of this Appendix, must complete all performance on the project before the termination date in accordance with the terms of approval granted by the Commission. In the event that the grantee or contractor fails to complete the work in accordance with the approval granted by the Commission, and as described in the contract, the local agency must reimburse some or all the funds that it has received.

The Commission has the right to conduct any necessary audit, verification and discovery for work proposed or completed under the technical assistance for local agencies to ensure CASF funds are spent in accordance with Commission rules and with the terms of approval granted by the Commission.

#### **C. Project Completion**

Upon project completion and before final payment, the applicant must provide a signed completion form stating that the technical assistance work has been completed, and a copy of each reimbursable work product's final report(s), plan(s), studies, etc.,

produced under the scope of the contract.

#### D. Payment

Payment will be made directly to the local agency as the grant recipient. Local agency grantees may request partial reimbursement if they complete one or more of the approved reimbursable work products prior to completion of other reimbursable work products approved in the same grant authorization. Payment will be based upon receipt and approval of an invoice(s) submitted by the local agency showing the expenditures incurred for the reimbursable work product, along with the final reimbursable work product and the completion reporting. The invoice(s) must be supported by documentation including but not limited to the actual cost of labor and any other expense that will be recovered by the grant. Any portion of the award used to reimburse a local agency for administrative costs associated with securing or completing a reimbursable work product must be submitted with an itemized accounting of such costs demonstrating the total requested for reimbursement does not exceed 15 percent of the total authorized award.

If the grantee or contractor fails to complete the work within the 24-month timeline, the grantee must notify the Commission or Director of Communications Division as soon as they become aware that they may not meet the project deadline. The Commission may withhold or reduce payment if the grantee fails to notify the Commission or Director of Communications Division.

If any portion of reimbursement is found to be out of compliance, grantees will be responsible for refunding any disallowed amount along with appropriate interest rates determined in accordance with applicable Commission decisions.

#### E. Project Changes

Grantees must communicate in writing to Communications Division Director regarding any changes to the substantive terms and conditions underlying Commission approval of the grant (such as changes to a reimbursable work product contract, work plan, or budget) at least 30 days before the anticipated change. Substantive changes may require approval by either the Communications Division Director or by Commission resolution

before becoming effective.

F. Record Retention

Grantees are required to maintain records such as files, invoices, and other related documents for five years after final payment. Grantees shall make these records and invoices available to the Commission upon request and agree that these records are subject to financial audit by the Commission at any time within five years after the final payment made to the grantee.

End of Appendix A