



● **Board of Directors**

***Finance, Audit, Insurance, and Real Property Committee***

6/13/2023 Board Meeting

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**7-5**

**Subject**

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Authorize the General Manager to execute six lease/license amendments and two new license agreements for the installation and upgrade of telecommunication equipment and changes in the terms at existing telecommunication sites known as Edom Hill, Vidal Junction, Crossman Peak, Las Vegas Junction, Searchlight, Christmas Tree, and Black Peak, and to commence occupying a new site known as Super Nap, in Southern California, Southern Nevada, and Southern Arizona, as part of Metropolitan's Desert Microwave Project; the proposed action is in furtherance of a project that was previously determined to be exempt from CEQA (Riverside County Assessor Parcel No. 659-260-030, San Bernardino County Assessor Parcel No. 0647-321-20-0000, Mohave County Parcel No. 113-02-003, Clark County Parcel Nos. 190-15-000-001; 243-34-501-019; 259-00-001-001; 176-01-801-043, and La Paz County Parcel No. 311-01-006)

**Executive Summary**

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This action authorizes the General Manager to execute six lease/license amendments at Vidal Junction, Crossman Peak, Las Vegas Junction, Searchlight, Christmas Tree, and Black Peak sites and two new license agreements at Edom Hill and Super Nap sites for the upgrade of telecommunication equipment and changes in the terms including footprint, duration and rental amounts at existing telecom sites (**Attachment 1**). These upgrades and change in terms are part of Metropolitan's Desert-Wide-Area Network Upgrade Project. The existing microwave radio wide-area network is over 14 years old, and the Board authorized the design and procurement of components for the upgrade project on January 8, 2019, and July 13, 2021.

**Details**

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**Background**

Metropolitan's Desert-Wide-Area Network (WAN) was constructed in the late 1990s and presently comprises a network of 72 transmission tower sites throughout Southern California, including 24 that support the CRA. Most sites are located on remote hilltops to provide point-to-point communication links. These sites are managed by landowners or telecommunication site operators such as American Tower Company, Crown Castle, SBA Structure, Switch, or the US Bureau of Land Management. Metropolitan's WAN provides the primary data transmission and communications path across the desert region, which entails transmitting telephone, voice, data, and video communications as well as real-time data from the supervisory control and data acquisition system, automated meter reading system, security cameras, teleprotection, and system alarms to Metropolitan's control facilities. The WAN also provides access at remote sites to email, the geographical information system, Oracle Financial, WorkTech, and PeopleSoft applications between all Metropolitan facilities.

Each transmission site consists of a tower, directional antennas that transmit incoming and outgoing signals, and microwave radio equipment typically housed in a small masonry structure. In most cases, the transmission tower and related infrastructure are owned by the landowners or telecommunication site operators and serve other public and private end-users besides Metropolitan.

The upgrade of the WAN is included within Metropolitan's Capital Investment Plan and Infrastructure Reliability Program. On January 8, 2019, the Board authorized a professional technical service contract for the subject equipment upgrades. The Board authorized procurement of the equipment for this project and additional technical services on July 13, 2021. The WAN Project will replace the current microwave system with a high-capacity

carrier-grade microwave system that will provide a more reliable communications system to the desert region. The replacement microwave system is anticipated to upgrade the microwave radio antennas, waveguides, routers, rectifiers, network management system, supporting network equipment, and direct current power distribution with battery backup systems.

Metropolitan currently uses privately owned telecommunication sites at Vidal Junction, Crossman Peak, Las Vegas Junction, Searchlight, Christmas Tree, Black Peak, and Edom Hill, which have been identified as sites that need to be upgraded/expanded as part of the WAN upgrade project. The staff has also negotiated longer-term deals where possible due to the cost of implementing this WAN upgrade Project and the long-term needs for the communication facilities. The staff has also identified a new site at Super Nap as part of the WAN Upgrade Project. The existing and proposed agreements also include rent adjustments between 3 to 5 percent per year.

### Proposed Terms

Terms for each agreement and amendment have been tentatively agreed upon and are presented in this letter for the Board's consideration.

### Term Duration

Each agreement and amendment will include the term dates set forth in Table 1 below:

**Table 1: Proposed Term Dates**

Site Name (Vendor)	Term Start Date	Term End Date	Extension Options
Edom Hill (American Tower)	June 2023	June 2038	(3) Five-Year Options
Vidal Junction (American Tower)	June 2023	February 2032	(2) Five-Year Options
Crossman Peak (American Tower)	June 2023	November 2032	(6) Five-Year Options
Las Vegas Junction (American Tower)	June 2023	July 2033	(2) Five-Year Options
Searchlight (Crown Castle)	June 2023	March 2027	(3) Five-Year Options
Christmas Tree (SBA Structure)	TBD	July 2033	None
BlackPeak (SBA Structure)	TBD	July 2033	None
Super Nap (Switch)	TBD	December 2026	None

### Annual Rent

Annual rent for each agreement and amendment will be established as outlined in Table 2 below:

**Table 2: Proposed Annual Rents - Year 1**

Site Name (Vendor)	Current Rent	Proposed Rent	Change
Edom Hill (American Tower)	\$30,172	\$43,260 (New)	\$13,088
Vidal Junction (American Tower)	\$71,189	\$83,189	\$12,000
Crossman Peak (American Tower)	\$24,316	\$49,516	\$25,200
Las Vegas Junction (American)	\$34,160	\$65,960	\$31,800
Searchlight (Crown Castle)	\$19,577	\$24,677	\$5,100
Christmas Tree (SBA Structure)	\$40,991	\$52,991	\$12,000

Site Name (Vendor)	Current Rent	Proposed Rent	Change
BlackPeak (SBA Structure)	\$17,289	\$26,289	\$9,000
Super Nap (Switch)	New Agreement	\$12,864	\$12,864
<b>TOTAL</b>	<b>\$237,694</b>	<b>\$358,746</b>	<b>\$121,052</b>

## Policy

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Metropolitan Water District Administrative Code Section 8230: Grants Real Property Interests

Metropolitan Water District Administrative Code Section 8231: Appraisal of Real Property Interests

Metropolitan Water District Administrative Code Section 8232: Terms and Conditions of Management

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48766, dated August 16, 2011, the Board adopted the proposed policy principles for managing Metropolitan's real property assets.

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

Metropolitan's Desert-Wide-Area Network Upgrade Project was previously determined to be categorically exempt under the provisions of CEQA and State CEQA Guidelines. The activities associated with this project were determined to be exempt under Classes 1, 2, 4, 6 and 9, Sections 15301, 15303, 15304, 15306, and 15309 of the State CEQA Guidelines on January 8, 2019 and July 13, 2021. The statute of limitations has ended. With the current board action to execute six lease amendments and two license agreements, there is no substantial change proposed to the project. Accordingly, no further CEQA documentation is necessary for the Board to act with regards to the action.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Authorize the General Manager to execute six lease/license amendments and two new license agreements for the installation and upgrade of telecommunication equipment and changes in the terms at existing telecommunication sites known as Edom Hill, Vidal Junction, Crossman Peak, Las Vegas Junction, Searchlight, Christmas Tree, and Black Peak, and to commence occupying a new site known as Super Nap, in Southern California, Southern Nevada, and Southern Arizona, as part of Metropolitan's Desert Microwave Project.

**Fiscal Impact:** Metropolitan's annual rent for the subject Desert Microwave sites will increase by \$121,052.

**Business Analysis:** This action will allow equipment upgrades that increase the reliability and longevity of Metropolitan's communications systems.

### Option #2

Do not authorize the lease/license amendments and new license agreements.

**Fiscal Impact:** Metropolitan's annual rent will remain at \$237,694, subject to annual rent adjustments.


Project management and design costs incurred to date in association with the equipment upgrades at these sites will be sunk costs.

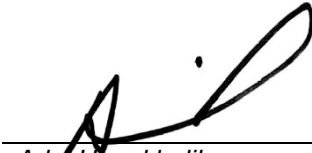
**Business Analysis:** Metropolitan's communications systems may become unreliable due to aging communication equipment.

**Staff Recommendation**

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Option #1

 5/25/2023  
Shane O. Chapman Date  
Assistant General Manager/Operations

 5/26/2023  
Adel Hagekhalil Date  
General Manager

**Attachment 1 – Site Map**

Ref# rpd12694274

