

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY (UTOPIA)

BOARD MEETING & PUBLIC HEARING MINUTES

JUNE 12, 2023

10:00 AM

UTOPIA FIBER OFFICES
5858 SOUTH 900 EAST
MURRAY, UTAH 84121

Board Members Present:

**Board Members Joining
Electronically:**

Wayne Pyle – Chair, West Valley City
Adam Cowie – Second Vice Chair, Lindon City
Matt Dahl – Third Vice Chair, Midvale City
Doug Hill – Murray City
Councilmember Robin Mecham – Centerville City
Jason Sant – Alternate, Payson City
Derek Oyler – Alternate, Brigham City
Brenn Bybee – Alternate, Orem City
Marc Christensen – Alternate, Tremonton City

Officers Present:

Roger Timmerman – UTOPIA Executive Director
Christa Evans – UTOPIA Secretary
Kim McKinley – UTOPIA Chief Marketing Officer
Jeff Erwin – UTOPIA Chief Operations Officer
Jeff Starkey – UTOPIA General Counsel
Jason Roberts – UTOPIA Chief Financial Officer
Aaron Leach – UTOPIA Chief Technology Officer

**Others Joining
Electronically:**

Gary Hill – City Manager, Bountiful City
Nicole Cottle – Assistant City Manager, West Valley City
Laura Lewis – Financial Advisor, Lewis Young Robertson &
Burningham

1. WELCOME AND INTRODUCTIONS

The UTOPIA Board of Directors held a board meeting and public hearing on June 12, 2023. The meeting was live streamed to allow public viewing. UTOPIA Chair, Wayne Pyle (West Valley City) called the meeting to order at 10:12 AM.

UTOPIA Votes Present: 378

UTOPIA Majority Vote: 279

UTOPIA 2/3 Vote: 371

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2. APPROVAL OF MINUTES – APRIL 10, 2023

- [LINK: Substance of matters proposed, discussed, or decided](#)
- There was no discussion on the minutes.

ACTION: Adam Cowie (Lindon City) MOVED to approve the minutes from the UTOPIA Board Meeting held April 10, 2023. Doug Hill (Murray City) SECONDED the motion. A voice vote was taken - vote was unanimous.

3. PUBLIC HEARING

- PUBLIC HEARING TO ALLOW PUBLIC COMMENTS REGARDING THE FISCAL YEAR 2024 BUDGET FOR UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY (UTOPIA)

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Jason Roberts, UTOPIA Chief Financial Officer
- The 2024 Board of Directors budget proposes the following changes from the executive budget:
 - Budgeting \$18.8 million of revenue, and 17.3 million of expense from the construction of the Bountiful Project.
 - A sale of \$850,000 of assets to Bountiful.
 - Decreasing the Network Cost Allocation for UTOPIA salaries to UIA by \$1 million. This is due to the fact that UTOPIA employees will be spending a lot of time on the Bountiful Project, which is a UTOPIA project.
 - Increasing the debt service pledge from the Cities by \$1.3 million for the entire amount of the bond payment. The \$1.3 million was previously shown as a reduction of payments from Cities.
 - An increased payment of \$1.8 million from UIA to help cover City Loan Repayment.
 - \$4.3 million as a Debt Service Payment to be paid out to Cities who make sales tax pledge payments.
 - Reduction of Fund Balance Deficit increased by \$1.1 million. State Law requires that we budget 5% of budgeted revenues to decrease fund balance. This increase is necessary due to the increased revenue described above.

ACTION: Derek Oyler (Brigham City) MOVED to open the public hearing regarding the UTOPIA FY 2024 Budget. Robyn Mecham (Centerville City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

There were no public comments.

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ACTION: Derek Oyler (Brigham City) MOVED to close the public hearing regarding the UTOPIA FY 2024 Budget. Matt Dahl (Midvale City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

The public hearing for amendments to the Fiscal Year 2023 Budget for UTOPIA took place later in the meeting.

4. CONSIDER APPROVAL OF RESOLUTION UT 23-02: APPROVING AN ANNUAL BUDGET FOR FISCAL YEAR 2024, COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented during the public hearing.

ACTION: Derek Oyler (Brigham City) MOVED to approve Resolution UT 23-02 approving an Annual Budget for Fiscal Year 2024, commencing July 1, 2023 and ending June 30, 2024. Matt Dahl (Midvale City) SECONDED the motion.

Doug Hill proposed an amendment to the previous motion to include intent language that the position of Director of Government Affairs be discussed in a board meeting before being filled or advertised.

- Additional information was requested and discussed regarding the proposed Director of Government Affairs.

Derek Oyler (Brigham City) did not accept the amendment to the motion.

It was clarified that a vote should be taken on the original motion. If it doesn't pass, the amended motion could then be voted on.

A roll call vote was taken on the original motion made by Derek Oyler (Brigham City) - vote was unanimous.

5. CONSIDER APPROVAL OF RESOLUTION UT 23-03: APPROVING AMENDMENTS TO THE ANNUAL BUDGET FOR FISCAL YEAR 2023, COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Jason Roberts, UTOPIA Chief Financial Officer
- The budget revision covers 4 main items as follows:
 - Budgeting \$4 million payment to Cities from UTOPIA as a Debt Service Payment owed to repay the Cities for the yearly amount sales tax pledges. In prior years this has shown as repayment of operational assessments in UIA.

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- Approximately \$4 million in inventory sold to Idaho Falls and Yellowstone Fiber. The sales were at the prices UTOPIA paid for the inventory and no profit was made.
- \$8.5 million spent on system expansion from the bond refinancing earlier in the fiscal year.
- \$400,000 budgeted to reduction of fund balance due to the increased revenues in the revision. We are required by state law to budget 5% of expected revenue as a reduction of fund balance. We were written up for missing this in the past year.

ACTION: Jason Sant (Payson City) MOVED to open the public hearing regarding Amendments to the UTOPIA FY 2023 Budget. Doug Hill (Murray City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

There were no public comments.

ACTION: Matt Dahl (Midvale City) MOVED to close the public hearing regarding Amendments to the UTOPIA FY 2023 Budget. Derek Oyler (Brigham City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

ACTION: Doug Hill (Murray City) MOVED to approve Resolution UT 23-03 approving Amendments to the Annual Budget for Fiscal Year 2023, commencing July 1, 2022 and ending June 30, 2023. Matt Dahl (Midvale City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

6. CONSIDER APPROVAL OF RESOLUTION UT 23-04: AUTHORIZING AND APPROVING THE FIBER NETWORK CONSTRUCTION AND NETWORK MANAGEMENT SERVICES AGREEMENT, BETWEEN UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY (UTOPIA) AND BOUNTIFUL CITY, UTAH: AUTHORIZING THE EXECUTIVE DIRECTOR OF UTOPIA TO EXECUTE AND DELIVER THE SAME; AND RELATED MATTERS

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Roger Timmerman, UTOPIA Executive Director
- This is a contract with UTOPIA, not UIA.
- Bountiful City will own their fiber network and contract with UTOPIA to build and operate the network for them.

ACTION: Adam Cowie (Lindon City) MOVED to approve Resolution UT 23-04 authorizing and approving a Fiber Network Construction and Management Services Agreement between UTOPIA and Bountiful City. Jason Sant (Payson City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

7. CONSIDER APPROVAL OF RESOLUTION UT 23-05: APPROVING THE SELECTION OF AN AUDITING FIRM TO PROVIDE PROFESSIONAL SERVICES TO UTOPIA

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- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Jason Roberts, UTOPIA Chief Financial Officer
- The auditor selection process involved issuing an RFP for services. The proposal looked at the Technical Experience of the Firm, Qualifications & Responsiveness of Staff, Responsiveness & Clarity of the Proposal, and Cost of the Services. Bids received were for a 5 year period. We received proposals from 4 firms. One of the firms withdrew prior to being interviewed.
- The RFP was prepared using input from City Finance Directors from West Valley, Orem, and Layton who are on the UTOPIA/UIA Finance Committee. All of these individuals participated in the interviews of the firms and they were part of the scoring committee along with Jason Roberts.
- The recommendation of the Committee is Keddington and Christensen for our auditors. They are currently the auditors of both UIA and UTOPIA.

ACTION: Adam Cowie (Lindon City) MOVED to approve Resolution UT 23-05 approving the selection of an auditing firm to provide professional services to UTOPIA. Derek Oyler (Brigham City) SECONDED the motion A roll call vote was taken - vote was unanimous.

8. APPROVE AND AUTHORIZE THE EXECUTIVE DIRECTOR OF UTOPIA TO FINALIZE AND EXECUTE THE FIBER COMMUNICATION SERVICE CONTRACT (THE “CONTRACT”), BETWEEN GOLDEN STATE CONNECT AUTHORITY (GSCA) AND UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY (UTOPIA), AND FURTHER TO NEGOTIATE ADDENDA AND AMENDMENTS TO THE CONTRACT

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Roger Timmerman, UTOPIA Executive Director
- Discussed at last board meeting. The term length of agreement was reduced based on board request. Since that meeting, it has been determined that creating a shorter term will cause problems in the long term.
- Original term was put back in place because that is in the best interest of all parties.

ACTION: Adam Cowie (Lindon City) MOVED to authorize the Executive Director to Finalize and Execute the Fiber Communication Service Contract between Golden State Connect Authority (GSCA) and Utah Telecommunication Open Infrastructure Agency (UTOPIA), and further to Negotiate Addenda and Amendments to the Contract with the original terms presented in place. Doug Hill (Murray City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

9. UTOPIA FINANCIAL UPDATE

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Jason Roberts, UTOPIA Chief Financial Officer

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- Projected budget vs. adopted budget
- Financial charts
 - 10 Year Monthly Recurring Revenue (Combined UIA & UTOPIA)
 - UIA Revenue v. Bond Obligation

10. UTOPIA NETWORK UPDATE

- [LINK: Substance of matters proposed, discussed, or decided](#)
- Item presented by Mr. Roger Timmerman, UTOPIA Executive Director
- Update on UTOPIA Project with Bountiful City
- Review subscriber report
- Looking for ways to report MDUs better

11. ADJOURN

- [LINK: Substance of matters proposed, discussed, or decided](#)

There being no further business of the UTOPIA Board of Directors, the meeting and public hearing on Monday, June 12, 2023, was adjourned at 11:58 AM.

I hereby certify the foregoing to be a true and accurate record of the proceedings of this meeting of the UTOPIA Board of Directors.



Christa Evans, UTOPIA Secretary

Approved this 14th day of August, 2023