

DISCUSSION CALENDAR

13 FIBER BUSINESS PLAN – REVIEW OF MAGELLAN ADVISORS REPORT ON USE OF FIBER FOR ENHANCED COMMUNITY BROADBAND COMMUNICATION INFRASTRUCTURE; \$300,000 IN STARTUP COSTS OFFSET BY CURRENT REVENUES OF \$455,000

Representatives from Magellan Advisors and Deputy General Manager Kevin Milligan presented a Fiber Business Plan intended to be used as a road map to allow RPU To capitalize on unused (dark) fiber optic cable assets that have been installed alongside electric cable for the past 15 years.

The Board approved the expenditure of \$300,000 in start-up costs offset by \$455,000 in current revenue; directed staff to identify through the ten-year pro-forma, an allocation of prior years' revenue for future appropriation through the budget process; and, directed staff to return to the Board in six months with a comprehensive update, and complete Phase 1 in twelve months.

The Board also provided specific feedback to staff requesting an appendix to the report outlining other electric utility case studies, requesting greater specificity for Riverside, and ensuring that revenue and expenses for the fiber program (current and future) be tracked and accounted for distinctly.

Following discussion and the addition of Recommendation No. 6, the Board of Public Utilities:

1. Received a report from Magellan Advisors summarizing their work to develop a fiber business plan for Riverside Public Utilities;
2. Provided feedback to staff and the consultant on policy considerations relative to availability and expansion of broadband services in Riverside;
3. Approved in concept the roadmap for dark fiber deployment within the community;
4. Approved the expenditure of \$300,000 to begin implementation of Phase 1 of the proposed roadmap which will formalize RPU's dark fiber leasing program; and
5. Directed staff to identify through the ten-year proforma, an allocation of prior years' fiber revenue for future appropriation through the budget process; and
6. Directed staff to provide a comprehensive update in six months.

Motion – Scott-Coe. Second – Cole.

Ayes: Cash, Austin, Cole, O'Farrell, Scott-Coe, and Walcker.

Absent: Darrell Ament (unexcused absence)