

RESOLUTION NO. 2021- 33

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT
WITH ETHERIC NETWORKS INCORPORATED TO PLACE COMMUNICATION
EQUIPMENT ON THE CITY'S WATER TANK FOR THE TRANSMISSION OF
COMMUNICATION SIGNALS PROVIDING A NEW SOURCE OF INTERNET
ACCESS FOR THE COMMUNITY IN CONSIDERATION FOR FREE WI-FI ON
THIRD STREET INCLUDING CITY FACILITIES**

WHEREAS, many rural communities have long awaited access to reliable fast internet services, and San Benito County and the City of San Juan Bautista are no exception to this struggle; and

WHEREAS, for many years, the citizens San Juan Bautista and the surrounding community have had limited options to choose from for access to fast reliable internet service; and

WHEREAS, the State and Federal policy changes have attracted new service providers to the area, awarding access rights to rural areas around San Benito County and around the City limits; and

WHEREAS, a majority of these access rights have been awarded to Etheric Networks Incorporated ("Etheric"), which has had some presence in and around Hollister, but now plans to expand its services; and

WHEREAS, a brief company description of Etheric, a relatively small internet service provider, is attached to the staff's report provided to the City Council June 15, 2021, and is incorporated into this Resolution by reference; and

WHEREAS, typically, a city or school district will lease their property to communication providers at a rate of between \$1,500 to \$2,000 per month solely for the purpose of generating revenue from these "Cell Tower Leases;" and

WHEREAS, in an effort to improve internet access to the citizens of San Juan Bautista and the surrounding community and possibly generating some revenue, the City reached out to Etheric to see if they would be interested in investing here in San Juan Bautista to help them expand into the rural communities as well as the City; and

WHEREAS, after researching the possibility of accessing high-speed fiber optics that enters the City on The Alameda and crosses through town past the Library towards Santa Clara County, Etheric began exploring in earnest the cost and benefits of developing internet services in the City; and

WHEREAS, Etheric's research confirmed that many residents and business could be served if they could send their communication signals from the City's water tank, to any subscriber within sight of the tank, and if sufficient demand was created, possibly extending these services into the near-by canyons; and

WHEREAS, over the past six-months, Etheric has successfully petitioned the California Utilities Commission to allow them access to the fiber optics traveling through town, and

reached agreement with the owner of the Windmill Market to install equipment at the top of their building so that signals could be sent to the City's Water Tank for distribution to subscribers, and have made an investment of more than \$100,000 to complete this work; and

WHEREAS, Etheric is renting space and has a business presence in San Juan Bautista where it houses data servers to improve the speed of the internet access by reducing latency to those who access the internet in the City subscribing to their services; and

WHEREAS, Etheric has agreed to install equipment necessary to provide visitors and business owners free access to Wi-Fi by installing a "hot-spot" on Third Street from the Alameda to Monterey Street, and equipment needed at City buildings to access their signals from the Water Tank; and

WHEREAS, Etheric will provide the Wi Fi Hotspot and internet services to the City facilities in exchange for rent at the Water Tank, at an estimated value of \$2,700 per month for five years; and

WHEREAS, Etheric will provide a minimum service to its subscriber starting at \$59 per month for 25 Megabytes per minute upload, and 10 megabytes download, and promote the federal aide to low-income households that will pay \$50 per month for internet access, allowing access to low-income families for \$9 per month as long as the federal program exists; and

WHEREAS, Etheric will provide internet access at unlimited speeds to subscribers on a rate basis that escalates proportionately as the speed increases, as provided in staff's report to the City Council June 15, 2021, and incorporated into this Resolution by reference; and

WHEREAS, the benefits to having Etheric in San Juan Bautista outweigh the value if typical cell-tower lease, and it would be a benefit to the citizens of San Juan Bautista to facilitate the completion of their project and approve the attached License Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

Section 2. The City Council also finds that it is a benefit to the citizens of San Juan Bautista to invite Etheric Networks Inc. into the community and offer a license agreement attached hereto, in exchange for offering free wi-fi to its visitors on Third Street, fast reliable services at City facilities, and reasonable subscription rates for its subscribers.

Section 3. The City Council resolves and authorizes the City Manager to execute a License Agreement in much the same form as that attached to this Resolution and expeditiously complete other documentation as required to allow Etheric Network Inc. to initiate its services from the City's Water Tank as soon as practical.

Section 4. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED this 15th day of June, 2021, by the following roll call vote:

AYES: Jordan, Edge, Flores, Freels, Freeman


NOES: None

ABSENT: None

ABSTAIN: None



Leslie Q. Jordan, Mayor

ATTESTED:


Shawna Freels, City Clerk