access
ANACORTES FIBER INTERNET

Broadband as Essential Infrastructure
Bringing Broadband to Anacortes
June 2021

AGENDA

History of Planning

History of Deployment

Current State

Questions

HISTORY OF PLANNING

Mayoral candidate's campaign reveals widespread interest

Overture to competitive service provider

Two parallel paths

Municipal Broadband

RFP to service providers

No satisfactory offers

Council drafts business plan

Community survey

2-year pilot approved

City-internal Telemetry

Exploration of fiber in waterline

NoaNet retained to advise

PW deploys telemetry fiber

BUSINESS PLAN GOALS
Developed by Council

- Deliver High Speed Residential and Business Internet Service at Competitive Prices Throughout the Community
- Provide Excellent Customer Service
- Achieve a Market Share of 35% or More
- Pay for any Construction Liabilities (loans) with Subscriber Revenue
- Achieve Payback On Construction Investment in 15-20 years
- Become Cash Flow Positive in 2-3 years
- Spur Local Business Development and Economic Growth

HISTORY OF DEPLOYMENT

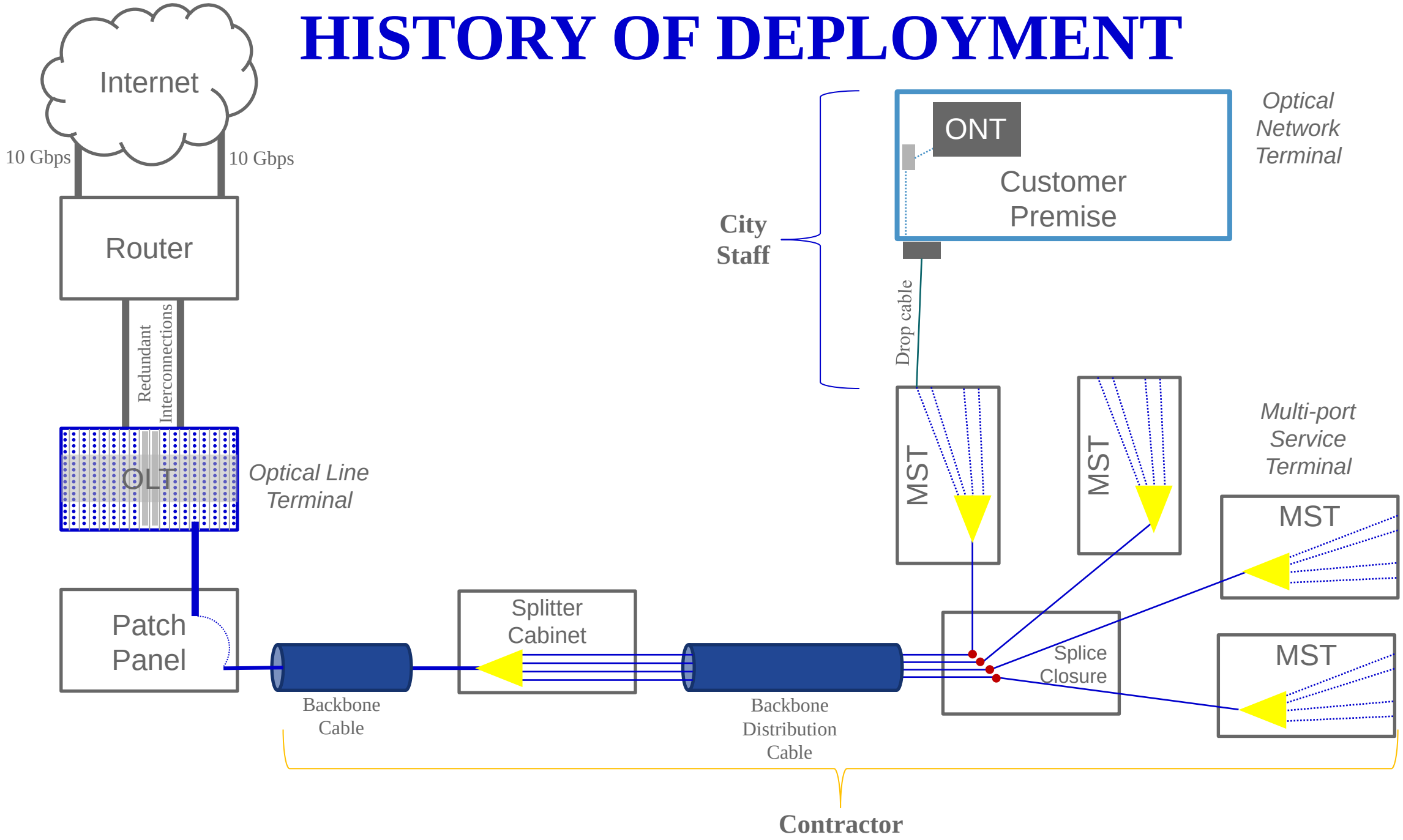
TELEMETRY SYSTEM

- **Backhaul fiber deployed in 36-inch water main**
- **Backbone telemetry fiber deployed with traditional aerial & underground methods**

GPON INFRASTRUCTURE

- **NoaNet recommends Gigabit Passive Optical Network**
- **City approves purchase of router & GPON transport equipment**
- **Small network equipment room constructed**
- *Staff hired, business policies & processes developed*
- **Fiber deployed aerially in pilot areas**
- **Customers placed in service in pilot areas**

HISTORY OF DEPLOYMENT



VALUE PROPOSITION
Developed by Staff

We will provide locally run Internet service that is faster, more reliable and more affordable than any of our competitors' service.

CURRENT STATE
Service Plans

> **Faster Speeds**
> **Lower Prices**
> **More Reliable**
> **Locally Run**

Residential Plans
Month to Month

100 Mbps	$39/month
1 Gbps	$69/month
Managed WiFi	$10/month
Install Fee	$100

Business Plans
12 Month Contract

100 Mbps	$89/month
1 Gbps	$149/month
Managed WiFi	$10/month
Install Fee	$100

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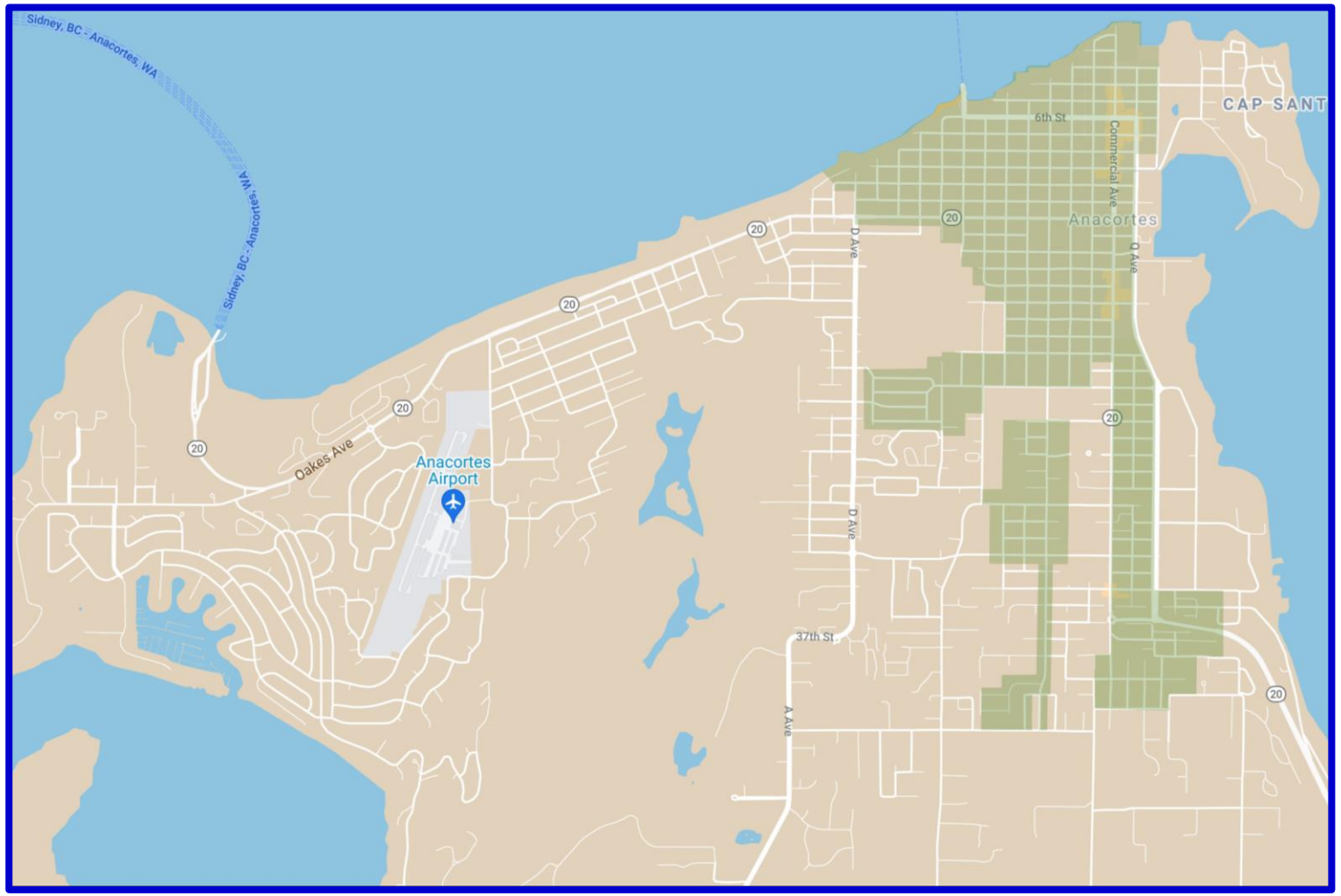
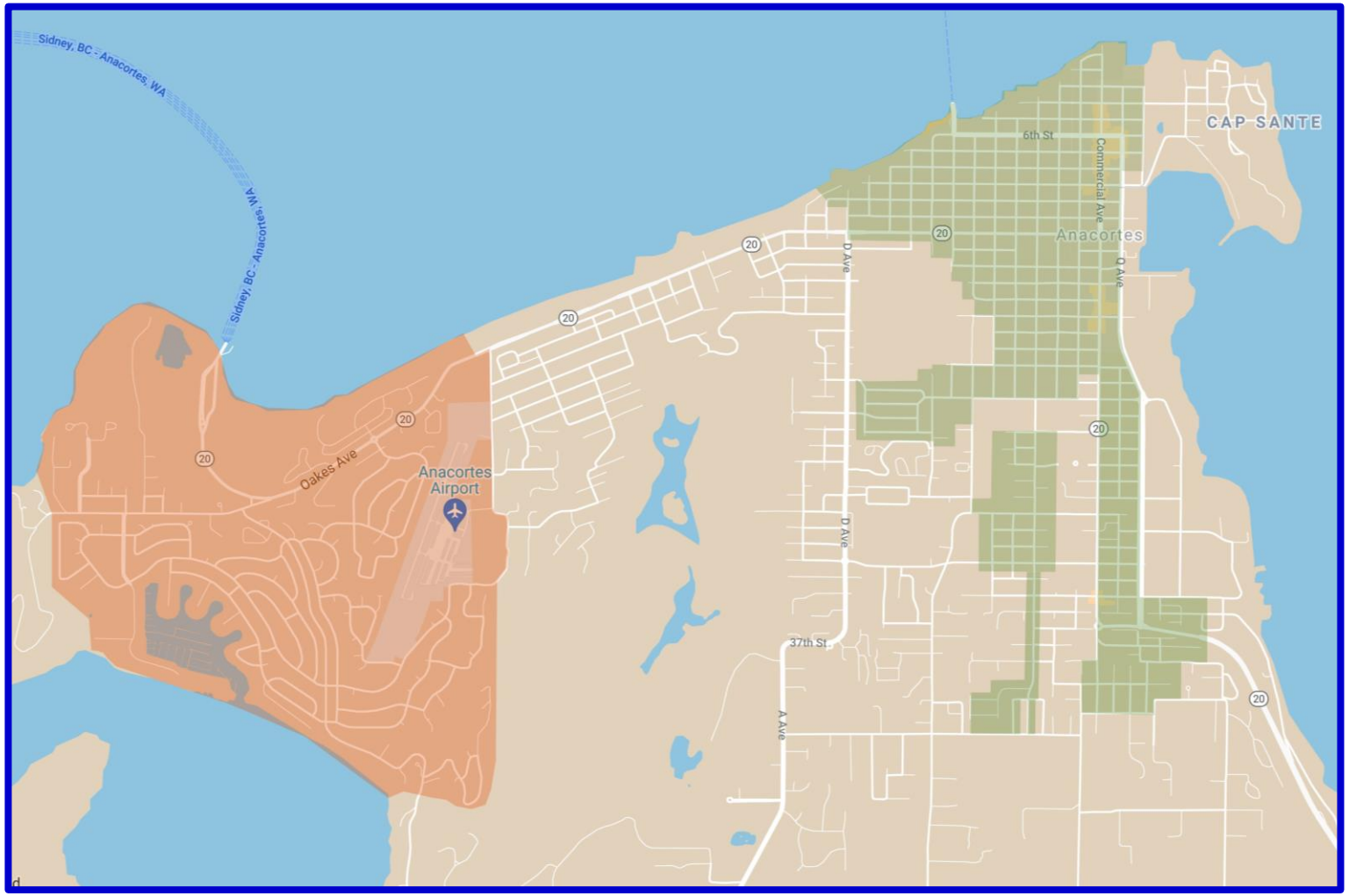
CURRENT STATE
Service Areas

- 3 Pilot Areas
- One Backbone Expansion
- Passes 2,273 Potential Customers
- Slightly more than 780 Customers In-service
- Slightly more than $50,000 Monthly Revenue
- ~1,350 Orders Citywide Waiting to be Installed



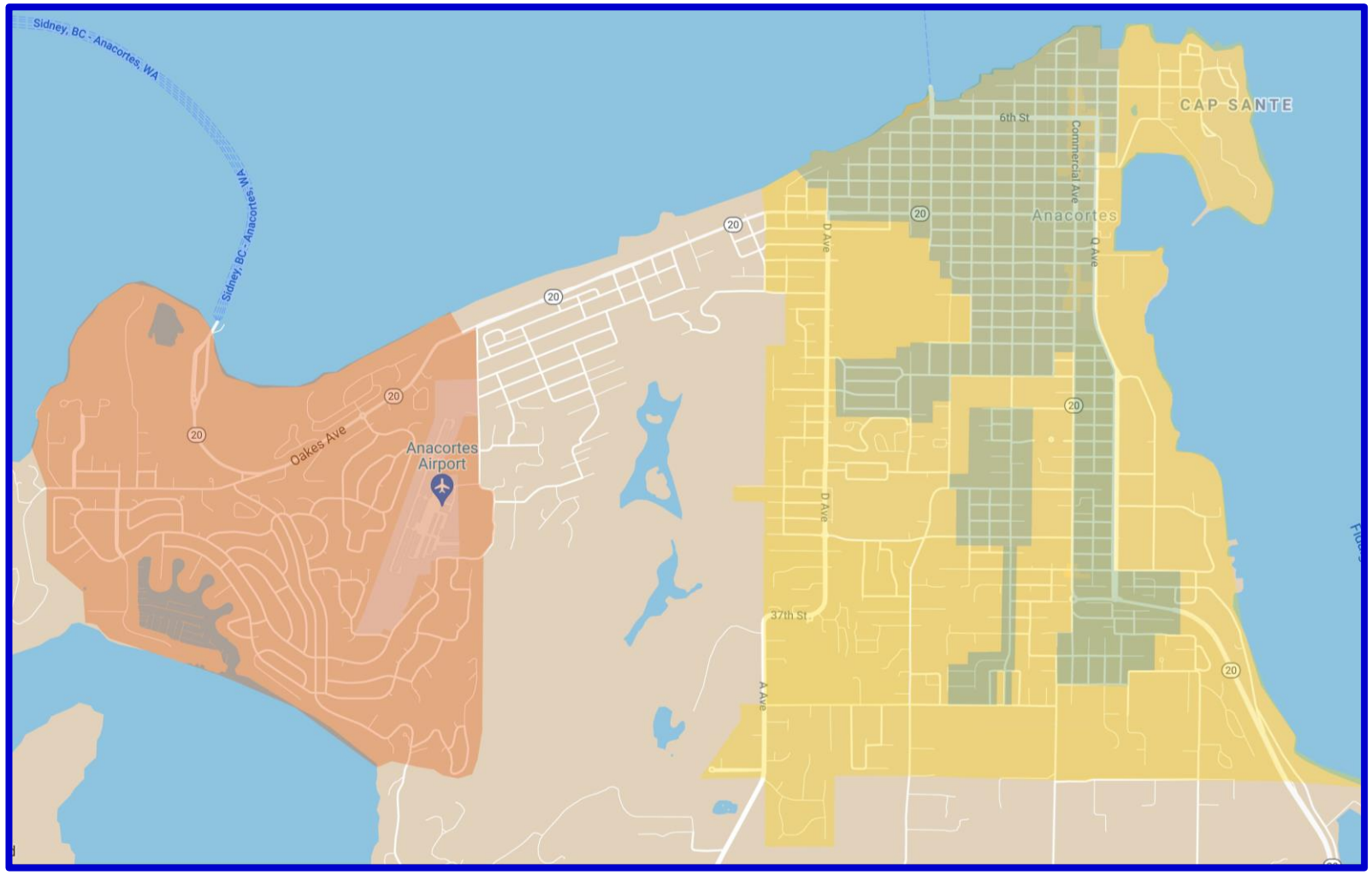
CURRENT STATE
Under Construction Service Area

- Passes 2,375 premises
- After this expansion, the network will pass 4,648 potential customers



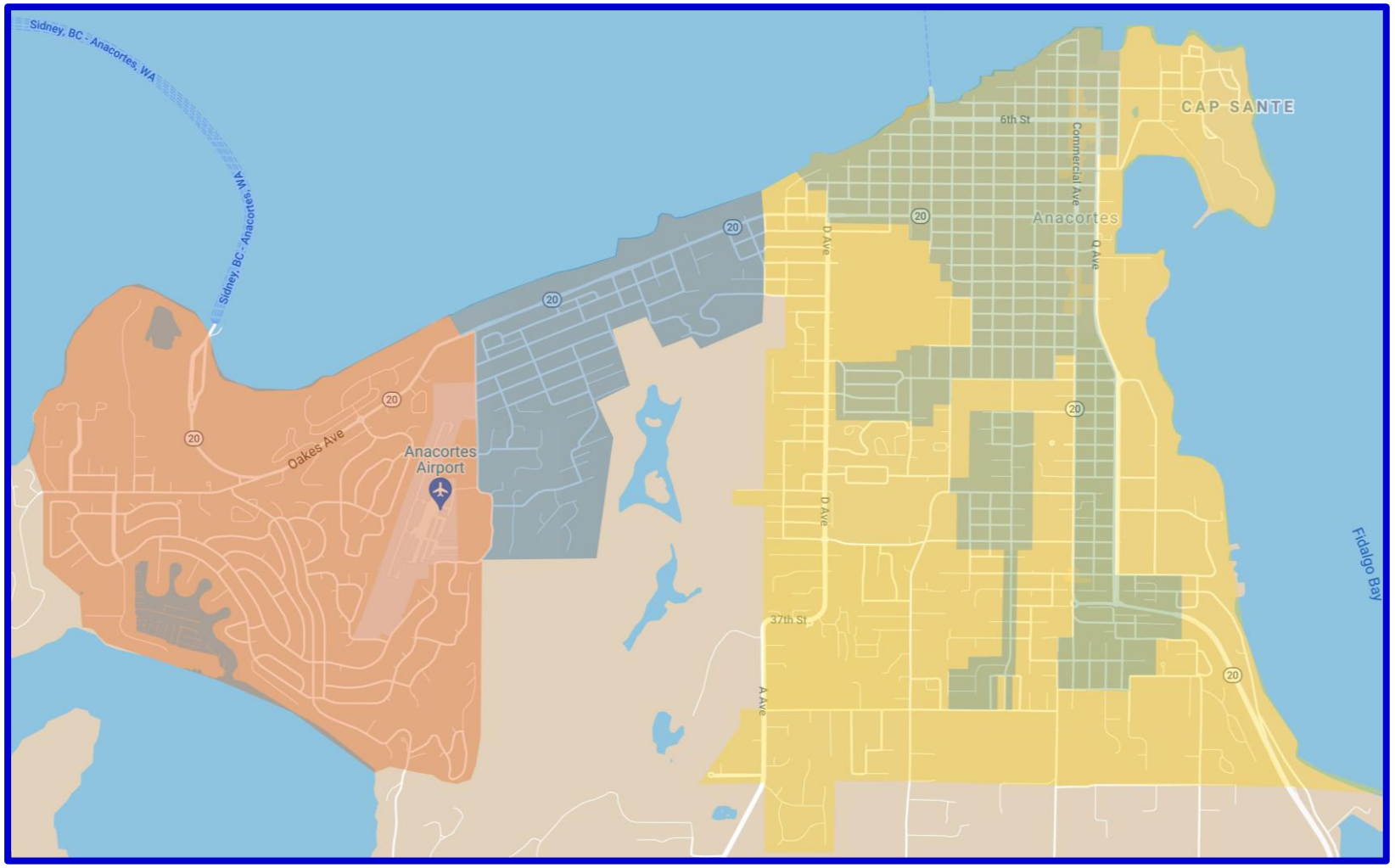
CURRENT STATE
Planned Expansion Area

- Passes 1,815 premises
- After this expansion, the network will pass 6,463 potential customers

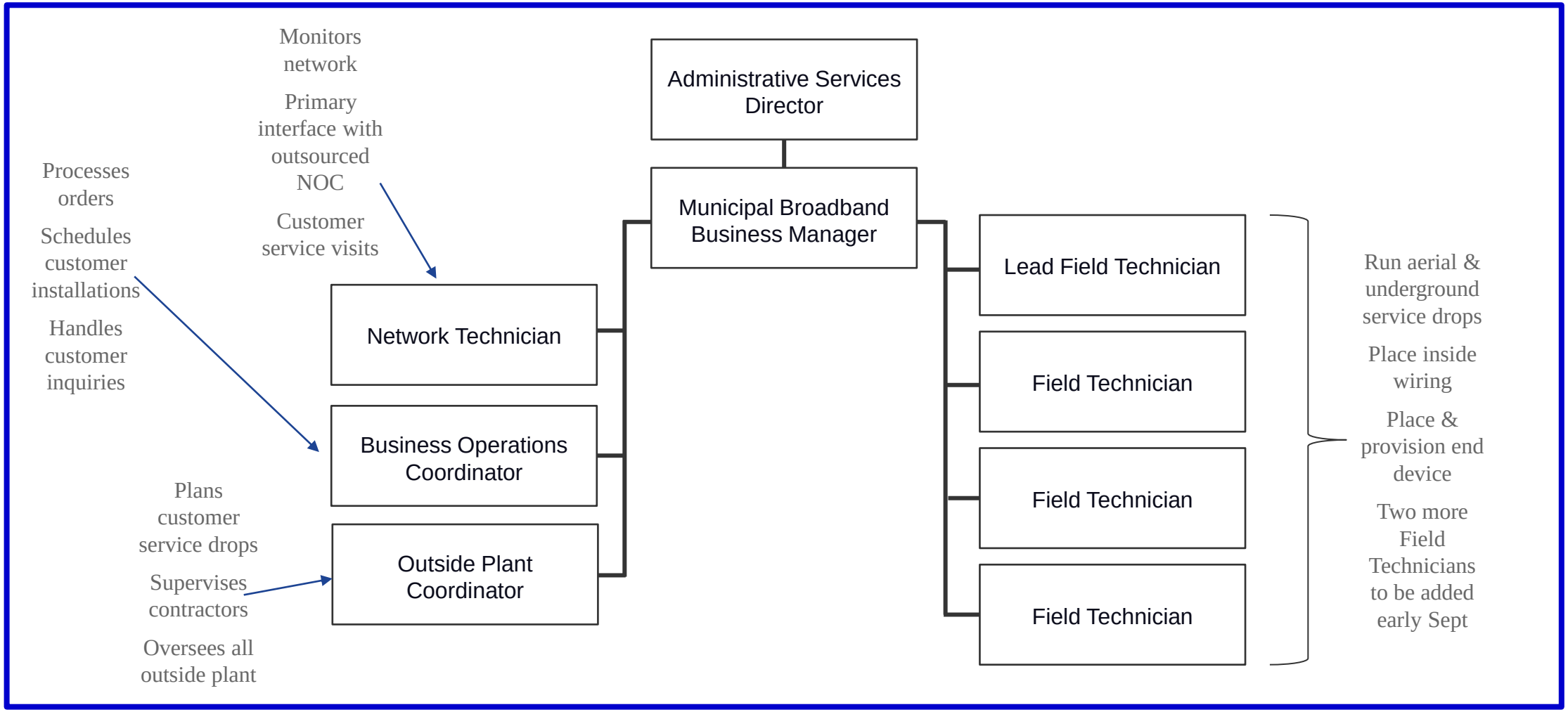


CURRENT STATE
Planned Expansion Area

- Passes 872 premises
- After this expansion, the network will pass 7,335 potential customers



CURRENT STATE
Org Chart



LESSONS LEARNED

- ✓ Elected Officials MUST be the Initiative's Primary Champions
- ✓ Community Support
- ✓ Business Plan to Demonstrate Financial Viability & Track Performance
- ✓ Mindset Jump from "Municipal Business-As-Usual" to "Business World Realities"
- ✓ Partnerships to Capitalize on Expertise and Efficiencies
- ✓ Internal Partners - Finance Department, Human Resources, Legal Department
- ✓ Substantial Seed Capital
- ✓ Acceptance of Creating a Start-up Venture Constrained by Municipal Requirements (procurement, contracting)
- ✓ Incurring Debt, Accruing Revenues, Posting Expenses...General Fund or Enterprise Fund?
- ✓ Determination to Overcome Challenges