




RESOLUTION NO. _____

BOARD LETTER APPROVAL


David Hanson (Dec 24, 2024 09:06 PST)

DAVID W. HANSON
Senior Assistant General Manager
Power System



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: December 17, 2024

SUBJECT: Optical Fiber Lease Agreement No. FO-919-01/2024 and
Short Form IRU-01 Lease Agreement No. FO-920-01/2024 with
Occidental College for Lease of LADWP Optical Fibers

SUMMARY

The proposed Optical Fiber Lease Agreement No. FO-919-01/2024 (Master Agreement) and Short Form IRU-01 Lease Agreement No. FO-920-01/2024 (IRU-01) will allow Occidental College to use LADWP's excess fiber cable capacity. The term of the Master Agreement and IRU-01 is five years. IRU-01 will generate up to \$210,000 in revenue for the Power System if the full term is realized. LADWP has the right, at its sole discretion and for any reason, to terminate IRU-01 with 180 calendar days prior written notice to Occidental College.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing the execution of the proposed Master Agreement and IRU-01.

ALTERNATIVES CONSIDERED

There are no alternatives to these agreements.

FINANCIAL INFORMATION

IRU-01 will generate an annual revenue of \$42,000 and a total revenue of \$210,000 for the Power Revenue Fund if the full term is realized.

There is no cost associated with the execution of IRU-01 since existing circuits will be used to provision this service. IRU-01 is priced based on the current Fiber Optic Enterprise (FOE) Dark Fiber tiered pricing structure. No Consumer Price Index (CPI) adjustment was applied because the Communications CPI for Urban Consumers has not increased since this pricing structure was established. IRU-01 is established with a fixed price and an optional annual market rate adjustment as market conditions warrant.

BACKGROUND

FOE provides fiber optic circuits for internal LADWP use for control systems and the corporate network. FOE leases the excess fiber optic cable capacity to commercial businesses. The customers are primarily Los Angeles area businesses, entertainment industries, health and educational institutions, and City of Los Angeles entities.

Occidental College is a top-tier liberal arts college located at 1600 Campus Road, Los Angeles, California.

Occidental College is an existing FOE customer and is in good standing.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with Section 15060 (c)(3) of the CEQA Guidelines, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, entering into a contract for LADWP to lease segments of its excess capacity fiber optic cable to customers is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution, Master Agreement, and IRU-01 as to form and legality.

ATTACHMENTS

- Resolution
- Agreements