



FCBI Broadband RFP Response

General Information

Legal Name of Vendor Unit:

RiverStreet Communications of North Carolina

Name and Title of Manager or CEO:

Eric Cramer, President and CEO

Mailing Address: 1400 River Street

Street Address: 1400 River Street

City: Wilkesboro **State:** North Carolina **Zip:** 28697

Telephone: 336-973-3103 **Fax:** 336-973-3290

Email: ericcramer@myriverstreet.net



Name and Title of Project Contact: Greg Coltrain, Vice President of Business Development

Address: P.O. Box 520, 2193 NC 99 Hwy South, Belhaven NC 27810

Telephone: 252-945-3058 Email: gregcoltrain@myriverstreet.net

Federal Tax ID Number: 47-5030178 Fiscal Year-End Date: 12-31-2018

Project Information

Project Start Date: 01-02-2019 Project Plan Completion Date: 12-31-2019

Service Area:

- Unserved Areas
- Franklin County High Density Townships & other areas
- Government Facilities

Background

Franklin County Government has issued a Request for Proposals (RFP) to develop Franklin County's next-generation broadband infrastructure. The project is referred to as the Franklin County Broadband Initiative (FCBI). The focus will be to seek and implement solutions needed to meet the technological needs of current and future businesses, public institutions, educational institutions, and local residents. The FCBI is seeking network solutions and business models that are innovative, preparing their region for the future while serving the needs of today. Franklin County is seeking opportunities to best use existing public investments in currently underutilized or planned government fiber and broadband assets to provide the maximum benefit to the public.

Scope

1. Create a scalable network solution to foster innovation, drive job creation, stimulate economic growth, and serve new areas of development in the community; by providing service for a minimum of twenty (20) years from the date of first operation.
2. The FCBI prefers that the aggregation network proposed by the provider/vendor network be fiber based; in the last mile, all technologies will be considered, especially in unserved/underserved areas.
3. Provide a flexible menu of retail services, that improve service to the following eligible service areas:
 - a. Unserved/Underserved areas - Offer new or enhanced service in underserved and unserved areas of the county (Section 1.2.1)
 - b. High Density Economic Corridors - Offer enhanced service along key business and high density residential corridors in Franklin County's higher residential population areas (Bunn, Franklinton, Louisburg, Youngsville) and connects broadband assets that serve remote areas of the county (Section 1.2.2)
 - c. Government Facilities – Offer lit or dark fiber services to meet the administrative and public safety needs of Franklin County Government and municipal governments. The county will consider new build lit and dark fiber services. The county will also consider owning its own fiber infrastructure along the route displayed in, Appendix B, Google Map Link.

RiverStreet will perform a feasibility study for the County to include designing and engineering a county-wide build plan to determine the total estimated installed cost of an overall build as required to deploy an all active ethernet FTTH Network capable of providing broadband to the citizens of Franklin County.

1. **Deliverables.** The feasibility study will include the following deliverables:
 - 1.1 Design of the backbone and middle mile network required to serve determined build phases
 - 1.2 Provide cost based estimates for equipment and labor
 - 1.3 The final design package will serve as a build plan that can be used by any provider (not just RiverStreet) to construct the subject FTTH Network.

1.4 The designed network will allow for speeds for residential subscribers ranging from 25 Mbps down/3 Mbps up, to 1Gbps.

2. **Build Plan Specifications.** The build plan component of the feasibility study shall include the following:

- 2.1 Recommended fiber routes
- 2.2 Preferred remote locations
- 2.3 Phases of deployment
- 2.4 Overall locations passed and locations by phase
- 2.5 Identify all anchor institution locations
- 2.6 Inventory of local assets - including land and tower assets
- 2.7 Overall Cap-Ex requirements for network elements including:
 - 2.7.1 Fiber, pedestals, handholds, buildings, etc.
 - 2.7.2 Network equipment - routing, switching, power, CPE, etc.
- 2.8 Maps of the build design
- 2.9 Identify areas lacking access to wireline Mbps down/3 Mbps up broadband per available State of North Carolina and FCC data
- 2.10 Identify existing wireline service provider service areas in Franklin County and a summary of the current pricing of such services in those areas.

3. **Other Considerations.** The study will also take into account preferred locations for the deployment of fixed wireless assets for providing best effort broadband services to remote areas of Franklin County which lack the most basic broadband services, where feasible and possible subject to pertinent facts and circumstances, including the following:

- 3.1 Existing tower assets
- 3.2 Topography
- 3.3 Distance and line of sight limitations

Schedule

RiverStreet will deliver the feasibility study for initial review by the County on or before December 31, 2019. The County acknowledges and agrees that RiverStreet will require timely and significant assistance from the County in order to complete the feasibility study by that date. Information to be provided by the County necessary for completion of the study would include relevant data such as subscriber and mapping information, subject to any applicable legal constraints regarding the sharing such information, as well an inventory of all relevant County assets. The County will establish a Committee to be involved in this feasibility study, and a kick-off meeting with the County Manager, County staff and that Committee will be held to establish what information would be required and determine a schedule for periodic update meetings.

Multiple RFPs are being processed in conjunction with this project due to the request of the COG. Once awards are made to RiverStreet, specific project timeframes will be established in order to manage the expectation of a delivered final product for the county.

Cost Summary & Assumptions

The intention of RiverStreet Networks (RiverStreet) is to form a long term partnering relationship with the County. The goal would be to leverage the strengths of this partnership to provide for the availability of affordable broadband service to unserved and underserved areas in the County. This partnership would be based on the premise of RiverStreet preparing a Broadband Feasibility Study outlining the County assets that would determine a mutually beneficial business case to develop a broadband network deployment strategy that would be mutually beneficial for the partnership as well as all other stakeholders involved. The study would determine the cost to engineer and construct a fiber optic backbone network for the County to own. This backbone network would be an open access network of which RiverStreet would then lease capacity from the County asset to provide service for a term of no less than 20 years. RiverStreet would then bear the cost of capital and maintenance to provide services off of County owned fiber optic backbone network including all required electronics. RiverStreet would then subsequently construct spurs off of the backbone network from which RiverStreet would then deploy a last mile broadband solution to the customer premise. The last mile deployment would be completed in engineered phases triggered by a predetermined mutually agreed upon set of guidelines and triggers. The preferred last mile deployment strategy would be a full FTTH (Fiber To The Home) Gigabit capable solution to all areas of need but may consist of a wireless solution in certain circumstances. As such, RiverStreet would also perform a Wireless Study in the county to determine vertical assets, existing wireless spectrum and types of technologies available for deployment given the Counties unique topography and layout. This information would be used to build a deployment design for the County with a hybrid fiber/wireless network to serve the customers in the more rural pocket areas of the community until fiber could reach them. **The scope of the project involves the development of both a full FTTH and a hybrid FTTH/Fixed Wireless approach. RiverStreet expects a minimum time frame of 4 months and maximum of 12 months to research, study, design, engineer and develop the County plan.**

Once the network design is established, RiverStreet would have a better understanding of the overall cost and project scope to share with the County. There would be a better understanding of the number of homes passed and estimates of assumed penetration could be determined. This would permit the creation of a project timeline. RiverStreet would construct an open access network for the county, bid for local anchor institutions, including all of the County Internet and Phone business, as well as local anchor institutions and commercial businesses . Winning such bids can be crucial in assisting with funding of last mile fiber builds in the county.

RiverStreet has a robust marketing department, including a video production studio, capable of promotion and sales to county residents and businesses. Utilizing active crowd fiber techniques already in place, RiverStreet would research and gauge greater understanding of business and residential needs as well as their current service level with existing providers. Crowd fiber is also going to allow RiverStreet to determine where the most interest lies in the County. Building to these areas first creates additional funding mechanisms necessary to continue expansion. The faster the support and influx of revenue, the quicker the deployment and completion of such a countywide project could be obtained. Project timelines could also be accelerated based on the receipt of outside grant funding that RiverStreet would pursue on behalf of the project. Such funding opportunities are still in development on both a state and federal level. RiverStreet would actively pursue grants for both entities. Grants for last mile deployments would be used exclusively by RiverStreet. Grants for supplementing the capital cost of the backbone construction and associated network elements would be split jointly between RiverStreet and the County based a ratio of the capital to be deployed.

The RiverStreet approach to such projects is much different than many other models out there today. RiverStreet helps design the network around County ownership of the backbone and the creation of a leased revenue model to support both the investment by the County and RiverStreet in financially viable long term partnership. The Feasibility Study, outlined under the Scope in this document, will give both the County and RiverStreet detailed information needed to give more accurate expectations and outcome for such a project. The County would fund RiverStreet upfront \$60,000 to begin the study and engineering design. Based on the outcome of the feasibility study, a complete financial assessment with timelines for such a partnership model would be designed and approved to begin construction. Engineering cost would be factored into the feasibility study and would not exceed more than 15% of the overall build cost.

Given the experience and actual design of projects RiverStreet has already performed, an example proforma and feasibility example have been attached to this response entitled "*Attachment 6 - County Pro Forma Example*" and "*Attachment 7 - Feasibility Example*". This example is a high level simulation of a possible partnership model. A feasibility study would help clearly define the real cost associated with the RFP.

About RiverStreet Networks

RiverStreet Networks began as an extension of Wilkes Communications in Wilkes County, NC. After more than 60 years of providing telecommunications services and enhancing Wilkes County with an all active, Fiber To The Home network, Wilkes Communications wanted to continue the trend of access to High Speed Internet in Rural America by branching out. Even with the telecommunications industry undergoing tremendous changes, RiverStreet Networks is dedicated to providing customers with the latest in technological advancements and services available today. With decades of experience RiverStreet stands behind its reputation as an industry leader and is ready to bring the same winning formula of excellent customer service combined with a state of the art suite of services to your county.

RiverStreet Networks establishes proactive relationships coupling core strengths with strategically aligned public and private partners, leveraging existing assets to deploy last mile networks while achieving scale.

RiverStreet's aim is to utilize current and future infrastructure funding mechanisms for deployment of next generation broadband networks in unserved and underserved rural areas of the region.

Being part of a community is more than just providing service to the people who live there. RiverStreet Networks is committed to supporting the people and organizations that aim to make the communities we serve a strong place to live and work. In an effort to ensure the future is as strong as the past, RiverStreet Networks gives back to the communities it serves. An example is via scholarship programs. Since the creation of this offering in 2002, the organization has awarded over \$230,000 to local high school seniors.

RiverStreet Networks has continued to grow through many acquisitions and mergers. In 2014 three small properties, Saluda Mountain Telephone, Service Telephone, and Barnardsville Telephone were acquired from TDS. These companies were for-profit, Independent Local Exchange Companies (ILEC). This year, through another acquisition, the company has incorporated Peoples Telephone Company in Gretna, VA, to the family of Networks and closing on Ellerbe Telephone Company in Ellerbe, NC, and Gamewood Technologies in Danville, VA, will occur before the end of this year. In August of this year our parent company Wilkes Communications, Inc. broke the mold in the state and merged its cooperative with one of the other eight independent telephone cooperatives in North Carolina. This merger with TriCounty Telephone Membership Corporation, d.b.a. TriCounty Broadband, in rural Eastern North Carolina, solidifies the beginning of change in our state. The combination of these two cooperatives truly gives RiverStreet Networks a statewide presence and a mountain to the coast membership model.

Moving to one brand, Wilkes Telephone Membership Corporation / Wilkes Communications, Barnardsville Telephone Company, Service Telephone Company, Saluda Mountain Telephone Company, Ellerbe Telephone Company, TriCounty Telephone Membership Corporation / TriCounty Broadband, Peoples Telephone Company and Gamewood Technologies all are

rapidly combining into the RiverStreet Networks model. The overall mission is "To provide excellence in customer service while adding value to the customer and serving the unserved".

Capabilities, Qualifications, and Similar Projects

RiverStreet Networks has been providing Fiber-to-the-Home services since 2005 via an all Active fiber network in its core market in Wilkes County, NC. During the acquisition of three former TDS properties, the company also dedicated itself to overbuilding these antiquated copper-based networks to provide 1 Gbps services to each respective community. These networks are in the process of being migrated to fiber with Saluda Mountain occurring 2017-2019, Barnardsville in 2018-2020, and Service in 2019-2021. Concurrently, RiverStreet has been constructing a greenfield Fiber-to-the-Home network in Stokes County, NC, with hopes of passing at least 5,000 customers by 2018. All of these projects, including the original overbuild in Wilkes, were predicated upon the need of access to high-speed Internet services in rural North Carolina.

Wilkes County contains 754 square miles of land mass, and RiverStreet Networks provides services in 562 of those square miles. With only 3.74 customers per route mile, coupled with construction and material costs, RiverStreet - Wilkes focused not on huge profit margins, but instead on providing state-of-the-art services at affordable prices to the communities. The project began in 2005 and was completed in December 2014 -- almost one year ahead of schedule. This project included overbuilding and cutting all 8,000+ accounts over to a technology rarely seen in urban areas and far less in rural America. Being one of the first companies in the United States to complete such a feat, Wilkes Communications was presented with awards and gained national recognition throughout the telecommunications industry as being pioneers and trendsetters. All networks referenced above are active fiber networks and are wholly owned by Wilkes Communications, Inc. and RiverStreet Networks.

In 2011 a simultaneous Fiber-to-the-Home project began at the RiverStreet-TriCounty property in Eastern North Carolina. A build of 355+ miles of fiber was installed to pass all served by legacy copper and coax networks. By 2016, all member/customers were passed and over 1,000 member/customers were attached and using service. Today more than 1825+ member/customers are attached to the network and using broadband service over Fiber.

Governing Bodies and Industry Affiliates

RiverStreet Networks is in good standing with the following (not an exhaustive list): Federal Communications Commission, North Carolina Public Utilities Commission, USDA, RUS, NECA, NTCA, NLRB, and NCDOL. Further proof can be provided upon request, under oath, if required.

Subscriber Statistics (December 2018)

21,638 Accounts
23,658 Access Lines (POTS)
16,116 Internet Subscribers
5,000 Digital TV Subscribers

1,408 Security/Monitoring Accounts
141 Employees

References:

Shirley Bloomfield, CEO - NTCA The Broadband Association
sbloomfield@ntca.org - 703-351-2030
4121 Wilson Blvd, Arlington, VA 22203

Rick Morris, Retired County Manager, Stokes County
banjordm@outlook.com - 336-813-0206

Robert Davie - Warrenton County Manager
townadministrator@warrenton.nc.gov - 252-257-1122
133 South Main Street, Warrenton, NC 27589

Frankie Waters, Chairman - Beaufort County Commissioner
frankie.waters@co.beaufort.nc.us - 252-935-5422
121 West 3rd Street, Washington, NC 27889

John Yates, County Manager - Wilkes County
jyates@wilkescounty.net - 336-651-7300
110 West North Street, Wilkesboro, NC 28697

Julie F. Triplett, CTO - Wilkes County Schools
tripletj@wilkes.k12.nc.us - 336-667-1121
613 Cherry Street, North Wilkesboro, NC 28659

Business and Teaming Relationships

RiverStreet Networks benefits from its parent company's established relationships with MCNC, ERC, AccessOn, Visions West, Spirit/PalmettoNet, Level3, Verizon, AT&T, Windstream, Charter/TWC, CenturyLink, as well as the 7 other telephone cooperatives and 25 Electric Membership Cooperatives in North Carolina.

Wilkes/RiverStreet Company Bio

WILKES TELEPHONE MEMBERSHIP CORPORATION

- MEMBER OWNED PARENT COOPERATIVE
- ESTABLISHED IN 1951 – 67 YEARS IN OPERATION
- 81 EMPLOYEES
- ALL FTTH GIGABIT CAPABLE NETWORK IN WILKES COUNTY - \$44M
- ALL FTTH GIGABIT CAPABLE NETWORK IN TRICOUNTY - \$16.2M
- \$26.2M STIMULUS GRANTS
- BROADBAND SPEEDS FROM 25/3 to 1Gig

RIVERSTREET MANAGEMENT SERVICES - RIVERSTREET NETWORKS

- FOR PROFIT SUBSIDIARY OF THE PARENT COOPERATIVE
- ESTABLISHED IN 2014
- 64 EMPLOYEES
- REGIONALIZED NETWORK EXPANSION AND GROWTH THROUGH EDGE OUTS, ACQUISITIONS, MERGERS AND PUBLIC PRIVATE PARTNERSHIPS
- CAF II FUNDING AWARD FOR RURAL NORTH CAROLINA & VIRGINIA - \$32.8 M

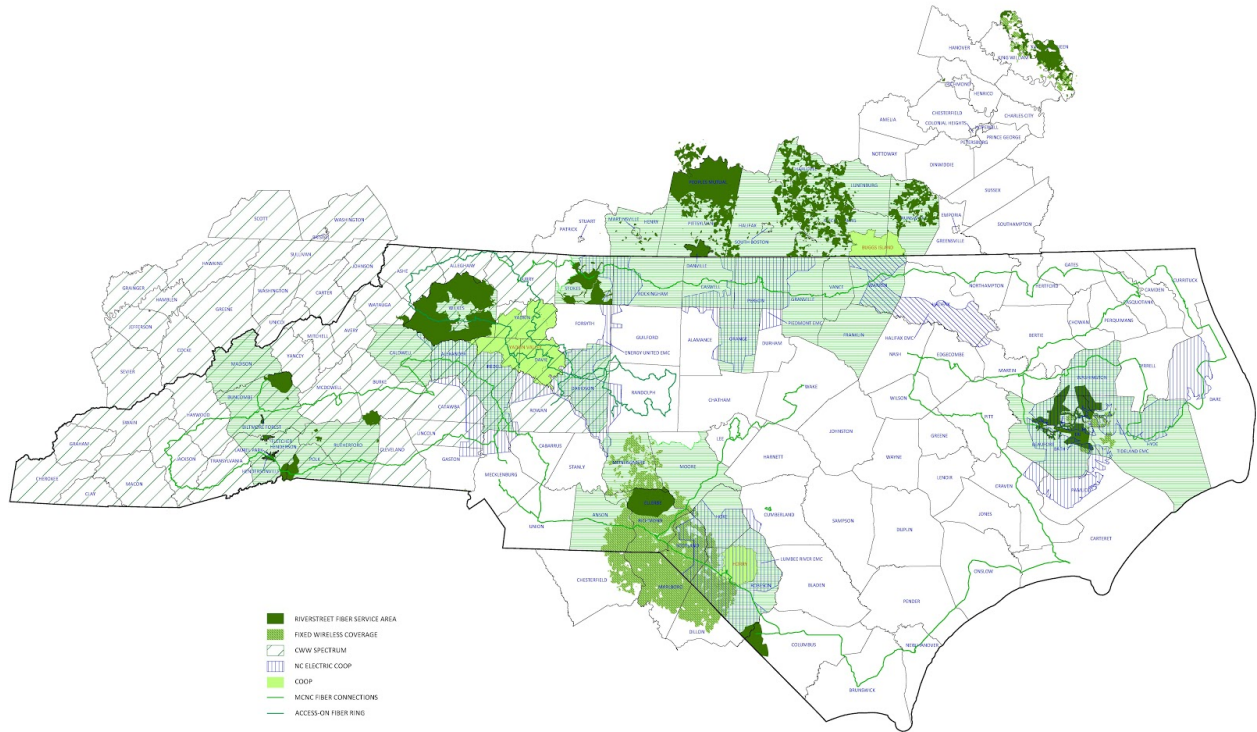
ACQUISITIONS AND MERGER

- Goshen Telephone Company in 1957
- Saluda Mountain Telephone Company in 2015
- Barnardsville Telephone Company in 2015
- Service Telephone Company in 2015
- Ellerbe Telephone Company in 2018
- Peoples Mutual Telephone Company in 2018
- Gamewood Technology Group in 2018
- TriCounty TMC in 2018 (Merger)
- Red's Cable TV in 2018

Accomplishments/Recognition

- Wilkes County Chamber of Commerce 2017
 - Excellence in Business Award
- NTCA - The Rural Broadband Association 2017
 - Excellence in Management Innovation Award
- NTCA - The Rural Broadband Association 2017
 - PR NET and Marketing Tele-Choice Award - Website - RiverStreet Networks
- NTCA - The Rural Broadband Association
 - GIG Capable - GIG Certified Provider (First 20 out of 800 Companies Picked)
- NTCA - The Rural Broadband Association
 - Smart Rural Community - Trailblazer
- NTCA - The Rural Broadband Association
 - Smart Rural Community Designation
- Fiber Broadband Association - Fiber Certified

Wilkes/RiverStreet Current Project Map



Executive Team

Our executive team works closely to formulate these responses and process the long term plan for this bid, should we be awarded the project. Resumes located in Supporting Documents. The team consist of the following:

Eric Cramer, CEO and President (see attachment "Resume 1")

Jody Call, CTO (see attachment "Resume 2")

Greg Coltrain, VP of Business Development (see attachment "Resume 3")

Kimberley Johnson, CFO (see attachment "Resume 4")

Amanda Perry, VP of Sales and Marketing (see attachment "Resume 5")

Jody Souther, VP of Engineering (see attachment "Resume 6")

Job Descriptions

President and CEO - Eric Cramer

Directs all activities of the company, cooperative network either directly or through subordinate managers. Interprets and implements board directed policies. Plans, directs and oversees all lines of business. Determines objectives, establishes operating procedures, and ensures the success of the organization within guidelines and authority established by the board. Ensures that all operations comply with applicable federal, state and local regulations. Represents organization with regulatory agencies, legislative bodies and industry associations. Evaluates new business opportunities and recommends new services to board. Oversees budget process and all long-term investments. Prepares financial forecasts, acquisition analysis and merger planning. Analyzes financials and presents to the board of directors. Oversees the strategic planning process by serving as the organizational expert in regulatory and financial management aligned with all business segments.

Jody Call - Chief Technology Officer

Responsible for the planning, implementation and administration of the company's broadband and IT Infrastructure, security and systems. Develops strategies for delivering leading edge services to a wide range of subscribers. Develops short- and long-range business plans. Develops budgets, authorizes expenditures and oversees projects to ensure business plan objectives are met. Researches new products, services and

technologies. Evaluates market demand and makes recommendations to top management. Works with vendors to implement appropriate systems. Oversees the service, maintenance and upgrades to the network infrastructure. Directs activities of network operations installation/repair and support through subordinate managers. Directs telco plant operations, including managing the installation, replacement, removal and maintenance of transmission equipment and switching facilities. May direct activities of purchasing and network operations. Coordinates organization's safety program by ensuring implementation of safety policies and procedures. Completes and files accident reports. Conducts safety training and inspections.

Greg Coltrain - Vice President of Business Development

Gathers competitive information on products and services and makes recommendations for new business development activities. Maintains knowledge of industry changes and developments and directs efforts to identify, research and capitalize on business trends. Informs and educates community, state and industry leaders about the company's services, achievements and plans. Attracts media coverage of telco activities. Networks with state utility commission members and other industry leaders. Acts as a liaison between the telco and state and community groups to advance and promote local economic development projects. Manages project design, development and economic analysis and project lifecycle with the executive team. Seeks out potential partnerships, joint ventures, new product lines, and other business opportunities. Plans, directs and coordinates activities for existing or newly assigned regional projects to ensure that project goals are accomplished within the prescribed time frame. This would include but is not limited to developing supporting documentation, the management of all stakeholder facing activities and new program support as required. Manages changes in project scope and goals, and revises project plans. Manages budgets and timelines.

Chief Financial Officer - Kimberley Johnson

Duties include managing all accounting, financial and regulatory operations. Facilitates budget process and oversees audit functions. Develops financial policies and processes. Manages all accounting and financial operations. Specific responsibilities typically include receipts and disbursements, accounting and financial record keeping and reporting, short-term investments and management of cash flow, and tax return preparation. May negotiate terms of purchase and arrange for any necessary financing of major equipment and supplies. May research, recommend and administer long-term investments. Analyzes financial reports. Contributes to strategic planning process by serving as an organizational expert in financial management. May file all company compliance reports. Directs all human resources activities for the corporation, including

recruiting and hiring, developing personnel policies and procedures, administering the collective bargaining agreement, maintaining personnel records, and ensuring compliance with federal, state, and local employment laws. Serves in an advisory role to members of the management team, providing professional advice on a wide range of human resource management related topics and activities.

Amanda Perry - Vice President of Sales and Marketing

Drafts, develops and executes marketing plans and strategies. Defines service plans for market segments. Conducts continuing appraisal of selling prices and market penetration. Maintains company's competitive position. Directs all marketing and sales activities through subordinate managers. Develops marketing and sales plans and oversees implementation of marketing and sales strategies and objectives. Develops sales forecasts and quotas. Directs the activities of the commercial department. Promotes and oversees sales of CPE and other equipment. Establishes and implements the company's public relations policy. Ensures that sales staff is informed of proper service and equipment charges. Forecasts system and subscriber growth. Advises operations and engineering departments on service area needs. May establish and administer credit policies for new subscribers. May ensure the accuracy of billing data and the security of customer accounts. May establish collection procedures and direct collection activities.

Jody Souther - Vice President of Network Engineering

Directs activities of outside plant and engineering, through subordinate managers. Develops short- and long-range business plans. Develops budgets, authorizes expenditures and oversees projects to ensure business plan objectives are met. Directs telco plant operations, including managing the construction, replacement, removal and maintenance of aerial and buried cable. Ensures that telco personnel understand RUS and Industry specifications, safety procedures and preventive maintenance operations, including bonding and grounding of digital switching equipment installations. Develops and maintains records to allow reference, analysis and monitoring of all plant components and equipment. Recommends major improvements to plant and equipment. Initiates or recommends purchases of equipment, tools and supplies.

Supporting Information

Public Private Partnerships - North Carolina

- Stokes County
- Person County
- Warren County
- Land of Sky
- West NGN Broadband
- Electric Membership Corporations

Public Private Partnerships - Virginia

- NDanville, Danville, VA
- KQvA.net, King and Queen County, VA

Recognition/Awards

- WILKES COUNTY CHAMBER OF COMMERCE
 - Excellence in Business Award – 2017
- NTCA – THE RURAL BROADBAND ASSOCIATION
 - Excellence in Management Innovation Award – 2017
- NTCA - THE RURAL BROADBAND ASSOCIATION
 - PR Net and Marketing Tele-Choice Award – Website – RiverStreet Networks - 2017
- NTCA - THE RURAL BROADBAND ASSOCIATION
 - NTCA GIG CERTIFIED
- NTCA - THE RURAL BROADBAND ASSOCIATION
 - Smart Rural Community Award

Supporting Documents

Articles of Incorporation (see "Attachment 1")
Audit FYE 2016 (see "Attachment 2")
Audit FYE 2017 (see "Attachment 3")
Dun & Bradstreet Report (see "Attachment 4")
FCC License - All Entities (see "Attachment 5")
County Pro Forma Example (see "Attachment 6")
Feasibility Example (see "Attachment 7")
NC PUC - CPNC - RSCNC (see "Attachment 8")
NC SOS Certificate of Existence - Good Standing (see "Attachment 9")

Certification By Vendor

The attached statements and exhibits are hereby made part of this application and the undersigned representative of the vendor certifies that the information in this application and the attached statements and exhibits is true, correct and complete to the best of his knowledge and belief. He further certifies that:

1. As authorized representative, he has been authorized to file this application by formal action of the governing body;
2. That the governing body agrees that if a grant or award of contract from the VCBI is awarded, the vendor will provide proper and timely submittals of all documentation requested by the County;
3. That the governing body agrees to provide for proper operation and maintenance of the project after its completion;
4. That the vendor has substantially complied with or will comply with all federal, state and local laws, rules and regulations and ordinances as applicable to the project.



Greg Coltrain

Signature of Grantee/Authorized Representative

Greg Coltrain, Vice President of Business Development

Typed Name and Title

10-18-2018

Date