

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**RESOLUTION T- 17701
July 16, 2020**

RESOLUTION

Resolution T- 17701: Authorizes the release of California Advanced Services Fund grant monies to Happy Valley Telephone Company dba TDS Telecom (U-1010-C) to construct the Olinda Last Mile Underserved Broadband Project and approves the Initial Study Mitigated Negative Declaration prepared in compliance with the California Environmental Quality Act for the Olinda Last Mile Underserved Broadband Project.

I. SUMMARY

This Resolution authorizes the release of California Advanced Services Fund (CASF) grant monies approved by Resolutions T- 17441 and T-17517 to Happy Valley Telephone Company dba TDS Telecom (TDS) to construct the Olinda Last Mile Underserved Broadband Project in Shasta County. This Resolution also approves the Initial Study/Mitigated Negative Declaration (IS/MND) prepared in compliance with the California Environmental Quality Act (CEQA)¹ for the Olinda Last Mile Underserved Broadband Project.

II. BACKGROUND

On October 3, 2013, the California Public Utilities Commission (Commission) adopted Resolution T- 17411, authorizing a CASF grant of \$1,833,689 to TDS to construct the Olinda Last Mile Underserved Broadband Project subject to the Commission's completion of CEQA review.

¹ 1 Section 21000 *et seq.* of the California Public Resources Code [PRC] and the State CEQA Guidelines (Title 14, Section 15000 *et seq.* of the California Code of Regulations [14 CCR 15000 *et s*

On May 12, 2016, the Commission adopted Resolution T-17517 conditionally approving additional CASF funding of \$399,853.20 or \$462,978 to TDS to complete the Olinda Last Mile Underserved Broadband Project CEQA review. The final cost was dependent on whether a full Environmental Impact Report or a Mitigated Negative Declaration (MND) was appropriate, which could not be determined until the Energy Division's CEQA Team's consultant, Ecology & Environment, Inc. (E&E) conducted an initial environmental review. After the approval of Resolution T-17517 and the completion of the initial environmental review it was determined that an MND was the appropriate review document, thus the appropriate additional funding for CEQA review is \$399,853.20.

The proposed project area is located approximately 11 miles south of the city of Redding. The project will extend high-speed internet service to communities in Happy Valley, Olinda, Igo, and other areas of southwestern unincorporated Shasta County. The project will improve existing internet speeds by implementing second-generation, very-high-bit-rate digital subscriber line (VDSL2) technology² at its central office as well as at numerous existing and proposed digital loop carrier sites over a 19.86 square mile area.

When completed, the project will reach an estimated 1,908 households and seven anchor institutions at maximum advertised speeds of 25 Mbps download / 5 Mbps upload, which is above the served threshold of 6 Mbps/ 1.5 Mbps. TDS estimates the project will initially yield 520 potential subscriber households.

Resolution T-17411 specified that: "The applicant must provide the Proponent's Environmental Assessment (PEA) prior to the first 25% payment unless the project is statutorily or categorically exempt from CEQA requirements..." and "The Commission must complete CEQA review prior to disbursing CASF funds for construction activities."³ TDS submitted a PEA to the Energy Division on August 5, 2015.

III. ENVIRONMENTAL COMPLIANCE DISCUSSION

As the lead agency under CEQA, the Commission prepared an Initial Study/Mitigated Negative Declaration (IS/MND) for the project, with technical assistance from E&E. The Commission completed and published the IS/MND on October 7, 2019.

² VDSL2 is an access technology that delivers improved high-speed internet access capable of voice, video and data streaming, utilizing fiber facilities to the node and copper wire facilities to the customer premise.

³ Resolution T-17411, pp. 7 & 12.

The Olinda Last Mile Underserved Broadband Project is linear with definitive starting and ending points; cable and associated infrastructure will be placed along an existing right-of-way within the bed or shoulder of established roadways between Igo and the applicant's central office in Happy Valley. The topography in the proposed project area is relatively flat, and land use in the area is generally classified as rural residential and agricultural (e.g., orchards and grazing).

The project will consist of the following components:

- The installation of approximately 15.3 miles of VDSL2 fiber-optic cable and associated equipment capable of providing service at speeds of 25 Mbps/5 Mbps.
- The construction of seven new Digital Loop Carrier (DLC) remote terminal sites and the renovation of up to six existing sites. Each DLC site will consist of an equipment cabinet; a large, partially buried vault (handhole); and a cross-connect box. Equipment cabinets will be installed on top of the buried handholes with gravel placed in a 20-square-foot area around each equipment cabinet.

The Commission released a Notice of Intent to Adopt a Draft Initial Study/Mitigated Negative Declaration (Draft IS/MND) for the proposed project on April 30, 2019 (State Clearinghouse No. 2019049174). The public comment period for this document was April 30, 2019 to May 31, 2019. Following the end of the public comment period, Commission Staff reviewed responses to all comments on the Draft IS/MND and revised the document as needed. The Final IS/MND for the Olinda Last Mile Underserved Broadband Project was published in October 2019 (State Clearinghouse No. 2019049174) and is available on the project website at:

<https://www.cpuc.ca.gov/environment/info/ene/olinda/olinda.html#FinalISMND>

The Commission has reviewed the Olinda Last Mile Underserved Broadband Project Final IS/MND and finds that the project will have no significant effects on the environment. The Commission finds that the contents of the Final IS/MND and the procedures to prepare, publicize, and review comply with CEQA requirements. The IS/MND correctly identifies the potential impacts and includes the appropriate mitigation measures to minimize the impacts of the Project. All required mitigation measures identified in the IS/MND and contained in the Mitigation Monitoring and Reporting Program (MMRP) are included as conditions of approval of the Project.

IV. RELEASE OF CASF FUNDS

Resolution T- 17411 awarded TDS a CASF grant of \$1,833,689 to construct the Olinda Last

Mile Underserved Broadband Project contingent on compliance with applicable environmental requirements.⁴ Resolution T- 17517 awarded additional CASF funding of either \$399,853.20 or \$462,9781 to cover cost overruns and complete the Project’s environmental review. Given the Commission Staff’s conclusions as discussed in the prior section, TDS has satisfied the CEQA Compliance Requirements stated in Resolution T-17411 and T- 17517. Therefore, the Commission authorizes the release of \$2,233,542.20 in CASF grant funds, consisting of \$1,833,689 for the construction of the Olinda Last Mile Underserved Broadband Project and \$399,853.20 in additional funds for the environmental review, in accordance with the scope and budget specifications provided in Resolutions T-17411 and T- 17517.

V. SAFETY IMPACT

The Olinda Last Mile Underserved Broadband Project area is in a high-risk fire area. Improved broadband speeds will facilitate the transmission of data and communications among first responders and other emergency services personnel. The project area includes one first responder agency that would likely benefit from improved broadband, the Igo/ Ono Volunteer Fire Company #50 for the Shasta County Fire Department.

VI. COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code, §311(g), a notice letter was emailed on June 12, 2020, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution at the Commission’s documents website at <http://www.cpuc.ca.gov/documents/>, and of the opportunity to comment. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website. The Commission received no public comments.

VII. FINDINGS

1. Resolution T-17411 (adopted October 3, 2013) conditionally authorized a CASF grant of \$1,833,689 to TDS to construct the Olinda Last Mile Underserved Broadband Project, subject to the Commission’s completion of CEQA review.
2. Resolution T-17517 (adopted May 12, 2016) conditionally authorized additional CASF funding of \$399,853.20 or \$462,978 to TDS to cover cost overruns and complete the Olinda Last Mile Underserved Broadband Project CEQA review.
3. The Commission conducted an initial review and determined that an MND was

⁴ Resolution T-17411 p. 7.

the appropriate CEQA review document; thus, the appropriate additional funds for CEQA review are \$399,853.20.

4. As the lead agency under CEQA, the Commission prepared an IS/MND for the Olinda Last Mile Underserved Broadband Project.
5. The Olinda Last Mile Underserved Broadband Project Final IS/MND (State Clearinghouse No. 2019049174) is complete and in compliance with CEQA. Further, it is adequate for the Commission's decision-making purposes.
6. The proposed project will have no significant effects on the environment with the incorporation of the mitigation measures identified and listed in the MMRP.
7. TDS will implement the measures contained in the MMRP as conditions of project approval and has adopted a system to document and verify MMRP implementation.
8. The Final IS/MND reflects the Commission's independent judgment and analysis on the issues addressed by the IS/MND.
9. TDS satisfies the conditions required to release funds for the construction of the Olinda Last Mile Underserved Broadband Project, as set forth in Resolutions T- 17411 and T- 17517.
10. TDS must comply with all provisions in Resolutions T- 17411, T- 17517, and T- 17701.
11. A notice letter was e-mailed on June 12, 2020, informing all parties on the CASF distribution list of the availability of the draft of this Resolution at the Commission's website <http://www.cpuc.ca.gov/documents/>, and of the opportunity for comment. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website. The Commission received no public comments.

THEREFORE, IT IS ORDERED THAT:

1. The Commission authorizes \$2,233,542.20 in CASF grant funds to be released for the construction of the Olinda Last Mile Underserved Broadband Project, in accordance with the scope, budget specifications, and payment guidelines provided in Resolutions T-17441 and T- 17517.
2. TDS shall comply with all guidelines, requirements, and conditions specified in D.12- 02-015, D.14-02-018, Resolutions T-17441, T- 17517 and T- 17701.

3. In the event that TDS fails to complete the project in accordance with the terms of approval granted by the Commission in Resolutions T-17411, T- 17517 and T-17701, TDS may be required to reimburse some or all of the CASF funds that it has received
4. The Final Mitigated Negative Declaration for the Project is adequate for the Commission's decision-making purposes and is hereby adopted pursuant to the California Environmental Quality Act Guidelines and the Public Resources Code.
5. The Energy Division may approve requests by TDS for minor project refinements that may be necessary due to final engineering of the Project, so long as such minor project refinements are located within the geographic boundary of the study area of the Final Mitigated Negative Declaration and do not, without mitigation, result in a new significant impact or a substantial increase in the severity of a previously identified less-than-significant impact, based on the criteria used in the environmental document, conflict with any applicable operational activity, design element, law or policy, or trigger an additional discretionary permit requirement. TDS shall seek any other project refinements by a petition to modify this resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 16, 2020. The following Commissioners approved it:

/s/ALICE STEBBINS

Alice Stebbins
Executive Director

MARYBEL BATJER
President
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
Commissioners