



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 7, 2016**

**FROM: PUBLIC UTILITIES DEPARTMENT** **WARDS: ALL**

**SUBJECT: POLE ATTACHMENT AND CONDUIT 10-YEAR LICENSE AGREEMENT WITH  
EXTENET SYSTEMS INC FOR AN ESTIMATED 10 YEAR INCOME OF \$6,040**

**ISSUE:**

The issue for City Council consideration is approval of a ten (10) year license Pole Attachment and Conduit License Agreement with ExteNet Systems Inc., of Lisle, Illinois.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Pole Attachment and Conduit License Agreement, for a term of ten (10) years with ExteNet Systems, Inc.; and
2. Authorize the City Manager, or his designee, to execute the necessary documents.

## **BOARD RECOMMENDATION:**

The Board of Public Utilities approved this item at their regular meeting on Monday, May 9, 2016.

## **BACKGROUND:**

The California Public Utilities Commission granted ExteNet Systems Inc. (ExteNet) a certificate of Public Convenience and Necessity to provide facilities-based local exchange and interexchange telecommunications services within the State of California. ExteNet notified the 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 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. This agreement covers only the mechanical attachment of ExteNet facilities to RPU infrastructure and does not govern fiber lease rates.

The Agreement defines the processes by which ExteNet 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 ExteNet lease includes reduced installation costs, accelerated in-service schedules with a City benefit of fewer street excavations and greater control over aesthetic issues.

The Agreement is a ten (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:**

<b>Fees</b>	<b>Per Pole</b>	<b>Estimated Poles (20)</b>	<b>10 Year Lease</b>
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/inner duct 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: Girish Balachandran, Utilities General Manager  
 Certified as to  
 availability of funds: Scott G. Miller, Interim Finance Director/Treasurer  
 Approved by: John A. Russo, City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

Attachment: Pole Attachment and Conduit License