



## Legislation Details (With Board Report)

<b>File #:</b>	A 21-399	<b>Name:</b>	Broadband JPA Referral
<b>Type:</b>	BoS Agreement	<b>Status:</b>	Passed - Information Technology Department
<b>File created:</b>	7/8/2021	<b>In control:</b>	Board of Supervisors
<b>On agenda:</b>	7/20/2021	<b>Final action:</b>	7/20/2021

**Title:** Consider the report outlined below, in response to Board Referral No. 2021.08 to explore potential of creating a Monterey County Broadband Joint Powers Authority (JPA) to facilitate regional governance, strategy, collaboration and partnerships on expanding broadband access and closing the digital divide throughout Monterey County.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Board Referral 2021.pdf, 3. Board Presentation, 4. Item No. 17 Addressing Digital Divide Referral, 5. Item No. 17 Broadband JPA Referral, 6. Completed Board Order Item No. 17

Date	Ver.	Action By	Action	Result
7/20/2021	1	Board of Supervisors	approved - information technology department	Pass

Consider the report outlined below, in response to Board Referral No. 2021.08 to explore potential of creating a Monterey County Broadband Joint Powers Authority (JPA) to facilitate regional governance, strategy, collaboration and partnerships on expanding broadband access and closing the digital divide throughout Monterey County.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Receive the report outlined below in response to Board Referral No. 2021.08.
- b. Provide directions on the next steps regarding this referral based on ITD’s findings and recommendations:
  - 1) ITD will form a community broadband Task Force group with an initial memorandum of understanding (MOU) to develop a shared vision on regional broadband effort, appropriate governance structure and a broadband strategic plan.
  - 2) The Task Force group will include ITD, community partners such as CCBC and MBEP, interested cities, agencies, and school districts.
  - 3) The Task Force will:
    - a. Collaborate on broadband needs and identify regional coverage gaps.
    - b. Create a Monterey County strategic broadband plan.
    - c. Present at City Select Committee and Tri-County Administrators’ meeting to gather interest from other cities and agencies.
    - d. Agree and implement the appropriate type of governance body.
  - 4) Provide further direction, as appropriate.

**SUMMARY:**

Monterey County IT department received Board referral #2021.08 on May 18, 2021 to explore the potential of creating a Monterey County Broadband Joint Powers Authority to facilitate regional governance, strategy, collaboration, and partnerships on expanding broadband access and closing the digital divide throughout

Monterey County.

On June 8, 2021, Board approved considerations for additional community broadband governance structures which include 1) a broadband board, 2) a JPA to contract and jointly exercise common powers, or 3) a JPA in the form of a separate legal entity.

ITD discussed with regional partners on community broadband, completed its analysis, and would like to receive Board's directions on the next steps regarding this referral based on ITD's findings and recommendations:

- 1) ITD will form a community broadband Task Force group with an initial memorandum of understanding (MOU) to develop a shared vision on regional broadband effort, appropriate governance structure and develop a broadband strategic plan.
- 2) The Task Force group will include ITD, community partners such as CCBC and MBEP, interested cities, agencies, and school districts.
- 3) The Task Force will:
  - a. Collaborate on broadband needs and identify regional coverage gaps.
  - b. Create a Monterey County strategic broadband plan.
  - c. Present at City Select Committee and Tri-County Administrators' meeting to gather interest from other cities and agencies.
  - d. Agree and implement the appropriate type of governance body.

## ANALYSIS:

### **Background:**

With unprecedented federal and state funding that will soon be allocated to address the digital divide and expand broadband access throughout California, including federal American Rescue Plan Act (ARPA) funding, a record state budget allocation this year and a potential \$10 billion broadband bond in 2022, there is an immediate need for local governments, including the Board of Supervisors, cities, school districts, special districts, universities and other community partners and institutions, to create a governance structure to better facilitate regional strategy, collaboration and partnerships on expanding broadband access and closing the digital divide throughout Monterey County. There is also a need to also devise a strategic plan to expand access and digital literacy, and to facilitate affordability rates for county residents. The governance structure should have equitable geographic representation from Salinas, North County, South County, and the Peninsula, and place a priority for unserved, underserved, and disadvantaged communities with the greatest needs and challenges in the county.

Monterey County IT department received Board referral #2021.08 on May 18, 2021 to explore the potential of creating a Monterey County Broadband Joint Powers Authority to facilitate regional governance, strategy, collaboration, and partnerships on expanding broadband access and closing the digital divide throughout Monterey County.

### **Project Description:**

The Joint Exercise of Powers Act, as codified in California Government Code section 6500, governs Joint Powers Authorities. The Act authorizes two kinds of JPA arrangements. The first allows two or more public agencies to contract to jointly exercise common powers. This type of JPA is not a separate legal entity and

cannot own properties or issue bonds. The second allows two or more public agencies to form a separate legal entity. This new entity has independent legal rights, including the ability to enter contracts, hold property and sue or be sued. However, it requires ongoing staffing and funding commitment.

On June 8, 2021, On June 8, 2021, Board received preliminary analysis report on this referral, and approved considerations for additional community broadband governance structures which include 1) a broadband board, 2) a JPA to contract and jointly exercise common powers, or 3) a JPA in the form of a separate legal entity. ITD has been working diligently with regional partners including Monterey Bay Economic Partnership, Central Coast Broadband Consortium, City of Salinas, City of Gonzales, Monterey County of Education, on multiple topics of discussion for the purpose of sustainable community broadband development.

Topics of discussion include:

1. Identify sustainable broadband issues that the proposed JPA aims to solve.
2. Identify a sustainable community broadband operational model.
3. Lessons learned from previous regional effort on trying to solve community broadband issues.
4. The most appropriate governance structure for the development of community broadband infrastructure in Monterey County
5. Best practices handling community broadband issues with multiple local government agencies.

During those discussions, regional partners have shown varying broadband interests and areas of focus. As a matter of fact, there is a broadband workforce group being developed with Salinas Valley cities, Hartnell College and County Office of Education.

ITD also worked with County Counsel and BB&K, an expert on broadband, cable, franchise and JPAs. It is estimated that it will take roughly about 30 attorney hours for an initial JPA agreement draft, and at least 6-12 months to finalize the set up.

At the same time, there are significant development on State budget related to broadband. The currently proposed State budget includes a \$6 billion plan for broadband infrastructure and improved access to broadband over a multi-year period. The plan includes \$3.75 billion for a statewide open-access middle-mile network, \$250 million for a loan-loss reserve to leverage additional investment, and \$2 billion for last-mile projects.

Of the \$6 billion, \$4.3 billion comes from the American Rescue Plan Act and \$1.7 billion is General Fund. The entire middle-mile appropriation is in the budget year, while the other pieces are contingent on further legislation, the details of which will continue to be negotiated between the Legislature and the Governor. In addition to this infrastructure package, the budget also provides \$6 million for public libraries for the Broadband Connectivity initiative, as well as \$35 million, available until June 30, 2025, for local projects to expand broadband access for isolated and under-served communities through a collaborative partnership of local education agencies, regional and local libraries, and telehealth providers.

ITD would like to receive Board's directions on the next steps regarding this referral based on ITD's findings and recommendations:

- 1) ITD will form a community broadband Task Force group with an initial memorandum of understanding (MOU) to develop a shared vision on regional broadband effort, appropriate governance structure and develop a broadband strategic plan.
- 2) The Task Force group will include ITD, community partners such as CCBC and MBEP, interested cities, agencies, and school districts.
- 3) The Task Force will:
  - a. Collaborate on broadband needs and identify regional coverage gaps.

- b. Create a Monterey County strategic broadband plan.
- c. Present at City Select Committee and Tri-County Administrators' meeting to gather interest from other cities and agencies.
- d. Agree and implement the appropriate type of governance body.

**Estimated Project Cost:**

It is estimated that it will take roughly about 30 attorney hours for an initial JPA agreement draft, and at least 6-12 months to finalize the set up. The initial cost will be around \$15K which does not include staff time. ITD will return to Board with additional cost if there is any.

**Staffing Level Estimate:**

No additional staff is needed.

**Departmental Challenges:**

Community broadband challenge is about coming up with a sustainable, and executable public and private partnership model that will benefit Monterey County residents for the long run, while producing quick and measurable outcomes. As such, ITD will continue working on the approved community broadband projects and deliver community broadband services to County constituents while working on a functional regional community broadband governance structure.

**Proposed Response Date:**

ITD will provide Board with quarterly update.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The pandemic has underscored the critical utility of broadband infrastructure. From the homework gap and workforce adaptation to essential healthcare services and e-commerce, broadband is now the keystone to our nation's response to the global pandemic and imperative to building resilient and future-ready communities. The lack of reliable broadband is a major economic barrier and a leading driver of socioeconomic inequality. County's goal is to ensure that every resident in Monterey County, regardless of their circumstances, could access broadband. The ability to do so will pay dividends far beyond the current crisis we find ourselves in. With unprecedented federal and state funding that will soon be allocated to address the digital divide and expand broadband access throughout California, including federal American Rescue Plan Act (ARPA) funding, a record state budget allocation this year, there is an immediate need for local governments, including the Board of Supervisors, cities, school districts, special districts, universities and other community partners and institutions, to create a governance structure to better facilitate regional strategy, collaboration and partnerships on expanding broadband access and closing the digital divide throughout Monterey County.

- X Economic Development
- \_\_ Administration
- X Health & Human Services
- X Infrastructure
- \_\_ Public Safety

Prepared by: Alex Zheng, Division Manager, ITD

Approved by:

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Eric A. Chatham, Director of Information Technology, 759-6920

Attachments:  
Board Referral No. 2021.08  
Board Presentation