

NAPA COUNTY
RESPONSE TO THE GRAND JURY FINAL REPORT ON
ATTAINING OUR BROADBAND FUTURE IN NAPA COUNTY
June 7, 2022

Introduction

The "Attaining Our Broadband Future in Napa County" final investigative report (Report) of the 2021-2022 Napa County Civil Grand Jury presents sixteen (16) findings and five (5) recommendations related to Broadband in Napa County. This letter represents the responses of the Napa County Board of Supervisors and Acting County Executive Officer, pursuant to California Penal Code Section 933.05.

Napa County Board of Supervisors and Acting County Executive Officer would like to thank the Grand Jury for their work, and for the opportunity to respond to the findings and recommendations in the final investigative report.

Background

Broadband policy is highly complex, and so it is important to provide historical context to better understand our responses. Generally, the Report suggests Napa County is not adequately prepared to compete for State and federal funds and is moving slower than other counties in that respect. As our responses will show, we believe Napa County is well prepared to compete for grant funds. While we agree with the Grand Jury that there are opportunities to improve, the amount of work completed despite the limited resources and authority by local governments to regulate broadband has positioned Napa County to not only be ready but to be competitive.

The ability for local agencies to impact development and access is worth expanding upon.

Internet access, be it by wireline, fixed wireless or cellular connectivity, is not required by any local, state or national agency. Companies are not required to provide service to hard-to-reach areas or those with fewer residents. Unlike the Universal Service Fund that we saw for generations on our telephone bills, carriers have no incentive to provide connectivity when there is no return on their investment.

Napa County, in particular, is at a disadvantage when it comes to expanding service because state grants were previously only available to assist underserved (below 6mbps) or unserved (little to no connectivity) or outreach for adoption of existing services. The California Public Utility Commission's 2020 Annual Report, published in April 2021, showed that Napa's population was 97.3% served and had a nearly 91% adoption rate. California Advanced Services Fund (CASF) was created to provide access with a goal of 98% served. This meant that, according to the state, only .7% of Napa residential areas would qualify for grant funding. Few, if any, carriers would apply for grants with this little incentive or opportunity.

Even with this limitation in place, Napa County staff worked to further its goals of universal access to broadband in our County. They diligently worked to find partnerships with consortium members and actively reached out to carriers to learn about their development plans and share our own priorities. Additionally, they used our small grant funds to both demonstrate community need through real world testing and resident surveys as well as develop documents that would propel our county forward when and if funding was received. That time is now and we're excited about funding through SB156, the hiring

of a new, dedicated Broadband Project Manager and increased interest by carriers to provide expanded coverage and increased resiliency in our various communities.

Findings

Finding 1. Recent fires and the pandemic have demonstrated that all County residents need access to fast, reliable, and affordable broadband.

The Acting CEO agrees with this finding.

The Board of Supervisors agrees with the Acting CEO.

Finding 2. The digital divide in the County (and the challenges and inequities it exacerbates), has not been significantly narrowed since the 2017 fires; in fact, it may have widened.

The Acting CEO agrees partially with this finding. While we have some public tools available like the CPUC Broadband Service Map, to assess service levels and needs, there is no mechanism for local government to be able to determine whether the digital divide has narrowed or widened since the 2017 fires, especially because the public tools that are available are based on reporting from private service providers. Current law gives virtually all authority to the State and federal governments to regulate service providers. And because service providers do not disclose current or future infrastructure plans, there is no manner to determine how service levels have changed since the 2017 fires.

The Board of Supervisors agrees with the Acting CEO.

Finding 3. While most County leaders interviewed expressed support for fast and reliable broadband for all County residents, analogous to a utility, few articulated any substantive perspective on how to achieve this goal or what steps have been taken to do so.

The Acting CEO disagrees with this finding. Not until SB 156 was passed last year has there been any substantial paths or funding for local governments like Napa County to expand broadband. Before 2021, there were very limited options for local governments to expand service. With SB 156, for the first time, local governments will be able to compete with service providers to receive infrastructure funds to deploy funds. As such, while SB 156 regulations/guidance were being developed – most of which is still not out – Napa County has been working diligently on developing plans to achieve our broadband goals. While some County leaders have more exposure to Broadband policy than others, it doesn't mean that the Board hasn't received updates regularly, multiple times annually since 2014.

The Board of Supervisors agrees with the Acting CEO.

Finding 4. In the past year, the broadband funding landscape has changed dramatically with Federal and State governments set to distribute billions of dollars through competitive grants to local governments and private providers.

The Acting CEO agrees with this finding.

The Board of Supervisors agrees with the Acting CEO.

Findings 5. The competition for broadband grants from other public entities and Internet Service Providers (ISPs), whose interests may not complement Napa County, is sure to be fierce.

The Acting CEO agrees with this finding.

The Board of Supervisors agrees with the Acting CEO.

Finding 6. Winning broadband grants will require the County to be prepared to compete. This will take extensive planning, adequate staffing, and coordination with County's cities and towns and other stakeholders.

The Acting CEO agrees partially with this finding. Napa County's greatest needs in both broadband access and resiliency are in our more rural, unincorporated areas. While partnerships with municipalities and other agencies, such as schools and state agency first responders are crucial to overall success, our focus has been on efforts that remain within the County and within our jurisdiction, which does not compel carriers to develop or partner on projects, regardless of potential financial incentive to offset build out costs. The above said, "extensive planning, adequate staffing" is required for projects funded through grants to be successful. The County's two consultants, Magellan and CBG, have created both planning and development documents that will continue to be valuable reference points, even as we expand to include dedicated staffing to these efforts in early FY22-23.

The Board of Supervisors agrees with the Acting CEO.

Finding 7. The County's leadership has not devoted sufficient time and resources to broadband strategic planning. Leadership is insufficiently aware of the decisions regarding strategic and tactical options and choices that they will need to soon make and has not demonstrated adequate urgency considering how soon the funding process will begin. Waiting for that process to be fully defined before taking action will leave the County even further behind at the starting gate.

The Acting CEO disagrees wholly with this finding. The Napa County Broadband team reports to the County's leadership on a regular basis. This includes updates to the CEO's Office and to the Board of Supervisors (BOS) through BOS meetings. The Broadband team also provided the County's comments on the California Public Utilities Commission's (CPUC) draft guidelines and rulings, which included comments that would benefit the County more. The Broadband team has also been in communications with other non-elected leadership, such as a potential broadband opportunity involving Public Works and a vendor for broadband coverage in unserved/underserved areas. Napa County has not been waiting for processes and guidelines to be developed to prepare ourselves to be competitive. In fact, as an example, the development of the Action Plan and Roadmap during this last year has positioned us to be able to apply for the first grant, Local Agency Technical Assistance (LATA), made available on July 1, 2022, within weeks of its release.

The Board of Supervisors agrees with the Acting CEO.

Finding 8. Despite recommendations urging it to do so as early as 2018, the County has not developed a broadband strategic plan that sets forth its vision and includes priorities, defines the choices that will need to be made, and provides for personnel and a governance structure.

The Acting CEO agrees partially with this finding. The County has been a member of North Bay North Coast Broadband Consortium (NBNCBC) since 2014, participating in both regional and local meetings with carriers, developers and other interested parties to expand broadband access to all areas. While a strategic plan can help guide agencies, limited funding and existing partnerships with overarching goals, as detailed in quarterly and annual CPUC reports, made this less of a priority. A focus on better understanding the needs of our community through field testing, which continued to expand after 2017, 2019 and 2020 fires plus the Covid pandemic, laid the groundwork for our County to know what should be included in a strategic plan. Additionally, our County signed a Memorandum of Understanding (MOU) with Rural County Representatives of California (RCRC) in summer of 2021 that was meant to support counties in developing a strategic plan. Instead of waiting for the grant award, we began working on the Action plan and Roadmap. RCRC's grant application is still under review. Had we not worked on the Action Plan and Roadmap, we would not be positioned to apply for the LATA grant so early in the process. The County will be pursuing an independent strategic plan, which we anticipate the new Broadband Project Manager (BPM), when hired, to begin working on it later in 2022.

The Board of Supervisors agrees with the Acting CEO.

Finding 9. The County has not taken steps, as recommended by its consultants, to establish a lead County agency or department to review local policies affecting broadband across various County jurisdictions to ensure they are consistent, sensible, and broadband-friendly.

The Acting CEO disagrees wholly with this finding. Even though there isn't an official lead agency, the CEO office has been the oversight/lead on support for and management of increased time and effort for broadband access since 2014; multiple staff members in the CEO office have spent many hours collaborating with consortia counties, service providers, local and regional stakeholders, and assessing the overall areas within the county as its needs have continued to change, and is now hiring a dedicated BPM to manage this very important item. The County has obtained outside expertise/consultants over the last few years to facilitate a roadmap and action plan of needed service and to participate in on going consortiums and other agencies that are spearheading the broadband agenda for this region. This has and will benefit a full-time dedicated BPM that will step into this role with much of the legwork and background assessments identified.

The Board of Supervisors agrees with the Acting CEO.

Finding 10. The County has only allocated part-time staff resources (for whom broadband is only one of many important roles), to work on broadband issues, whereas other similarly situated counties appear better prepared, staffed, and are much further along in their planning processes.

The Acting CEO agrees partially with this finding. While we agree that the County has only allocated part-time staff resources it is important to note that as work increased through the years, additional staff

resources were assigned. Since 2014 the Broadband team has grown from one to five members. Acknowledging that work is only going to continue to increase, the Board approved a full time BPM to lead these efforts. We must disagree with the assertion that other counties are better prepared and much further along in their planning process. Despite not having a full-time staff person (because it wasn't warranted until now) Napa County is prepared to compete. As stated in an earlier finding, the first application for a grant connected to SB 156 became available on July 1 - the CPUC's LATA Grant. The Broadband team with consultants were able to complete the application within weeks, in large part because of the Action Plan and Roadmap that was developed this past year.

The Board of Supervisors agrees with the Acting CEO.

Finding 11. Unlike neighboring counties, the County, its cities and towns, and other stakeholders have only recently started communicating with each other regarding their broadband needs. They do not seem prepared to coordinate strategies, development, the pursuit of grant funding, or project implementation.

The Acting CEO disagrees with this finding. The County began engaging with local municipalities and stakeholders in 2019 during the development of the Napa County Infrastructure Engineering Assessment and the Network Opportunity Analysis Report, which jumpstarted the planning for the current Action Plan and Roadmap. We anticipate more engagement and collaboration now that grants are becoming available, and the Middle Mile network is being designed.

The Board of Supervisors agrees with the Acting CEO.

Finding 12. The NCBP [Napa County Broadband Partnership] does not have a clearly articulated purpose or agenda that is understood by its participants and does not yet appear to be an effective stakeholder group.

The Acting CEO agrees partially with this finding. While the partnership group has not met since November 2021, there were no action items or progress by the CPUC and State to warrant another meeting. Instead, we followed up with partners through a survey in early 2022. As with our municipal partners, we anticipate more frequent engagement and collaboration with our partners now that grants are becoming available.

The Board of Supervisors agrees with the Acting CEO.

Finding 13. While the County's involvement with the RCRC, NBNCBC, and GSCA is positive, the speed with which the County is moving seems to be stuck in an out-of-date paradigm, when State and Federal funds were largely unavailable, and local agencies did not play a significant role in efforts to extend fast and reliable broadband availability.

The Acting CEO disagrees wholly with this finding. While it may have appeared in the past that the speed with which the County was moving was slow, this was primarily due to the CPUC initially showing that the County had 97.3% broadband coverage (CPUC's goal is 98%). With \$30K - \$35K funding provided by the CPUC starting in 2017, the County Broadband team engaged in ground truthing efforts and resident/business surveys on actual broadband coverage. With these results the team refuted claims by

internet service provider of sufficient broadband coverage in nine areas, and provided this data to the CPUC. At this time, the County has added more members to the Broadband team and joined a broadband consortium with neighboring counties, Marin, Sonoma and Mendocino. The speed of broadband work steadily increased after this point.

The Board of Supervisors agrees with the Acting CEO.

Finding 14. There are no established ongoing forums for County residents, businesses, governmental units, schools, medical and emergency response, and others to identify and communicate with County leadership about their broadband needs, except about one-off access or service complaints.

The Acting CEO agrees partially with this finding. NBNBCB's quarterly oversight meetings are an opportunity for the public, businesses or service providers to bring forward concerns, discuss opportunities and better understand the broadband landscape in all member counties. While there are no active stakeholder groups, opportunities for those potential agencies have been significantly limited with virtually no funding to create or facilitate any projects. We anticipate that a more active and engaged community will begin in the fall of 2022 with the addition of a dedicated Napa County position and the first rounds of development funding being released for project development.

The Board of Supervisors agrees with the Acting CEO.

Finding 15. The County has no priorities or queue of broadband projects that are "shovel-ready" for implementation, nor any resources available to identify such projects or supervise their implementation if they are funded.

The Acting CEO agrees partially with this finding. Through the Broadband team's work with CBG, the County recently completed a Broadband Roadmap that identifies potential projects in 13 areas throughout the County. These projects are not "shovel ready" because more work, and funding, is needed in scoping the construction and identifying partners to help scope that work, which includes environmental impact reviews, engineering design and construction cost estimates. The process to have "shovel ready" projects could not have occurred earlier since analysis and studies were required to be completed first. Importantly, preparing shovel ready projects before the State Middle Mile Network locations are identified could have resulted in wasted resources and efforts. Most, if not all, projects in our roadmap are Last Mile, which must be connected to the Middle Mile. We simply couldn't spend time on the former without the latter. It was not until April 2022 that the State Middle Mile Network locations were identified.

The Board of Supervisors agrees with the Acting CEO.

Finding 16. Without proper preparedness to compete for broadband grant funding (including a coherent strategic plan, adequate staffing, resources, and County-wide stakeholder coordination) the County may not be as successful at acquiring funds as it should be, and efforts may remain ad hoc and passive.

The Acting CEO agrees with this finding and maintains that the County is prepared.

The Board of Supervisors agrees with the Acting CEO.

Recommendations:

Recommendation 1. The Board of Supervisors and County Executive should, no later than October 1, 2022, prepare and execute a plan to better educate themselves about broadband issues and the choices that must be made.

Response, Acting County Executive Officer: The recommendation requires further analysis. Broadband policy is highly complex and is constantly changing. To put an arbitrary date on when to educate the BOS and County Executive wouldn't make sense. While there is one member of the BOS appointed to be more involved with Broadband, other members receive regular updates, as needed. We anticipate now that activity is increasing, more regular updates will be given to the entire Board. Finally, in the newly created Broadband Project Manager responsibilities, education and updates to the public, BOS, and CEO is included.

Response, Board of Supervisors: The Board of Supervisors agrees with the Acting CEO.

Recommendation 2. The County should develop and publish a Strategic Plan no later than December 1, 2022, that is not simply a list of possible projects proposed by contractors or private providers, but instead includes, at a minimum, (a) a County vision for broadband that addresses issues like reliability and affordability, (b) the specific broadband access and performance enhancement goals it expects to achieve, (c) the County's priorities (so that, if needed, choices can be made), (d) how the County plans to accomplish those goals, and (e) the County staffing and governance structure to implement and oversee the plan.

Response, Acting County Executive Officer: The recommendation has not yet been implemented. Napa County agrees that with additional funding and development opportunities, the benefit for a strategic plan is important. However, with the first rounds of funding only being released in July (LATA), no Middle Mile projects set to begin in our area imminently and other Last Mile funding unavailable as of yet, a December completion is not paramount. Our roadmap, developed in partnership with CBG, NBNCBC support and the focus that a dedicated position will bring, sets the groundwork for a speedy development. A realistic timeline will begin in 2022, after we hire the BPM, and BOS approved by the end of Q1 2023.

Response, Board of Supervisors: The Board of Supervisors agrees with the Acting CEO.

Recommendation 3. The County should, no later than October 1, 2022, designate a lead agency or department, staff it with knowledgeable full-time resources, including a broadband project manager, and provide an adequate budget to help the County define its vision and priorities, understand grant authorities' policies and application procedures, coordinate with stakeholders, and prepare to compete for State and Federal funding in a well-organized, non-ad hoc fashion.

Response, Acting County Executive Officer: This recommendation has not yet been implemented. As a note, the County Executive Office has been the lead agency since 2014 and will continue in this role going

forward. A recruitment for a dedicated BPM is under way and should be in place by the end of calendar year 2022. Coordination with stakeholders started at the end of 2021 but will continue on a regular basis going forward. Finally, the Broadband team, working with CBG, is prepared to compete with State and federal funding, the first of which is the application of a LATA grant.

Response, Board of Supervisors: The Board of Supervisors agrees with the Acting CEO.

Recommendation 4. The County should, no later than December 1, 2022, create an effective and active stakeholder task force with a written purpose, scope, and timeline understood and agreed to by its members. The task force should (a) actively assist the County in developing a vision and strategic plan that addresses the needs of residents, local agencies, and commercial entities, and (b) help coordinate local partnerships to compete for, acquire, and implement grant funding.

Response, Acting County Executive Officer: This recommendation has not yet been implemented. We believe that an active stakeholder group will help create the vision for our strategic plan and allow for robust grant applications and development opportunities in our County. The timeline for implementation and input by these groups will depend on several factors including our LATA grant application, Middle Mile projects, carrier interest and additional grant opportunities. Because of this, we cannot commit to a December 1 date. However, we believe a better approach is to develop stakeholder engagement strategies through the strategic planning process.

Response, Board of Supervisors: The Board of Supervisors agrees with the Acting CEO.

Recommendation 5. The County should, no later than December 1, 2022, establish and actively foster ongoing forums for County residents, businesses, government, schools, and medical and emergency response entities to provide input and communicate with County leadership about their ongoing broadband access and telecommunication needs.

Response, Acting County Executive Officer: The recommendation has not yet been implemented. Plans and discussions have started on how to better foster and engage with the public, including having a web presence. The Acting CEO agrees with the December 1, 2022 timeline.

Response, Board of Supervisors: The Board of Supervisors agrees with the Acting CEO.