

Council Meeting Staff Report

January 31, 2012

Agenda No.:	C.
Indexes (Council Goals):	FY11 Council Goal - Diversify the Economy-Revitalize WR & LA Downtowns/ Provide Wideband Telecommunications Access Throughout the County
Presenters:	Laura Gonzales; Estevan Gonzales
Legislative File:	4465-12

Title

Community Broadband Network (CBN) 60% Project Completion for Council Renewal of Commitment to Next Interval (90%).

Suggested Motion

I move that Council renew its commitment to the Community Broadband Network project by supporting the next phase to 90% completion, due June 2012, based on community feedback and majority support of the fiber optic network installation in Los Alamos County, including White Rock.

Administrator's Recommendation

The County Administrator recommends that Council approve the motion as presented.

Body

During the August 3, 2010 Council Meeting, Council endorsed the scope of the Community Broadband Network Study as identified by the deliverables and business plan model sections of the staff report and directed staff to consider this a Phase 2 conceptual design study.

During the April 19, 2011 Council Meeting, Council approved Budget Revision No. 2011-42 to award Service Agreement No. AGR11-3778 to Crestino for design and consulting services (in the amount of \$511,690 plus GRT) with the intent for Council to renew its commitment to the project at 30, 60 and 90% completion intervals.

During the August 23, 2011 Council Meeting, Council renewed its commitment to the Community Broadband Network project by supporting the next phase to 60% completion. Council requested project costs be available at 60% completion.

At this 60% project completion interval, the following updates can be presented in support of continuation of the Community Broadband Network project:

The engineering design is 90% complete. Capital expenditure costs and cost saving options for 100 Mbps, 300 Mbps and 1 Gbps have been provided. Capital expenditure costs for the project may vary between \$42.8 million and \$60.9 million, and depend upon the speed and cost saving options selected for the project and completion of the fiber plant infrastructure design. Responses from the County's RFI demonstrate that service providers are willing to provide residential and business class services on the CBN. The Department of Public Utilities has agreed to collaborate on the project.

The following reasons should be considered in support of continuation of the CBN project:

Feedback from the community show that residents are interested in project continuance to determine operational expenses, complete the business case and explore potential funding sources. Additionally, having a completed broadband network design which includes a business plan will position the County for application of federal and state funding.

Council will review the study at the 90% completion interval to consider and again, renew its commitment to completion of the project.

Alternatives

Cancel the remainder of the project, returning remaining funds to the Major Network Maintenance budget. Cancelling the project would mean remaining where we are in terms of fiber infrastructure in the County. The County would stop efforts to investigate open network, health, educational and potential new economic possibilities in relation to a high-speed fiber network. The County would not have a shovel ready completed network design and business plan to apply for

future funding.

Fiscal and Staff Impact/Planned Item

The cost estimate, as outlined in the April 19, 2011 meeting with no deviation, for the entire study including detailed design, business plan, staff salary, market research, and public relations is \$849,705 including GRT and a contingency of approximately 5.8%. This averages to a cost of about \$100 per premise, including contingency, based upon average utility electric billing per month of residences and business in Los Alamos County totaling 8,450 premises. Based upon information we have received from other communities in the United States implementing FTTP, this is a lower cost for design per premise. In reviewing the phased approach for the design, some of the items listed in the 30% phase were distributed between the 60 and 90% phases based upon information required from the initial market study. This includes business modeling, operations plan, funding structures and capital expenditures.

Attachments

A. CBN PowerPoint Presentation