Attention: Residents of the Resort Village of Melville Beach

Re: INFRASTRUCTURE IMPROVEMENT - HIGH SPEED INTERNET PROJECT

Melville Beach now has to decide if we wish to participate and fund our portion of the infrastructure improvements for high speed internet / tv services.

It should be clear that Crooked Lake residents lobbied SaskTel to provide a cost estimate for this service and we were successful in our application for assistance available to Saskatchewan rural communities. This funding methodology has been used in over 400 rural projects throughout the province.

SaskTel does not really care if we approve this project, they have a long waiting list of communities that are waiting to take our spot in the program if we decide not to proceed.

Although the initial upfront investment to the Resort Village of Melville Beach of $45,000 is substantial, the benefits of this service do warrant the expenditure. When viewed on a per taxpayer basis, the $500 is less than the price many of us spends on a new phone. **It should also be noted that these funds will be sourced from existing reserves and will not require a increase in taxes to recover.** SaskTel is also responsible for any maintenance issues and upgrades that may arise in the future.

Individuals will be able spend greater time at the lake as they are able to work from home, homes can be monitored remotely, property values will be enhanced, and costly cell phone plans individuals carry can be reduced. It will also give us the ability to keep pace with an ever escalating digital age and access high quality services available in larger communities.

If we decide **not** to proceed, the ongoing issue of limited coverage, especially in summer months, will only become worse as cell usage continues to increase and the cell tower approaches maximum capacity. The existing cell tower was upgraded in 2017 and SaskTel has no plans for future enhancements.

Crooked Lake communities will need to work together if we ever want to be successful in securing future infrastructure improvements. We are just too small as individual entities to attract any commercial interest.

For this particular project, it is extremely rare to have support from all governing bodies and have all entities with the financial capacity to proceed.

If this project is not approved by Melville Beach, the likelihood is that it will no longer be of interest to SaskTel and economics for the remaining Hamlets will cancel the entire project. You could easily imagine a 5 to 10 year wait before this program is ever revisited, if at all.

Based on requests at the July meeting, we have summarized a great deal of information regarding the history and scope of the project, details of the SaskTel Community Participation Program and some of the presentation material prepared for interested parties back in 2017. Please recognize that the presentation has not been updated to reflect changes to the program scope in 2018, but does provide a very good overview of the services being offered.

If you are looking for pricing on specific packages of services, please visit the SaskTel website.

RV MELVILLE BEACH COUNCIL requests a EMAIL reply by Sunday, JULY 15, 2018 on your following response of supporting this project or you are against the High Speed project.

Do you support the Sasktel High Speed Internet Project being implemented at the Resort Village of Melville Beach?

Or

Are you against the Sasktel High Speed Internet Project being implemented at the Resort Village of Melville Beach?

BACKGROUND - CROOKED LAKE PROJECT

In early 2016, the RM of Grayson and 4 respective Hamlets (Sunset, Greenspot, Moose Bay and Exner Twin Bays) from Crooked lake made an inquiry about high speed internet but SaskTel declined because it was not financially feasible.

Through ongoing discussions and considerable support from Warren Kaeding, MLA, it was determined that an application could be made through the SaskTel Community Participation Program, so data was collected and an application was submitted.

In follow-up, on September 7, 2017, SaskTel made a presentation to interested parties (4 Hamlets, Melville Beach and Shesheep). At the time, the proposal included Indian Point and the total cost was $198,000 plus tax. A copy of the presentation is attached for your review.

It soon became apparent that Shesheep would not participate and the scope of the project had to be revised to exclude properties at Indian Point. After a great deal of effort from the Hamlets and continued support from our MLA, SaskTel revised the project to include only the 4 Hamlets and Melville Beach at the current cost of $173,000 plus tax.

This is the current proposal available to us and has just recently been accepted by the each of the 4 Hamlets at their respective AGM's held in June (last meeting held on June 23/18). Representatives from the Hamlets had delayed seeking Melville Beach's formal approval until they themselves had support to proceed with the project. Hamlets are under different regulations than a Resort Village, and are more limited in how they fund such a project, in that they can only use existing Reserve Funds, with no ability to raise the tax rate. If even one of the Hamlets were not able to commit to this project, it could not proceed.

DESCRIPTION OF THE PROJECT

Provide infrastructure to enable DSL High Speed Internet for the Resort Village of Melville Beach, Exner Twin Bay, Moose Bay Resort, Greenspot Resort and Sunset Beach Resort (see attached map). This project is an opportunity through the SaskTel Community Participation Program and will only be considered in the scope as defined.

Once available, it will enable (dependent on subscribed package):
- unlimited internet usage (no data caps)
- in-home wifi
- 10Mbps
- max lite TV (expected to be available Fall 2018)
- built-in firewall protection
- up to 10 personal email addresses

No additional equipment will be required to be purchased by homeowners. Seasonal packages will be available. Costs for subscriptions will vary depending on the services selected (please refer to the SaskTel website for current pricing).

A SaskTel phone line will be required into the subscriber's residence for internet services but this does not necessitate a landline plan, unless the homeowner wants one. If no phone line currently exists, SaskTel will install an aerial line for no additional cost for <u>initial</u> subscribers (normally costs $475 currently). In the case that the homeowner instead wants a buried line there will be an extra cost.

The cost of this project is $173,000 plus taxes, for a total of $192,114. There is no cost for existing infrastructure. The total cost has been prorated based on the number of titled properties in each village/hamlet. Please note: due to the location of the SaskTel building at Melville Beach, access will be available to West Melville Beach (leased lots) but they are not required to contribute to the upfront investment. However we do receive a benefit as the potential revenue from the assumed number of subscribers from this specific area were included in the 7 year breakeven calculation, ultimately reducing the total upfront cost.

	# of Titled Lots	Prorated Cost (incl. taxes)
Resort Village of Melville Beach	89	$45,700
Exner Twin Bay	82	$42,620
Moose Bay	85	$44,160
Green Spot	60	$30,809
Sunset	56	$28,755

To fulfill their obligations for this project, SaskTel will:
- trench a fibre line down from the cell tower to Exner Twin Bay and extend it along the highway to SaskTel building at Melville Beach
- trench a fibre line from Cowessess to Sunset Beach (under the river).
- Install a cabinet at both Sunset and Exner Twin Bay (fridge size)
- upgrade the equipment in the SaskTel building at Melville Beach
- utilize fully-functioning equipment that was replaced during an upgrade, thereby reducing the cost to the resorts by $40,000
- The total investment is estimated to be greater than $700,000.

Project Scheduling: there are a number of applications under consideration by the Community Participation Program and projects will only be scheduled once full payment has been received.

From time of full payment, it will take 12 - 18 months to complete construction and service installation.

SASKTEL COMMUNITY PARTICIPATION PROGRAM

This program is designed for Sask. communities that do not have adequate access to cellular or internet services <u>and</u> do not meet SaskTel's criteria for service expansion. Through it, customers or communities pay a portion or all of the required capital costs as determined by SaskTel on a case by case basis. Once installed all maintenance and upgrade costs are fully covered by SaskTel.

The intent of the program is that SaskTel will breakeven on the cost of the project within 7 years, taking into account the assumed subscription rates. The cost can vary considerably as it is fully dependant on what infrastructure is already close-on-hand that be tapped into. Any shortfall to the 7 year breakeven is the amount that the individual or community is required to cover. This methodology has been used for over 400 communities in Saskatchewan since it was implemented and has made it possible for smaller communities to have access to the benefits of modern infrastructure.

Residents at Crooked Lake have questioned and lobbied SaskTel and their MLA's over recent years for viable internet service. After assessing the situation it was deemed that an application through the SaskTel Community Participation Program was the only option that would be considered by SaskTel.

COMMUNITY PARTICIPATION PROGRAM - EXAMPLES OF RESORT PROJECTS

RESORT	# of RESIDENCES	COST TO COMMUNITY	ADDITIONAL NOTES
PASQUA	495	$339,000	
CRYSTAL LAKE	240	$0	Fibre already at the site, only 34 subscribers required to breakeven
KATEPWA	990	$473,000	
CEDARVALE	40	$140,000	All 40 residents subscribed

In comparison, the Crooked Lake proposal is based on 372 residences at a cost of $173,000 (plus tax).

It should be noted that there are a number of other communities currently in the 'proposal stage'. For those going forward, they will be addressed on a first come, first serve basis and scheduling of these projects will occur in early August.