



417 Pine Street P.O. Box 1060 Green Bay, WI 54305-1060

## PROJECT OUTLINE – ONEIDA COUNTY

### About Hilbert Communications, LLC:

Hilbert Communications LLC (Hilbert) is a communications provider specializing in broadband network development. Hilbert operates through a number of wholly owned subsidiaries including:

Bug Tussel Wireless, LLC	(Retail broadband wireless and fiberoptic services)
Redtail Tower, LLC	(Tower construction and maintenance)
Cloud 1 LLC	(Tower leasing, site acquisition and tower management)
Midwest Data Core LLC	(Data traffic routing and switching)

Hilbert Communications and subsidiaries are based in Green Bay, Wisconsin. Its first subsidiaries were established 19 years ago in 2003. Hilbert has assets of approximately \$150 million including wireless towers and transmitters in Wisconsin, Iowa and Michigan; fiberoptic cable in the ground and in funded projects totaling approximately 1,400 miles; approximately 35 million Mhz POPs of licensed 5G FCC spectrum in Wisconsin, Minnesota, Michigan and South Dakota; and a national agency agreement with AT&T.

Hilbert Communications recently partnered with Fond du Lac County to issue up to \$240 million of conduit bonds in two tranches. The first tranche of \$70 million was successfully completed in December of 2021 with projects in Fond du Lac, Marathon, Calumet, Jackson and Waushara Counties. The second tranche of \$170 million will be complete in Q3 of 2022 and already includes projects for Jefferson, Taylor, Wood, Iowa, Green Lake, and Clark Counties and ongoing discussions with another 10 to 12 counties.

### Development of Fiber Facilities at ZERO Cost to County:

Hilbert, through its subsidiary Bug Tussel, has designed a program called R.O.A.D. to Digital Equality with R.O.A.D. standing for Rural Open Access Design. This project provides five key benefits to participating counties:

- 1) Near immediate access to **25-100 Mbps Broadband** in rural areas through a fixed wireless network (Includes use of county towers, colocations, and construction of new towers in unserved locations);
- 2) A **200 to 800 Gbps DWDM** (Dense Wave Division Multiplexing) **MIDDLE MILE NETWORK** that connects population centers, E911 towers, schools, government facilities, and other key community institutions on a redundant, protected fiber ring. This ring also connects to adjacent counties and provides multiple protections against outages. It also acts as a catalyst for Fiber to the Premise (FTTP) installations.
- 3) Along the Middle Mile Network, Bug Tussel also provides **FTTP installations using PON** (Passive Optical Network) **technology that can provide UP TO 10 Gbps** or more to a premises. The Company also branches out to serve other areas without 1 Gbps broadband in rural markets and provides access to other providers who may need access to a core fiber route.

- 4) Bug Tussel also works with cellular carriers to utilize the towers and equipment in #1 above to benefit capacity and coverage for existing cellular carriers to assure that **nearly all of the county has usable MOBILE data and voice services.**
- 5) Bug Tussel provides **COMMUNITY TECHNOLOGY EDUCATION through its Bug Tussel University program** on important topics such as Telehealth, Aggrotech, Artificial Intelligence and Automation, Internet of Things and M2m transmissions along with ways of using the Internet for your home business, economic development and other important technology topics of the day.

#### **What does the County get?**

Bug Tussel provides the following infrastructure to participating counties:

- **24 dark fibers** throughout the funded network at no cost to the county
- A **10' carrier segment of each tower** funded by the project for use by the county at no cost for 30 years.
- An annual payment equal to 40 basis points (.4%) of the outstanding bond balance on the conduit bond issued by Fond du Lac County on the assets deployed in Oneida County. If \$18,000,000 is initially deployed in Oneida County, Oneida County would get an annual payment of approximately \$70,000 initially, which would decrease as the bond is paid down, but would total **\$1.349 million** over the term of the bond. Also, repayment of Oneida County's ARPA fund contribution, plus 2.5% interest, over the 30-year lifetime of the bonds. Annualized payment of approximately \$70,000; total payment of **\$2.13 million** over the lifetime of the note. For participation in the program, Oneida County will receive payments of approximately **\$3.482 million** over the duration of the program.
- **Residents** of the County would get **access to 25 Mbps/5 Mbps** initially and **eventually 1-10 Gbps at competitive rates.**

#### **What is the risk to the County?**

As part of the program with Fond du Lac County, Oneida County would provide the following:

- Use of its **General Obligation (GO) Bonding authority** for the amount of the project plus the costs associated with issuance of the bond; estimated total bond issuance in an amount not to exceed \$18,000,000 (which would decline as the bonds are paid from the revenue from the project).
- **A backstop guarantee to replenish the "Debt Service Reserve Fund"** into which the Company will provide a one-year reserve and replenish quarterly.
  - The county receives a first lien on all the fiber, towers and equipment deployed in the county.
  - The county is protected by an overarching guarantee by Hilbert Communications LLC.
  - The issuance may be further protected by insurance acquired by the Underwriter.
- As part of the bond proceeds, three years of capitalized interest would be funded to provide a time period to construct and ramp up revenue on the project along with the one-year debt service fund for the fourth year.

**How much fiber would be installed?**

Hilbert, as part of its program, generally installs 144 strands of fiber in rural areas and 288 strands of fiber in more populated areas. Of those fibers, the Hilbert would provide 24 dark fibers to Oneida County at no costs.

**How will this project assist in the provision of Public Rural Broadband Improvement?**

The Hilbert has constructed towers in the Towns of Three Lakes, Pine Lake, and Hazelhurst. Additional towers would be constructed in the Towns of Enterprise, Newbold, Minocqua, and Lynne. Those towers in combination should provide 25 Mbps/5 Mbps service to nearly all residents of Oneida County. On a case-by-case basis, residents could receive up to 100 Mbps/20 Mbps for additional cost.

Residents living along the Middle Mile Route could sign up for up to 1 Gbps service to be installed as the fiber route is constructed, with residents nearby receiving service following installation of the Middle Mile.

Hilbert is committed to bringing Broadband to rural Oneida County along the proposed fiber route.

**What level of service will be available?**

Speeds to the consumer of 100/20 Mbps; 300/100 Mbps; 500/500 Mbps and 1/1 Gbps with special requests considered up to 10 Gbps or higher. Initial fixed wireless speeds would be 25/5 Mbps with requests up to 100/20 Mbps.

Initial rates of for service would be \$50 per month on the fixed wireless for 25/5 Mbps. Initial rates would be \$62 per month for 100/20; and \$100 per month for 1/1 Gbps.

## BUG TUSSEL WIRELESS LLC OPTION 1 - SUCCESSFUL GRANT AWARD

**Suggested Preliminary Budget:**

Fiberoptic Construction	224.5 miles		\$	13,847,500
Tower Construction			\$	2,460,000
Cost of Issuance			\$	2,000,000
<b>TOTAL COST OF PROJECT</b>			<b>\$</b>	<b>18,307,500</b>

**Sources of Capital:**

Public Service Commission Grant	\$	2,465,500		
Oneida County -- ARPA Funds	\$	1,500,000	2.5% fixed rate 30 year ROW agreement	
BTW Bond backed by Oneida County	\$	<b>14,342,000</b>	40 basis points for guarantee	

**Revenue to Oneida County:**

		Annual		Monthly
Monthly payments on ROW Agreement	\$	71,121.76	\$	5,926.81
Average Annual Payment on BTW Bond backing	\$	36,216.83	\$	3,018.07
<b>Total Payments to Oneida County</b>	<b>\$</b>	<b>107,338.59</b>	<b>\$</b>	<b>8,944.88</b>

<b>TOTAL AMOUNT PAID TO ONEIDA COUNTY</b>			<b>\$</b>	<b>3,220,157.67</b>
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## OPTION 2 - NO GRANT AWARDED

**Suggested Preliminary Budget:**

Fiberoptic Construction	224.5 miles		\$	13,847,500
Tower Construction			\$	2,460,000
Costs of Issuance			\$	3,000,000
<b>TOTAL COST OF PROJECT</b>			<b>\$</b>	<b>19,307,500</b>

**Sources of Capital:**

Public Service Commission Grant	\$	-		
Oneida County -- ARPA Funds	\$	1,500,000	2.5% fixed rate 30 year ROW agreement	
BTW Bond backed by Oneida County	\$	<b>17,807,500</b>	40 basis points for guarantee	

**Revenue to Oneida County:**

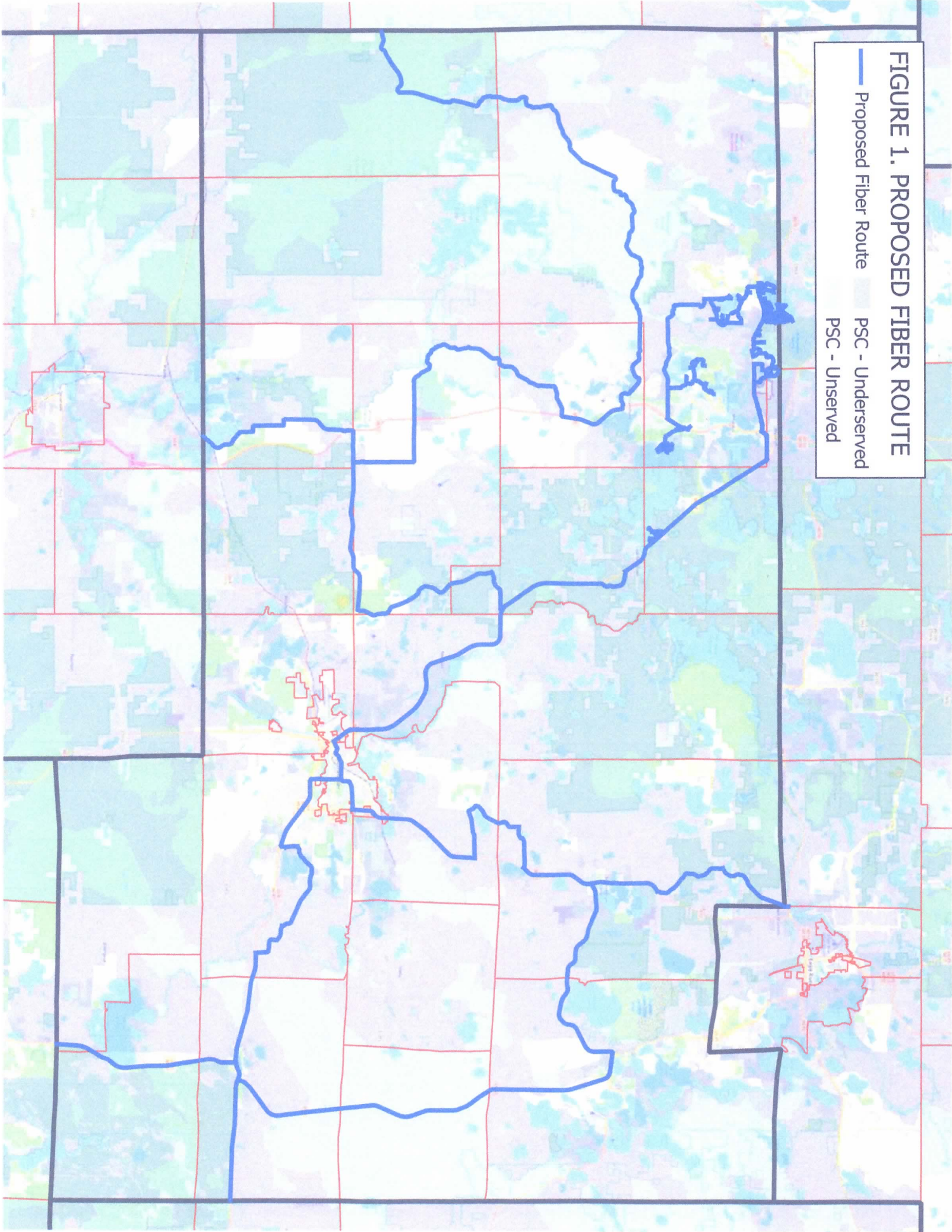
		Annual		Monthly
Monthly payments on ROW Agreement	\$	71,121.76	\$	5,926.81
Average Annual Payment on BTW Bond backing	\$	44,968.01	\$	3,747.33
<b>Total Payments to Oneida County</b>	<b>\$</b>	<b>116,089.77</b>	<b>\$</b>	<b>9,674.15</b>

<b>TOTAL AMOUNT PAID TO ONEIDA COUNTY</b>			<b>\$</b>	<b>3,482,693.06</b>
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FIGURE 1. PROPOSED FIBER ROUTE

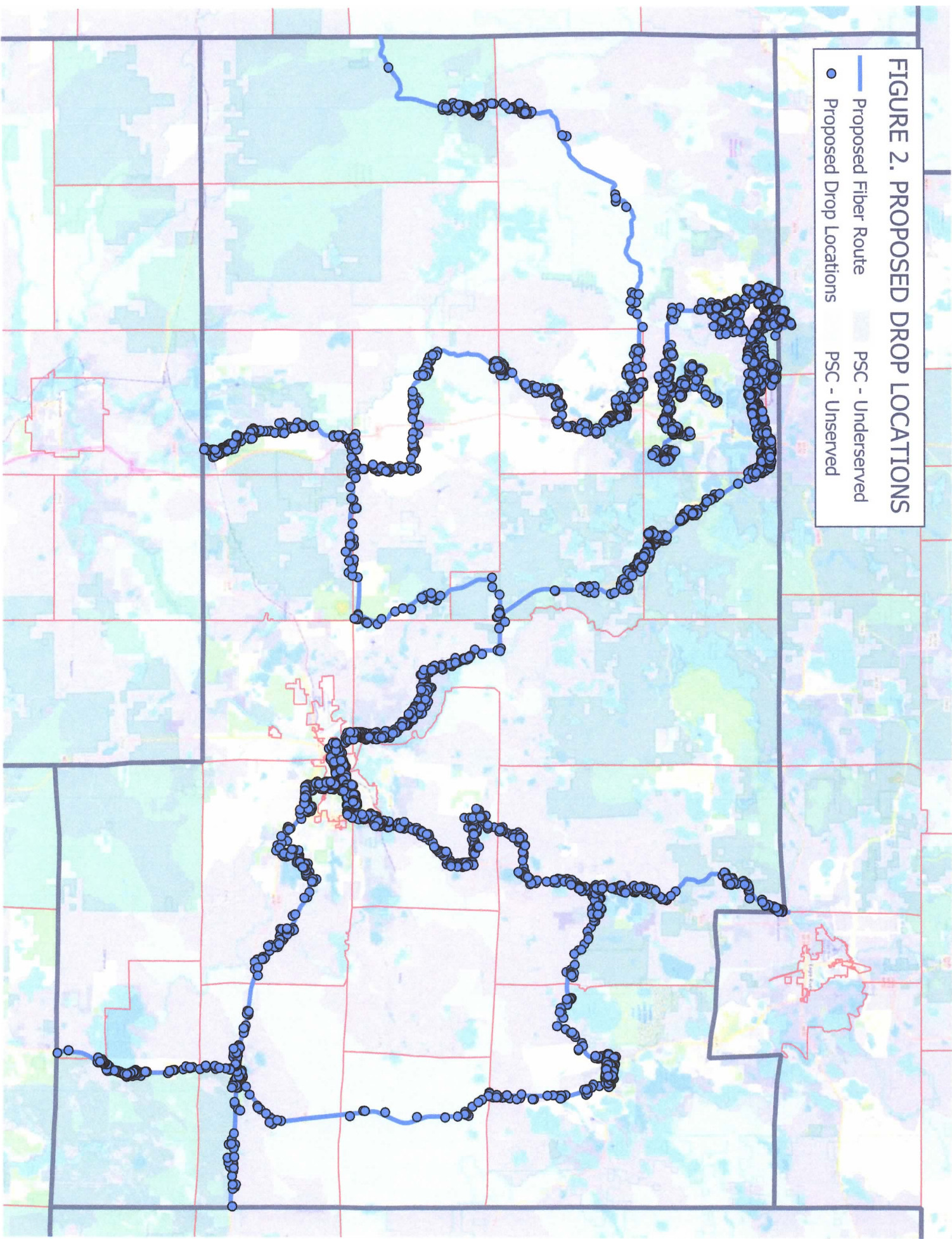
- Proposed Fiber Route
- PSC - Underserved
- PSC - Unserved



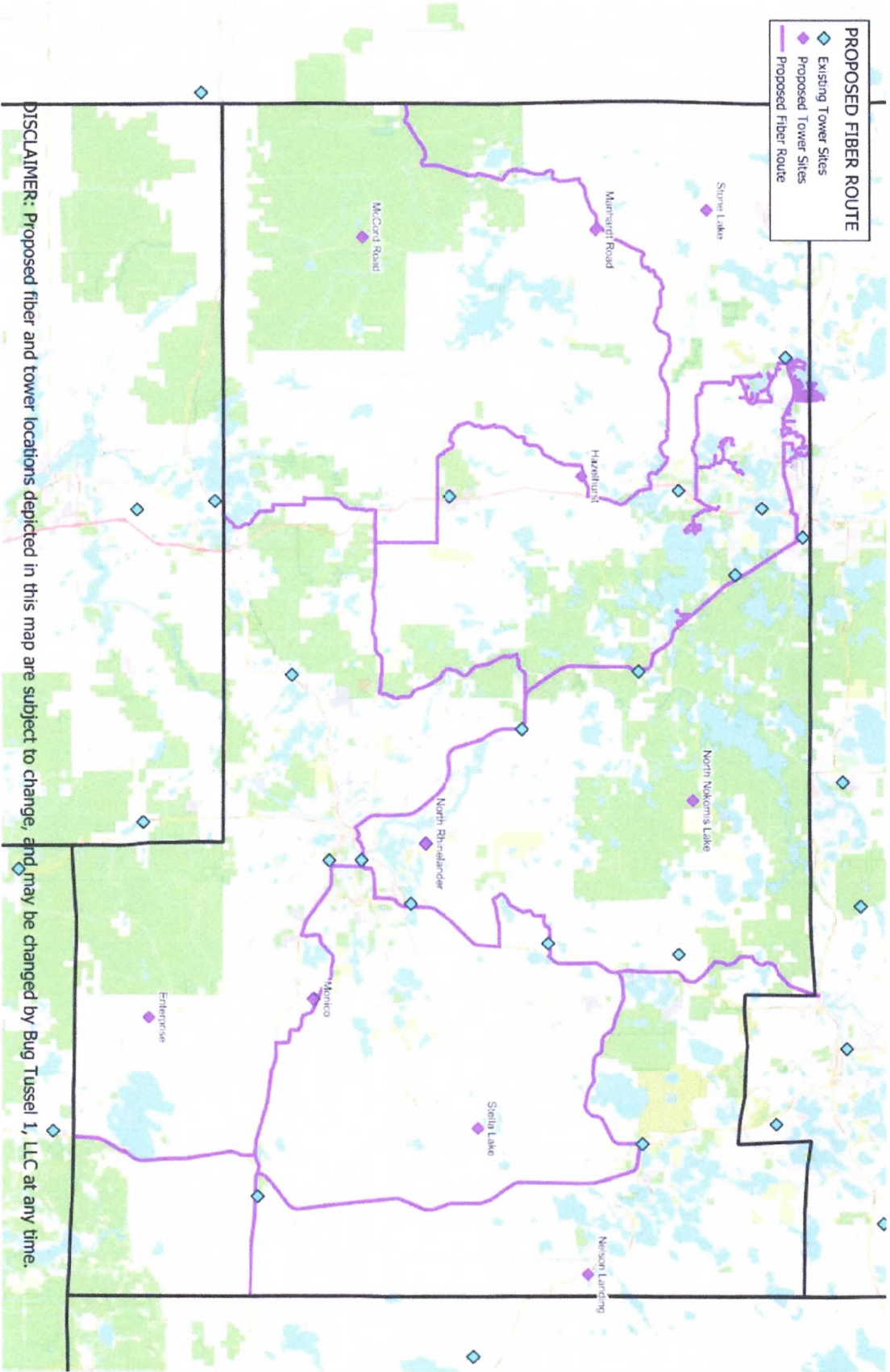


**FIGURE 2. PROPOSED DROP LOCATIONS**

- Proposed Fiber Route
- Proposed Drop Locations
- PSC - Underserved
- PSC - Unserved



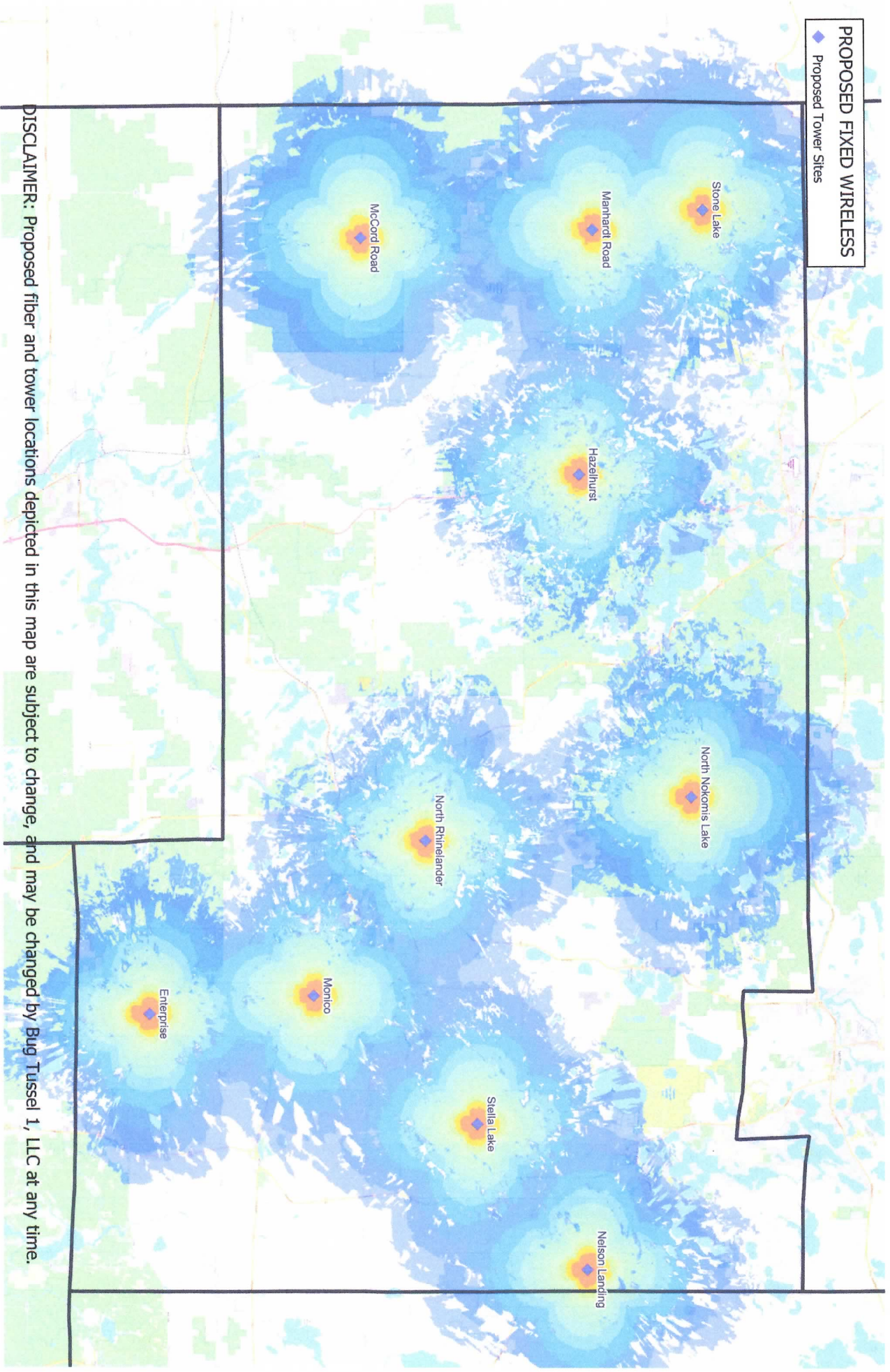




DISCLAIMER: Proposed fiber and tower locations depicted in this map are subject to change, and may be changed by Bug Tussel 1, LLC at any time.

**PROPOSED FIXED WIRELESS**

◆ Proposed Tower Sites

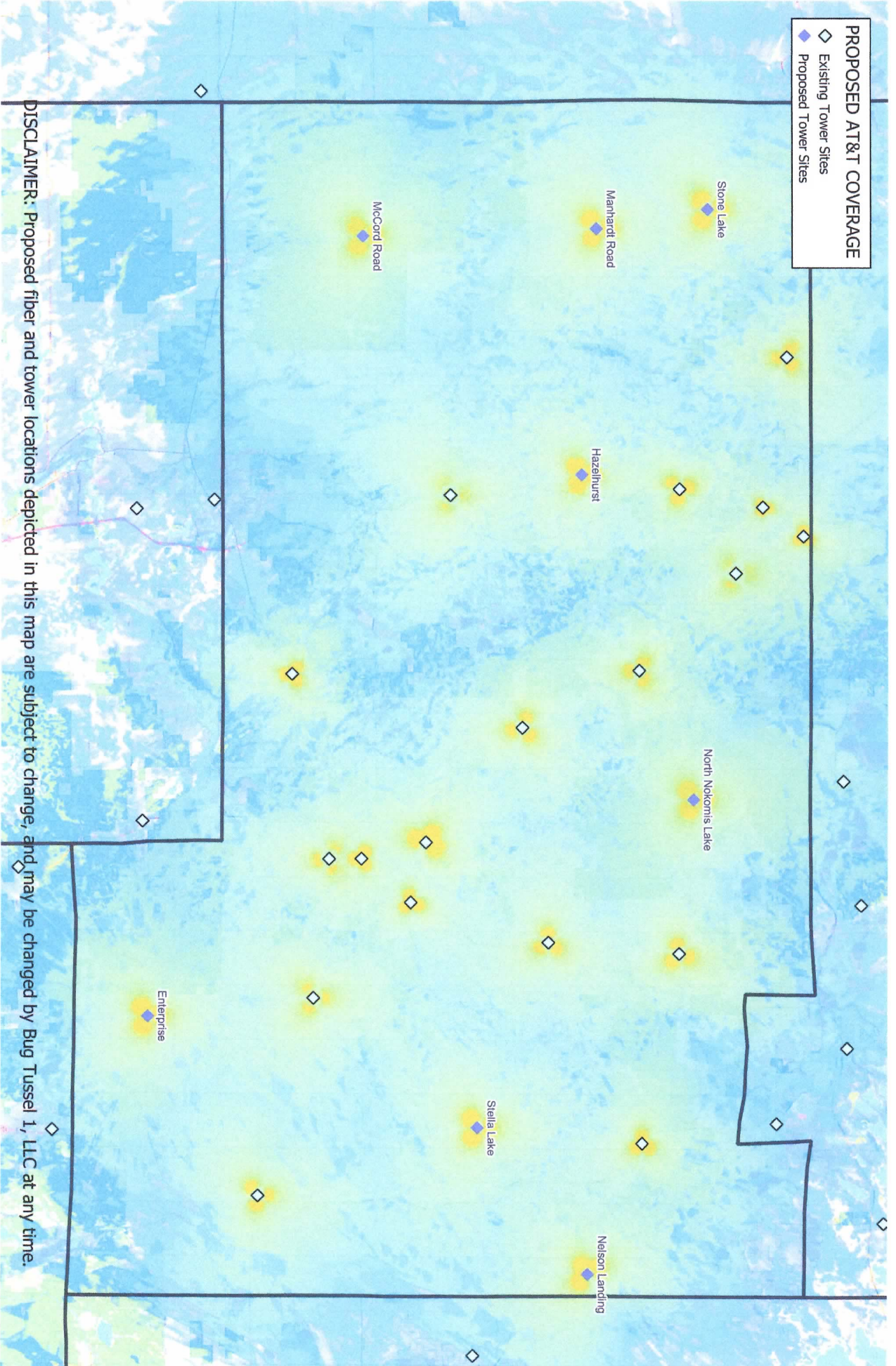


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**PROPOSED AT&T COVERAGE**

- ◇ Existing Tower Sites
- ◆ Proposed Tower Sites



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