1. WELCOME AND INTRODUCTIONS

The UTOPIA Board of Directors held a regular board meeting on Monday, February 11th, 2019. UTOPIA Chairman Wayne Pyle (West Valley City) called the meeting to order at 10:07 AM. He welcomed all attendees.

UTOPIA Votes Present: 408
UTOPIA Majority Vote: 205
UTOPIA 2/3 Vote: 273

2. APPROVAL OF MINUTES – DECEMBER 10, 2018

Adam Cowie (Lindon) made a correction to the minutes – he’s listed as first vice chair instead of second vice chair in the draft minutes. That correction will be recorded. There was no further discussion on the minutes.
ACTION: Blair Camp (Murray) MOVED to approve the minutes from the UTOPIA board meeting held December 10, 2018. Adam Cowie (Lindon) SECONDED the motion. A voice vote was taken - the vote was unanimous, which the exception of Todd Christensen (Perry) who abstained.

3. CONSIDER APPROVAL OF RESOLUTION 19-01: CONSIDER APPOINTMENT OF DEPUTY DIRECTOR, CFO, AND GENERAL COUNSEL

Mr. Chandler, General Counsel, asked chairman Wayne Pyle to give correction on the title. The resolution language and purpose are accurate. The title, however, lists Kim McKinley as being approved as Marketing Director and Aaron Leach as COO. Those appointments took place in a previous meeting. This resolution considers Kim McKinley as Deputy Director, Laurie Harvey as CFO, and Joshua Chandler as General Counsel. All three have worked with the agency or have been introduced previously to the board.

ACTION: Kane Loader (Midvale) MOVED to approve resolution 19-01 considering appointment of Kim, Laurie, and Joshua as listed above. Bruce Davis (Layton) SECONDED the motion. A roll call vote was taken - the vote was unanimous.

4. CONSIDER APPROVAL OF RESOLUTION 19-02: PTIF DESIGNATION, ADDING LAURIE HARVEY

As Laurie Harvey is the new CFO for UTOPIA, part of her duties includes overseeing PTIF accounts. For her to be granted that permission, the board must approve it by resolution, for purposes of the State Treasurers office.

ACTION: Bruce Davis (Layton) MOVED to approve resolution 19-02, authorizing Laurie Harvey as UTOPIA’s designee for PTIF related accounts, previously done by Kirt Sudweeks. Adam Cowie (Lindon) SECONDED the motion. A roll call vote was taken – the vote was unanimous.

5. FINANCIAL UPDATE (DECEMBER 2018)

Laurie Harvey, UTOPIA’s Chief Financial Officer, presented the December 2018 UTOPIA financials. The finance committee met the previous week and added 3 new members. New members include Tracy Probert (Layton), Jim Welch (West Valley City), and Danycc Steck (Murray). They join long-standing finance committee members Jason Roberts (Brigham City) and Brandon Nelson (Orem).

Combined recurring revenue for December was $1.7 million. Compared to the previous fiscal year at the same time, revenue was about 19% higher. Revenue continues to grow about 2% a month, averaging an increase of about $24,000/month over the last 6 months. UTOPIA (only) revenue continues to come in around $560,000/month, which is on track with budget. Operating expense averaged about $800,000/month for UTOPIA which was a little lower than budget for December. The gap between expenditures and revenue is being covered by the accelerated IRU payments from UIA. Combined operating expense totaled $1 million. There was a notable
increase in network management fees, particularly related to utility locating fees. We issued an RFP for locating services and are now under a new contract with Stake Center Locating. Those costs have been tightened up substantially, and we will continue to watch those expenses. We realistically expect to see those increase as we connect more and more customers.

Mr. Pyle inquired about the computer expense line and why it’s lower than budgeted. We had planned on ongoing software expense previously and we are now doing internal development instead. Mrs. Harvey will investigate the difference and report back.

6. ELECTION OF UTOPIA BOARD OFFICERS

The current board is as follows: Wayne Pyle (West Valley City) – Chair; Jamie Davidson (Orem) – first vice chair; Adam Cowie (Lindon) – second vice chair; Kane Loader (Midvale) – third vice chair; and Shawn Warnke (Tremonton) – fourth vice chair.

Mr. Pyle noted that for the last several elections, we have tried to retain the board as close as possible. That is not the standard for how you would normally run/elect a board however, there have been some specific benefits for suggesting keeping it the way it is. He recommends it stay this way for another year. He noted the main reason is due to the success of the organization and high level of hesitancy to disturb that from the staff perspective and board. He is open to conversation on possible arrangements. Mr. Loader (Midvale) agreed that the organization has made great strides over the last few years under the direction of the current leadership, and he feels it would be best not to change when things are working. UIA kept their board the same except for the second vice chair. It was previously held by Midvale but vacated once Mr. Hill left the city. A new representative from Midvale, Bryce Haderlie, was elected to fill the vacancy.

Mr. Pyle asked the board if there were any other nominations or discussion, before considering the motion from Mr. Loader. There was no further discussion.

ACTION: Kane Loader (Midvale) MOVED to retain the current leadership as is presently constituted. Bruce Davis (Layton) SECONDED the motion. A roll call vote was taken - the vote was unanimous.

7. UTOPIA UPDATE

Mr. Timmerman gave an update of the network(s). Things are going well in our member cities, for both agencies. He communicated we are ahead of schedule for completion of the member cities on the 5-year forecast. UIA is expected to take down another bond this fall. He gets questions about why UTOPIA revenue goes up or down. The RUS settlement helped to grow the UTOPIA side of the network. It is a balancing act between revenue growth.

We are seeing increased demand in other cities, for example, Woodland Hills and Morgan City. These partnerships set the stage for similar projects and similar structures in other cities, that have expressed interest. Those partnerships will be presented to the board for consideration, once they materialize to contractual discussions. We consider those that are mutually beneficial.
Todd Christensen (Perry) asked about growth in his city. He has not been as involved with the board for a while and wanted to know how the smaller city is competing. We have over a 30% take rate there, which is significant particularly for a smaller city.

Mayor Camp (Murray) inquired about the financed CUE’s that the city can’t collect on. Board Secretary and Billing Coordinator, Kellie Jeffrey, responded that each city treats the debt differently. It is up to the city. We are willing to work with the city to help market to those that have infrastructure they aren’t collecting on. However, we take direction from the individual city based on their collection’s efforts. We built in a 5% overhead for the city if they need to write off bad debt to help offset that lost revenue.

Board members, Mr. Timmerman, and Chair Wayne Pyle discussed more related to current debt and how to accelerate paying down the debt with future projects. Mr. Pyle noted how interesting it is to watch how the conversation has shifted over the years. There have been many naysayers, but now we are seeing increased demand. We celebrate that success - so many more footprints, addresses added, more dollars. We are thriving on the revenue side and seeing relief on the debt side.

8. ADJOURN

There being no further business of the UTOPIA Board of Directors, the meeting on Monday, February 11, 2019, was adjourned at 10:56 AM.

ACTION: Bruce Davis (Layton) MOVED to adjourn the meeting. Kane Loader (Midvale) SECONDED the motion. A voice vote was taken - the vote was unanimous.

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

Kellie Jeffrey, UTOPIA Secretary

Approved this 8th day of April, 2019