



Fiber to the Farm, Home and Business
in Select Communities & Townships

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News Release

For Immediate Release

RS Fiber Broadband Initiative Moving Forward Bringing High Speed Internet, Television and Phone Services to Portions of Renville & Sibley Counties

WINTHROP, Minn. – The RS Fiber Cooperative fiber optic broadband initiative is moving forward. RS Fiber’s Board of Directors recently endorsed an updated business plan and financing strategy. RS Fiber representatives presented this information to the Renville-Sibley Joint Powers Board (JPB), which is comprised of representatives from 10 cities and 17 townships in the proposed service area.

The JPB was formed to issue general obligation tax abatement bonds that will fund a portion of the fiber optic network’s construction costs and start-up expenses. Upon completion, RS Fiber Cooperative will operate a fiber optic network for most of Sibley County and portions of Renville, Nicollet, and McLeod County. Over 6,200 potential customers will be able to use this high-speed fiber optic network, which will provide data speeds that can be over ten times faster than speeds offered by current service providers.

RS Fiber is a total communications solution, offering affordable and reliable high-speed broadband internet access, phone and television. RS Fiber’s network will provide download Internet speeds of 50 megabits per second or greater. Network download and upload speeds will remain consistent throughout the day and will not change even if every customer is simultaneously using the services. TV service will provide clear pictures unaffected by weather and will include favorite local programming like live high school sports. Prices will be very competitive to existing service providers.

RS Fiber’s network has been designed to provide services to every home, business, farm site, and government office in the cities and townships that are part of the Joint Powers Board. RS Fiber’s customers are also the taxpayers who provided a portion of the funding. For this

reason, RS Fiber's customers will provide the revenues to repay principal and interest on the bonds, substantially reducing the possibility of increasing future property taxes to repay the bonds.

Network construction will begin in early 2015 and services will be available to initial customers before the end of 2015. The RS Fiber market area includes the following cities: Gaylord, Winthrop, Gibbon, Fairfax, Green Isle, New Auburn, Lafayette, Brownton, Buffalo Lake, and Stewart. The market area also includes 13 townships in Sibley County and 4 townships in Renville County. Most of these future customers have limited access to affordable and reliable high-speed internet service today.

RS Fiber Cooperative Board Chair Mark Brandt said, "This fiber initiative is a significant event for our area. Our public safety entities, healthcare organizations and public, private, and charter schools will benefit greatly from the implementation of the fiber optic network. Existing businesses will also benefit from high-speed, affordable, and reliable internet service. This network will help attract new businesses to our area, creating job growth and other opportunities to build our communities. In this area of rural Minnesota, we will have internet service at a price and speed that is comparable to services received by businesses and homeowners in the Twin Cities."

RS Fiber is entering into a long-term management contract with Hiawatha Broadband Communications (HBC) in Winona, Minn. HBC will oversee the design, development and construction of the fiber optic network, as well as day-to-day management duties. HBC is an experienced operator of similarly designed, rural fiber optic networks in 17 communities throughout southeastern Minnesota including Red Wing, Wabasha, Lewiston, Lake City, Plainview, Dover, Eyota and Elgin.

Dan Pecarina, President/CEO of HBC said, "We are excited to work with RS Fiber Cooperative on this project, using our experience of delivering gigabit Internet, TV and telephone services over fiber-optic technology to homes, schools and businesses in southeastern Minnesota.

"HBC built its first network in Winona in 1997 and has since built all fiber optic networks in 16 additional communities over the last 10 years. These gigabit networks have brought new businesses and residents to the rural areas we serve. They have also provided the ability for residents to thrive both personally as well as professionally without having to leave for the big cities.

"In our experience, fiber optic networks help drive innovation in rural Minnesota by enhancing education, health care, farming, industry and more. These are among the highest capacity broadband networks in the world and that creates an environment for advanced applications that can enhance and enrich the lives of many."



The original RS Fiber project began in 2010 with a vision that the towns in Sibley County, the county government, and a slice of eastern Renville County, including Fairfax, would build and operate a \$70 million publicly-owned fiber optic network. After two years, the project scope was changed in 2012 with the formation of RS Fiber Cooperative. Instead of a fiber optic network that would have been 100% funded with taxpayer bonds, a public-private partnership was formed.

Local cities and townships that are part of the Joint Powers Authority will issue \$13.7 million in general obligation tax abatement bonds and will use the proceeds to make an economic development loan to RS Fiber Cooperative. Local investors, bank loans, and a broad array of other lenders will provide the remaining funding for the project. All funding will be repaid by subscribers who purchase internet, telephone, and video services from RS Fiber.

RS Fiber Cooperative's members will own 100% of the fiber optic network, will obtain 75% of the financing through private sources, and will generate 100% of the revenues to repay the \$13.7 million loan that will be provided by the restructured Joint Powers Board. Initial project costs were originally estimated at \$70 million, but the revised business plan, engineering design, and financial structure lowered the total project costs by over 30%.

This public-private partnership will enable RS Fiber to bring a high speed fiber optic network to Sibley County and Renville County. The business relationship with Hiawatha Broadband provides RS Fiber with a leadership team that has successfully built and operated similar high speed fiber optic networks in rural Minnesota for over 17 years.

Individuals and businesses that are interested in becoming an RS Fiber customer should contact the company for information on service availability in their area. Access to RS Fiber's high speed fiber optic network should be available to most business, residential, and farm customers throughout the Joint Powers Board market area by year-end 2016.