

Glenwood Telecommunications, Inc.
Fillmore County 3
Attachment G_1 – Business Plan

Proposed Project

Glenwood Telecommunications proposes to build fiber in Fillmore County by connecting to Glenwood's existing fiber within the county and provide service to 88 residents and businesses along the route. The network would build fiber-to-the-home (FTTH) along the routes serving unserved residences and businesses. Glenwood intends to expand upon our existing redundant fiber ethernet transport framework using GPON and Active Ethernet to deliver services. These routes will also be used for further FTTH expansion in coming years, thus reaching additional customers.

Glenwood is aware of the need to provide broadband service to unserved locations not being served by their ILEC provider. The Nebraska Broadband Bridge Program with the grant opportunities will make the Fillmore County project financially viable by allowing Glenwood to expand our existing fiber network to provide reliable, robust broadband service at an affordable price.

Challenges

Project challenges include material acquisition, permitting and contractor management. Glenwood feels that the strong relationships fostered over the years of working together will help in overcoming these items. Industry demand has pushed recent fiber optic cabling and equipment purchase lead times beyond the standard time frame for delivery. Glenwood does maintain fiber stock that will work to minimize fiber delivery delays. Applying for permits to occupy and permits to cross are always a concern for a project of this size. However, Glenwood has experienced staff with good working relationships with all the entities involved. Working with local jurisdictions including City, County, State, Railroad, and Canal crossing officials can be time consuming, however we are also experienced with these processes. Glenwood has been installing fiber since the early 1990s and has skills and experience with the necessary procedures to acquire permits to install fiber in this area. Securing underground contractors is a challenge with the huge demand for fiber installation industrywide, however Glenwood has strong relationships utilizing several local contractors for many years. Glenwood's project manager and staff have the expertise to manage local contractors and will have the capability to complete this project in a timely manner.

Long-Term Maintenance

As stated above, Glenwood has been installing and building fiber networks for over thirty years and keeps an adequate staff of Network Engineers, IT support, Enhanced Service Technicians, and Customer Service Representatives to maintain the network, plant, and take care of the customers' needs. Glenwood uses a third-party source to provide 24/7/365 customer support along with our in-house support team. Glenwood also contracts third-party vendors to assist with network design and maintenance when necessary. Glenwood would also look to hire additional technical and service staff to keep up with the high standards of service we strive for. These jobs would also help the local economies by providing good paying local jobs keeping the communities strong.

Glenwood has equipment and processes in place to continually monitor the network to ensure it is running securely and efficiently. The estimated life of the electronics is 5 to 10 years; however, Glenwood continually evaluates the efficiencies of the network equipment in place and updates cards and optics as technology improves. Glenwood's network construction consists of an all-fiber network to the home. The expected useful life of the fiber network is approximately 40 years.

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Financial Analysis

The allowable costs of this project for all 88 locations are estimated to be \$2,112,260.87 and Glenwood is requesting a 75% grant of \$1,584,195.65. Glenwood and Fillmore County as a Public-Private Partnership will commit to contributing 25% of the total project costs for this buildout.

The business model for this project includes the assumption of acquiring a take rate of 60% or 53 locations within the first two years. Glenwood believes this is attainable as those currently unserved will now have access to reliable and robust broadband services at an affordable price. The financial analysis of this project demonstrates a positive cash flow in year eight allowing for funds to be available for long-term maintenance obligations of this project, along with Glenwood's focus on offering quality service and excellent customer service we believe this project will achieve and maintain financial viability.

The financial analysis of this project does not demonstrate a positive cash flow in five years; however, this project will extend Glenwood's network further into the rural areas of Fillmore County giving Glenwood an opportunity to build to more unserved and underserved residents and businesses within the area. Glenwood is financially strong and has funds available for project costs that exceed the amount of the requested grant and will be able to maintain this project.

Federally Awarded Grants

Glenwood has not received any prior federally awarded grant funds for broadband deployment within this project area.

Community Engagement

Glenwood recognizes the value of engaging with local leaders and residents to ensure that our prospective service meets the broadband needs of the community and is both affordable and accessible. As this project covers a rural area in Fillmore County, we met with the Fillmore County Commissioners on June 25th to communicate our intent to seek funding through the Nebraska Broadband Bridge Program for deployment of a fiber-optic infrastructure in their county. During our discussions it was determined that both entities continue to share the same vision in overcoming digital inadequacy in rural Fillmore County. During the meeting, the Commissioners communicated their desire to continue their partnership with Glenwood in order to complete the mission of bringing quality, high-speed broadband throughout the county that will allow residents to thrive. Fillmore County's Letter of Support is included in Attachment M_2.

Should Glenwood be successful with our grant application, Marketing will share the scope and details of the construction process with county officials and the 88 residents located along the future expanded fiber route. Near completion of the fiber project, Glenwood will visit each resident and place a door hanger with information on the benefits of fiber, service offerings & pricing, and ways to sign up. To ensure this information is received, we will follow up with a direct mail campaign that will provide the same information.