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City Manager's Report
January 13, 2025, City Council Meeting
Prepared by: Dave Warren, City Manager
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Item #: 12.3

Subject: Acknowledge and file a status update presentation on the Broadband Fiber Optics, Phase I project (CIP #42340/425091).

Recommendation:

Acknowledge and file a status update presentation on the Broadband Fiber Optics, Phase I project (CIP #42340/425091).

Purpose:

To provide a status update on the Broadband Fiber Optics, Phase I project (CIP #42340/425091) to the City Council and the Public.

Strategic Plan Strategy:

Infrastructure-Maintain and improve infrastructure and facilities to provide a safe community. Strategy 2-Broadband C. Establish and expand Broadband to all businesses, services, and residents to support a localized live/work environment within the City.

Background:

At its October 22, 2024 meeting (Agenda Item # 12.2), the City Council adopted Resolution No. 9372 (1) approving and accepting the award by the CPUC for the Last Mile Federal Funding Account Grant (Resolution T-17845, hereinafter referred to as "Grant") in the amount of \$20,198,943 for CIP #42340, (2) approving a budget appropriation for an equal amount for the Grant, and (3) authorizing the City Manager, City Attorney, and City Clerk to execute any documents necessary to secure the Grant. Additional details concerning this Resolution can be found in the City Manager's Report accompanying Agenda Item # 12.2 (Oct. 22, 2024).

At that same October 22, 2024 meeting (Agenda Item # 12.3), the City Council adopted Resolution No. 9373 authorizing the City Manager to negotiate and execute a Master Services Agreement with EntryPoint Networks, Inc. (EntryPoint) to provide project management, construction, and operational services related to the deployment of fiber-optic communications infrastructure and advanced networking solutions for CIP #42340. Additional details concerning this Resolution can be found in the City Manager's Report accompanying Agenda Item # 12.3 (Oct. 22, 2024).

On November 12, 2024 the Council adopted a resolution approving the Master Services Agreement with Entrypoint Networks, Inc. in the amount of \$20,198,943. The Master Services Agreement outlines the necessary work orders to implement the grant requirements. These include the following:

- Project and Construction Management Services
- Software as a Service
- Networks Operations Center Services
- Billing Services
- Professional Services

Discussion:

As has been extensively discussed by the City Council and staff, CIP #42340/425091 will provide a unique and critical end product in the form of fiber optic broadband connectivity to an estimated 264 unserved locations. Deploying approximately 20 miles of last-mile open-access network infrastructure using an underground network to ensure long-term (30+year) viability, the project will provide a low-cost plan providing up to 1/1 gigabyte per second symmetrical service. There are approximately 469 unserved units in the project area, including 116 unserved Multiple Dwelling Unit locations representing an estimated 315 unserved units which represents an estimated unserved population of 1,301 residents. Furthermore, an additional 2,145 residents will benefit from this investment in the Placerville community. In short, the criticality of CIP #42340/425091 to the City and its residents—and the Grant issued to fund same—cannot be overstated.

At its meeting held on April 8, 2025, the City Council authorized staff to negotiate Work Order No. 1 in accordance with the Master Services Agreement with Entrypoint Networks, Inc. for underground construction, splicing, testing, individual parcel drops, and hut and cabinet installation. Staff was also authorized to open a joint escrow account with Entrypoint Networks, Inc. and negotiate an escrow agreement with U.S. Bank National Association for payment to Entrypoint Networks, Inc.

The City Council selected Advanced Stream Broadband and SUMOFIBER as inaugural Internet Service Providers (ISPs) for the initial launch of the City Broadband Fiber Network and authorized the City Manager to negotiate and execute a Service Level Agreement with each ISP.

Since that time, Entrypoint Networks, Inc. and their subcontractor, Fibertel, have completed the construction of the first segment along Placerville Drive from Armory Drive to Fairlane. Entrypoint Networks, Inc. is also in the process of completing the low level design for the remainder of the overall project. Tonight, staff will provide a status update on the overall project and estimated timelines for the remaining segments.

Options:

1. Acknowledge and file the presentation as recommended by staff.
2. Take no action.

Environmental:

As part of the grant application, the City was required to perform CEQA analysis for the project. Then Director of Development Services, Pierre Rivas, made the determination that the project was Categorically Exempt.

Cost:

There is no cost associated with tonight's action.

Budget:

There is no budget impact associated with tonight's action.



Dave Warren, City Manager

Attachment:

- A. Presentation