

DISCUSSION CALENDAR

Board Member Walcker recused himself from the dais for Item 19.

- 19 DARK FIBER LEASING PROGRAM INCLUDING ESTABLISHING UNIFORM LEASE RATES FOR THE USE OF THE DARK FIBER INFRASTRUCTURE, PHYSICAL AND CYBER SECURITY POLICIES, A MASTER FIBER LEASE LICENSE AGREEMENT, A NEW COST CENTER WITHIN THE ELECTRIC FUND FOR RELATED EXPENSES AND REVENUE - SUPPLEMENTAL APPROPRIATION OF \$1,800,000 FOR THE DARK FIBER PROGRAM CONSTRUCTION AND MANAGEMENT ACTIVITIES AND TRANSFER OF \$1,800,000 FROM UNDESIGNATED RESERVES TO A FIBER DESIGNATED RESERVE TO FUND LEASED FIBER ACTIVITIES

Deputy General Manager Kevin Milligan gave an overview of the proposed fiber leasing program as RPU operates an advanced broadband fiber-optic cable based network to communicate between its substations and control centers for the operation of our electric grid but RPU has many locations and paths throughout the City where it owns excess fiber that could be leased to third parties.

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve the Dark Fiber Leasing Program;
2. Establish uniform lease pricing for the Dark Fiber Leasing Program;
3. Approve the Technology Physical Security Policy;
4. Approve the Master Fiber Lease License Agreement;
5. Establish a new Dark Fiber Cost Center expense and revenue accounts within the Electric Fund, as determined by the Finance Department, to segregate fiber leasing costs and revenue from other electric fund operating expenses and revenues;
6. Establish a Dark Fiber designated reserve account within the Electric Fund, as determined by the Finance Department, and authorize the transfer of \$1,800,000 for prior years' revenue from dark fiber leasing activities to the designated reserve;
7. Authorize a supplemental appropriation for fiscal year 2017/18 budget in the amount of \$1,800,000 with \$1,200,000 for capital expenditures and \$600,000 for operating costs, to account numbers as determined by the Finance Department for future fiber expansion projects;
8. Authorize the City Manager, or his designee, to execute Fiber Use License Agreements under the terms set forth in this staff report;
9. Direct staff to return every 3 years to update the fiber planned routes, and lease pricing; and
10. Direct staff to return every 12 months with a status update on implementation progress of the Dark Fiber Leasing Program.

Motion – Foust. Second – Russo-Pereyra.

Ayes: Austin, O'Farrell, Crohn, Foust, Ocegueda, Russo-Pereyra, and Sanchez-Monville

Abstained: Walcker (recused himself)

Absent: None.

Board Member Walcker returned to the dais at this time.