

**REPRESENTING**  
Sacramento County  
**and the Cities of:**  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

901 H Street, Suite 206 ♦ Sacramento, CA 95814 ♦ [www.sacmetroable.tv](http://www.sacmetroable.tv)

Phone: (916) 874-6661 ♦ Fax: (916) 854-9666

ROBERT A DAVISON, EXECUTIVE DIRECTOR

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## AGENDA

### SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION REGULAR BOARD MEETING

Sacramento County Administrative Center - 700 H Street, S. 1450  
Sacramento, California

**THURSDAY, MARCH 3, 2011 – 2:30 p.m.**

Board Members: Andy Morin (Chair), Steve Detrick, Darrell Fong, Roberta MacGlashan, Kevin McCarty, Don Nottoli, Susan Peters, Phil Serna, Sandy Sheedy, Mel Turner, Jimmie Yee

Ex Officio: Robert McGarvey

Elected Alternates: Bonnie Pannell; Steve Miller

Appointed Alternates: Joe Angeles (Serna), Aaron Chong (Yee), Howard Schmidt (Peters), Ted Wolter (MacGlashan)

*The Board may take up any agenda item at any time, regardless of the order listed. Members of the public coming for a specific agenda item are encouraged to arrive earlier than the scheduled time. Public comment will be taken on the item at the time that it is taken up by the Board. We ask that members of the public complete a Request to Speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of the discussion. Action may be taken on any item on this agenda.*

*Presentations supplemented with media (video, DVD, PowerPoint, laptop hookup, etc.) must be coordinated in advance with the meeting Clerk. All media must be tested prior to the meeting date by Metro Cable (at 916-874-7685). Untested media will not be allowed on the date of the meeting. It is also highly advisable to bring a paper copy of presentations to the meeting as back up.*

*Meeting facilities are accessible to persons with disabilities. Requests for alternative agenda document formats, meeting assistive listening devices, or other considerations should be made through the Commission office at (916) 874-6662.*

*Closed captioning of this meeting is available using your television's set up menu.*

**NOTE: SOME LENGTHY ATTACHMENTS / EXHIBITS MAY NOT BE INCLUDED IN THIS PACKAGE; COPIES ARE AVAILABLE UPON REQUEST.**

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### CALL TO ORDER

- A. Introduction of New Board Members/Alternates
- B. Roll Call / Pledge of Allegiance

**ITEM NO. 1) CLOSED EXECUTIVE SESSION**

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) – CITY OF LOS ANGELES, SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, and CITY OF EL SEGUNDO vs. PACIFIC BELL TELEPHONE COMPANY, d/b/a SBC PACIFIC BELL TELEPHONE COMPANY, d/b/a AT&T CALIFORNIA, Los Angeles Superior Court, Central District, Case No. BC414272.

**ITEM NO. 2) SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S FIRST ADDENDUM TO BESTNet NETWORK PHASE II CONSTRUCTION AND MAINTENANCE AGREEMENT**

**Action:**

Review and approve the Sacramento Educational Cable Consortium's First Addendum to the BESTNet Network Phase II Construction and Maintenance Agreement, to provide connection for identified elementary school sites (BESTNet Phase III) to the Network.

**ITEM NO. 3) SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION JOINT POWERS AUTHORITY REVIEW**

**Action:**

Receive and file the review of the Sacramento Metropolitan Cable Television Commission Joint Powers Authority.

**ITEM NO. 4) SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION'S BOARD GOVERNANCE STRUCTURE**

**Action:**

Review the report of the Sacramento Metropolitan Cable Television Commission's Board governance structure, and provide staff direction, if any, to revise the structure.

**ITEM NO. 5) SACRAMENTO COUNTY'S CALENDAR YEAR 2011 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND**

**Action:**

Receive and file the County of Sacramento's Calendar Year 2011 Investment Policy for the Pooled Investment Fund.

**ITEM NO. 6) VICE-CHAIR ELECTION**

**Action:**

Elect a Vice-Chair for the remainder of Fiscal Year 2010-11.

**ITEM NO. 7) STAFF ADMINISTRATION REPORT**

**Action:**

Receive a verbal report on Commission business and matters.

- A) Discuss future meeting dates (April 7, 2011, May 5, 2011, & June 2, 2011)

**ITEM NO. 8) FRANCHISEE/LICENSEE STATUS REPORTS**

**Action:**

Receive reports from State Video Franchisee representatives:

- A) AT&T
- B) Comcast
- C) SureWest

**ITEM NO. 9) CHANNEL LICENSEE/GRANTEE STATUS REPORTS**

**Action:**

Receive reports from Channel Licensee representatives:

- A) ACCESS Sacramento
- B) Capital Public Radio (CPR)
- C) KVIE
- D) Religious Coalition for Cable Television (RCCTV)
- E) Sacramento Educational Cable Consortium (SECC)

**ITEM NO. 10) PUBLIC COMMENTS**

**Action:**

Receive public comments on matters not on the agenda.

**ADJOURNMENT**

*This meeting of the Sacramento Metropolitan Cable Television Commission will be cablecast on METRO CABLE 14, the government affairs channel, **LIVE Thursday, March 3, 2011 at 2:30 p.m. and REPEATED Saturday, March 5, 2011, at Noon on Channel 14.** In addition, a video copy of this meeting is available for check out from any Sacramento Library branch (each meeting is available for 60 days following the meeting).*



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ROBERT A. DAVISON, EXECUTIVE DIRECTOR

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## AGENDA ITEM NO. 1

**DATE:** March 3, 2011  
**TO:** Chair and Board of Directors  
**FROM:** Robert A. Davison, Executive Director  
**SUBJECT:** CLOSED EXECUTIVE SESSION

### RECOMMENDATION:

It is recommended the Board adjourn to a closed Executive Session to discuss the following item:

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to subdivision (a) of Government Code Section 54956.9) – CITY OF LOS ANGELES, SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, and CITY OF EL SEGUNDO vs. PACIFIC BELL TELEPHONE COMPANY, d/b/a SBC PACIFIC BELL TELEPHONE COMPANY, d/b/a AT&T CALIFORNIA, Los Angeles Superior Court, Central District, Case No. BC414272.

Respectfully submitted,

ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

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## AGENDA ITEM NO. 2

**DATE:** March 3, 2011

**TO:** Chair and Board of Directors

**FROM:** Robert A. Davison, Executive Director

**SUBJECT:** SACRAMENTO EDUCATIONAL CABLE CONSORTIUM: FIRST ADDENDUM TO BESTNet NETWORK PHASE II CONSTRUCTION AND MAINTENANCE AGREEMENT FOR CONNECTION OF ELEMENTARY SCHOOLS

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### **RECOMMENDATION:**

It is recommended the Board review and approve the First Addendum to the BESTNet Network Phase II Construction and Maintenance Agreement, for connection of identified elementary schools to the Network.

### **BACKGROUND:**

In March 2010, the Sacramento Educational Cable Consortium (SECC) applied for federal funding from the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP). The purpose of the grant application was to secure funding to provide the "match" to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to approximately 215 elementary schools and up to 8 select public libraries co-located at the schools. The BESTNet Phase III Project concept is modeled after the Phase II BESTNet Project, connecting middle and high schools in the past four years.

The estimated cost for the BESTNet Phase III Project was \$8 million. BTOP required a 30% funding match minimum, and indicated additional consideration would be given to projects that proposed to contribute a non-federal cost share/match that equaled or exceeded the 30% of the total eligible costs of the project.

At the March 4, 2010 meeting, the Board considered SECC's request for \$3 million in matching funds from PEG fee revenues received by the Sacramento Metropolitan Cable Television Commission (Commission) over a three year period (FYs 2010-11, 2011-12, 2012-13), and adopted Resolution No. 2010-001, Approving SECC's Request for Matching Funds, as Mandated to Apply for Federal Funding from NTIA's Broadband Technology Opportunities Program.

At the October 7, 2010 meeting, Liz Rhodes, SECC's Executive Director informed the Board that they did not get the federal funding from the NTIA Broadband Technology Opportunities Program. Liz stated SECC is committed to the BESTNet Phase III Project and asked for the continued support of the Commission, with the clarification no additional funding will be requested above the \$3 million already approved from PEG fee revenues. Philip Arndt, Comcast's Director of Government Affairs, and Greg Lindner, Elk Grove Unified School District's Director of Technology Services also voiced their commitment to the BESTNet Phase III Project.

**DISCUSSION:**

Staff met with representatives from SECC and Comcast, to solidify a plan for BESTNet Phase III. Key points established for the elementary schools include:

1. An addendum to the BESTNet Network Phase II Construction and Maintenance Agreement, to include a list of the necessary mutually agreed upon specifics of the elementary school phase.
2. Elementary schools will be connected under the same arrangements as middle & high schools.
3. Phase III, the elementary school phase, will be implemented over a 5-year period.
4. SECC will provide a list of all elementary schools & co-located libraries to be connected.
5. Elementary schools will be connected to the nearest middle, or high school, or District office with dark fiber.
6. Phase III will have a project manager who is a single point of contact for Comcast, Comcast contractors and various District representatives. The project manager will ensure the most cost efficient means of connecting the schools and to provide expertise to smaller districts lacking the staffing to ensure appropriate equipment and connections occur.

To date, the Commission has provided \$3.9 million in funding for BESTNet Phase II. Phases I and II of BESTNet were joint projects of the Commission, SECC, Sacramento K-12, public colleges and a university. The projects connected all Sacramento school district offices, community colleges, CSUS, and all Sacramento County high schools and middle schools with a robust broadband fiber infrastructure network. The target completion date of the BESTNet Phase II Project was June 2010. Unused funds from BESTNet II (approximately \$900,000) from previous fiscal years' budgets were authorized by the Board to be used for the first year of BESTNet Phase III. At the June 2010 budget meeting, the Board moved the BESTNet Phase III funding to the PEG Fee budget.

The Addendum provides for the connection of the elementary and other schools, including schools in the Natomas area that were previously connected through the STI Network. The Addendum provides that the Commission and SECC (and the school districts) each will provide up to a total of \$3 million dollars. Staff is recommending the Commission's share be funded through PEG fees. Comcast will participate through use of its existing dark fiber and construction costs.

Liz Rhodes, SECC's Executive Director will be on hand to answer questions on the status of the completion of BESTNet Phase II, and answer any questions related to the BESTNet Phase III Project.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

Agenda Item No. 2

SECC: First Addendum to BESTNet Network Phase II Construction and Maintenance Agreement

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Attachments:

First Addendum to BESTNet Network Phase II Construction and Maintenance Agreement

BESTNet Network Phase II Construction and Maintenance Agreement

March 4, 2010 Staff Report (SECC Request for Matching Funds from SMCTC)

Resolution No. 2010-001 (Approving SECC Request for Matching Funds)

**First Addendum to BESTNet Network Phase II  
Construction and Maintenance Agreement  
To Provide for Connections to the Elementary Schools**

This First Addendum to BESTNet Network Phase II Construction and Maintenance Agreement (“Addendum”) is entered into as of \_\_\_\_\_, 2011, by and among the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION hereinafter referred to as the “Commission,” and COMCAST OF SACRAMENTO I LLC, COMCAST OF SACRAMENTO II LLC, and COMCAST OF SACRAMENTO III LLC collectively hereinafter referred to as “Comcast” and the SACRAMENTO EDUCATIONAL CABLE CONSORTIUM hereinafter referred to as “SECC.”

**Whereas**, on October 30, 2006, the Commission, Comcast, and SECC entered into the BESTNet Network Phase II Construction and Maintenance Agreement (“Agreement”), which is incorporated herein by this reference;

**Whereas**, the Agreement provided for, among other things, the construction and implementation of Phase II of the institutional network called Broadband Education Services Technology Network (“BESTNet”) to connect high school and middle school sites, district offices and other sites within the Franchise area; to develop a network design and operation plan for providing broadband connectivity to those sites; and to provide for the project’s cost breakdown, the allocation of those costs, and the three year build out of Phase II;

**Whereas**, the Agreement contemplated the connection of elementary schools and other school sites to BESTNet; and

**Whereas**, the Commission, Comcast, and SECC now desire to connect elementary and other schools to BESTNet in accordance with both the Agreement and this Addendum.

**Now, therefore**, the Commission, Comcast, and SECC agree as follows:

**1. Applicability of Agreement.**

The BESTNet Network Phase II Construction and Maintenance Agreement, entered into by the Commission, Comcast, and SECC on October 30, 2006, shall remain in full force and effect. The terms of the Agreement shall apply to this elementary and other school phase of the BESTNet project except as modified by this Addendum.

**2. Definitions.**

Terms not specifically defined in this Addendum shall have the same meanings as the terms defined in Section 1 of the Agreement.

**3. Connection of Elementary School Sites to BESTNet Network.**

- (a) This “Elementary School Phase” of the BESTNet project shall connect approximately two hundred and one (201) identified elementary and other school sites (the “Elementary School Sites”) to the BESTNet Network. The Elementary School Sites are identified on Exhibit A, attached hereto. The Sites identified on Exhibit A may be amended to add or subtract sites as provided for in the Agreement or as the parties may agree.



First Addendum to BESTNet Network Phase II Construction and Maintenance Agreement  
To Provide for Connections to the Elementary Schools

Page 2

- (b) SECC shall provide to Comcast a list of the Elementary School Sites arranged in the order in which those sites shall be connected to the BESTNet Network.
- (c) The Elementary School Sites shall be connected with dark fiber, in the most cost efficient manner possible, to the nearest middle school, high school, or district office within the same school district already connected to the BESTNet Network.
- (d) The connection of the Elementary School Sites to the BESTNet Network shall be accomplished under the same terms and in the same manner as the connection of the Phase II sites, as described more fully in the Agreement.

**4. SECC Project Manager for Elementary School Phase.**

- (a) SECC shall appoint a Project Manager who shall oversee the Elementary School Phase of the BESTNet project and shall provide the services and tasks set forth on Exhibit B, attached hereto and incorporated herein.
- (b) The Project Manager shall serve as the point of contact for Comcast, Comcast contractors, district and school personnel, and SECC.
- (c) The Project Manager shall work to assure that the Elementary School Sites are connected to the BESTNet Network in the most cost effective manner.
- (d) The Project Manager shall provide assistance to smaller school districts which lack the staffing to ensure the availability of appropriate equipment and to ensure that the connections are accomplished.
- (e) The compensation of the Project Manager shall be a cost that is shared between SECC and the Commission as part of the Elementary School Phase of the BESTNet project.

**5. Timelines.**

- (a) The Elementary School Phase of the BESTNet project shall be completed within five (5) years, beginning on July 1, 2011, and culminating on July 1, 2016, unless the parties mutually agree to extend the completion date.
- (b) By April 1, 2011, SECC must submit to Comcast the list of Elementary School Sites to be connected to the BESTNet Network. SECC may submit to Comcast an updated list each year during the five-year period of the Elementary School Phase of the project.
- (c) By \_\_\_\_\_, 2011 Comcast must submit to SECC the “not to exceed” cost of the Elementary School Phase of the BESTNet project.
- (d) Construction shall take place between January 1, 2012 and June 30, 2016.
- (e) In April of each year of the five-year Elementary School Phase of the BESTNet project, SECC and Comcast shall meet to determine the build out for the following year.

**6. Elementary School Phase Funding.**

- (a) The parties shall each participate in the funding for the Elementary School Phase of the BESTNet project. It is estimated that SECC and the Commission shall contribute a total of approximately three million dollars (\$3,000,000) each over the five-year period of the Elementary School Phase. Comcast shall participate in the funding of the Elementary School Phase through in-kind contributions of available dark fiber and construction costs as determined in the annual build out plans. The Commission's funds shall be matching funds on a dollar for dollar match with the SECC (including school district) funds. In no case shall the Commission be required to allocate more than \$750,000 dollars in any single year. Commission funds may be carried over from one year to following years depending on the construction schedule.
- (b) The Elementary School Sites shall not pay the one-time connection fee of \$3,704 per site, as provided for in Sections 4 and 8 of the Agreement, as these fees have already been paid based on Comcast's calculation for maintenance of the fiber network over the life of the Franchise.
- (c) The terms and conditions for the funding of the Elementary School Phase of the BESTNet project shall be the same as those funding terms and conditions set forth in Section 4 of the Agreement.

**In witness whereof**, the parties hereto have duly executed this Addendum as of the month, day, and year first written above.

**Comcast:**

By: \_\_\_\_\_  
\_\_\_\_\_

**Sacramento Educational Cable Consortium:**

By: \_\_\_\_\_  
Chair of the Board

**Sacramento Metropolitan Cable Television Commission:**

By: \_\_\_\_\_  
Chair of the Board

**EXHIBIT A**

**ELEMENTARY SCHOOL SITES**

## BESTNet PHASE III ELEMENTARY SCHOOL SITES

Site No	District	School	Street Address	City	Zip	Assoc Mid/High School
CE01	Center	Dudley (Arthur S.) Elementary	8000 Aztec Way	Antelope	95843	CE03
CE02	Center	North Country Elementary	3901 Little Rock Dr.	Antelope	95843	ce02
CE03	Center	Oak Hill Elementary	3909 North Loop Blvd	Antelope	95843	ce02
CE04	Center	Spinelli (Cyril) Elementary	3401 Scotland Drive	Antelope	95843	CE02
EG01	Elk Grove	Anna Kirchgater Elementary	8141 Stevenson Avenue	Sacramento	95828	eg16
EG02	Elk Grove	Arlene Hein Elementary	6820 Bellaterra Drive	Elk Grove	95758	eg26
EG03	Elk Grove	Arnold Adreani Elementary	9927 Wildhawk West Drive	Sacramento	95829	eg18
EG04	Elk Grove	Arthur C. Butler Elementary	9180 Brown Road	Elk Grove	95624	eg18
EG05	Elk Grove	Barbara Comstock Morse Elementary	7000 Cranleigh Ave	Sacramento	95823	eg19
EG06	Elk Grove	Carroll Elementary	10325 Stathos Drive	Elk Grove	95757	EG13
EG07	Elk Grove	Charles Mack Elementary	4701 Brookfield Drive	Sacramento,	95823	EG42
EG08	Elk Grove	Cosumnes River Elementary	13580 Jackson Road	Sloughhouse,	95683	EG41
EG09	Elk Grove	David Reese Elementary	7600 Lindale Drive	Sacramento,	95828	eg22
EG10	Elk Grove	Dillard Elementary	9721 Dillard Road	Wilton,	95693	EG33
EG11	Elk Grove	Edna Batey Elementary	9421 Stonebrook Drive	Elk Grove	95624	eg28
EG12	Elk Grove	Elitha Donner Elementary	9461 Soaring Oaks Drive	Elk Grove,	95758	eg21
EG13	Elk Grove	Elk Grove Charter School	10065 Atkins Drive	Elk Grove	95757	eg26
EG14	Elk Grove	Elk Grove Elementary	9373 Crowell Dr	Elk Grove,	95624	eg28
EG15	Elk Grove	Elliot Ranch Elementary	10000 East Taron Drive	Elk Grove	95758	EG40
EG16	Elk Grove	Feickert Elementary	9351 Feickert Drive	Elk Grove,	95624	eg29
EG17	Elk Grove	Florin Elementary School	7300 Kara Drive	Sacramento,	95828	eg22
EG18	Elk Grove	Foulks Ranch Elementary	6211 Laguna Park Drive	Elk Grove	95624	eg21
EG19	Elk Grove	Franklin Elementary School	4011 Hood-Franklin Road	Elk Grove	95624	EG06
EG20	Elk Grove	Helen Carr Castello	9850 Fire Poppy Drive	Elk Grove	95757	eg40
EG21	Elk Grove	Herman Leimbach Elementary	8101 Grandstaff Drive	Sacramento,	95823	eg25
EG22	Elk Grove	Irene B. West Elementary	8625 Serio Way	Elk Grove	95758	eg15
EG23	Elk Grove	Isabelle Jackson Elementary School	8351 Cutler Way	Sacramento,	95828	eg16
EG24	Elk Grove	James McKee Elementary	8701 Halverson Drive	Elk Grove,	95624	eg29
EG25	Elk Grove	Jessie Baker Elementary	8850 Southside Avenue	Elk Grove,	95624	eg29
EG26	Elk Grove	John Ehrhardt Elementary	8900 Old Creek Dr	Elk Grove	95758	eg21
EG27	Elk Grove	John Reith Elementary	8401 Valley Lark Drive	Sacramento,	95823	eg19
EG28	Elk Grove	Joseph Sims Elementary	3033 Buckminster Drive	Elk Grove	95758	EG30
EG29	Elk Grove	Maeola Beitzel Elementary	8140 Caymus Drive	Sacramento	95829	EG32
EG30	Elk Grove	Marion Mix Elementary	4730 Laguna Park Drive	Elk Grove	95758	EG40
EG31	Elk Grove	Markofer Elementary	9759 Tralee Way	Elk Grove,	95624	eg24
EG32	Elk Grove	Mary Tsukamoto Elementary School	8737 Brittany Park Drive	Sacramento	95828	eg15
EG33	Elk Grove	Pleasant Grove Elementary	10160 Pleasant Grove School Rd	Elk Grove	95624	eg28
EG34	Elk Grove	Prairie Elementary	5251 Valley Hi Drive	Sacramento,	95823	eg23
EG35	Elk Grove	Raymond Case Elementary	8565 Shasta Lily Drive	Elk Grove	95624	eg15
EG36	Elk Grove	Robert J. Fite Elementary	9561 Fite School Drive	Sacramento	95829	EG29
EG37	Elk Grove	Roy Herburger Elementary	8670 Maranello Drive	Elk Grove	95624	eg27
EG38	Elk Grove	Samuel Kennedy Elementary School	7037 Briggs Drive	Sacramento	95828	eg22
EG39	Elk Grove	Sierra Enterprise Elementary	9115 Fruitridge Road	Sacramento,	95826	eg22
EG40	Elk Grove	Stone Lake Elementary	9673 Lakepointe Drive	Elk Grove	95758	EG18
EG41	Elk Grove	Sunrise Elementary	11821 Cobble Brook Drive	Rancho Cordova	95742	EG33
EG42	Elk Grove	Union House Elementary	7850 Deer Creek Drive	Sacramento	95823	eg25
EV01	Elverta	Elverta Elementary	7900 Eloise Avenue	Elverta	95626	ev32
FC01	Folsom-Cordova	Natoma Station	500 Turnpike Dr.	Folsom	95630	fc41
FC02	Folsom-Cordova	Carl Sundahl Elementary School	9932 Inwood Road	Folsom	95630	fc41

## BESTNet PHASE III ELEMENTARY SCHOOL SITES

FC03	Folsom-Cordova	Cordova Lane Elementary	2460 Cordova Lane	Rancho Cordova	95670	fc42
FC04	Folsom-Cordova	Cordova Villa Elementary School	10359 S. White Rock Road	Rancho Cordova	95670	fc134
FC05	Folsom-Cordova	Folsom Hills Elementary	106 Manseau Drive	Folsom	95630	FC14
FC06	Folsom-Cordova	Peter Shields Elementary	10434 Georgetown Road	Rancho Cordova	95670	fc35
FC07	Folsom-Cordova	Rancho Cordova Elementary	2562 Chasella Way	Rancho Cordova	95670	fc35
FC08	Folsom-Cordova	Gold Ridge Elementary School	735 Halidon Way	Folsom	95630	fc40
FC09	Folsom-Cordova	Mather Heights Elementary	4370 Mather School Road	Mather	95655	FC04
FC10	Folsom-Cordova	Oak Chan Elementary	101 Prewett Drive	Folsom	95630	fc40
FC11	Folsom-Cordova	Empire Oaks Elementary	1830 Bonhill Drive	Folsom	95630	fc134
FC12	Folsom-Cordova	Sandra J. Gallardo Elementary	775 Russi Road	Folsom	95630	fc34
FC13	Folsom-Cordova	White Rock Elementary	10487 White Rock Road	Rancho Cordova	95670	fc35
FC14	Folsom-Cordova	Theodore Judah Elementary	101 Dean Way	Folsom	95630	fc41
FC15	Folsom-Cordova	Cordova Gardens Elementary	2400 Dawes Street	Rancho Cordova	95670	fc35
FC16	Folsom-Cordova	Cordova Meadows Elementary	2550 La Loma Drive	Rancho Cordova	95670	fc134
FC17	Folsom-Cordova	Williamson Elementary	2275 Benita Way	Rancho Cordova	95670	fc35
FC18	Folsom-Cordova	Riverview Elementary	10700 Ambassador Drive	Rancho Cordova	95670	FC17
FC19	Folsom-Cordova	Blanche Sprentz Elementary	249 Flower Drive	Folsom	95630	fc40
FC20	Folsom-Cordova	Russell Ranch	375 Dry Creek Road	Folsom	95630	fc134
FC21	Folsom-Cordova	Navigator Elementary	10679 Bear Hollow Drive	Rancho Cordova	95670	FC04
FC22	Folsom-Cordova	Walnutwood Alternative Ed School	10850 Gadsten Way	Rancho Cordova	95670	fc42
GU01	Galt Joint Union	River Oaks Elementary	905 Vintage Oak Ave	Galt	95632	gu45
GU02	Galt Joint Union	Fairsite Elementary	902 Caroline Street	Galt	95632	gu44
GU03	Galt Joint Union	Valley Oaks Elementary	21 C Street	Galt	95632	gu47
GU04	Galt Joint Union	Marengo Ranch Elementary	1000 Elk Hills Drive	Galt	95632	GU05
GU05	Galt Joint Union	Lake Canyon Elementary	800 Lake Canyon Ave	Galt	95632	gu45
	Natomas	American Lakes Elementary	2800 Stone Creek Dr	Sacramento	95833	
	Natomas	Bannon Creek Elementary	2775 Millcreek Dr	Sacramento	95833	
	Natomas	Jefferson Elementary	2001 Pebblewood Dr	Sacramento	95833	
	Natomas	Two Rivers Elementary	3201 W. River Dr.	Sacramento	95834	
	Natomas	Witter Ranch Elementary	3790 Poppy Hill Way	Sacramento	95833	
	Natomas	Leroy Green Middle School	2950 West River Dr	Sacramento	95833	
	Natomas	Natomas High School	3301 Fong Ranch Rd	Sacramento	95834	
	Natomas	Discovery High School	3401 Fong Ranch Rd	Sacramento	95834	
RO01	Robla	Bell Avenue Elementary	1900 Bell Avenue	Sacramento	95838	tr226
RO02	Robla	Glenwood Elementary	201 Jessie Avenue	Sacramento	95838	RO05
RO03	Robla	Main Avenue Elementary	1400 Main Avenue	Sacramento	95838	RO05
RO04	Robla	Robla Elementary	5200 Marysville Blvd.	Sacramento	95838	RO03
RO05	Robla	Taylor Street Elementary	4350 Taylor Street	Sacramento	95838	TR01
RODO	Robla	Robla DO	5248 Rose Street	Sacramento	65834	RO04
	Sacramento City	Alice Birney Waldorf Inspired	6251 13th Street	Sacramento	95831	
SC01	Sacramento City	Collis P. Huntington Elementary	5921 26th Street	Sacramento,	95822	SC26
SC02	Sacramento City	Elder Creek Elementary	7934 Lemon Hill Avenue	Sacramento,	95824	sc87
SC03	Sacramento City	Ethel L. Baker Elementary	5717 Laurine Way	Sacramento,	95824	SC30
SC04	Sacramento City	Freeport Elementary	2118 Meadowview Road	Sacramento	95837	sc92
SC05	Sacramento City	John Bidwell Elementary	1730 65th Street	Sacramento,	95822	SC34
SC06	Sacramento City	Mark Hopkins Elementary	2221 Matson Drive	Sacramento,	95822	sc92
SC07	Sacramento City	Matsuyama Elementary	7680 Windbridge Drive	Sacramento	95831	sc88
SC08	Sacramento City	Pony Express Elementary	1250 56th Avenue	Sacramento,	95831	SC05
SC09	Sacramento City	Sequoia Elementary	3333 Rosemont Drive	Sacramento,	95826	sc91
SC10	Sacramento City	Susan B. Anthony	7864 Detroit Blvd.	Sacramento	95832	SC18
SC11	Sacramento City	Woodbine Elementary	2500 52nd Street	Sacramento	95822	SC34
SC12	Sacramento City	A. M. Winn Elementary	3351 Explorer Drive	Sacramento,	95827	sc209

## BESTNet PHASE III ELEMENTARY SCHOOL SITES

SC13	Sacramento City	Abraham Lincoln Elementary	3324 Glenmoor Drive	Sacramento,	95827	sc209
SC14	Sacramento City	Bowling Green Elementary Charter	4211 Turnbridge Drive	Sacramento,	95823	sc93
SC15	Sacramento City	Camellia Basic Elementary	6600 Cougar Dr.	Sacramento,	95828	sc87
SC16	Sacramento City	Caroline Wenzel Elementary	6870 Greenhaven Dr.	Sacramento,	95831	sc88
SC17	Sacramento City	Clayton B Wire Elementary	5100 El Paraiso Avenue	Sacramento	95824	sc87
SC18	Sacramento City	Edward Kemble Elementary	7495 29th Street	Sacramento,	95822	sc92
SC19	Sacramento City	Genevieve F. Didion Elementary	6490 Harmon Drive	Sacramento,	95831	sc88
SC20	Sacramento City	Golden Empire Elementary	9045 Canberra Drive	Sacramento,	95826	sc91
SC21	Sacramento City	H. W. Harkness Elementary	2147 54th Avenue	Sacramento,	95822	SC11
SC22	Sacramento City	Hurbert H. Bancroft Elementary	2929 Belmar Street	Sacramento,	95826	sc207
SC23	Sacramento City	Isadore Cohen Elementary	9025 Salmon Falls Drive	Sacramento,	95826	SC29
SC24	Sacramento City	James W. Marshall Elementary	9525 Goethe Road	Sacramento,	95827	sc89
SC25	Sacramento City	John D. Sloat Basic	7525 Candlewood Way	Sacramento,	95822	sc92
SC26	Sacramento City	Maple Elementary	3301 37th Avenue	Sacramento,	95824	SC30
SC27	Sacramento City	Martin Luther King Elem	480 Little River Way	Sacramento,	95831	SC16
SC28	Sacramento City	Nicholas Elementary	6601 Steiner Drive	Sacramento,	95823	sc87
SC29	Sacramento City	O. W. Erlewine Elementary	2441 Stansberry Way	Sacramento,	95826	SC24
SC30	Sacramento City	Pacific Elementary	6201 41st Street	Sacramento,	95824	sc87
SC31	Sacramento City	Parkway Elementary	4720 Forest Parkway	Sacramento,	95823	sc93
SC32	Sacramento City	Peter Burnett Elementary	6032 36th Avenue	Sacramento,	95824	sc203
SC33	Sacramento City	Sutterville Elementary	4967 Monterey Way	Sacramento,	95822	SC41
SC34	Sacramento City	John Morse Elementary	1901 60th Avenue	Sacramento,	95822	sc78
SC35	Sacramento City	Bret Harte Elementary	2751 9th Avenue	Sacramento,	95818	sc210
SC36	Sacramento City	Crocker Elementary	2970 Riverside Blvd	Sacramento,	95818	sc208
SC37	Sacramento City	David Lubin Elementary	3535 M Street	Sacramento,	95816	sc205
SC38	Sacramento City	Earl Warren Elementary	5420 Lowell Street	Sacramento,	95820	SC02
SC39	Sacramento City	Ethel Phillips Elementary	2930 21st Avenue	Sacramento,	95820	SC35
SC40	Sacramento City	Fruit Ridge Elementary	4625 44th Street	Sacramento,	95820	SC45
SC41	Sacramento City	Hollywood Park/ L. da Vinci	4701 Jouaquin Way	Sacramento,	95822	sc81
SC42	Sacramento City	Jed Smith Elementary	401 McClatchy Way	Sacramento,	95818	sc229
SC43	Sacramento City	Joseph Bonnheim Elementary	7300 Marin Avenue	Sacramento,	95820	sc82
SC44	Sacramento City	Oakridge Elementary	4501 MLK Blvd.	Sacramento,	95820	SC45
SC45	Sacramento City	Fr. K.B. Kenny Elementary	3525 MLK Blvd.	Sacramento,	95817	sc210
SC46	Sacramento City	Phoebe Hearst Elementary	1410 60th Street	Sacramento,	95819	sc207
SC47	Sacramento City	Tahoe Elementary	3110 60th Street	Sacramento,	95820	sc82
SC48	Sacramento City	Theodore Judah Elementary	3919 McKinnley Blvd.	Sacramento,	95819	sc205
SC49	Sacramento City	Washington Elementary	520 18th Street	Sacramento,	95814	sc205
SC50	Sacramento City	William Land Elementary	2120 12th Street	Sacramento,	95818	sc229
SC51	Sacramento City	Caleb Greenwood Elementary	5457 Carlson Drive	Sacramento,	95819	sc207
	Sacramento County OE	Prairie West	5251 Valley Hi Drive	Sacramento	95823	
	Sacramento County OE	North Area Community Schools	4000 Pinell Street	Sacramento	95838	
	Sacramento County OE	Missile Way Complex	10170 Missile Way	Mather	95655	
SJ01	San Juan	Arlington Heights Elementary	6401 Trenton Way	Citrus Heights	95621	112
SJ02	San Juan	Cambridge Heights Elementary	5555 Fleetwood Drive	Citrus Heights	95621	sj22
SJ03	San Juan	Carmichael Elementary	6141 Sutter Avenue	Carmichael,	95608	sj09
SJ04	San Juan	Carriage Drive Elementary	7519 Carriage Drive	Citrus Heights	95621	106
SJ05	San Juan	Citrus Heights Elementary	7085 Auburn blvd.	Citrus Heights	95621	112
SJ06	San Juan	Coyle Avenue Elementary	6330 Coyle Avenue	Carmichael	95608	102
SJ07	San Juan	Dewey Fundamental School	7025 Falcon Road	Fair Oaks	95628	113
SJ08	San Juan	Earl LeGette Elementary	4623 Kenneth Ave.	Fair Oaks	95628	sj17
SJ09	San Juan	Garfield Elementary	3700 Garfield Avenue	Carmichael	95608	215
SJ10	San Juan	Grand Oaks Elementary	7901 Rosswood Drive	Citrus Heights	95621	214

## BESTNet PHASE III ELEMENTARY SCHOOL SITES

SJ11	San Juan	Green Oaks Fundamental	7145 Filbert Avenue	Orangevale,	95662	111
SJ12	San Juan	Kingswood Elementary	5700 Primrose Drive	Citrus Heights	95610	101
SJ13	San Juan	Mariposa Avenue Elementary	7940 Mariposa Avenue	Citrus Heights,	95610	106
SJ14	San Juan	Oakview Community Elementary	7229 Beech Avenue	Orangevale,	95662	104
SJ15	San Juan	Pershing Elementary	9010 Pershing Avenue	Orangevale	95662	110
SJ16	San Juan	Thomas Kelly Elementary	6301 Moraga Drive	Carmichael	95608	102
SJ17	San Juan	Northridge Elementary	5150 Cocoa Palm Way	Fair Oaks	95628	101
SJ18	San Juan	Orangevale Elementary	6550 Filbert Avenue	Orangevale,	95662	111
SJ19	San Juan	Ottomon Elementary	9460 Ottomon Way	Orangevale	95662	111
SJ20	San Juan	Peck Elementary	6230 Rutland Drive	Carmichael,	95608	102
SJ21	San Juan	Schweitzer Elementary	4350 Glenridge Drive	Carmichael,	95608	sj07
SJ22	San Juan	Skycrest Elementary	5641 Mariposa Avenue	Citrus Heights,	95610	sj12
SJ23	San Juan	Trajan Elementary	6601 Trajan Drive	Orangevale,	95662	110
SJ24	San Juan	Twin Lakes Elementary	9380 Twin Lakes Avenue	Orangevale,	95662	sj18
SJ25	San Juan	Woodside Elementary	8248 Villa Oak Drive	Citrus Heights,	95610	106
TR01	Twin Rivers	Fairbanks Elementary	227 Fairbanks Avenue	Sacramento,	95838	gr53
TR02	Twin Rivers	Garden Valley Elementary	3601 Larchwood Drive	Sacramento,	95834	gr64
TR03	Twin Rivers	Morey Avenue School	155 Morey Avenue	Sacramento,	95838	TR05
TR05	Twin Rivers	Del Paso Heights Elementary	590 Morey Avenue	Sacramento,	95838	TR01
TR06	Twin Rivers	Castori Elementary	1801 South Avenue	Sacramento	95838	gr57
TR07	Twin Rivers	D.W. Babcock School	2400 Cormorant Way	Sacramento,	95815	ns76
TR08	Twin Rivers	Hagginwood Elementary	1418 Palo Verde Street	Sacramento,	95815	gr57
TR09	Twin Rivers	Woodlake Elementary	700 Southgate Road	Sacramento,	95815	ns76
TR10	Twin Rivers	Althea B. Smythe Elementary	2781 Northgate Boulevard	Sacramento,	95833	gr64
TR11	Twin Rivers	Johnson Elementary	577 Las Palmas Avenue	Sacramento,	95814	gr53
TR12	Twin Rivers	Noralto Elementary School	477 Las Palmas Avenue	Sacramento,	95815	gr53
TR13	Twin Rivers	Northwood Elementary	2630 Taft Street	Sacramento,	95815	TR08
TR14	Twin Rivers	Strauch Elementary	3141 Northstead Drive	Sacramento,	95833	gr64
TR15	Twin Rivers	Frederick C. Joyce Elementary	6050 Watt Avenue	North Highlands,	95660	gr51
TR17	Twin Rivers	Ridgepoint Elementary	4680 Monument Drive	Sacramento	95842	TR25
TR20	Twin Rivers	Woodridge Elementary	5761 Brett Drive	Sacramento	95842	gr62
TR22	Twin Rivers	Dry Creek Elementary	1230 G Street	Rio Linda,	95673	GR52
TR23	Twin Rivers	Foothill Oaks Elementary	5520 Lancelot Dr	Sacramento	95842	TR17
TR25	Twin Rivers	Creative Connections Arts Academy	7201 Arutas Drive	North Highlands	95660	TR33
TR26	Twin Rivers	Kohler Elementary	4004 Bruce Way	North Highlands,	95660	gr51
TR28	Twin Rivers	Madison Elementary	5241 Harrison Street	North Highlands,	95660	TR29
TR29	Twin Rivers	Oakdale Elementary	3708 Myrtle Avenue	North Highlands,	95660	tr231
TR30	Twin Rivers	Orchard Elementary	1040 Q Street	Rio Linda,	95673	TR32
TR27	Twin Rivers	Pioneer Elementary	5816 Pioneer Way	Sacramento,	95841	TR17
TR33	Twin Rivers	Sierra View Elementary	3638 Bainbridge Drive	North Highlands,	95660	TR34
TR34	Twin Rivers	Village Elementary	6845 Larchmont Drive	North Highlands,	95660	TR36
TR35	Twin Rivers	Vineland Community Day School	6450 20th Street	Rio Linda,	95673	GR52
TR36	Twin Rivers	Warren A. Allison Elementary	4315 Don Julio Boulevard	North Highlands,	95660	TR27
TR37	Twin Rivers	Regency Park Elementary	5901 Bridgecross	Sacramento	95835	GR60
TR38	Twin Rivers	Gateway Community Charter	2625 A Plover Street	Sacramento	95815	TR07
	Twin Rivers	Hillsdale Elementary	6469 Guthrie Way	North Highlands	95660	
	Twin Rivers	Frontier Elementary	6691 Silverthorne Cir	Sacramento	95842	
	Twin Rivers	Westside Elementary	6537 West 2nd St	Rio Linda	95673	

**EXHIBIT B**  
**PROJECT MANAGER AGREEMENT**





December 16, 2010

Steve Bradley  
Sonlight Communications, CA Lic 718920  
9183 Survey Rd. Suite 105  
Elk Grove, CA 95624

Dear Steve:

This letter confirms SECC's agreement with Sonlight Communications regarding Steve Bradley's consulting position as BESTNet Elementary Schools Project Manager. As BESTNet Project Manager, you will interact and report to Elizabeth Rhodes, SECC Executive Director.

Scope of work:

- Be responsible for BESTNet Elementary School project management and coordination.
- Will coordinate and assist with the physical inspection and walk out of sites with contractors and district design team to insure most cost effective approach is utilized in the BESTNet connection. Represent the interests of the Districts by fully analyzing Comcast contractor's costs and design and offering alternatives when cost savings may be achieved.
- Single source point of contact for Comcast, SCOE, SECC, Districts, Schools
- Assist with training and education of local and district personnel relative to design and utilization of available fiber WDM technologies and scalability for data, bandwidth, video, and other potential uses.
- In cooperation with district staff, design creative and cost effective solutions and alternatives using WDM fiber technology and other technologies.
- Assist SECC with annual budgetary goals
- Assist SECC with reports to the Sacramento Metropolitan Cable Television Commission.

SECC member districts will grant access to school sites, design diagrams/maps, and as-built diagrams. SECC member districts and schools will provide appropriate personnel to meet on-site with contractors to assist with determining available conduits, shared conduit strategies, vault and building access to determine the most cost effective alternatives and proposed cable routes. SECC will provide Sonlight with a comprehensive list of all schools to be connected on an annual basis. The list will include school and district contact information.

*Sonlight Communications is fully licensed C7 California Contractor (Contractor Lic # 718920), carries full liability and workman's comp insurance, and is registered with the DOJ to perform work at school sites.*

•Term: This is an annual contract, tied to the SECC Fiscal Year, July1-June 30th, and is renewable July 1 of each year by mutual written agreement.

**SACRAMENTO EDUCATIONAL CABLE CONSORTIUM**  
3780 Rosin Court – Suite 150 Sacramento, CA 95834  
(916) 920-1006 - [www.secctv.org](http://www.secctv.org) - [www.bestnetsacramento.org](http://www.bestnetsacramento.org)

•Compensation: \$2500 per school site. Payment will be made in two installments. \$1000 per site is payable upon receipt of an invoice from Sonlight and upon completion of walk outs, site design and BESTNet connection final quote. Final \$1500 is payable upon receipt of an invoice from Sonlight, completion of BESTNet connection and within 14 days of receipt of funds from school districts and the Sacramento Metropolitan Cable Television Commission.

It is understood that this is a contract position and no taxes will be withheld.

Contact information:

Steve Bradley, Sonlight Communications  
Address: 9183 Survey Rd. Elk Grove, CA 95624  
Phone: 916-705-4441  
Email: steve.bradley1@yahoo.com  
Federal ID: 68-0453100

Please indicate acceptance of this agreement by signing. We look forward to a mutually beneficial relationship.

Agreed to the above on \_\_\_\_\_, 2010.

\_\_\_\_\_  
Steve Bradley, Sonlight Communications

\_\_\_\_\_  
Elizabeth Rhodes  
SECC, Executive Director

**BESTNet Network Phase II  
Construction and Maintenance Agreement**

This BESTNet Network Phase II Construction and Maintenance Agreement ("Agreement") is entered into as of 10-30, 2006, by and among the SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION hereinafter referred to as the Commission, and COMCAST OF SACRAMENTO I LLC, COMCAST OF SACRAMENTO II LLC AND COMCAST OF SACRAMENTO III LLC collectively hereinafter referred to as Comcast and the SACRAMENTO EDUCATIONAL CABLE CONSORTIUM hereinafter referred to as SECC.

**Whereas**, the Sacramento franchising and licensing ordinances require cable operators to provide "an additional thirty (30) megahertz of bandwidth capacity (activated at all times for both upstream and downstream use) for educational access for video and data transmission" (See Sacramento County Code section 5.75.202); and

**Whereas**, the Commission alleged that Comcast's predecessors in interest had not implemented this requirement; and

**Whereas**, Comcast's predecessors had disputed the Commission's allegations; and

**Whereas**, in Resolution 00-014 transferring the cable franchise and licenses to AT&T, the AT&T entities and the Commission agreed to commence a process to resolve the then pending dispute regarding implementation of the 30 megahertz ("30 MHz") requirement; and

**Whereas**, on June 17, 2002, in Resolution No. 02-018, the Commission approved the transfer of the cable franchise and cable licenses (hereinafter "Franchise") to Comcast as part of that Transfer Approval. The Commission recounted a partial history of the 30 MHz dispute and the Commission and Comcast agreed to terms of settlement of the 30 MHz dispute as set forth in Exhibit D of the Transfer Resolution. Exhibit D sets forth a plan to implement the "30MHz" provisions of the Franchise which included a Pilot Project and additional phases for construction of an institutional network to serve the schools within the Franchise Area on a shared cost basis for Phase II; and

**Whereas**, the institutional network envisioned in the "30MHz" implementation plan is now called Broadband Education Services Technology Network hereafter referred to as "BESTNet;"and

**Whereas**, the Commission, Comcast and SECC, together with California State University at Sacramento ("CSUS"), Los Rios Community College, the Sacramento Office of Education

("SCOE") and certain school districts within the Franchise area have successfully implemented the Pilot Project of BESTNet; and

**Whereas**, the Commission, Comcast and SECC, on behalf of itself, CSUS, Los Rios Community College, SCOE and the participating school districts have agreed to the terms for the implementation of Phase II of BESTNet, as set forth herein; and

**Whereas**, the Pilot Project was completed by Comcast to the satisfaction of SECC and the Commission; and

**Whereas**, it is understood and agreed by the parties that the completion and operation of the Pilot Project and performance of Comcast's, SECC's, and Commission's obligations under this Agreement and continued operation of the Phase I and Phase II project ( as set forth in this Agreement) through December 23, 2023 and continued use thereafter upon renewal of this Agreement as described hereunder, shall fully satisfy the parties' obligations under the Transfer Resolution or any other agreement, ordinance, franchise or other document between the parties with respect to the "30 MHz" obligation, and that the SECC and the Commission shall seek no further compensation or performance from Comcast for matters related to the "30 MHz" requirement; and

**Whereas**, the Phase II project will utilize experience and knowledge gained in the Pilot Project to build the Phase II BESTNet network which will connect high school and middle school sites, district offices and other identified related sites within the Franchise area; develop a network design and operation plan for providing broadband connectivity to above mentioned sites; and provide for the cost breakdown related to the project, the allocation of these costs and the payment of these costs, and the three year build out of Phase II; and

**Whereas**, the Agreement provides for the connection of elementary schools to BESTNet, as set forth in the Agreement: and

**Whereas**, Comcast and SECC have provided the Commission, CSUS, Los Rios Community College, SCOE, and the participating school districts with cost estimates for fiber and laterals to be installed and maintained for Phase II; and

**Whereas**, the parties have agreed the Phase II project will be based on the most cost-effective methods, as agreed to by the parties; and

**Whereas**, this Agreement is intended to provide for the Comcast portion of the Phase II BESTNet system and the parties understand and acknowledge that the other cable licensees and franchisees will also provide facilities and network so that the BESTNet system will have

redundancy within the backbone while not requiring the duplication of Comcast, franchisee and licensee assets; and

**Now, therefore,** the Commission, Comcast and SECC agree as follows:

**1. Definitions.**

- (a) "BESTNet" or "BESTNet Network" means the communications network available for the sole, dedicated use of SECC, CSUS, Los Rios community College, SCOE and the participating school districts for telecommunications services, as described herein.
- (b) "Demarcation Point" means the fiber termination patch panel that will be installed at the Participating Educational Entity building that is connected to the BESTNet Network.
- (c) "Franchise" means the Franchise and Licenses authorizing Comcast to provide cable operations within Sacramento County and the cities that are members of the Commission.
- (d) "Facilities" means all property installed for and/or used in the BESTNet Network including fiber, equipment and appurtenances reasonably necessary or useful, or which may become necessary or useful for communications services which Comcast may from time to time provide to BESTNet. Facilities includes equipment which may be provided by Comcast to facilitate use of network services, but does not include any Commission, SECC, SCOE or participating Educational Entities installed equipment.
- (e) "Participating Educational Entities" means CSUS, Los Rios Community College, SCOE, and those school districts within the Comcast franchise area, who are participating members of the BESTNet Network, who have, or will, participate in funding the BESTNet Network, and whose facilities are or will be served by the BESTNet Network. As used in this Agreement, the term "SECC" shall include the Participating Educational Entities. SECC shall be the lead agency and project manager for the SECC, the Commission and the Participating Educational Entities for the purposes of this Agreement.

**2. BESTNet Phase II.**

- (a) The Phase II BESTNet project shall connect approximately eighty-one (81) identified sites (the "Phase II sites") and existing elementary and other school facilities as described in Subsection (c), below. The Phase II sites are identified on Exhibit A, attached hereto.
- (b) Each Phase II site shall be connected to the BESTNet Network with one (1) fiber in the fiber backbone, except that the Galt connection shall be accomplished through one (1) wavelength in each direction all of which shall be dedicated and secure.

- (c) Newly constructed or existing school facilities not included as a Phase II site, including but not limited to elementary schools within the Comcast cable system Franchise area shall have the option of connecting to BESTNet Network during the three (3) year construction period, provided that the Participating Educational Entity pays all cost of the laterals and the pro rata share of the cost of any additional backbone fiber, not already designated to BESTNet, to be used to provide the connection, including plant extension, if any, and/or, if applicable, cost of fiber overlash (all including cost of materials and labor as described in this Agreement) and the one time connection fee of \$3,704.00 per site. These newly constructed or existing school facilities including these elementary schools are in addition to the 81 identified sites. For any additional school site, SECC and/or the Participating Educational Entity shall adhere to the same procedure and timeline described in Exhibit B. Once the estimate is accepted by SECC and/or Participating Educational Entity, SECC shall provide Comcast with its intent to fund the additional site no later than July of the year preceding actual construction.

### **3. Phase II Design and Construction.**

- (a) SECC, Comcast, and the Participating Educational Entities have met and agreed upon a Network Map and plan for Phase II. The parties acknowledge receipt of the Network Map and plan for Phase II dated ~~Oct. 30~~, 2006. This Network Map is the anticipated build for the BESTNet Phase II Network. However, SECC and Comcast shall continue to refine the network map as the construction proceeds and, upon the agreement of the parties, may reconfigure school connections utilizing new fiber/routes identified by Comcast that shall reduce lateral/overlash or conduit costs. SECC, Participating Educational Entities and Comcast have also reviewed the initial cost estimates from Comcast for the 81 proposed sites.
- (b) Comcast shall construct the BESTNet Phase II Network by constructing dedicated communications fiber in conduit or lateral/overlash to the buildings described in Exhibit A and to additional school facilities within the Comcast cable system Franchise area as described in 2 (c) above. Comcast shall provide the fiber or wavelength connections to the designated buildings. The Participating Educational Entity who owns or operates the particular building shall be responsible for the provision and installation of any network connections or equipment and any other end-user electronics. BESTNet infrastructure shall meet manufacturers' specifications for cable, attenuation, splice loss and connector loss as measured using industry standard test methodologies. The Commission, SECC and Comcast agree that the BESTNet fiber shall be installed in a workmanlike manner to standards mutually determined by the Commission, SECC and Comcast.
- (c) Construction of Phase II shall be completed within three and one half (3.5) years, beginning July 1, 2006 and completed December 31, 2009, unless the parties mutually agree to extend the completion date.
- (d) The BESTNet Network shall be a dedicated network and shall be secure. Network security is a priority for all Participating Educational Entities, SECC, Comcast and

the Commission, and the SECC, Participating Educational Entities and Commission shall be responsible for the security of BESTNet and Comcast shall be responsible for the security of its cable system.

- (e) As part of the first year's construction and included in the Network Map and in the cost figures below, Comcast shall provide, at no charge, one (1) additional fiber for three (3) of the initial links of the Phase II network at an estimated value of \$105,416. The three (3) initial links are: (1) between SCOE and 1230 N Street, 14th Floor (2) between Elk Grove and SCOE, and (3) between 1230 N Street, 14th Floor and CSUS. The link between N Street and CSUS requires additional fiber work estimated at \$20,000 to be paid by SECC and the Commission. 1230 N Street is currently a Comcast Hubsite.
- (f) Each year of the construction period, SECC and Comcast shall meet to determine the build out for the following year. At the time of execution of this Agreement, Comcast has identified available fiber in the backbone to be utilized for connection of links as referred to in the Network Map. The identified fiber shall remain available to BESTNet during the entire Phase II three (3) year construction period and when placed into use shall thereafter be and remain a part of BESTNet during the term of this Agreement.

It is understood BESTNet may be using multiple fibers such as those currently identified in Comcast projections for the three (3) identified links described in 3(e) above. SECC and Comcast shall annually project the build and estimated costs for each year prior to the Commission, Participating Educational Entity and Comcast budgeting process. The schedule for meeting and determining the build for each year is attached hereto as Exhibit B.

**4. Phase II Funding:**

- (a) The Parties shall each participate in the funding for the Phase II project. It is estimated that SECC and the Commission shall contribute approximately \$1.3 million dollars each per year of the three (3) year construction period. Comcast shall provide approximately \$1 million dollars each year through in kind contributions of fiber and construction costs plus maintenance of the network.
- (b) The following table is the estimated breakdown of costs.

<b>TOTALS</b>	<b>SECC/SMCTC</b>	<b>Comcast</b>
<b>Equipment:</b> \$775,000	\$775,000	
<b>New Fiber:</b> \$2,500,000	Galt: \$60,000 Laterals: \$1,250,000	Galt: \$1,190,000
<b>Dark Fiber:</b> \$1,127,616		\$1,127,616
<b>Overlash - Laterals:</b> \$4,772,382	\$4,772,382	
<b>School Connectivity: (Curb to building base: \$3,704/site)</b> \$300,000	\$900,000	

Incremental estimated costs:	\$600,000		
Maintenance – Total Value: over 14 years	\$778,000		\$778,000
Additional Fiber:	\$125,416	\$20,000	\$105,416
<b>TOTAL:</b>	<b>\$10,978,414</b>	<b>\$7,777,382</b>	<b>\$3,201,032</b>

- (c) The final estimate of costs after walk-out, engineering and design shall be made each year prior to the beginning of construction of that year. The final estimate (which may include a ten percent contingency) shall be a “not to exceed” amount. The final estimate shall be valid for the year of construction, and except as provided in Subsection (d) below any increase in cost thereafter shall be the responsibility of Comcast. Based on this final estimate, SECC and the Commission shall authorize Comcast to commence construction for that year. The construction that is authorized shall depend in part on which educational entities decide to participate in the BESTNet network. In the event the final estimate is greater than the initial estimate (including the 10% contingency) and the Participating Educational Entity decides to go forward with the construction of a link or links, the Participating Educational Entity shall pay the total cost of construction as stated in the final estimate.

In the event any Participating Educational Entity first determines to go forward with the construction of a link or links based on the initial cost estimates and thereafter the Participating Educational Entity decides not to go forward with the construction of a link or links as specified in the final estimate and the final estimate is within 10% of the initial estimate (including the contingency), the Participating Educational Entity shall be responsible for paying Comcast for actual costs incurred in connection with the walk-out, engineering and design of such link or links.

SECC and the Commission shall fund their share of the year's construction costs on a dollar by dollar match.

In the event any Participating Educational Entity decides to change or modify a link or links after the final estimate is submitted by Comcast, the Participating Educational Entity shall be responsible for the cost of the walk-out, redesign and engineering of the change or modification of a link or links.

- (d) The Commission and SECC shall pay Comcast their cost of constructing that year's dedicated fiber in phases commensurate with that year's construction process. Construction phases shall be established so that each link installed and connected can be tested and determined complete prior to the payment for that link or links. Comcast shall invoice (including the \$3,704 per site connection fee as provided in Section 4 (b) above) SECC after a link or links are complete at the patch panel and verified as complete and operational by SECC. Upon receipt of the invoice, SECC shall notify the Commission and, if applicable the Participating Educational Entity whose location or building has been connected and is now operational, and the Commission and the Participating Educational Entity shall remit their applicable



share within thirty (30) days of receipt of the notice from SECC. SECC shall pay Comcast sixty (60) days after receipt of the invoice. SECC, the Commission and the Participating Educational Entities may provide for a payment schedule, as between themselves, that differs from that stated above, so long as the schedule provides for prompt payment to Comcast.

The final actual cost may be, in part, dependent on whether pole replacements and/or make ready work are required by the pole owners. This final pole replacement cost attributable to BESTNet may not be known until after the construction project is complete. Therefore, the ten percent (10%) contingency for each link, if not used for other costs incurred as part of the actual construction of the link, shall be retained by SECC in an interest bearing account. The ten percent (10%) contingency retained by SECC shall be pooled. Comcast may, by invoice, request reimbursement from the retained contingency fund for pole replacements and/or make ready work attributable to BESTNet. SECC shall retain the pooled contingency amount for three (3) years following completion of construction applicable to each year of the initial three year construction period for Phase II, and with respect to links constructed after the initial three year period, for three years after completion of the link. Any pole replacement costs not claimed by Comcast after the applicable three (3) period(s) described herein shall be Comcast's responsibility. At the end of the applicable retention period, SECC shall return any unused contingency funds to the Commission and the Participating Educational Entities on a pro rata basis.

## **5. Maintenance, Repair and Replacement.**

- (a) **Comcast - Network maintenance:** Comcast shall, at its own cost, maintain and repair all of the Comcast BESTNet fiber (including both the Pilot and the Phase II) to the school demarcation point for the term of this Agreement. Routine maintenance on the BESTNet Network fiber shall be conducted on the same schedule and in the manner as routine maintenance on Comcast's cable system. Any repairs needed to the BESTNet Network fiber shall be performed by Comcast, with prior notice to SECC where practicable. In emergency conditions, including, but not limited to, a natural emergency resulting from a windstorm or other conditions described in Section 21, Comcast shall provide emergency repair work on the BESTNet fiber in the course of conducting its own emergency repair work on its cable system, excepting where BESTNet Network fiber may not be co-located with the Cable system plant on a strand or in conduit in which case the cable system fiber shall be repaired as a first priority and BESTNet Network fiber shall be repaired as a second priority. In any such event, Comcast shall have no liability to SECC for such delay in BESTNet service restoration. Comcast shall repair, reconstruct, remove, relocate and, as necessary, replace portions of the BESTNet Network during the term of this Agreement. In the event that the Commission, SECC, or Participating Educational Entity causes any portion of the BESTNet Network to be in need of repair, removal, reconstruction, relocation, and replacement, the Commission, SECC or the Participating Educational Entity, as the case may be, shall pay Comcast for its time and materials for repair, removal, reconstruction, relocation, and replacement. In the event that a third party damages a portion of BESTNet, Comcast shall repair the

BESTNet fibers and may seek restitution from the third party. In this case, if SECC maintained equipment is also damaged, Comcast shall cooperate with SECC to seek restitution from the third party for the equipment. For the purpose of this Section, a subcontractor of Comcast is not a third party and an agent or contractor for a Participating Educational Entity or SECC is not a third party.

- (b) **SECC - Equipment Maintenance:** SECC shall, its cost, maintain all network equipment, switches and routers. In addition, SECC shall maintain all fiber connectors, jumpers and end user equipment on or beyond the Participating Educational Entity's side of the demarcation point.
- (c) **Replacement:** (1) Comcast shall be responsible for, and shall pay for, the replacement of fiber up to the Demarcation Point as may be necessary to maintain the operation of the BESTNet network during the term of this Agreement. (2) SECC shall be responsible for, and shall pay for, all BESTNet network equipment including the costs of any replacement equipment.
- (d) **Service Trouble Calls and Escalation:** SECC acknowledges that Comcast shall not actively monitor the signal transmission upon BESTNet utilized fiber, and may have no notice of a service outage but for SECC-initiated notification. For any outages of BESTNet utilized fiber, as determined by the SECC, SECC or its designated BESTNet site representative shall notify Comcast's designated representative, and Comcast shall respond to any routine trouble call within four (4) hours of receipt of notification and shall actively begin working continuously until the problem is resolved except for conditions described in Section 21. Comcast shall keep SECC informed on the progress of the repairs and shall notify SECC when the repairs are completed.
- (e) **Relocation of Hubsite at 1230 N Street:** (1) If Comcast decides in its discretion to relocate or move its 1230 N Street Hubsite, Comcast shall, at Comcast's cost and expense, also relocate any fiber used for BESTNet and/or connections to the new Hubsite that are required to maintain the BEST Net network based on the relocated Hubsite location. (2) In the event Comcast is required to relocate or move its 1230 N Street Hubsite, SECC and/or Participating Educational Entities shall pay the pro rata share of the cost attributable to BESTNet for relocation of any fiber used for BESTNet and/or connections to the new Hubsite that are required to maintain the BEST Net network based on the relocated Hubsite location. (3) In the event of a relocation of the Hubsite, irrespective of the reason, Comcast shall work with SECC so that the BESTNet equipment and designated fiber are relocated as part of the relocation of the Comcast subscriber network and that BESTNet equipment and designated fiber is transitioned in the same manner and at the same time as the subscriber network, so that there is minimal, if any, service disruption for users of the BESTNet system. SECC and Comcast may agree to a relocation or transition plan that meets the objectives of this subsection, even if the details diverge from those set forth herein.

**(6) SECC's Administration and Management of BESTNet.**

SECC, and the Participating Educational Entities shall be responsible for the ongoing administration and management of BESTNet facilities and equipment located at each site on the Participating Educational Entity's side of the demarcation point.

**(7) Connections by Elementary Schools to BESTNet.**

It is anticipated that the elementary school sites that are not connected to BESTNet during the three year construction period or as provided in section 8 below, will be connected either by other franchisees or licensees or at a later date utilizing a standard residential high speed Internet Service at no charge or by mutually agreeable solution, provided that the Participating Educational Entity, school or SECC shall pay for all costs associated therewith that exceeds the cost of a standard residential high speed Internet Service (cable modem and monthly service charge). SECC and Comcast believe that future technology will increase the modem bandwidth to possibly provide an effective solution to accommodate these elementary schools. Standard speeds currently available do not meet the bandwidth requirement for many of the schools at this time.

**(8) Additions to the BESTNet Network.**

- (a) Newly constructed schools and educational facilities owned or operated by the Participating Educational Entities, or school facilities that did not connect to BESTNet during the three year construction period, including elementary schools, will have the option of connecting to BESTNet, provided the Participating Educational Entity pays all cost of laterals and the pro rata share of the cost of any additional backbone fiber (not already devoted to BESTNet) used to provide the connection, including plant extension and/or, if applicable, cost of fiber over-lash (all including cost of construction such as materials and labor as described in this Agreement).
- (b) SECC shall cooperate and coordinate with Comcast regarding new schools that opt for connection to BESTNet. SECC shall notify Comcast at least two (2) years before the opening of the new school so that Comcast can coordinate its construction plans with the connection to BESTNet. Comcast shall provide a cost estimate of connecting the school to BESTNet. The cost estimate shall be at Comcast's actual cost. Comcast shall provide the cost estimate within sixty (60) days of the SECC'S request or such other time as the parties may agree. Comcast shall make the additions to the network as agreed to by SECC and the Participating Educational Entity. The addition(s) shall be coordinated with the opening of the school so that, if possible, the connection is available when the school opens.
- (c) For additions to BESTNet, other than newly constructed schools as described in Section 8(b) above, SECC shall request a cost estimate for connection to BESTNet. Comcast shall provide the initial cost estimate within sixty (60) days of the SECC'S request or such other time as the parties may agree. Comcast shall make the additions to the network as are agreed to by SECC and the Participating Educational Entity.

The additions shall be made using the procedures and timelines described in Exhibit B and in Section 4 (c) and (d) above, for the year of the request (i.e. Comcast will provide a final estimate which must be accepted by the Participating Educational Entity and the construction shall then occur through Comcast's annual budgeting process) unless the parties agree to a different procedure.

- (d) The Participating Educational Entity shall also pay the one time connection charge of \$3,704.00 for each site connected to BESTNet pursuant to this Section 8.

**(9) Term and Ownership of Facilities**

- (a) The term of this Agreement shall be from the effective date hereof and through December 23, 2023. SECC and the Commission shall have an indefeasible right to continued use of BESTNet (including Phase I and Phase II, together with any additional schools that are connected as described in this Agreement) throughout the term of this Agreement. Thereafter and as part of a renewed Agreement, the Commission and SECC shall have the right to continue to use BESTNet on the same terms and conditions as those listed above with respect to then existing facilities. As part of negotiations for the renewal of this Agreement, the parties may negotiate the terms and conditions with respect to additional school sites to be connected to BESTNet and any other cost items that may arise during the negotiations.
- (b) All of the fiber facilities installed by Comcast and/or utilized by BESTNet throughout Phase II and additional sites as described in this Agreement (but not any equipment installed by SECC and the Participating Educational Entities) shall at all times be and remain the personal property of Comcast and shall not be considered fixtures of any property in which they occupy space. Except for the right to have an indefeasible right of use as set forth in paragraph (a) above, SECC, the Commission, or Participating Educational Entities or any other third party shall not have any rights in the facilities except as may be expressly agreed to in writing by Comcast, the Commission, and SECC. SECC and Participating Educational Entities and their respective employees, agents, and contractors shall not tamper or interfere with Comcast's facilities and shall use reasonable care not to damage such facilities. Comcast shall not tamper with the operations of BESTNet and shall use reasonable care not to damage BESTNet equipment housed in Comcast's facilities. At the end of the term of this Agreement (if not renewed) Comcast shall remove or leave in place any or all of the facilities used by BESTNet.

**(10) No Commercial Use by SECC.**

BESTNet is a private communication network and SECC and Participating Educational Entities shall use BESTNet solely for non-commercial applications and purposes, and shall not lease, resell or grant access privileges to BESTNet capacity or services to a third party for any commercial purpose or in competition with Comcast's services. For purposes of this Section, costs associated with the operation of BESTNet may be shared between SECC and Participating Educational Entities and shall not be deemed commercial charges. In addition, the parties understand that SECC and the Participating Educational Entities may use BESTNet to transport

content or software products to other educational entities, which products are sold or paid for by the other educational entities for non-commercial purposes.

**(11) No Interference with Cable System.**

SECC and Participating Educational Entities shall not attach any equipment or otherwise modify BESTNet in any way that will interfere with the signal quality and the normal operation of Comcast's cable system, and they shall not access any part of Comcast's fiber and associated facilities and equipment outside the actual BESTNet site fiber termination panel. SECC's and Participating Educational Entities' use of BESTNet contemplated herein shall not be deemed to qualify or consider Comcast as a common carrier, and SECC agrees to limit all uses of BESTNet to protect Comcast from being deemed a common carrier, and further agrees to represent the same in the event of inquiry by any state or federal agency or entity.

**(12) Permits & Access to School and Public Property.**

- (a) **Permits.** SECC shall cooperate with Comcast to facilitate the timely issuance of all permits necessary to construct the network, as time is of the essence for this Agreement.
- (b) **Access to Property.** SECC shall cooperate and assist Comcast's access to public property necessary to construct or install the BESTNet fiber network.

**(13) Indemnification.**

SECC shall indemnify, protect, defend and hold harmless Comcast from any damage resulting from the SECC's use of the BESTNet except for loss or damage arising from any intentional or negligent act or omission of Comcast or its agents, employees.

**(14) Amendment.**

No amendment to this Agreement shall be effective unless made in writing and signed by the Commission, SECC, and Comcast.

**(15) Assignment.**

This Agreement shall be binding upon and benefit Comcast, its heirs, successors and assigns. Comcast may assign this Agreement without consent of the Commission and SECC if such assignment is in conjunction with an assignment or change of ownership of the Franchise and the cable television franchise assignment or change of ownership has been approved by the Commission. Except as provided herein, Comcast shall have no right to assign this Agreement without the Commission's consent. The Commission may assign this Agreement with Comcast's prior written consent, which consent shall not be unreasonably withheld, to a public or non-profit entity either owned or controlled by the Commission, or, in the case that the Commission is dissolved, to the Commission's successor entity or entities without Comcast's consent.

**(16) Entire Agreement.**

This Agreement is intended to be the entire agreement of the parties hereto and supersedes any prior written or oral agreements regarding BESTNet Phase II.

**(17) Franchise Fee Limitation.**

Nothing of value received by Comcast by virtue of this Agreement shall be included in "gross revenues" for the purposes of calculating Comcast's franchise fees for the Commission.

**(18) Severability; Waiver.**

The invalidity or unenforceability of any provision of the Agreement (in whole or in part) shall in no way affect the validity or enforceability of any other provision. One or more waivers of a breach of any covenant, term or condition of this Agreement by either party shall not be construed by the other as a waiver of subsequent breach of the same covenant, term or condition.

**(19) Attorneys Fees.**

Should a suit be brought to enforce or interpret any part of this Agreement, or the rights or obligations of any party to this Agreement, the prevailing party shall be entitled to recover as an element of such party's cost of suit, and not as damages, reasonable attorneys' fees to be fixed by the court.

**(20) Governing Law.**

The validity, construction, and enforceability of this agreement shall be governed by California law and applicable federal law including the applicable provisions of the Telecommunications Act of 1996 or any successor law.

**(21) Force Maejure.**

Should Comcast's performance of any terms, conditions, or obligations required by this Agreement be prevented by a cause or event not within Comcast's control, such inability to perform shall be deemed excused for such period as may be reasonably necessary to overcome the effects of such cause or event and no penalties shall be imposed as a result thereof. For the purposes of this Section, causes or events not within the control of the Comcast shall include without limitation, acts of God, strikes, labor strife, sabotage, riots or civil disturbances, restraints imposed by order of a governmental agency or court, explosions, acts of public enemies, and natural disasters such as floods, earthquakes, landslides and fires.

**(22) Time of the Essence.** Time is of the Essence in the performance of this Agreement.

**(23) Notice.**

Notices of assignment or termination of the Agreement shall be in writing and shall be deemed to have been properly given, served and received only as follows: (i) if delivered by messenger, when delivered; or (ii) if delivered by a reputable overnight express courier, freight prepaid, when delivered; or (iii) if mailed by deposit in the United States mail, certified or registered, postage prepaid, return receipt requested, when received or refused.

All notices to Comcast must be sent to:

Comcast  
Attn: Government Affairs  
4450 East Commerce Way, 2<sup>nd</sup> floor  
Sacramento, CA 95834.

With a copy to:

Comcast  
Attn: Government Affairs  
3443 Deer Park Dr.  
Stockton, CA 95219

All notices to the SECC must be sent to:

Sacramento Educational Cable Consortium  
Attn: Executive Director  
3780 Rosin Court, Suite 150  
Sacramento, CA 95834

All notices to the Commission must be sent to:

Sacramento Metropolitan Cable Television Commission  
Attn: Executive Director  
901 H Street, Suite 206  
Sacramento CA 95814

Either party may designate such other person or post office address as it may from time to time required for the purpose of receiving said notices by giving appropriate written notice to the other of such new designation.

**(24) No Warranties.** Notwithstanding anything to the contrary, Comcast disclaims all warranties, whether express or implied, including without limitation, any implied warranties of merchantability or fitness for a particular purpose. Comcast specifically disclaims any responsibility for any damages suffered by SECC or Participating Educational Entities arising out of its performance under this Agreement. In no event shall Comcast be liable to SECC or

Educational Participating Entities for any indirect, special, incidental, punitive or consequential damages, whether or not foreseeable.

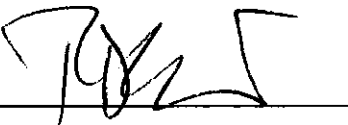
**(25) No Third-Party Beneficiaries.** Nothing in this Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Agreement.

**(26) Public Records Act; Trade Secrets.** The Network Map and Plan for Phase II dated Oct. 30, 2006 referenced in this Agreement contains Comcast proprietary information including but not limited to the locations and routes of the Comcast cable system, the capacities of Comcast facilities (i.e. the number of fibers, hub site and head end capacities, and the like). Comcast treats this information as proprietary and confidential trade secret information and does not disclose this information. The Commission, SECC and the Participating Educational Entities have reviewed this information in order to determine that the design will meet the needs of BESTNet and to ascertain the routing and capacities for the BESTNet system. SECC, the Commission and Participating Educational Entities have not disclosed this information to any third parties. The parties hereto have agreed that only SECC shall receive and maintain the Network Map and Plan for Phase II dated Oct 30, 06. Upon request for information from a third party, SECC agrees that, with respect to the Network Map and Plan and Comcast's cable network, it shall release only non-confidential information directly related to the identity of sites that are, or will be, connected to the BESTNet system and the cost of connection per site. If SECC receives a request for disclosure of the Network Map and Plan or any other information marked confidential and proprietary by Comcast such as a subpoena, or a public records or freedom of information request, SECC shall notify Comcast and the Commission of such request immediately and well before a response is due. Upon Comcast's request, SECC shall maintain the confidentiality of the requested materials pending the grant or denial of a protective order or the decision of a court or administrative body as to whether the requested materials must be disclosed under the applicable public records statute. The Commission, SECC and the Participating Educational Entities shall cooperate with Comcast in seeking any relief necessary to maintain the confidentiality of the materials that are trade secrets or are otherwise exempt from disclosure under the Public Records Act or applicable federal law. Comcast shall defend, indemnify and hold the Commission, SECC and the Participating Educational Entities harmless from any claim or administrative appeal, including costs, expenses, and any attorney fees, related to Comcast pursuing protection of the materials that Comcast deems to be trade secrets from disclosure except as may be provided by applicable law.



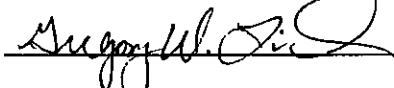
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the month, day and year first written above.

**Comcast:**

By: 

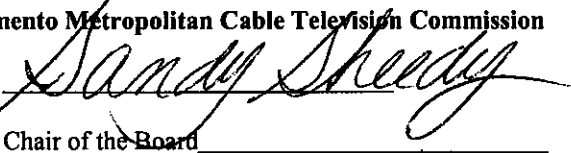
Rick Germano, Senior Regional Vice President

**Sacramento Educational Cable Consortium:**

By: 

Greg Lindner, Chair of the Board

**Sacramento Metropolitan Cable Television Commission**

By: 

Chair of the Board

**Exhibit A**  
**List of Phase II sites**

Confidential and Proprietary

EXHIBIT A of 09/04/06

District	Connection Priority	Site #	School	Type of School	Connect to: (Preferred)	Existing or Planned Opening Date	Address	City
Archoe	1	1	Archoe District Office	D.O.	Need to identify connect pt on backbone	Existing	11755 Iw Road	Herald
Center	1	2	Center USD/Senior Hi/Jr High	D.O.	6901 Roseville Road	Existing	8408 Watt Ave	Antelope
Center	2	5	Wilson C. Riley	Middle	Center D.O. - 8408 Watt	Existing	Corner of PFE & Walerga Roads	Antelope
Center	2	7	McClellan High School	High	Center D.O. - 8408 Watt	Existing	8725 Watt Avenue	Antelope
CSUS	1	11	CSUS to UC Davis POP	Post Sec.	1107 9th Street	Existing	13th St. & N 1107 L St	Sacramento
Del Paso Heights	2	12	Del Paso Heights School Dist	D.O.	1230 N Street	Existing	1281 North Avenue	Sacramento
Elk Grove	2	15	Calhoun Continuation High School	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	8333 Vintage Park Dr	Sacramento
Elk Grove	2	16	Floirn High	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	7556 Cottonwood Lane	Sacramento
Elk Grove	2	17	Laguna Creek High School	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	9050 Vicino Drive	Elk Grove
Elk Grove	2	18	Sheidon High School/Smedberg Middle	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	8333 Kingsbridge Drive	Sacramento
Elk Grove	2	19	Valley High School	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	6300 Ehrhardt Avenue	Sacramento
Elk Grove	2	20	William Daylor High School	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	8131 Orange Avenue	Sacramento
Elk Grove	2	21	Harriet Eddy Middle School	Middle	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	9329 Scoring Oaks	Elk Grove
Elk Grove	1	22	James Rutter Middle School	Middle	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	7350 Palmer House Drive	Sacramento
Elk Grove	1	23	Samuel Jackman Middle School	Middle	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	7825 Kentwell Dr	Sacramento
Elk Grove	2	24	Elk Grove High School	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	9640 Elk Grove-Floirn Road	Elk Grove
Elk Grove	2	25	Rio Cazadero High & Las Flores High	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	7825 Grandstaff Drive	Sacramento
Elk Grove	2	26	Franklin High/Toby Johnson Middle	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	6400 Whiteoak Parkway	Elk Grove
Elk Grove	2	27	Monteary Trail High/Harris Middle	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	8661 Power Inn Road	Elk Grove
Elk Grove	2	28	Pleasant Grove High/Aibani Middle	High	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	9531 Bond Road	Elk Grove
Elk Grove	2	31	EGUSD Student Support Center - D.O.	Special	EG D.O. 9510 Elk Grove/Floirn Rd.	Existing	8421 Gerber Road	Sacramento
Elyria	1	32	Alpha Intermediate & Dist. Office	Middle	1230 N Street	Existing	8920 Elyria Avenue	Elyria
Folsom-Cordova	2	34	Folsom High School	High	FC D.O.-125 East Bidwell	Existing	1855 Iron Point Road	Folsom
Folsom-Cordova	2	35	Cordova Senior High	High	FC D.O.-125 East Bidwell	Existing	2238 Chase Drive	Rancho Cordova
Folsom-Cordova	2	38	Mills Middle School	Middle	FC D.O.-125 East Bidwell	Existing	10439 Coloma Road	Rancho Cordova
Folsom-Cordova	2	40	Folsom Middle School	Middle	FC D.O.-125 East Bidwell	Existing	500 Blue Ravine Road	Folsom
Folsom-Cordova	2	41	Sutter Middle School	Middle	FC D.O.-125 East Bidwell	Existing	715 Riley Street	Folsom
Folsom-Cordova	2	42	W.E. Mitchell Junior High School	Middle	FC D.O.-125 East Bidwell	Existing	2100 Inlandford Drive	Rancho Cordova
Galt High	1	43	Galt High School Dist. Office	D.O.	Galt Elementary DO	Existing	417 C Street, Suite B	Galt
Galt High	1	44	Galt High School	High	Galt High DO - 417 C Street	Existing	145 N. Lincoln Way	Galt
Galt Elementary	1	45	Robert L. McCaffrey Middle	Middle	Galt High DO - 417 C Street	Existing	997 Park Terrace Dr.	Galt
Galt Elementary	1	46	District Office	D.O.	Fiber from Elk Grove	Existing	1018 C Street, Suite 210	Galt
Galt Elementary	2	47	Vernon E. Greer Middle School	Middle	Galt High DO - 417 C Street	Existing	248 West A St.	Galt
Grant	1	49	Foothill High School	High	Grant - 5201 Arnold Ave	Existing	5000 McCloud Drive	Sacramento
Grant	1	51	Pacific High School	High	Grant - 5201 Arnold Ave	Existing	3800 Bolivar Avenue	North Highlands
Grant	1	52	Rio Linda Senior High School	High	Grant - 5201 Arnold Ave	Existing	8309 Dry Creek Road	Rio Linda
Grant	1	53	Merlin Luther King Jr. Junior High	Middle	Grant - 5201 Arnold Ave	Existing	3051 Fairfield Street	Sacramento
Grant	1	56	District Office	D.O.	Grant - 5201 Arnold Ave	Existing	1333 Grand Avenue	Sacramento
Grant	1	57	Grant Union High School	High	Grant - 5201 Arnold Ave	Existing	1400 Grand Avenue	Sacramento
Grant	1	58	Grant West	High	Grant - 5201 Arnold Ave	Existing	1521 South Avenue	Sacramento
Grant	1	59	Highlands High School	High	Grant - 5201 Arnold Ave	Existing	6601 Guthrie Way	North Highlands
Grant	1	60	Nonwood Junior High	Middle	Grant - 5201 Arnold Ave	Existing	4801 Nonwood Ave.	Sacramento
Grant	1	81	Don Julio Junior High	Middle	Grant - 5201 Arnold Ave	Existing	8444 Walerga Road	North Highlands
Grant	1	82	Foothill Farms Junior High	Middle	Grant - 5201 Arnold Ave	Existing	5001 Diablo Drive	Sacramento
Grant	1	93	Rio Linda Junior High School	Middle	Grant - 5201 Arnold Ave	Existing	1101 G Street	Rio Linda
Grant	1	94	Rio Tierra Junior High	Middle	Grant - 5201 Arnold Ave	Existing	3201 Northwood Drive	Sacramento
Los Rios Community College	1*	67	Folsom Lake College	Post Sec.	Cable connect to comm. net.	Existing	100 Clarkville Rd.	Folsom
Los Rios Community College	1*	69	Facilities Management	Post Sec.	RT fiber on Folsom Blvd	Existing	3753 Bradview Road, #68	Sacramento
Los Rios Community College	1*	71	Rancho Cordova Center	Post Sec.	RT fiber on Folsom Road	Existing	10375 Rockingham Drive	Sacramento
Los Rios Community College	2	74	Natomas Center - Natomas High School	Post Sec.	LR D.O. - 1918 Spanos Ct.	Existing	3201 Northwood	Sacramento
Natomas	2	75	Natomas High School	High	Natomas D.O. - 1901 Arena Blvd	Existing	3501 Oak Blvd.	Sacramento
North Sacramento	1	76	North Sacramento School District Offices	D.O.	Grant - 5201 Arnold Ave	Existing	670 Dismarene Avenue	Sacramento
Robla	3	77	District Office	D.O.	6901 Roseville Road	Existing	5248 Rose Street	Sacramento
Sacramento City	1	78	Luther Burbank High School	High	SC DO 5735 47th Ave.	Existing	3500 Florin Road	Sacramento
Sacramento City	1	79	New Tech High Charter	High	SC DO 5735 47th Ave.	Existing	1400 Dickson Street	Sacramento
Sacramento City	1	81	C.K McClatchy High	High	SC DO 5735 47th Ave.	Existing	3086 Broadway	Sacramento
Sacramento City	1	82	Hiram Johnson	High	SC DO 5735 47th Ave.	Existing	6870 14th Ave.	Sacramento
Sacramento City	1	83	Sacramento High	High	SC DO 5735 47th Ave.	Existing	2315 34th St.	Sacramento
Sacramento City	1	84	John H. Still Center	Middle	SC DO 5735 47th Ave.	Existing	2250 John Still Drive	Sacramento
Sacramento City	1	85	Sam Brannan Middle School	Middle	SC DO 5735 47th Ave.	Existing	5301 Elmer Way	Sacramento
Sacramento City	1	86	Will C. Wood Middle School	Middle	SC DO 5735 47th Ave.	Existing	6201 Lemon Hill Avenue	Sacramento
Sacramento City	1	88	John F. Kennedy High School	High	SC DO 5735 47th Ave.	Existing	9715 Gloria Drive	Sacramento
Sacramento City	1	89	Rosemont HS	High	El Centro Jrs./ High (Juv Hall)	Existing	9594 Kiefer Blvd.	Sacramento
Sacramento City	1	91	Albert Einstein Middle School	Middle	SC DO 5735 47th Ave.	Existing	9235 Miranda Drive	Sacramento
Sacramento City	1	92	Charles M. Goethe Middle School	Middle	SC DO 5735 47th Ave.	Existing	2250 88th Street	Sacramento
Sacramento City	1	93	Fern Bacon Basic School	Middle	SC DO 5735 47th Ave.	Existing	4140 Cumy Avenue	Sacramento
San Juan	3	101	Bella Vista High School	High	SJ DO - 3738 Walnut Ave.	Existing	8301 Madison Avenue	Fair Oaks
San Juan	2	102	Del Campo High School	High	SJ DO - 3738 Walnut Ave.	Existing	4828 Dewey Drive	Fair Oaks
San Juan	2	103	Rio Americano High School	High	SJ DO - 3738 Walnut Ave.	Existing	4540 American River Parkway	Sacramento
San Juan	3	104	Case Roble Fundamental High	High	SJ DO - 3738 Walnut Ave.	Existing	9151 Oak Avenue	Orangetown
San Juan	1	105	Encina High	High	SJ DO - 3738 Walnut Ave.	Existing	1400 Bell Street	Sacramento
San Juan	2	106	Mesa Verde High School	High	SJ DO - 3738 Walnut Ave.	Existing	7501 Carnegie Drive	Citrus Heights
San Juan	1	107	San Juan High	High	SJ DO - 3738 Walnut Ave.	Existing	7551 Greenback Lane	Sacramento
San Juan	1	108	Mira Loma	High	SJ DO - 3738 Walnut Ave.	Existing	4000 Edison Avenue	Sacramento
San Juan	3	109	Barrett Intermediate	Middle	SJ DO - 3738 Walnut Ave.	Existing	4243 Barrett Road	Carmichael
San Juan	3	110	Carnegie Intermediate	Middle	SJ DO - 3738 Walnut Ave.	Existing	5820 Illinois Avenue	Orangetown
San Juan	2	111	Pasteur Intermediate	Middle	SJ DO - 3738 Walnut Ave.	Existing	8935 Elm Avenue	Citrus Heights
San Juan	1	112	Sylvan Intermediate	Middle	SJ DO - 3738 Walnut Ave.	Existing	7137 Auburn Boulevard	Fair Oaks
San Juan	2	113	Will Rogers Intermediate	Middle	SJ DO - 3738 Walnut Ave.	Existing	4824 Dewey Drive	Sacramento
San Juan	1	114	Jonas Salk Intermediate	Special	SJ DO - 3738 Walnut Ave.	Existing	2950 Hurley Way	Sacramento
SCOE	1	120	El Centro Junior/Senior High (Juv Hall)	High	SCOE-10474 Mather Blvd.	Existing	9901 Kiefer Blvd.	Sacramento
SCOE	1	127	UC Davis POP	High	SCOE-10474 Mather Blvd.	Existing	1107 9th Street	Sacramento

Note: Site #1: Archoe District Office - no fiber currently available. Connection to be determined by the parties.  
 Site #46: Galt Elementary District Office as identified in Section 4(b) of the Agreement.

- 16ca -

REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

ROBERT A. DAVISON  
EXECUTIVE DIRECTOR

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## AGENDA ITEM NO. 2

**DATE:** March 4, 2010

**TO:** Honorable Board of Directors

**FROM:** Robert A. Davison, Executive Director

**SUBJECT: SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S REQUEST FOR MATCHING FUNDS FROM SMCTC, FOR ITS APPLICATION FOR FEDERAL FUNDING FROM NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION'S BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM, TO EXPAND SACRAMENTO'S BESTNet INFRASTRUCTURE TO ELEMENTARY SCHOOLS AND SELECT PUBLIC LIBRARIES**

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### **RECOMMENDATION:**

It is recommended the Board consider the request from the Sacramento Educational Cable Consortium for \$3 million in PEG fee revenues over a three-year period, as required of applicants for federal funding from the National Telecommunications and Information Administration's Broadband Technology Opportunities Program, and adopt Resolution No. 2010-001, approving the request.

### **DISCUSSION:**

The Sacramento Educational Cable Consortium (SECC) proposes to apply for federal funding from the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP) to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to approximately 215 elementary schools and up to 8 select public libraries that are co-located with elementary schools.

The BESTNet Phase III Project total cost is estimated at \$8 million. BTOP requires a thirty percent (30%) funding match minimum, and will give additional consideration to projects that propose to contribute a non-federal cost share/match that equals or exceeds 30% of the total eligible costs of the project. SECC is requesting \$3 million in PEG fee revenues received by the Sacramento Metropolitan Cable Television Commission (SMCTC) over a three-year period. Carryover funds of \$900,000 from previous fiscal years' budgets can be used for the first year of BESTNet Phase III.

## SECC's REQUEST FOR MATCHING FUNDS

Page 2

### HISTORY:

BESTNet Phase I and II is a joint project of SMCTC, SECC, Comcast, Sacramento K-12, and public colleges and university. The project connected all Sacramento school district offices, community colleges, CSUS, and all Sacramento County high schools and middle schools with a robust broadband fiber infrastructure network. The target completion date of the BESTNet Phase II Project is June 2010.

To date, the SMCTC has funded \$3.9 million in Franchise and PEG fees to BESTNet Phase I and II. At its June 2009 budget hearing, the SMCTC committed the majority of the \$1.6 million in PEG fee revenue projected for FY 2009-10 to offset a portion of BESTNet's rollover capital facilities expenditures of \$1.7 million from the previous fiscal year's budget.

### FUNDING REQUEST:

SECC requests that the SMCTC continue its support by committing an additional \$2.1 million, plus the \$900,000 carryover funds from the original \$3.9 million commitment, for a total \$3 million local match for BESTNet Phase III. In addition, SECC requests that the SMCTC continue its strong political support of BESTNet and broadband opportunities for Sacramento.

Funding for BESTNet Phase III would complete BESTNet and connect the broadband infrastructure to all Sacramento County elementary schools and select public libraries co-located on elementary school campuses. Phase III will continue its operation and development under the same BESTNet build conditions and terms established in Phase II, with BTOP grant funds replacing the current School District matching funds.

SMCTC anticipates \$1.75 million in PEG Fee revenues for Fiscal Year 2010-11 and in future fiscal years. The PEG fees, as mandated by federal law, can be expended only for facilities and equipment related to the PEG channels and to related institutional networks. The availability of PEG fee revenues designated for capital expenditures that were previously funded by franchise fees will allow the SMCTC to increase the franchise fee revenue distribution to its member agencies. For example, in the FY 2009-10 budget, the BESTNet rollover to be funded by PEG fees, will increase franchise fee revenue distribution to the member agencies by \$1.6 million.

SECC will continue its role as BESTNet coordinator and manager. SECC, led by the Elk Grove Unified School District and the Sacramento County Office of Education, are writing the BTOP grant application. Comcast will continue its partnership with SECC to design and construct, at cost, BESTNet Phase III. The BTOP Grant application is **due on Monday, March 15, 2010**. The Board's adoption of Resolution No. 2010-001, will approve SECC's request for \$3 million in matching funds.

Liz Rhodes, SECC's Executive Director will be on hand to answer any questions related to the BTOP grant application.

Respectfully submitted,



ROBERT A. DAVISON, Executive Director

**SECC's REQUEST FOR MATCHING FUNDS**

**Page 3**

**Attachments:**

**SMCTC's Resolution No. 2010-001**

**SECC's Proposal to Apply for Federal Funding from NTIA's BTOP**

**NTIA's Broadband Technology Opportunities Program (BTOP) January 2010 Fact Sheet**

# **SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

## **RESOLUTION NO. 2010-001**

### **A RESOLUTION OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION APPROVING SACRAMENTO EDUCATIONAL CABLE CONSORTIUM'S REQUEST FOR MATCHING FUNDS, AS MANDATED TO APPLY FOR FEDERAL FUNDING FROM NTIA'S BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM**

**WHEREAS**, the Sacramento Educational Cable Consortium (SECC) proposes to apply for federal funding from the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program (BTOP) to expand Sacramento's Broadband Education Services Technology Network (BESTNet) infrastructure to Sacramento County elementary schools and select public libraries that are co-located with schools (BESTNet Phase III);

**WHEREAS**, the total project cost of BESTNet Phase III is estimated at \$8 million, and BTOP requires a 30 percent (30%) local funding match minimum;

**WHEREAS**, SECC is requesting \$3 million in matching funds from PEG fee revenues received by the Sacramento Metropolitan Cable Television Commission (SMCTC) over a three-year period (Fiscal Years 2010-11, 2011-12, & 2012-13), to use as local matching funds for BESTNet III to expand the BESTNet infrastructure to Sacramento County elementary schools and select public libraries;

**WHEREAS**, BESTNet is an established, proven sustainable operational network, created by local government, educational business partners and established a successful model for leveraging local funding and local business assets;

**WHEREAS**, SMCTC to date has funded \$3.9 million to BESTNet Phases I and II;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of the Sacramento Metropolitan Cable Television Commission affirms its support of BESTNet Phase III and its support of SECC's application for a BTOP grant to expand and complete BESTNet through the construction of Phase III, as set forth herein. The Board hereby commits a total of \$3 million dollars of PEG fee revenues, as the local matching fund for SECC's application for federal funding from the NTIA Broadband Technology Opportunities Program.

**Resolution No. 2010-001**

**Page 2**

On a motion by Director Detrick, seconded by Director Quinn, the foregoing Resolution was passed and approved by the Board of the Sacramento Metropolitan Cable Television Commission this 4<sup>th</sup> day of March, 2010, by the following vote to wit:

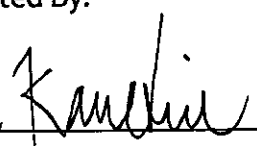
**AYES:** UNANIMOUS VOICE VOTE  
Waters, Morin, Detrick, Quinn (Alternate for Dickinson), Wolter (Alternate for MacGlashan), McCarty, Nottoli, Schmidt (Alternate for Peters), Sheedy, Shelby, Gee (Alternate for Yee)

**NOES:** NONE

**ABSENT:** Dickinson, MacGlashan, Peters, Yee

**ABSTAIN:** NONE

By:   
Chairperson  
Sacramento Metropolitan  
Cable Television Commission

Attested By:  
  
Clerk,  
Sacramento Metropolitan  
Cable Television Commission



REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

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## AGENDA ITEM NO. 3

**DATE:** March 3, 2011

**TO:** Chair and Board of Directors

**FROM:** Robert A. Davison, Executive Director

**SUBJECT:** SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION  
JOINT POWERS AUTHORITY REVIEW

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### **RECOMMENDATION:**

It is recommended the Board receive and file the review of the Sacramento Metropolitan Cable Television Commission Joint Powers Authority.

### **BACKGROUND:**

The California Government Code authorizes two or more public agencies to join together under a joint powers authority (JPA), to provide more effective or efficient government services or to solve a service delivery problem.

The Sacramento Metropolitan Cable Television Commission (Commission) is a JPA that was formed in October 1982. The Joint Powers Agreement is included in the Cable Television Franchise Ordinance of each of the seven member agencies (Chapter 5.50, Section 112 of the Sacramento County Code). Its purpose is to provide and regulate cable television services within all of the incorporated and unincorporated areas of the County of Sacramento.

The Commission's termination date of December 2007 was consistent with the original cable franchise with Cablevision of Sacramento. The original franchise would have expired in 2003, with the Commission's existence terminating four years later.

In 1988, as part of the settlement of cable litigation with Sacramento Cable (formerly Cablevision of Sacramento), the Amended and Restated Franchise Resolution provided for an option to extend the cable franchise term by 20 years to 2023. The option was exercised by Comcast and the franchise term currently ends on December 23, 2023. However, at the time of the settlement, no action was taken to adjust the sunset date of the Commission beyond 2007.

On February 2, 2006, the Commission Board addressed the JPA sunset date by adopting Resolution No. 06-003, Approving Amendments to the Commission's Joint Powers Agreement (the "Amendments"). These Amendments were adopted by the member agencies and extended the term of the Commission to December 31, 2024, one year after the 2023 termination date of the franchise to permit for the winding up of the franchise and Commission business, as necessary.

The Amendments, adopted by the member agency governing boards required the review of the status of the Commission in light of the status of the franchise, including the impact of state and federal laws on the franchise.

### **DISCUSSION:**

In response to the requirements of the Amendments to review the status of the Commission, this report examines the purpose of the Commission, identifies impacts to the JPA due to changes in State and federal legislation, and summarizes discussions held with member agencies at recent meetings regarding this review. The review confirms that the Commission continues to be the most efficient means for the seven member agencies to manage cable/video franchise issues, support and coordinate Public, Education and Government (PEG) programming, assist consumers in resolving cable service complaints, and operate the local government cable channel, Metro Cable 14.

### **Impacts of State and Federal Legislation**

In 2006, the California State Legislature adopted the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) which became effective January 1, 2007. DIVCA substantially changed California law by establishing a statewide license process to streamline the local franchising process for video services providers. In March 2007, the California Public Utilities Commission (CPUC) adopted implementation regulations and began accepting applications on April 1, 2007 for state video franchises. Cable companies currently operating in Sacramento County under a state video franchise include Comcast (with the exception of Galt where Comcast is still a local franchisee), AT&T, and SureWest.

When the Board requested a review of the Commission JPA in 2006, one of the concerns was whether the JPA was still relevant in the face of proposed federal and state legislative changes. The concern was that a state entity taking over the duties of the Commission or legislative changes could warrant the dissolution of the Commission JPA.

To examine the impact of legislation changes to the Commission, it is necessary to look at what functions the Commission performed prior to DIVCA, identify functions taken over by the CPUC, and determine what services the Commission still provides. Staff had previously advised the Board the implementation of DIVCA would have little effect on the functions of the Commission, regardless of whether the incumbent cable providers opt out of their local franchises or not. This has shown to be true as most functions performed by the Commission prior to DIVCA remain with the Commission in whole or in part.

The CPUC in its regulations implementing DIVCA now performs the functions of awarding state franchises and monitoring the buildout of cable/video operators (to monitor discrimination). The CPUC's role is ministerial with regard to many of the DIVCA obligations. Because of the Commission's aggressive approach to soliciting competitive entrants prior to DIVCA, there has only been one new provider authorized. (*Note: To a large extent, the DIVCA licensing model is similar to the Sacramento Cable Television Licensing Ordinance.*)

Other than these changes, little else is different. The Commission functions that CPUC did not take on include customer service, franchise fee collection, cable company audits, PEG coordination and operations of Metro Cable 14, the local government channel. No other federal or state legislation has been approved or is being considered that would impact this conclusion.

### **JPA Update Meetings with Member Agencies**

Commission staff and Legal Counsel Harriet Steiner met with member agencies in late 2010. The meetings were to update member agencies on the status of the JPA, discuss the relevancy of the JPA, provide a forum to address any concerns or questions each agency may have, and serve as a forum to reacquaint Commission staff with member agency staff, in light of the changes in staffing over the last several years.

The general feedback that staff received at the meetings was that all of the member agencies supported the Commission's JPA structure and prefer that the Commission remain intact. The member agencies felt the JPA is an efficient and effective model to address cable company matters and handle cable complaints. Many other items were discussed at the meetings and many questions were asked – mostly related to the operations of Metro Cable 14. Attachment A identifies inquiries and feedback received from each member agency at the JPA update meetings, along with the staff's responses.

### **Commission JPA**

The Commission JPA is an efficient model for the seven member agencies to address cable related issues and matters. The Commission provides staff and Legal Counsel who are well versed in cable issues. The JPA reduces an extra layer of government at each member agency by providing the following services on their behalf:

- Collection and dissemination of franchise fees;
- Operation of Metro Cable 14, the local cable television channel which cablecasts the meetings of the member agencies and other local government and public agencies;
- Closed captioning of meetings;
- Assisting consumers in resolving cable company complaints and concerns;
- Provision of seven (7) Public, Education, and Government (PEG) channels to the Sacramento community;
- Coordination of PEG issues;
- Collection and allocation of the 1% PEG fee to fund PEG channel facilities; and
- Coordination of BESTNet, the Institutional Network (I-net) for public schools, to the benefit of the local community.

Without the JPA, member agencies would have to duplicate like services and fund administrative costs to train staff to become experienced in cable/video matters. Member agencies would be on their own to deal with cable companies to get their agency's meetings cablecast on a local government channel. PEG coordination and support, including support for BESTNet, on a regional basis would be lost. It is doubtful that each member agency on its own would be able to sustain its part of the existing 7 PEG channels. Further, the task of coordinating PEG channel usage, PEG fee distributions and PEG grants among the jurisdictions would be administratively and technically challenging.

**CONCLUSION:**

The implementation of DIVCA has minimally affected the Commission operations. The Commission's existing responsibilities remain status quo, less the ability to grant local franchises and monitor buildout. As it stands, with the exception of Comcast in Galt, all local franchises have opted out for state franchises. The franchises will remain regardless of whether the Commission is sunset or remains in operation.

Dissolving the JPA would necessitate each member agency having to fend for itself on cable issues including coordinating PEG issues and dealing with cable/video providers to get their meetings cablecast. All of the member agencies support the continuation of the Commission. Therefore, no changes are recommended to the Commission JPA at this time.

Respectfully submitted,



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ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

Attachments:

Attachment A (JPA Update Meetings - Q&A & Feedback)

January 25, 2006 Staff Report (Proposed Amendments to the Commission's JPA)

Resolution No. 06-003, Recommending Amendments to the Commission's JPA to Dec. 31, 2024

ATTACHMENT A

SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION  
JPA UPDATE MEETINGS

<p><b>City of Galt – September 28, 2010</b></p> <p><u>Question/Answer:</u></p> <p>Q: How were PEG fee funded projects determined? A: Metro Cable staff met with Member Agency’s IT Department. The list of PEG fee funded chamber improvements for the City of Galt was forwarded to the City Manager and IT Coordinator as requested.</p> <p><u>Feedback:</u></p> <p>City Manager Jason Behrmann reported Galt is fine with collective representation on the Commission Board. As cable is not at the forefront of issues facing Galt residents, he would not propose any changes to the current JPA structure.</p>
<p><b>City of Citrus Heights – October 19, 2010</b></p> <p><u>Question/Answer:</u></p> <p>Q: Can PEG fee funds be used for a community center per federal mandates/laws? A: Yes, if the community center is used for delivery of PEG programming/services (or a portion of the center related to PEG).</p> <p><u>Feedback:</u></p> <p>City Manager Henry Tingle indicated Citrus Heights would not propose any changes to the JPA. He reported the City Council voiced displeasure with having their live broadcast meetings pre-empted 2/3 times a year by another member jurisdiction’s special live meetings. <i>Staff will be meeting with the two affected agencies to discuss the current pre-empting practice, and discuss a mutually satisfactory solution based on available technology and staffing resources.</i></p>
<p><b>City Elk Grove – October 28, 2010</b></p> <p><u>Questions/Answers:</u></p> <p>Q: What is the feasibility of broadcasting a weekly Mayor chat or the City’s State of the City address on Metro Cable 14, the local government channel. A: Metro Cable staff provided the City Manager with options available based on available technology/staffing.</p> <p>Q: Finance Director Becky Craig asked for a referral of an auditor to perform an audit of the City of Elk Grove’s utilities taxes. A: Staff forwarded the contact information of the County’s Senior Auditor to Ms. Craig.</p> <p><u>Feedback:</u></p> <p>City Manager Laura Gill felt the Commission was a cohesive way for member agencies to operate. She does not see a need to change the JPA model.</p>

**County of Sacramento – October 28, 2010**

Questions/Answers:

Q: What happens if one member agency leaves the JPA?

A: Legal Counsel Harriet Steiner stated dependent on how it will be negotiated with cable companies, agencies potentially can only get 3 PEG channels under the new law, instead of the existing 7.

Q: What is the process for displaying speaker names/titles at County BOS meetings?

A: Metro Cable staff has a master list of member agency Council/Boards and staff. Any changes to member agency staffing and/or Council/Board should be communicated to Metro Cable to insure the list is kept current.

Feedback:

Chief Operations Officer Nav Gill stated there are no grumblings from the County as the Cable Commission is low on the radar. He will delegate a staff in the County Exec Office as contact for Metro Cable staff to verify changes in staffing and the Board. He felt the definition of PEG facilities and equipment was liberal and that there was room for discussion as to what is considered a legitimate expense. He asked the County be kept in the loop of any changes made to the Board Governance structure.

**City of Sacramento – November 1, 2010**

Questions/Answers:

Q: Why the outreach by the Commission?

A: Staff explained it was due diligence on the Commission's part regarding the JPA review. The meetings also provided an opportunity for Commission staff to meet agency personnel, as well provide a forum for member agencies to address any questions/concerns they may have.

Q: Who performs the cable company audits; the City would like a referral since they will be performing an audit of the City's Utilities User Tax.

A: Alan Matre, Sacramento County Chief of Audits performs the cable company audits on behalf of the Commission.

Q: The city of Sacramento does not have access to the I-Net infrastructure made available to educational facilities – would that be feasible in the future?

A: Legal Counsel Harriet Steiner indicated as written in the franchise agreement for BESTNet, the 30 MHz of bandwidth for educational institutions is not available for public agencies. As it stands, it is unlikely public agencies will get a fiber network.

Feedback:

Interim Assistant City Manager Patti Bisharat did not see a need to change the JPA structure.

City of Rancho Cordova – November 10, 2010

Questions/Answers:

Q: What is the PEG Fee Funding allocation method use? Is it similar to the allocation method used for the franchise fee revenue distribution, based on the member agency's population?

A: At this time, PEG fee revenues are allocated for expenditures allowed under state and federal laws, identified by Metro Cable staff, with the concurrence of member agency IT Department Heads. There are no restrictions and limitations for use of franchise fees as there are for PEG fees.

Q: Is rent considered a PEG Fee expenditure?

A: PEG fee revenues may be used to pay for capital and equipment costs incurred for the provision of PEG programming, for the institutional network that is also part of the cable system, and related expenditures allowed under state and federal law. Expenditures may include rent or the purchase of software and other tangible items. PEG fees revenues may NOT be used for operations, training, maintenance, employment of staff, or other like services.

Q: How would they submit for reimbursements for PEG facilities/equipment?

A: Member agencies can submit for reimbursement for one-time eligible PEG equipment in addition to approved PEG Fee funded projects. Member agencies can also submit additional equipment needs in April of each year for Board consideration at the annual June budget hearing.

Feedback:

Rancho Cordova's staff felt the JPA is still relevant and a cost-effective way for member agencies to monitor cable issues. They were supportive of small cities having a vote on the Board.

City of Folsom – November 18, 2010

Question/Answer:

Q: Can the rebroadcast time for City Council meetings change from the current schedule?

A: Metro Cable staff provided CFO Jim Francis with available time slots based on existing programming/scheduling obligations.

Feedback:

Chief Financial Officer Jim Francis indicated Folsom is happy with the current JPA structure. He stated Folsom would support small cities having a vote on the Commission Board.



**Memorandum**

**Harriet A. Steiner**  
Attorney at Law

Sacramento Office  
916.444.3900 tel  
916.444.8334 fax  
hsteiner@mhalaw.com

**DATE** January 25, 2006  
**TO** Sacramento Metropolitan Cable Television Commission  
**FROM** Harriet A. Steiner  
**RE** **Proposed Amendments to the Commission's Joint Powers Agreement**

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**RECOMMENDATION:**

- A. Approve the Attached Resolution and proposed amendments to the Joint Powers Agreement ("JPA") to:
- (1) extend the term of the JPA and the Commission through 2024, one year after the termination of the cable franchise; and
  - (2) provide for an annual required Commission meeting, rather than required quarterly meetings
- B. Direct Commission staff and legal counsel to contact the member agencies and request that they consider and adopt the proposed amendments

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**BACKGROUND**

**1. Sunset Date**

The JPA that created the Commission is included in the Cable Franchise Ordinances of each of the member agencies. The Commission's termination date is now December 2007. This termination date was consistent with the original Franchise with Sacramento Cable. The original franchise would have expired in 2003 with the Commission's existence terminating four years later in 2007.

However, as part of the settlement of the cable litigation with Sacramento Cable, in 1988, the Amended and Restated Franchise Resolution provided for an optional extension of the original cable franchise term by 20 years to 2023. This option has been exercised and the franchise term now ends on December 23, 2023.



**Memorandum**

Page 2

At the time of the settlement, the member agencies did not also take action to adjust the JPA so that the Commission's sunset date would be after the expiration of the franchise. In all likelihood, the Commission's sunset date was overlooked in the press of crafting a settlement at that time.

Thus, in reverse of the original dates, the JPA now dissolves before the Franchise ends rather than after the Franchise ends. If the sunset date is not extended, the Commission will have to begin the process of winding down the Commission's affairs within the next six months.

We recommend that the Commission's sunset date be extended to December 2024, one year after the termination date of the franchise, to permit for the winding up of the franchise and the Commission's business, as necessary.

We are recommending that the sunset date be extended to 2024 so that the Commission and its member agencies maintain their maximum flexibility. The Commission and JPA members can act to dissolve the JPA at any time.

**As the Commission is aware, there is one cable franchise that covers all of the franchise area. This franchise will stay as a single franchise regardless of whether the Commission is dissolved or stays in place. In addition, Channel 14 will continue to require joint action to operate, again regardless of whether the Commission is dissolved or stays in place there will only be one shared channel. Therefore, in our opinion, the most flexible and expeditious action to take is to continue the Commission so that a single administrator of the franchise and Channel 14 stays in place for the term of the franchise.**

As an alternative, the Commission could decide to recommend an extension of the Commission for three or four years, to see whether federal legislation will affect the Commission and the franchise. However, although we anticipate that there will be many changes in cable regulation in the next years, we have no way of predicting what these changes will be, what year changes might take effect and what the impact might be on the Commission and the franchise. Therefore, we recommend that the JPA be extended through the term of the franchise. If changes in federal or state legislation warrant the dissolution of the Commission prior to 2024, the member agencies can take this step at the time of their choosing. The proposed JPA amendment calls for a review in 2010 to evaluate the status of the Commission and whether any actions affecting the Commission should be considered.

Thus, it is recommended that the Commission adopt a resolution recommending to the JPA members that they each adopt identical changes to the JPA agreement which extend the JPA term from December 31, 2007 to December 31, 2024.



**Memorandum**

Page 3

**2. Regular Meetings**

The JPA requires that the Commission hold regular meetings at least once per quarter. With the decision to employ a part time Executive Director, it is appropriate to streamline the Commission meetings by reducing the number of required meetings to once per year ( i.e. for adoption of the budget and distribution of franchise fees to the member agencies). The Commission would still have the authority to meet as often as necessary to conduct the business of the Commission.

**Attachments:**

1. Resolution Approving Amendment Recommendations  
Exhibit – Ordinance Amendment Language

cc: JPA Members

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE COUNTY OF SACRAMENTO AMENDING  
SUBSECTIONS 2.a. AND 9 OF SECTION 5.50.112 OF THE SACRAMENTO  
COUNTY CODE, THE CABLE TELEVISION COMMISSION, TO PROVIDE FOR  
ONE ANNUAL MEETING PER YEAR AND TO EXTEND THE TERM OF THE  
COMMISSION TO DECEMBER 31, 2024

BE IT ORDAINED BY THE SACRAMENTO COUNTY BOARD OF SUPERVISORS, as follows:

Section 1. Subsection 2.a of Section 5.50.112, the Agreement of Formation of the Sacramento Metropolitan Cable Television Commission, is hereby amended to read as follows:

a. Meetings of the Board of Directors and or such advisory or other committees as the Board may appoint, shall be governed by the provisions of the Ralph M. Brown Act ( Government Code Section 54950 et seq.). The Board of Directors shall establish a time and place for its regular meetings, which shall be held not less frequently than ~~every three (3) months~~ once per year.

Section 2. Subsection 9 of Section 5.50.112, the Agreement of Formation of the Sacramento Metropolitan Cable Television Commission is hereby amended to read as follows:

9. Term. Except as hereinafter provided, this Agreement shall terminate and the Commission shall be deemed dissolved on December 31, ~~2007~~2024.

~~In the event the Initial CATV Franchise is not renewed at the expiration of its term and at the expiration of said term there is no other franchise issued pursuant to the provision of this Chapter to operate a Cable Television system in effect within the Sacramento Community, this Agreement shall be deemed terminated and the Commission shall be deemed dissolved on the date of the expiration of the initial CATV Franchise.~~

The Commission shall review the status of the franchise and the status of state and federal law related to cable franchises no later than June 30, 2010 and shall make a recommendation to the member agencies on whether the Commission shall be dissolved prior to December 31, 2024. Nothing in this section shall preclude the Commission from making a recommendation regarding the continuation or early dissolution of the Commission either prior to or after June 2010.

Section 3. If any part or provision of this ordinance, or the application thereof to any person or circumstances, is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable and are intended to have independent viability.

INTRODUCED ON \_\_\_\_\_, 200\_\_, and PASSED AND ADOPTED by the County of Sacramento Board of Supervisors on this \_\_ day of \_\_\_\_\_, 200\_\_, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_

DMDOCS1-#892783-v1-sacramenot\_ordinancne\_realted\_to\_the\_jpa\_term\_etc (2).DOC  
06-008

**SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**

**A RESOLUTION RECOMMENDING  
AMENDMENTS TO THE COMMISSION'S JOINT POWERS AGREEMENT TO EXTEND THE TERM OF  
THE JOINT POWERS AGREEMENT TO DECEMBER 31, 2024 AND CHANGING THE REQUIRED  
COMMISSION MEETINGS FROM ONCE PER QUARTER TO ONCE PER YEAR AND REQUESTING  
THAT THE MEMBER AGENCIES APPROVE THE RECOMMENDED AMENDMENTS**

**RESOLUTION NO. 06-003**

WHEREAS, Sacramento Metropolitan Cable Television Commission desires to extend the term of its Joint Powers Agreement so that the Commission's term will extend through the term of the franchise and for one year thereafter to permit for the winding up of the Commission's business, for the reasons outlined in the Commission Counsel staff report dated January 25, 2006, and attached hereto as Exhibit A; and

WHEREAS, as also outlined in Exhibit A, the Commission desires to change the minimum number of regular Board meetings required to one per year to streamline the business of the Commission;

NOW THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION that the Commission hereby recommends to each of its member agencies that they adopt the amendments to the joint powers agreement and franchise ordinance set forth in Exhibit B, attached hereto, to extend the term of the Joint Powers Agreement within the Cable Television Franchise Ordinance from December 31, 2007 to December 31, 2024.

FURTHER BE IT RESOLVED that the Commission hereby also recommends the proposed change to the joint powers agreement to change the minimum number of regular Board meetings required per year from once every quarter to once per year.

FURTHER BE IT RESOLVED that Commission staff and counsel are directed to circulate the Franchise language as attached as Exhibit B for adoption by each member agency and are hereby directed to do and perform everything necessary to carry out the purpose of this resolution.


On a motion by Director Illa Collin, seconded by Director Andy Morin, the foregoing Resolution was passed and adopted by the Sacramento Metropolitan Cable Television Commission this 2nd day of February 2006 by the following vote to wit:

AYES: UNANIMOUS VOICE VOTE  
Directors Waters, Morin, McCarty, Collin, MacGiashan, Masuoka (alt. for Peters), Miller, Sheedy, Nottoli

NOES: None

ABSENT: Directors Dickinson, Leary, Peters

  
Chairperson, Sacramento Metropolitan  
Cable Television Commission

ATTEST:   
Secretary, Sacramento Metropolitan  
Cable Television Commission

**REPRESENTING**  
Sacramento County  
**and the Cities of:**  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

901 H Street, Suite 206 • Sacramento, CA 95814 • [www.sacmetroable.tv](http://www.sacmetroable.tv)

Phone: (916) 874-6661 • Fax: (916) 854-9666

ROBERT A DAVISON, EXECUTIVE DIRECTOR

---

## AGENDA ITEM NO. 4

**DATE:** March 3, 2011

**TO:** Chair and Board of Directors

**FROM:** Robert A. Davison, Executive Director

**SUBJECT:** SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION'S BOARD GOVERNANCE STRUCTURE

---

### RECOMMENDATION:

It is recommended the Board review the report of the Sacramento Metropolitan Cable Television Commission's Board governance structure and provide staff direction, if any, to revise the structure.

### HISTORY:

The Cable Television Franchise Ordinance adopted by parental jurisdictions in 1982, established the Board of Directors of the Sacramento Metropolitan Cable Television Commission (Commission) as nine members consisting of five members of the County Board of Supervisors, three representatives of the Sacramento City Council, and one representative collectively for the cities of Folsom and Galt.

In February 1997, the new city of Citrus Heights requested representation on the Commission's governing Board. At that time, staff was asked to consult with other JPAs seeking models for ways to adapt representation on the Cable Commission for Citrus Heights, with a population of 82,240 (7.3% of the County population). A review of Sacramento Area Council of Governments' (SACOG) survey results of Board governance of other multi-jurisdiction agencies throughout the County included a wide range of models:

- One vote per participating jurisdiction, regardless of population
- Weighted voting based on population
- Weighted voting based on negotiation
- One vote per elected member in every jurisdiction

It was determined several of the options, while possibly appropriate for major regional councils with large planning dollars being allocated, seemed too complicated for the Commission.

Using simplicity as the foremost criteria, the Board adopted Resolution No. 97-008, Recommending to Parental Entities Ordinance Amendments Changing Commission Representation, to provide a voting seat for cities with a population in excess of 80,000 and designating representation for cities under 80,000 by one director representation. At that time, the cities of Folsom and Galt were represented by one director who they jointly selected.

**DISCUSSION:**

At the October 7, 2010 Commission meeting, staff was directed to consult with local JPAs and government entities with similar Board structure to seek alternatives and models for consideration of providing a voting seat on the Commission Board for its member agencies with a population less than 80,000.

Population figures as posted on the State Department of Finance (DOF) website are as follows for the JPA's three cities that are currently represented collectively by one representative.

Member Agency	Population (per DOF Website)	County Population %
Folsom	71,453	4.95%
Galt	24,264	1.68%
Rancho Cordova	62,899	4.35%

A recent survey of Board governance of multi-jurisdiction agencies throughout the County is identified in Attachment A, which shows a variety of make-up and structures. Many Boards have a similar structure to that of the Commission, which include the 5 Sacramento County Board of Supervisors, 3-5 Sacramento City Council members, and representatives from member cities/entities.

Larger Boards, such as Sacramento Regional Transit and SACOG, have the more complicated voting structures with tiered voting and secondary voting for various issues. The only other entity that uses a population threshold is the Sacramento Public Library Authority, set at 50,000; a seat is added on the Library Authority Board for each additional 100,000 population count.

At the recent JPA update meetings with member agencies, Galt City Manager Jason Behrmann stated he was fine with Galt's collective representation on the Commission Board. Staff from the cities of Folsom and Rancho Cordova voiced support of a structure which would give each smaller city a vote. County staff expressed concerns if the voting structure were to change, and asked to be kept abreast of any potential changes.

Historically, the Commission Board has voted unanimously on most agenda items. A review of Board actions taken in the last six years showed only three voting instances where that did not occur. Only one of the three instances might have resulted in a different decision if each member agency was allowed one full vote. Probable issues facing the Commission in the future do not include any major or controversial items affecting one or more of the member jurisdictions. Staff does not believe a more complicated voting structure is necessary at this time.

Staff does not recommend a change to the current Board structure for the following reasons:

- 1) the Commission Board members have historically viewed cable TV policy globally and have respected each others' views;

- 2) there are no foreseeable major policy actions;
- 3) the Commission Board meets only 3-5 times a year; and
- 4) in the last 6 years (2005-10), only 3 voting instances out of 89 have not been unanimous.

If a change is desired, staff would recommend using simplicity as the foremost criteria again, and offers the following options for consideration:

- A) Amend the JPA to give each member agency, regardless of population, a full vote. The cities of Folsom, Rancho Cordova, and Galt would then each need to appoint a representative to the Board; or
- B) Amend the JPA to provide a voting seat for cities with a population in excess of 60,000 (instead of 80,000). Folsom and Rancho Cordova would then be considered "large" cities and would each have a voting seat on the Board; Galt would be the only remaining "small" city and would have a seat on the Board as well.

Amendments to the JPA would require the Board's formal action to adopt a Resolution requesting a JPA Amendment. Each member agency would then be required to adopt an ordinance amending the JPA in order for the amendments to become effective.

Respectfully submitted,



---

ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

Attachments:  
Attachment A  
Resolution No. 97-008



ATTACHMENT A

AGENCY	ENTITY TYPE	BOARD MEMBERS	VOTING STRUCTURE	WEIGHTED/ TIERED VOTING
First Five	State Commission	<u>7 Board Members</u> Appointed by the Governor, the Speaker of the Assembly and the Senate Rules Committee <u>2 Ex-Officio Members</u> Appointed by the Secretaries of the CA Health & Human Services Agency and CA Department of Education.	1 vote per Member or Alternate.	No
Local Agency Formation Commission (LAFCo)	Statutory Organization	<u>7 Board Members</u> 2 - Sac County Board of Supervisors 2 - Sac City Council Members 2 - Special District Members 1 - Public Member	1 vote per Member or Alternate.	No
Regional Transit (RT)	Semi-Statutory Organization	<u>11 Board Members</u> Schedule of Weighted Voting Shares based upon Financial Contribution to RT: County of Sacramento – 42 votes City of Sacramento – 36 votes City of Rancho Cordova – 9 votes City of Citrus Heights – 6 votes City of Elk Grove – 4 votes City of Folsom – <u>3 votes</u> TOTAL - 100 votes	RT staff created a calculator to calculate the votes for each item on the agenda.	Yes
Sacramento Area Council of Governments (SACOG)	JPA	<u>31 Board Members</u> Comprised of County Supervisors (3), City of Sacramento (2) and other member Cities (21) and Counties (5), 1 - Ex-Officio Member (Caltrans Director)	1 vote per Member or Alternate – each vote is counted toward the population vote and toward the vote of either the member cities/counties, depending on whether appointment is made by a city or county.	Yes
Sacramento Public Library Authority	JPA	<u>14 Board Members</u> 5 - Sac County Board of Supervisors 5 - Sac City Councilmembers 1 each - City Council of Citrus Heights, Elk Grove and Rancho Cordova. Galt and Isleton - co-represented by 1 councilmember - currently from Galt - based on 50,000 population threshold; a seat is added for each additional 100,000 population.	1 vote per Member – all actions taken must receive a first tier approval (require the affirmative vote of majority); all actions must also receive a second tier approval (50% vote requirement).	Yes
Sacramento Area Flood Control Agency (SAFCA)	JPA/ Statutory	<u>11 Board Members</u> 5 - Sac County Board of Supervisors 3 - Sac City Councilmembers 1 - Sutter County Board of Supervisor 1 each – 2 Flood Districts	1 vote per Member or Alternate.	No
Sacramento Regional County Sanitation District (SRCS D)	Statutory Organization	<u>16 Board Members</u> 5 - Sac County Board of Supervisors 5 - Sac City Councilmembers 1 each - Member entities (Citrus Heights, Folsom, Rancho Cordova, Elk Grove, and West Sacramento) 1 Yolo County Board of Supervisor	1 vote per Member or Alternate – the composition of the Board is weighted based upon the City's population.	Yes – certain issues also require a majority of the entire Board.
Solid Waste Authority (SWA)	JPA	<u>8 Board Members</u> 5 – Sac City Councilmembers 3 – Sac County Board of Supervisors	1 vote per Member; Chair has 2 votes in a case of a tie.	No

**SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**  
**A RESOLUTION RECOMMENDING TO PARENTAL ENTITIES ORDINANCE**  
**AMENDMENTS CHANGING COMMISSION REPRESENTATION**

**RESOLUTION NO. 97-008**

WHEREAS, the newly formed City of Citrus Heights has requested representation on the Commission's governing board; and

WHEREAS, Sacramento Metropolitan Cable Television Commission desires to have the City of Citrus Heights represented; and

WHEREAS, the language currently provided in the Franchise and License Ordinances do not anticipate the addition of other member jurisdictions; and

WHEREAS, the Commission reviewed multiple alternatives of adding representation with concern including ease of administration, weight of votes per population, and the potential for additional future city incorporations; and

WHEREAS, the Commission desires to adopt language (per Alternative 4 of the staff report dated May 20, 1997) which provides one voting seat for new cities with over 80,000 population and provides representation for cities under 80,000 by the current seat jointly representing the Cities of Folsom and Galt.

NOW THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION hereby adopts and recommends ordinance language to its parental entities providing a voting seat for new cities with population in excess of 80,000 and designating representation for cities under 80,000 by the current Board Director representing the Cities of Folsom and Galt.

FURTHER BE IT RESOLVED that Commission staff and counsel are directed to prepare Franchise and License language with the above intent and circulate for adoption at each jurisdiction and are hereby directed to do and perform everything necessary to carry out the purpose of this resolution.

On a motion by Director Dave Cox, seconded by Director Don Nottoli, the foregoing Resolution was passed and adopted by the Sacramento Metropolitan Cable Television Commission this 5th day of June 1997 by the following vote to wit:

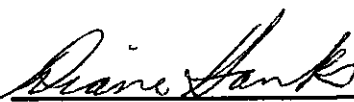
AYES: Directors, Collin, Cox, Nottoli, Gora, Yee, Waters, Kerth (alternate for Pannell)

ABSTAIN: None

NOES: None

ABSENT: Directors, Dickinson, Pannell

  
\_\_\_\_\_  
Vice-Chairperson, Sacramento Metropolitan  
Cable Television Commission

ATTEST:   
\_\_\_\_\_  
Secretary, Sacramento Metropolitan  
Cable Television Commission

REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

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Phone: (916) 874-6661 ♦ Fax: (916) 854-9666

ROBERT A. DAVISON, EXECUTIVE DIRECTOR

## AGENDA ITEM NO. 5

**DATE:** March 3, 2011  
**TO:** Chair and Board of Directors  
**FROM:** Robert A. Davison, Executive Director  
**SUBJECT:** SACRAMENTO COUNTY'S CALENDAR YEAR 2011 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND

### RECOMMENDATION:

It is recommended the Board receive and file the Sacramento County's Calendar Year 2011 Investment Policy for the Pooled Investment Fund.

### DISCUSSION:

On December 14, 2010, the Sacramento County Board of Supervisors approved the County's Annual Investment Policy for the Pooled Investment Fund for Calendar Year 2011.

As the Commission is a Pooled Investment Fund participant, it is recommended the Board receive and file the policy at this meeting. Your action to receive and file the policy constitutes consideration at a public meeting, as recommended by Government Code Section 53646(a)(2).

Changes made to the Investment Policy mirror changes in state and federal financial regulations regarding FDIC insurance limits, SEC-required money market fund average weighted maturities, and the State's Local Agency Investment Fund deposit limit. All other changes were grammatical corrections and did not affect the intent of the Investment Policy.

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert A. Davison". The signature is written in black ink and is positioned above a horizontal line.

ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

Attachment:  
Sacramento County's CY 2011 Investment Policy for the Pooled Investment Fund

Internal Services Agency

Department of Finance

Julie Valverde, Director



Steven C. Szalay, Interim

County Executive

Julie Valverde,

Interim Agency Administrator

County of Sacramento

**RECEIVED**

January 28, 2011

JAN 31 2011

To: Pooled Investment Fund Participant Agency Board Chairs

SACRAMENTO METROPOLITAN  
CABLE TELEVISION COMMISSION

Subject: **CALENDAR YEAR 2011 INVESTMENT POLICY FOR THE POOLED INVESTMENT FUND**

Since 1987, the Director of Finance has submitted a statement of investment policy to the Sacramento County Board of Supervisors for consideration and adoption. The Board of Supervisors approved the enclosed calendar year 2011 investment policy on December 14, 2010.

There are no major changes to the investment policy. Changes made to the Investment Policy for Calendar Year 2011 mirror changes in state and federal financial regulations regarding FDIC insurance limits, SEC-required money market fund average weighted maturities, and the State of California Local Agency Investment Fund deposit limit. All other changes were grammatical corrections and did not affect the intent of the policy.

I recommend that the legislative body of your agency receive and file the enclosed Sacramento County Annual Investment Policy of the Pooled Investment Fund — Calendar Year 2011 at its next regular meeting. Your action to receive and file the policy constitutes consideration at a public meeting as recommended by Government Code section 53646(a)(2). The investment policy is also available on the Department of Finance — Investment Division webpage at [www.finance.saccounty.net/investments](http://www.finance.saccounty.net/investments).

The following investment-related reports are also available on the Investment Division webpage:

- Pooled Investment Fund Monthly Review;
- Quarterly Pooled Investment Fund Report; and
- Non-Pooled Investment Funds Portfolio Reports.

If you have any questions about the investment policy or management of the Pooled Investment Fund portfolio, please call me at (916) 874-6744 or Chief Investment Officer Bernard Santo Domingo at (916) 874-7320.

Sincerely,

A handwritten signature in cursive script that reads "Julie Valverde".

**Julie Valverde**  
Director of Finance

Enclosure

cc: Treasury Oversight Committee  
Bernard Santo Domingo



**RECEIVED**

JAN 31 2011

SACRAMENTO METROPOLITAN  
CABLE TELEVISION COMMISSION

**SACRAMENTO COUNTY**

**Annual Investment Policy  
of the Pooled Investment Fund**

**CALENDAR YEAR 2011**

*Approved by the  
Sacramento County Board of Supervisors*

December 14, 2010  
Resolution No. 2010-0977

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SACRAMENTO COUNTY

**Annual Investment Policy  
of the Pooled Investment Fund**

CALENDAR YEAR 2011

**I. Authority**

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

**II. Policy Statement**

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

**III. Standard of Care**

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

**IV. Investment Objectives**

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

**A. Safety of Principal**

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

**B. Liquidity**

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

**C. Public Trust**

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

**D. Maximum Rate of Return**

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

**V. Pooled Investment Fund Investors**

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

**VI. Implementation**

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.



## **VII. Internal Controls**

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

Quarterly, the Director of Finance will provide the Oversight Committee with a copy of the Pooled Investment Fund activity and its compliance to the annual Policy and California Government Code.

Annually, the Oversight Committee shall cause an annual audit of the activities within the Pooled Investment Fund to be conducted to determine compliance to the Policy and California Government Code. This audit will include issues relating to the structure of the investment portfolio and risk.

All securities purchased, with the exception of time deposits, LAIF and Wells Fargo's overnight investment fund, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

## **VIII. Sacramento County Treasury Oversight Committee**

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Director of Finance shall prepare an Investment Policy that will be forwarded to and monitored by the Oversight Committee and rendered to Boards of all local agency participants. The Board of Supervisors shall review and approve the Policy during public session. Quarterly, the Director of Finance shall provide the Oversight Committee a report of all investment activities of the Pooled Investment Fund to ensure compliance to the Policy. Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

## **IX. Investment Parameters**

### **A. Investable Funds**

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all bond proceeds.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

### **B. Authorized Investments**

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall

include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

### **C. Prohibited Investments:**

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are Alliance One, Altria Group, Inc., British American Tobacco PLC, Imperial Tobacco Group PLC, Lorillard, Philip Morris International, Reynolds American, Inc., Schweitzer-Mauduit International Inc., Star Scientific Inc., Universal Corp., and Vector Group, Ltd. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

### **D. Credit Requirements**

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Individual bank rating of B or better. The Investment Group is granted the authority to specify approved California banks with Fitch Individual bank ratings of B/C or C but they must have a Support rating of 1 where appropriate. Foreign banks with domestic licensed offices must have a Fitch Sovereign rating of AAA and a Fitch Individual bank rating of B or better; however, a foreign bank may have a rating of B/C or C but they must have a Support rating of 1. Domestic savings banks must be rated B or better or may have a rating of B/C or C but they must have a Support rating of 1.

**Community Reinvestment Act Program Credit Requirements**

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	<b>Banks</b> — FDIC Insurance Coverage
	<b>Credit Unions</b> — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit to \$10 million  Collateral is required	(Any 2 of 3 ratings) S&P: A-2 Moody's: P-2 Fitch: F-2

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate their commitment to meeting the community reinvestment lending and charitable activities, which are also required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

**E. Maximum Maturities**

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as Treasury and Agency securities, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury Notes and Agency Obligations.....	5 years
Bonds issued by local agencies .....	5 years
Registered State Warrants and Municipal Notes .....	5 years
Bankers Acceptances .....	180 days
Commercial Paper.....	270 days
Negotiable Certificates of Deposit .....	180 days
CRA Bank Deposit/Cerificates of Deposit .....	1 year
Repurchase Agreements .....	1 year
Reverse Repurchase Agreements .....	92 days
Medium Term Corporate Notes.....	180 days
Shares of a Money Market Mutual Fund .....	(per SEC regulations) <sup>1</sup>
Collateralized Mortgage Obligations .....	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

#### **F. Maximum Concentrations**

No more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Securities.....	100%
Bonds issued by local agencies .....	80%
Registered State Warrants and Municipal Notes .....	80%
Bankers Acceptances .....	40%
Commercial Paper.....	40%
Negotiable or CRA Bank Deposit/Certificates of Deposit.....	30%
Repurchase Agreements .....	30%
Reverse Repurchase Agreements .....	20%
Medium Term Corporate Notes.....	30%
Shares of a diversified Money Market Mutual Fund.....	20%
Collateralized Mortgage Obligations .....	20%
Local Agency Investment Fund (LAIF) .....	(per State limit) <sup>2</sup>

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

<sup>1</sup> Money Market mutual funds are regulated by the Securities and Exchange Commission under §270.2a-7 and are required to maintain a dollar-weighted average portfolio maturity of 60 days or less.

<sup>2</sup> LAIF current maximum allowed is \$50 million.

No more than 10% of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

### **G. Repurchase Agreements**

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the Approved Lists of the County and which meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be Treasuries or Agencies valued at 110%, or mortgage-backed securities valued at 150%.

### **H. Community Reinvestment Act Program**

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions which support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

### **I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers**

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities which have been placed on the Approved List of

brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers which have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four year period to the Director of Finance or any member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

#### **J. Investment Guidelines, Management Style and Strategy**

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits which are consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

#### **K. Approved Lists**

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

#### **L. Calculation of Yield and Costs**

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost

accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

#### **X. Reviewing, Monitoring and Reporting of the Portfolio**

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Oversight Committee and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Each quarter, the Director of Finance shall provide to the Board of Supervisors and interested parties a comprehensive report on the Pooled Investment Fund.

Annually, the Director of Finance shall provide to the Oversight Committee the Investment Policy. Additionally, the Director of Finance will render a copy of the Investment Policy to the legislative body of the local agencies that participate in the Pooled Investment Fund.

#### **XI. Withdrawal Requests for Pooled Fund Investors**

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

#### **XII. Limits on Honoraria, Gifts, and Gratuities**

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment



trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation is \$420 for the period January 1, 2011, to December 31, 2012. Any violation must be reported to the State Fair Political Practices Commission.

### **XIII. Terms and Conditions for Outside Investors**

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

# Appendix A

## Comparison and Interpretation of Credit Ratings

<b>Long Term Debt &amp; Individual Bank Ratings</b>				
<b>Rating Interpretation</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>	<b>Fitch Individual Bank Rating</b>
<i>Best-quality grade</i>	Aaa	AAA	AAA	A
<i>High-quality grade</i>	Aa1	AA+	AA+	A
	Aa2	AA	AA	A/B
	Aa3	AA-	AA-	B
<i>Upper Medium Grade</i>	A1	A+	A+	B
	A2	A	A	B/C
	A3	A-	A-	B/C
<i>Medium Grade</i>	Baa1	BBB+	BBB+	C
	Baa2	BBB	BBB	C/D
	Baa3	BBB-	BBB-	C/D
<i>Speculative Grade</i>	Ba1	BB+	BB+	D
	Ba2	BB	BB	D
	Ba3	BB-	BB-	D
<i>Low Grade</i>	B1	B+	B+	D/E
	B2	B	B	D/E
	B3	B-	B-	D/E
<i>Poor Grade to Default</i>	Caa	CCC+	CCC	D/E
<i>In Poor Standing</i>	-	CCC	-	D/E
	-	CCC-	-	D/E
<i>Highly Speculative Default</i>	Ca	CC	CC	D/E
	C	-	-	E
<i>Default</i>	-	-	DDD	E
	-	-	DD	E
	-	D	D	E

<b>Short Term / Municipal Note Investment Grade Ratings</b>			
<b>Rating Interpretation</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

# Appendix A

## Short Term / Commercial Paper Investment Grade Ratings

Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3

## Fitch Support Ratings (related to Fitch Individual Bank Ratings)

Rating	Interpretation
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

# Appendix A

## Fitch Sovereign Risk Ratings

<i>Rating</i>	<i>Interpretation</i>
AAA	<b>Highest credit quality.</b> 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	<b>Very high credit quality.</b> 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	<b>High credit quality.</b> 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	<b>Good credit quality.</b> 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for timely payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	<b>Speculative.</b> 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	<b>Highly speculative.</b> 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	<b>High default risk.</b> Default is a real possibility.
CC	<b>Very high levels of credit risk.</b> Default of some kind appears probable.
C	<b>Exceptionally high levels of credit risk.</b> Default appears imminent or inevitable.
D	<p><b>Default.</b> Indicates a default. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> <li>• Failure to make payment of principal and/or interest under the contractual terms of the rated obligation;</li> <li>• The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or</li> <li>• The coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.</li> </ul>

REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

901 H Street, Suite 206 ♦ Sacramento, CA 95814 ♦ [www.sacmetroable.tv](http://www.sacmetroable.tv)

Phone: (916) 874-6661 ♦ Fax: (916) 854-9666

ROBERT A. DAVISON, EXECUTIVE DIRECTOR

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## AGENDA ITEM NO. 6

**DATE:** March 3, 2011  
**TO:** Chair and Board of Directors  
**FROM:** Robert A. Davison, Executive Director  
**SUBJECT:** VICE-CHAIR ELECTION

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### RECOMMENDATION:

It is recommended the Board elect a Vice-Chair for the remainder of Fiscal Year 2010-11.

### BACKGROUND

The Commission's By-Laws state the Board of Directors shall annually elect its Chairperson. Traditionally, assumption of duties and responsibilities of the new Chair occurs with the new fiscal year. In the absence of the Chairperson, the Vice-Chair shall preside at the said meeting and shall have all the same duties.

With the 2011 appointment of Citrus Heights' Councilmember Mel Turner to the Commission Board, in place of Councilmember Steve Miller, it is necessary to elect a Vice-Chair for the remainder of Fiscal Year 2010-11.

The enclosed Chair/Vice-Chair History log will assist in the deliberations to elect a Vice-Chair.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert A. Davison". The signature is written in a cursive style and is positioned above a horizontal line.

ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

Attachment:  
Chair/Vice-Chair History (1982-2010)

**SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION**  
**CHAIR / VICE-CHAIR HISTORY**  
**(1982–2010)**

Beginning Date	CHAIR		VICE CHAIR	
	Jurisdiction	Name	Jurisdiction	Name
June 2010	Folsom	Morin	Citrus Heights	Miller
June 2009	City	Waters	Folsom	Morin
February 2009	County	Nottoli	Sacramento	Waters
June 2008	Elk Grove	Leary	Citrus Heights	Miller
June 2007	Elk Grove	Leary	County	MacGlashan
April 2006	Sacramento	Sheedy	Elk Grove	Leary
April 2005	County	Nottoli	Sacramento	Sheedy
April 2004	Sacramento	Waters	County	Nottoli
March 2003	Sacramento	Waters	County	Nottoli
February 2002	Sacramento	Waters	County	Nottoli
March 2001	Sacramento	Waters	County	Nottoli
March 2000	Citrus Heights	Shelby	Sacramento	Waters
March 1999	County	Collin	Citrus Heights	Shelby
March 1998	County	Collin	Sacramento	Waters
March 1997	Sacramento	Pannell	County	Collin
March 1996	Folsom / Galt	Pratt	Sacramento	Pannell
Jan. 1995	County	Dickinson	Folsom / Galt	Pratt
April 1994	Sacramento	Pane	County	Dickinson
April 1993	County	T. Johnson	Sacramento	Yee
April 1992	Folsom / Galt	Fletcher	County	Collin
April 1991	Folsom / Galt	Fletcher	Sacramento	Kastanis
May 1990	Sacramento	Ferris	County	G. Johnson
Dec. 1989	County	Streng	Sacramento	Ferris
April 1989	Sacramento	Pope	County	Streng
April 1988	County	T. Johnson	Folsom / Galt	Fletcher
April 1987	Sacramento	Kastanis	County	T. Johnson
April 1986	County	Collin	Sacramento	Kastanis
April 1985	Folsom / Galt	Fletcher	Sacramento	Robie
April 1984	Sacramento	Kastanis	County	Collin
April 1982	County	Bryan	Sacramento	Kastanis



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ROBERT A. DAVISON, EXECUTIVE DIRECTOR

REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento

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## AGENDA ITEM NO. 7

**DATE:** March 3, 2011  
**TO:** Chair and Board of Directors  
**FROM:** Robert A. Davison, Executive Director  
**SUBJECT:** **STAFF ADMINISTRATION REPORT**

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### **RECOMMENDATION:**

It is recommended the Board receive a verbal report from staff on Commission matters and discuss future Board meeting dates.

Respectfully submitted,



---

ROBERT A. DAVISON, Executive Director  
Sacramento Metropolitan Cable Television Commission

REPRESENTING  
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ROBERT A DAVISON, EXECUTIVE DIRECTOR

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**AGENDA ITEM NO. 8**

**This item consists of verbal  
reports from  
State Video/Cable Franchisees.**



REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television CTC Commission

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

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AGENDA ITEM NO. 9

**This item consists of verbal  
reports from  
Channel Licensees/Grantees.**

REPRESENTING  
Sacramento County  
and the Cities of:  
Citrus Heights  
Elk Grove  
Folsom  
Galt  
Rancho Cordova  
Sacramento



# SACRAMENTO METROPOLITAN Cable Television Commission

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ROBERT A DAVISON, EXECUTIVE DIRECTOR

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AGENDA ITEM NO. 10

**This item is open for  
public comments.**