

**PAGE CITY COUNCIL
WORK SESSION MEETING MINUTES
OCTOBER 14, 2015**

A Work Session Meeting of the Page City Council was held at 5:30 p.m. on October 14, 2015, in the Council Chambers at City Hall in Page, Arizona. Mayor Bill Diak presided. Vice Mayor John Kocjan, Councilors Mike Bryan, Scott Sadler, Levi Tappan (arrived at 5:40 p.m.), David Tennis and Dennis Warner were present

Mayor Diak called the meeting to order.

Staff members present: City Manager, Crystal Prentice; City Attorney, Joe Estes; Page Utility Enterprises General Manager, Bryan Hill; Deputy City Clerk, Sue Kennedy, and City Clerk, Kim Larson.

Discussion by the City Council pertaining to a Communications Master Agreement with Salt River Project (SRP)

Discussion by the City Council pertaining to a Network Extension Build Agreement with South Central Communications, Inc. (SCC)

Discussion by the City Council pertaining to a Request for Proposal (RFP) to install 96 strands of fiber-optic cable – Fiber Project Bid #198

All three agenda items were discussed at one time.

Page Utility Enterprises General Manager Bryan Hill presented the agenda item. He stated that in 2012 Page Electric was invited to attend a meeting with Western Area Power Administration (WAPA) and Navajo Tribal Utility Authority (NTUA). At that time WAPA had a high interest in bringing broadband fiber to the area for communications with the dam, and NTUA asked if Page Utility would be interested in participating. Mr. Hill said that bringing broadband fiber to the area with WAPA and NTUA did not work out, and with a change in administration WAPA was no longer interested.

In answer to the question "Why would electric utilities be doing broadband fiber?" Mr. Hill explained that as the industry progresses, the utility requires broadband fiber for critical communications between switching the system control and data acquisition. That had been WAPA's interest, and to some degree NTUA's. When that did not come together, he was asked by City Council to explore other options to bring broadband fiber into Page. The Navajo Generating Station (NGS), managed by SRP, had also been researching options to bring broadband fiber to NGS for a number of years.

The discussion for the "Network Extension Build Agreement" was started in October 2014. Mr. Hill noticed that fiber was being installed between Kanab, Utah and Buckskin Mountain, just west of Paria, Utah. He did some research and found out that SCC was installing the fiber. He contacted SCC and began communicating with Michael East, CEO of SSC, on what kind of business arrangement could be made to bring that infrastructure into Page.

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Mr. Hill stated that there were a few parts of the agreement, the SCC agreement “Network Extension Build Agreement” the bid award #198, which would install 96 strands of fiber from the Waste Water Treatment Plant in Page, across the Colorado River, to Wahweap, and terminate in Grenehaven, and the third part was the agreement “Communications Master Agreement” with Salt River Project.

Mr. Hill reviewed some of the main points of the “Network Extension Build Agreement”, attached hereto and by this reference made a part of herein. He stated that the agreement addressed two distinct parts of the fiber optic network. The first is a line extension going from the Buckskin Mountain site along the Utah Department of Transportation (UDOT) right-of-way, down Highway 89, and ending at the Grenehaven store. This is called the Buckskin Grenehaven Extension, and SCC would be doing the construction for this portion for \$1.3 million dollars. The second section would bring fiber from Grenehaven into Page, a project that has been advertised for bids. Mr. Hill displayed a map showing the sections where fiber had already been installed in Page, for use by the Electric Utility.

Initially, the City of Page did not have a partner and a surcharge was being looked into for anyone who connected to the fiber, to payback the electric utility for funding the cost of doing this line extension. Fortunately SRP became a partner with the City with Bryan Zimmerman of SRP’s Telecommunications Department saying that this was a very low cost solution and that they would pay for the cost of the extension from Buckskin Mountain to Grenehaven. The City of Page would then grant SRP sole use of 12 fibers, point to point fiber optic interconnection infrastructure, from PUE Headquarters to the eastern Page Corporate Boundaries, provide SRP rack space within PUE facilities for SRP communication equipment, and provide SRP small ground space at the eastern corporate boundary for their communication equipment. SRP would then be a direct customer of South Central Communications.

Mr. Hill went to explain other aspects to the agreement, such as the 120 year term. SCC will be a partner with the electric utility for this section of fiber for 24 fibers. SCC will pay for the cost of 24 fibers, but not for the construction. SCC agreed to do the maintenance on the entire section of fiber on behalf of the electric utility.

Also in the agreement there is a clause that if new technology came out and there was no longer a need for fiber, the City can abandon the fiber and give it back to SCC, and the City would no longer be responsible.

Bryan Hill asked City Council if they had any questions.

There was discussion.

Mayor Diak pointed out that there was not a dollar amount referenced in the SRP agreement, and asked for clarification; even if it were \$1.2 or \$1.4 million, SRP would be paying for those costs.

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Bryan Hill confirmed that Mayor Dial was correct, and this will eliminate the need for any surcharge.

Councilor Warner asked if there were other opportunities for other entities.

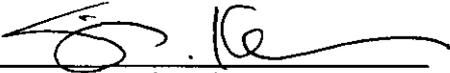
Bryan Hill stated that there would be opportunities for other entities and referenced the National Park Service and Public Safety as examples.

Councilor Warner asked who would manage the allocation of the strands, and reimbursement.

Bryan Hill said it would be PUE Management, the PUE Board, and City Council for the other 72 strands of fiber.

Lengthy discussion continued.

The meeting was adjourned at 6:08 p.m.



Sue Kennedy
Deputy City Clerk

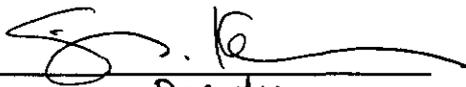


William R. Diak
Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Work Session Meeting, held on the 14th day of October, 2015. I further certify that the meeting was duly called and that a quorum was present.

Dated this 28th day of October, 2015



Deputy
Kim Larson, City Clerk
Sue Kennedy