

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** MAY 9, 2016

**ITEM NO:** 2

File ID – 16-1398 – Consent

**SUBJECT: POLE ATTACHMENT AND CONDUIT 10-YEAR LICENSE AGREEMENT BETWEEN EXTENET SYSTEMS, INC. AND THE CITY OF RIVERSIDE PUBLIC UTILITIES FOR AN ESTIMATED 10 YEAR INCOME OF \$6,040**

**ISSUE:**

The issue for Board of Public Utilities consideration is to recommend that the City Council approve the Pole Attachment and Conduit License Agreement between ExteNet Systems, Inc. and the City of Riverside.

**RECOMMENDATIONS:**

That the Board of Public Utilities recommend that the City Council:

1. Approve the 10-year Pole Attachment and Conduit License Agreement between ExteNet Systems, Inc. and the City of Riverside; and
2. Authorize the City Manager, or his designee, to execute the necessary documents.

**BACKGROUND:**

The California Public Utilities Commission granted ExteNet Systems, Inc., a certificate of Public Convenience and Necessity to provide facilities-based local exchange and interexchange telecommunications services within the State of California. ExteNet Systems, Inc. notified the City of Riverside (City) of its intent to install a fiber optic system within the City and provide wholesale dark fiber services. To economically install their fiber optic communication system, ExteNet Systems Inc. needs to lease pole and conduit space from the City of Riverside Public Utilities (RPU) and made application to enter into a standard Pole Attachment and Conduit License Agreement (Agreement) with the City.

The Agreement defines the processes by which ExteNet Systems Inc. can utilize RPU poles, conduits, and structures for the purpose of installing its fiber optic facilities. Charter Communications, TW Telecom, Pacific Bell Mobile Services, ICG Telecom Group and Southern California Edison all have entered into similar agreements with the City. The advantage to ExteNet Systems Inc. includes reduced installation costs and accelerated in-service schedules. The benefit to the City is fewer street excavations and greater control over aesthetic issues.

The Agreement is for a 10 year term, incorporating a \$67 per pole and structure application fee to recoup related engineering and inspection costs. The standard rental fees are \$23.50 per pole attachment per year, \$5 per anchor attachment per year, and \$2 per foot of conduit occupied per year.

**FISCAL IMPACT:**

Fees	Per Pole	Estimated Poles (20)	10 Year Lease
One Time Application	\$ 67.00	\$ 1,340.00	\$ 1,340.00
Annual Charges			
Per foot of occupied pole space	23.50	470.00	4,700.00
Per anchor attachment (none estimated)	5.00		
Per foot of conduit/innerduct occupied	2.00		
Total Estimated Revenue			\$ 6,040.00

The base estimate of 20 leased poles under a 10-year lease is \$6,040. The actual annual income will vary based on the poles leased and may increase as additional fiber lines are installed.

Prepared by:	Pat Hohl, Public Utilities Assistant General Manager/Energy Delivery
Approved by:	Girish Balachandran, Public Utilities General Manager
Approved by:	John A. Russo, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Certifies availability of funds:	Laura Chavez-Nomura, Public Utilities Assistant General Manager/Finance
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Attachment:	Pole Attachment and Conduit License
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