

Fiber to the Home Updates

Lawrenceburg
INDIANA

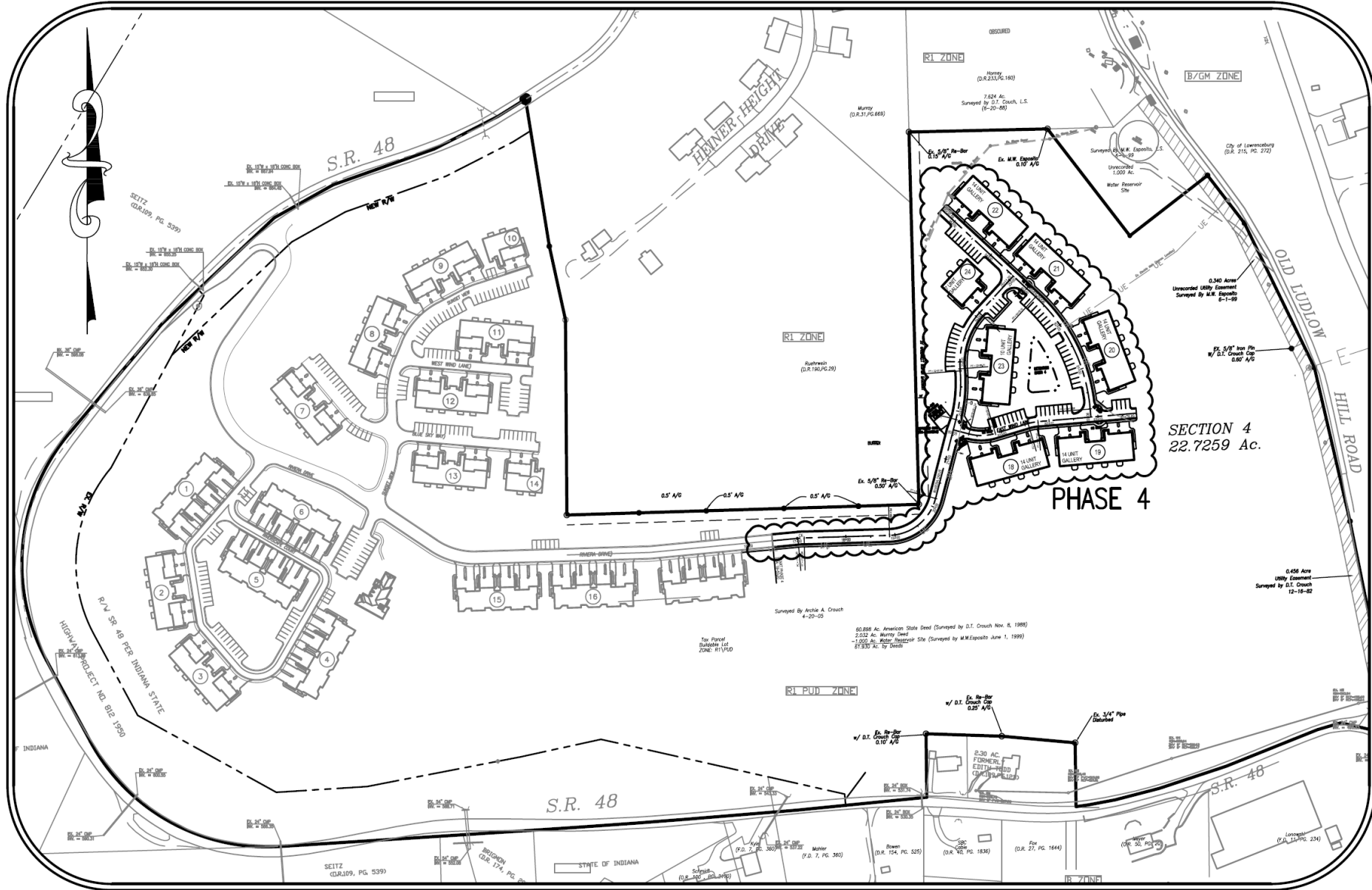
November 18, 2019

FTTH Build-Out Progress

Description	Total Build	Completed Build	Required Build	% Completed	Estimated Days to Complete
Underground Construction	10	3.25	6.75	33%	23
Overhead Construction	18	12.05	5.95	67%	13
Splicing (Splitter Boxes)	47	16	31	34%	62
Drop Closures (ATC/GLC)	375	96	279	26%	69

Note: Approximately 2-3 Months to complete all of Lawrenceburg (excluding individual drops to homes and businesses).

Riviera Overview Map



Riviera Overview

Total Units	267
Total Footage	5198 ft
Costs per Unit	\$864.42
Total Actual Costs	\$ 230,798.82
Construction Start Date:	November 14th
Anticipated Completion Date:	End of Year
Anticipated Annual Income:	\$81,460.00

Notes:

1. Annual income based on under 50% take rate with majority of customers signing up for 100 Mbps service
2. Physical Fiber Connections to homes shall commence post construction

Riviera Detailed Cost Break-down

Underground Construction Costs

\$151,123.11

Boring Hardrock 2651ft @ \$38.00/ft	\$100,738.00
Boring 2547ft @ \$12.31/ft	\$ 31,355.11
Splicing 534 @ \$20/Splice	\$ 10,680.00
Ground Level Closure (GLC) 26 @ \$300/GLC	\$ 7,800.00
Vaults 2 @ \$275/Vault	\$ 550.00

Engineering Costs @ 10%

\$ 15,112.31

Sub-Total

\$166,235.43

Contingencies @ 10%

\$ 16,623.54

Total Construction Costs

\$182,858.97

Customer Premise Equipment

\$ 47,939.85

Optical Network Terminal (ONT) @ \$64.55 \$17,234.85

Wi-Fi Gateway @ \$115.00 \$30,705.00

TOTAL COSTS

\$ 230,798.82

FTTH Estimated Capital Requirements

FTTH (Riviera)	\$230,798.82
FTTH (Edinburg)	\$26,922.03
FTTH (Remaining Construction)	\$592,279.15
Customer Premise Equipment	\$333,200.00
(Optical Network Terminals)	\$218,000.00
(Routers)	\$115,200.00
Secondary Protection Ring (Future)	\$283,500.00
<u>Contingencies @ 10%</u>	<u>\$146,670.00</u>
Total	\$1,613,370.00

Note: The estimated costs listed above do not reflect the capital requirements for additional services including but not limited to last mile connectivity for subsidized Wi-Fi Hotspots, backhaul for security/surveillance systems (cameras), or future build-out to Greendale.

Potential Funding Options

Funding Options

1. Municipal Bonds
2. Mutual Development Funds

Estimated Timelines

1. Funding Acquired: 2-3 Months for construction completion
2. Without Funding: 12-18 Months for construction completion. Build-out shall only cover areas with guaranteed payback, i.e. no internet for low income housing, subsidized housing, and no free Wi-Fi.

Other Issues and Concerns

1. The following contracts are outstanding:
 - a) The City Internet Contract is outstanding.
 - b) City Co-Location Agreement is outstanding.

2. The City is receiving services and according to the Indiana Code IC 8-1.5-2-12 and IC 8-1-2-104, a municipal utility shall charge a City for aforementioned services. We cannot provide free services to the city without breaking Indiana statues.

3. Indiana Codes:
 - IC 8-1.5-2-12 Sale of heat, light, water, or power to municipality
Sec. 12. (a) Upon the approval by resolution of the municipal legislative body, a municipally owned utility may sell or furnish heat, light, water, or power to the municipality to be used exclusively for the furnishing of utility service to the municipality for its own municipal purposes.
(b) This section is not intended to permit the sale or furnishing of power to the municipality where the sale would affect the obligation of any contract or franchise.
As added by Acts 1982, P.L.74, SEC.1.

 - IC 8-1-2-104 Rates and charges; undercharges by furnishing facilities to utility prohibited; exception
Sec. 104. It shall be unlawful for any public utility or any municipally-owned utility to demand, charge, collect or receive from any person, firm, limited liability company, or corporation, less compensation for any service rendered or to be rendered by said public or municipally-owned utility in consideration of the furnishing by said person, firm, limited liability company, or corporation of any part of the facilities incident thereto. However, nothing in this section shall be construed as prohibiting any such public utility or municipally-owned utility from renting any facilities incident to its business.
Formerly: Acts 1913, c.76, s.113; Acts 1933, c.190, s.20. As amended by P.L.8-1993, SEC.114; P.L.136-2018, SEC.53

Questions ?