

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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

**RESOLUTION T-17674  
December 5, 2019**

**RESOLUTION**

**Resolution T-17674** Approval of funding for the grant application of Cruzio Media, Inc. (U-7150-C), from the California Advanced Services Fund (CASF) up to the amount of \$2,445,153 for the Equal Access Santa Cruz Project for unserved areas in Santa Cruz County.

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**SUMMARY**

This Resolution approves \$2,445,153 in funding from the California Advanced Services Fund (CASF) Infrastructure Grant Account for the grant application of Cruzio Media, Inc. (Cruzio), to construct the Equal Access Santa Cruz Project. Cruzio proposes to deploy last-mile fiber-to-the-home (FTTH) facilities that will enable high-speed broadband service at speeds of at least 1 gigabit per second (Gbps) download and 1 Gbps upload to 263 unserved households located within seven mobile home park businesses in the Soquel/Capitola region of Santa Cruz County, California.

**BACKGROUND**

The CASF Infrastructure Grant Account (CASF Infrastructure) assists Internet service providers to build or upgrade broadband infrastructure in areas that are unserved by existing broadband providers. The CASF program was initiated in 2008, after the program was first adopted by the California Public Utilities Commission (Commission) in Decision (D.)07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)<sup>1</sup> into law. That legislation amended the statute governing the CASF program, Public Utilities Code, §281. The Commission issued D.18-12-018 implementing AB 1665 and adopting

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<sup>1</sup> AB 1665 is codified at Public Utilities Code, §281.

the programmatic changes to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure Grant Account.<sup>2</sup>

**On May 1, 2019, Cruzio submitted a CASF Infrastructure application, requesting 100 percent funding of \$5,347,147 to deploy last-mile FTTH facilities that would enable provision of broadband Internet service at speeds of 1 Gbps download and 1 Gbps upload to 940 unserved households and business offices of 13 mobile home parks in the areas of Soquel, Pleasure Point and Capitola in Santa Cruz County.** In its application, Cruzio disputed the California Interactive Broadband Map's (Broadband Map) depiction of served status for 15 census blocks.

Cruzio Media, Inc. is part of the Cruzio Internet family of companies. Cruzio is a privately held company that includes The Internet Store, Inc. DBA Cruzio, Cruzio Media, Inc., and Santa Cruz Fiber Inc. Founded in 1989, Cruzio is an independent internet service provider in California that offers fixed wireless and fiber internet service to Santa Cruz County.

## **NOTICE**

On May 15, 2019, Staff posted the proposed project area map, census blocks (CBs) and zip codes for the Equal Access Santa Cruz County Project on the Commission's CASF webpage<sup>3</sup> under "CASF Application Project Summaries" and sent notice regarding the project to its CASF Distribution List.<sup>4</sup>

## **PROTESTS/CHALLENGES**

On June 5, 2019, Charter Communications, Inc. (Charter) and Comcast challenged the application stating that they have already deployed facilities and have subscribers in some of the census blocks in the project area.

The outcome of the two challenges is addressed in the Discussion, Section I, Project Area Eligibility.

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<sup>2</sup> The Commission extended the CASF Infrastructure application deadline from April 1 to May 1, 2019, and all subsequent deadlines are moved back by one month. Assigned Commissioner's Ruling R.12-10-012, March 14, 2019.

<sup>3</sup> <https://www.cpuc.ca.gov/General.aspx?id=1040>

<sup>4</sup> <https://www.cpuc.ca.gov/General.aspx?id=8246>

## DISCUSSION

In compliance with D.18-12-018, Staff determined Cruzio's Equal Access Santa Cruz Project is eligible to receive \$2,445,153 in CASF Infrastructure grant funding. Cruzio is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF Infrastructure funds. Payments to Cruzio will be made in accordance with Public Utilities Code, §281(f)(11).

Details of Staff analysis are explained in the following sections:

- I. Project Area Eligibility
- II. Minimum Performance Criteria
- III. Funding Determination
- IV. Community Support
- V. Compliance Requirements
- VI. Payment to CASF Recipients

Key project information and maps are shown in Appendix A and B.

### **I. Project Area Eligibility**

Staff requested Cruzio to revise its original application based on the determination of successful challenges submitted by Charter and Comcast. The revised Equal Access Santa Cruz Project Summary was posted on the Commission's webpage on October 1, 2019. Based on Cruzio's revised application, staff determined the Project is eligible for a CASF Infrastructure grant. No provider filed a "right of first refusal" for Cruzio's project area by January 15, 2019, nor does the proposed project area include census blocks identified by the Federal Communications Commission's (FCC) Connect America Fund Phase II program.

**Cruzio revised its proposed project area to remove served census blocks.** Only areas that are unserved are eligible for a CASF Infrastructure grant. Unserved means there is no provider offering access speeds of 6 Mbps downstream and 1 Mbps upstream. In its original application, Cruzio claimed that there are 940 unserved households located within 37 census blocks in the project area. Cruzio disputed the Broadband Map's depiction of served status for 15 census blocks and claimed certain portions of the census blocks should be considered unserved.

Both Charter and Comcast challenged Cruzio's assertion and insisted that the 15 census blocks depicted as served on the Broadband Map are already served and therefore

ineligible for CASF funding. Staff investigated the challenge and asked Cruzio to provide information to support its claim and Cruzio could not substantiate its assertion. As a result, Staff requested that Cruzio remove the 15 served census blocks from the application.

Charter and Comcast also challenged the application stating the company provides broadband availability at served speeds in four census blocks. Based on customer address and billing information submitted by Charter and Comcast, Staff determined that three census blocks in the proposed project area were already served and directed Cruzio to revise its application.

Cruzio submitted a revised project proposal that includes revised cost estimates and the removal of seven other census blocks from the project area due to the low number of households. In its revised application, Cruzio proposes to serve 12 census blocks in the Santa Cruz area for an estimated cost of \$2,445,153. Table 1, below, compares Cruzio's Original Application to the Revised Application.

**Table 1: Comparison of Cruzio's Original Application to the Revised Application**

	Unserved Households	Census Blocks	CASF Infrastructure Grant Funding
Cruzio's Original Application	940	37	\$5,347,147
Cruzio's Revised Application	263	12	\$2,445,153

**Cruzio's revised application is eligible for a CASF grant.** There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area and the area only has access to dial-up.<sup>5</sup>

**II. Minimum Performance Criteria**

Based on Staff's review, the Equal Access Santa Cruz Project meets the minimum performance criteria pursuant to D. 18-12-018, Appendix 1, Section 6 as summarized in Table 2.

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<sup>5</sup> Dial-up provides speed less than 200 Kbps downstream and 200 Kbps upstream.

**Table 2. Minimum Performance Criteria**

	CASF Requirement	Equal Access Santa Cruz Project
<b>Project Completion</b>	CEQA-exempt projects must be completed within 12 months, and all other projects shall be completed within 24 months after receiving authorization to construct	12 months (CEQA exempt)
<b>Pricing</b>	Prices committed for two years after completion of the project	5-year commitment for low-income pricing. 2-year commitment for the other plans.
<b>Speeds</b>	At least 10/1 Mbps	1 Gbps/1Gbps
<b>Latency</b>	Maximum of 100 ms of latency	1-2 ms
<b>Data Caps</b>	Minimum of 190 GBs per month	No data cap
<b>Affordability</b>	Must offer low-income plan	Yes – Basic (Low-Income) Plan

**The Equal Access Santa Cruz project is categorically exempt from CEQA**, pursuant to CEQA Guidelines sections 15301 (Existing Facilities), 15304 (Minor Alterations to Land), and 15303 (New Construction or Conversion of Small Structures). Cruzio proposes to build approximately 7.5 miles of new underground fiber to deploy last-mile FTTH facilities to the business operations and the unserved households in the mobile home parks. The entire project consists of entirely new conduit in existing urban roadways and disturbed ground. The underground fiber will be located along existing public rights-of-way that includes existing highways, streets, sidewalks, gutters, paved bicycle and pedestrian trails to reach the mobile home parks. The construction will employ micro-trenching technology on existing streets. Cruzio will connect to the Sunesys/Crown Castle middle-mile fiber to deploy the last-mile FTTH facilities.

Cruzio has committed to a broadband pricing plan under the terms shown below in Table 3 for two years, but to encourage further adoption, will offer the Basic (Low-Income) pricing for a minimum of five years, starting from the beginning date of service. There is no long-term commitment required of the consumer. Activation and installation fees will be waived.

**Table 3: Broadband Pricing Plan**

<b>Tier</b>	<b>Upload/Download (Mbps)</b>	<b>Price</b>	<b>Set Up Fee</b>
Basic (Low Income)	40/40	\$14.95/mo	\$0
Starter	100/100	\$84.95/mo	\$0
Pro	1000/1000	\$109.95/mo	\$0

Proposed speed offerings (up to 1000 Mbps download and up to 1000 Mbps upload<sup>6</sup>) meet the 10/1 minimum performance requirement. The project will provide initial symmetrical speeds of 1 Gbps (1 Gbps upload, 1 Gbps download) with the ability to scale to 10 Gbps and beyond as needed.

**III. Funding Determination**

**Cruzio is eligible to receive 100 percent funding for its Equal Access Santa Cruz Project.** AB 1665 authorizes the Commission to award grants to fund all or portion of the project and requires that it determine, on a case-by-case basis, the level of funding to be provided.<sup>7</sup> Staff used the statutory factors for consideration of the grant funding level, as described by Public Utilities Code, §281(f)(13) and 281(b)(2)(B)(i), and by CASF rules adopted in D.18-12-018. Based on those factors, Staff determined Cruzio’s request of a 100 percent funding level is appropriate; and thereby recommends a CASF Infrastructure grant of \$2,445,153 for the project. Table 4, below, summarizes Staff’s funding level determination for the project.

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<sup>6</sup> 1000 Mbps=1 Gbps

<sup>7</sup> Pub. Util. Code, §281(f)(13). See Bill Analysis prepared by California Assembly Committee on Conveyance, April 26, 2017, p.4. “Arguably since the creation of CASF, most areas that have been served by CASF funds are projects in which applicants feel that their cost, combined with CASF funds, warrant an investment in deploying broadband in such areas. However, this leaves most of the remaining unserved areas of state, mostly in rural and small communities, still without broadband connectivity due to the lack of investment by providers who feel that the difficulties associated with deploying and maintaining such a network in the area for a limited amount of potential customers, even combined with CASF funds, would not result in a positive return on investment. Arguably, the remaining unserved households potentially are households in which even a 70% total cost CASF grant still does not provide enough incentive for a provider to build. Hence, CPUC should consider awarding grants that offer funding for 100% of total costs when warranted.”

**Table 4. Criteria for Project Funding Level for Cruzio**

Funding Criteria	Equal Access Santa Cruz Project
Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (40%)—no fixed or mobile broadband	0%
Low Income - up to 40% <ul style="list-style-type: none"> <li>• Median Household Income for community is less than CARE standard for family of 4, which is currently \$50,200 (30%)</li> <li>• Applicant serves low-income customers for no more than \$15/month (10%)</li> </ul>	30%  10%
Others: PU Code Sec 281 (f)(13) Criteria - up to 20% <ul style="list-style-type: none"> <li>• Inaccessible Location (10%)</li> <li>• Uses Existing Infrastructure (10%)</li> <li>• Makes a Significant Contribution to the Program Goal (10%)</li> </ul>	10%
<b>Total Funding Level</b>	<b>100%<sup>8</sup></b>

Details of the appropriate funding level are described below.

**Baseline for Eligible Project qualifies for 60 percent funding level.** The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified project area of the Equal Access Santa Cruz project meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference does not qualify for funding level.** Public Utilities Code, §281(b)(2)(B)(i) encourages the Commission to give preference to projects in areas with no Internet connectivity or where Internet connectivity is available only through dial-up service and are not served by any form of wireline or wireless facility-based broadband service. According to the Broadband Map, all of the proposed project areas are unserved by wireline or fixed wireless broadband service; however, Staff discovered all of the project area has access to mobile service. Mobile data qualifies as “internet connectivity.”

<sup>8</sup> D.18-12-018 Table 1. Summary of Funding Level Determinations – Maximum funding level is 100 percent.

**Low Income consideration qualifies for 40 percent funding level.** According to the Broadband Map, the average median household income of the census block groups in the proposed project area is \$57,677.25. Although the median household income of the project area is above the \$50,200 CARE standard for a family of four, Staff believes the census block group data overestimates the median household income of residents in the mobile home parks because it includes non-mobile home park residents. Information provided by Cruzio, indicates that the residents of the mobile home parks are significantly less affluent than the population of the surrounding communities. According to the U.S. Census Bureau American Housing Survey, the median household income of mobile home households is \$33,000<sup>9</sup> and the median household income of mobile home households in metro Santa Cruz is \$48,700.<sup>10</sup> Staff believes that the project meets the low-income threshold, and therefore receives the 30 percent funding. Cruzio is also offering a low-income service plan for \$14.95/month and is therefore eligible for an additional 10 percent funding.

**Other Factor Considerations qualifies for 10 percent funding level.** The Equal Access Santa Cruz Project meets one of the three “Other Factor” criteria and qualifies for the corresponding additional 10 percent funding. Staff determined the project makes a significant contribution to the program goal and is eligible for an additional 10 percent funding. Specifically, the Central Coast Broadband Consortium region to which the Equal Access Santa Cruz Project belongs is at 92.7 percent,<sup>11</sup> which is below the goal of deploying broadband Internet service at served speeds to 98 percent of households in the consortia region.

#### **IV. Community Input Considerations**

The Equal Access Santa Cruz project proposes to serve low-income and disadvantaged households in the Mobile Home Parks in the Soquel/Capitola region. According to Cruzio, the mobile home parks lack affordable, reliable internet access compared to residents in more prosperous neighborhoods.

Cruzio provided letters of support from local, state, and federal elected officials; local and regional governmental agencies, educational leaders; and business and mobile

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<sup>9</sup> <https://www.census.gov/programs-surveys/ahs/data/legacy/data-tools/ahstablecreator.html>

<sup>10</sup> <https://www.apartmentlist.com/rentonomics/mobile-homes-affordability-crisis/>

<sup>11</sup> See 2018 Annual report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2019 at 4.



home park homeowners associations. From the elected officials' perspective, the project will allow disadvantaged communities access to reliable, affordable internet service that is crucial to the attainment of education, medical information, and the ability to communicate quickly in the modern society. From the local and regional governmental agencies' perspective, Cruzio will equalize access to modern telecommunication for decades to come. From the educational leaders' perspective, the proposed project will ensure all students in the county will have access to their school resources and curricula and will help to close the achievement gap. From the business and homeowners' associations perspective, the project will allow mobile home park residents the ability to effectively do homework, work from home, and to enjoy recreational activities such as video streaming.

#### **V. Compliance Requirements**

Cruzio is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D. 18-12-018. Such compliance includes, but is not limited to, the items noted below.

##### **A. Deployment Schedule**

The Commission expects Cruzio to complete the project within 12 months from the start date. If Cruzio is unable to complete the proposed project within the 12-month timeframe requirement, it must notify the Director of Communications Division as soon as Cruzio becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy the requirement of timely notification of Communication Division's Director.

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

Staff and Cruzio shall determine a project start date after Cruzio has obtained all approvals. The Commission may terminate the grant should Cruzio or any contractor it retains fail to commence work by the designated date, upon five days written notice to Cruzio. In the event that Cruzio fails to complete the project in accordance with the terms of CPUC approval as set forth in this resolution, Cruzio shall reimburse some or all of the CASF funds that it has received. Cruzio must complete all construction covered by the grant on or before the grant's termination date.

C. Letter of Credit

The Commission exempts Certificate of Public Convenience and Necessity (CPCN) holders from providing a letter of credit, on the basis that the company submitted a performance bond to the Commission to maintain its CPCN and that the Commission has other means to enforce compliance. In its application, Cruzio provided proof of CPCN registration and thus, is exempt from the requirement of providing a letter of credit.

D. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.

The Cruzio invoices will be subject to a financial audit by the Commission at any time within three years of completion of the work.

E. Providing Voice Service

Cruzio partners with Ooma to provide VoIP local and long-distance phone service that meets the Federal Communications Commission (FCC) standards for E-911 service and battery backup.

F. Reporting

All grantees must submit quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment. Before full payment of the project, Cruzio must submit a project completion report. Progress reports shall use the schedule for deployment, major construction milestones and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

Cruzio shall also include test results on the download and upload speeds on a census block basis in the final completion report. Cruzio must certify that each progress report is true and correct under penalty of perjury.

G. Submission of Form 477

The FCC currently requires broadband providers to submit semiannually Form 477, which includes speed data. While there is an imperfect match between the data that is reported in the Form 477 and to the CASF project, the Form 477 data will be useful in documenting CASF deployment for the service provider's new service. Pursuant to General Order 66-C, service providers in California must submit a copy of their Form 477 data directly to the CPUC, concurrent with their submission of the same data to the FCC for a five-year period after completion of the project.<sup>12</sup>

H. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. Cruzio has committed to follow state prevailing wage requirements with regards to this project.

**VI. Payments to CASF Recipients**

The Commission may reimburse Cruzio's expense in accordance to Public Utilities Code, §281(f)(11). Details of reimbursable expenses are located in Appendix D.

**COMMENTS ON DRAFT RESOLUTION**

In compliance with Public Utilities Code, §311(g), a notice letter was e-mailed on November 1, 2019, 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/PUC/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

Comments were submitted by Charter and the Central Coast Broadband Consortium (CCBC) on November 25, 2019. Reply comments were submitted by CCBC on December 2, 2019.

**Charter's Comments**

Charter restates its original challenge request to remove census block 060871216005003 from the project area and states that there is one or more

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<sup>12</sup> *Approval of the California Advanced Services Fund (CASF) Application Requirements and Scoring Criteria for Awarding CASF Funds* (2008) Cal. P.U.C. Res. No. T-17143 at 4.

subscribers within the census block.<sup>13</sup> Charter contends that the confidential exhibits submitted to challenge block 060871216005002 “apply equally to block 06071216005003 as part of the same mobile home community.”<sup>14</sup> Charter urges the Commission to remove the census block in order to avoid overbuilding in a served census block.

### **CCBC’s Comments**

CCBC supports Draft Resolution T-17674 and believes that the Equal Access Santa Cruz Project addresses inequities within its region.<sup>15</sup> Also, CCBC states that the Equal Access Santa Cruz Project furthers the region’s goal of achieving 100 percent broadband availability.<sup>16</sup>

### **CCBC’s Reply Comments**

In CCBC’s reply comments, CCBC urges the Commission to reject Charter’s comments as it amounts to an “attempt to re-litigate its challenge to the Equal Access Santa Cruz Project.”<sup>17</sup> CCBC believes that accepting Charter’s late challenge is improper and would set a precedent that would impede the statutory responsibility of the Regional Broadband Consortia. Additionally, CCBC considers Charter’s request a violation of D.18-12-018 which created a clear challenge process.<sup>18</sup> CCBC also states that accepting Charter’s request would violate the Commission’s responsibility to achieve the CASF program goal. CCBC further asserts that Charter had ample opportunity to block funding for CASF projects in its service territory by filing a “Right of First Refusal” and the challenge process.

### **Staff’s Response to Comments and Reply Comments**

Staff reviewed the challenge documents provided by Charter on June 5, 2019 and determined that there was not sufficient evidence that Charter has a subscriber in census block 060871216005003. Staff disagrees with Charter’s claim that the confidential exhibits submitted in the challenge for one census block can apply to another. Therefore, Staff rejects Charter’s request to remove census block 060871216005003 from the project area.

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<sup>13</sup> Charter Comments, November 25, 2019 at 1.

<sup>14</sup> Charter Comments, November 25, 2019 at 2.

<sup>15</sup> CCBC Comments, November 25, 2019 at 1.

<sup>16</sup> CCBC Comments, November 25, 2019 at 2.

<sup>17</sup> CCBC Reply Comments, December 2, 2019 at 1.

<sup>18</sup> CCBC Reply Comments, December 2, 2019 at 3.

Staff agrees with CCBC that the Equal Access Santa Cruz project will help provide equitable access to affordable, high speed internet in these mobile home communities.

Staff also agrees with CCBC and rejects Charter's request to remove a census block from the project area because Staff has already made a determination on the challenge. D.18-12-018 set forth a clear process for challenges and Staff's determination of the challenge stands.

### **Support Letter**

Staff received a support letter from the Santa Cruz County First District Supervisor, John Leopold, reiterating his support of the Equal Access Santa Cruz project dated November 27, 2019. Mr. Leopold believes that this project would help residents in the mobile home parks to have equitable access to modern telecommunications. He urges the Commission to approve this project at the December 5, 2019 meeting. This letter was not sent to the CASF Distribution List.

### **FINDINGS**

1. Cruzio filed an application for CASF funding for its Equal Access Santa Cruz Project on May 1, 2019. The revised proposed project would deploy FTTH facilities to enable broadband access at speeds of at least 1 Gbps download and 1 Gbps upload to an estimated 263 unserved households located within seven mobile home parks in the Soquel/Capitola region of Santa Cruz County, California.
2. On May 15, 2019, Staff posted a project summary of the Equal Access Santa Cruz Project, including a listing of the census blocks and zip codes covered by the project, and the proposed project area map. The summary was posted on the "CASF Applications Project Summaries" webpage, which may be found on the Commission's CASF webpage.
3. Staff received two challenges to this project from Charter and Comcast. Based on its review of information submitted, Staff concluded 18 of the proposed census blocks were already served. Staff requested that Cruzio revise its application to remove the served census blocks. In its revised application, Cruzio also removed seven other census blocks from the application. The grant eligible areas are in census block groups: 060871220035, 060871216005, 060871217006, 060871211002.

4. Based on its review, Staff determined that the project qualifies for funding under D.18-12-018 and its Appendix 1 and recommends Commission approval of CASF funding for Cruzio's Equal Access Santa Cruz Project.
5. The Commission has determined that the project is categorically exempt from CEQA review, pursuant to CEQA Guidelines sections 15301 (Existing Facilities), 15304 (Minor Alterations to Land), and 15303 (New Construction or Conversion of Small Structures).
6. A notice was e-mailed on November 1, 2019, informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the draft of this Resolution at the Commission's website at <http://www.cpuc.ca.gov/PUC/documents/>. Charter and CCBC submitted comments; CCBC submitted reply comments. A support letter was received from the Santa Cruz County First District Supervisor, John Leopold.

**THEREFORE, IT IS ORDERED that:**

1. The Commission shall award \$2,445,153 to Cruzio Media, Inc. (Cruzio) for the Equal Access Santa Cruz Project as described herein and summarized in Appendix A of this Resolution, which shall be paid out of the CASF Infrastructure Grant Account in accordance with the guidelines adopted in D.18-12-018 and its Appendix 1, and with the process defined in Appendix D "Payments to CASF Recipients" of this Resolution.
2. Cruzio shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D.18-12-018 and its Appendix 1, and all requirements for this project included in this resolution, and must submit FCC Form 477 to the Commission, as specified in Resolution T-17143.
3. If Cruzio fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.18-12-018 and its Appendix 1, and the terms in this Resolution, Cruzio must reimburse some or all of the CASF funds that it has received.
4. Cruzio must complete and execute the consent form (to be sent to the Grantee after this Resolution is adopted) agreeing to the conditions set forth in this

Resolution and return it the CASF Staff within 30 calendar days from the date of the adoption of this Resolution. Failure to submit the consent form within 30 calendar days from the adoption date of this Resolution may result in the Commission voiding the grant award.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 5, 2019. The following Commissioners approved it:

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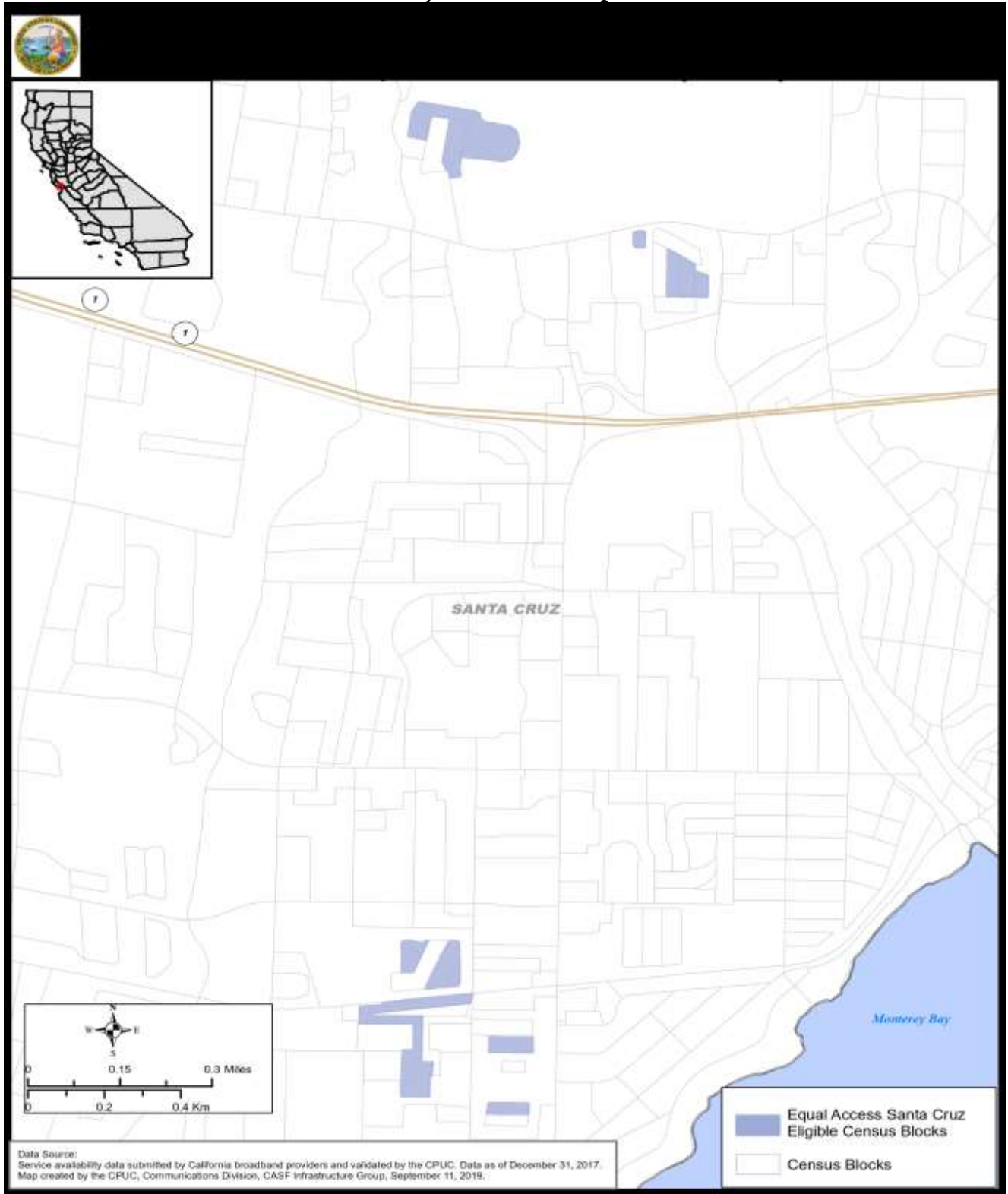
Alice Stebbins  
Executive Director

**Appendix A**  
**Resolution T-17674**  
**Cruzio' s Equal Access Santa Cruz County Project**  
**CASF Applicant Key Information**

<i>Project Name</i>	<b>Cruzio' s Equal Access Santa Cruz County Project</b>
<i>Project Plan</i>	The project proposes to build approximately 7.5 miles of underground fiber to deploy fiber-to-the-home (FTTH) high-speed internet service to 263 unserved households and 7 mobile home park businesses in the Soquel/Capitola region of Santa Cruz County. The fiber facilities will utilize existing rights-of-way, private property, or will utilize existing facilities. The project will enable speeds of 1 Gbps download and 1 Gbps upload.
<i>Project Size (in square miles)</i>	0.34
<i>Download/Upload speed</i>	1 Gbps download/ 1 Gbps upload
<i>Location</i>	Santa Cruz County
<i>Community Names</i>	Soquel/Capitola
<i>Census Blocks</i>	060871211002030 060871220035005 060871211002038 060871220035006 060871216005007 060871216005003 060871216005009 060871217006006 060871217006015 060871217006005 060871220035003 060871220035025
<i>Median Household Income (by Census Block Group)</i>	\$57,677
<i>Estimated potential subscriber size</i>	263 households
<i>Applicant expectations</i>	195 households (75 percent take rate)
<i>Pricing Plan (Monthly)</i>	40/40 - \$14.95; 100/100- \$84.95; 1000/1000- \$109.95 (no installation fee)
<i>Deployment Schedule (from Commission approval date)</i>	12 months
<i>Proposed Project Budget (Total)</i>	\$ 2,445,153
<i>Amount of CASF funds requested 100%</i>	100%
<i>Recommended Grant per household passed</i>	\$9,297



### Appendix B Resolution T-17674 Cruzio Equal Access Santa Cruz Project Project location map



**Appendix C**  
**Resolution T-17674 Cruzio Equal Access Santa Cruz Project**  
**Geography and Topography**

Soquel is a census-designated place in Santa Cruz County, California. It is located on the west bank of Soquel Creek, north of Capitola and east of Santa Cruz. It is approximately 75 miles south of San Francisco, and forms part of the north coast of Monterey Bay.

Capitola is a city in Santa Cruz County, California. It is approximately 76 miles south of San Francisco and sits on the northeast shore of Monterey Bay.

**Appendix D**  
**Resolution T-17674 Cruzio Equal Access Santa Cruz Project**  
**Payments to CASF Recipients**

Public Utilities Code, §281(f)(11) defines the costs the Commission may reimburse as follows:

- Costs directly related to the deployment of infrastructure;
- Costs to lease access to property or for Internet backhaul services for a period not to exceed five years; and
- Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

Additionally, D.18-12-018 (Appendix 1, Section 7) caps administrative expenses directly related to the project at 15 percent of the grant amount.<sup>19</sup>

The grantee may submit reimbursement requests at the following intervals:

- 10 percent completion;
- 35 percent completion;
- 60 percent completion;
- 85 percent completion; and
- 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report. Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved CASF funding budget included in the CASF grantee's application.

Payment to grantees shall follow the process adopted for funds created under Public Utilities Code, §270. The Commission generally processes payments within 20-25 business days, including Communications Division and Administrative Services review time. The State Controller's Office (SCO) requires an additional 14- 21 days to issue payment from the day that requests are received by SCO from Administrative Services.

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<sup>19</sup> Administrative costs are defined as "indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself." Applicants seeking additional funds will require a Commission exemption included in a draft resolution.