1. WELCOME AND INTRODUCTIONS

The UTOPIA Board of Directors held an electronic board meeting on August 10, 2020. The meeting was live streamed to allow public viewing. UTOPIA Chair, Wayne Pyle (West Valley City) called the meeting to order at 10:03 AM.

UTOPIA Votes Present: 303
UTOPIA Majority Vote: 279
UTOPIA 2/3 Vote: 371

2. APPROVAL OF MINUTES – JUNE 8, 2020

There was no discussion on the minutes.

ACTION: Adam Cowie (Lindon City) MOVED to approve the minutes from the UTOPIA board meeting held June 8, 2020. Councilmember Thomas Peterson (Brigham City)
SECONDED the motion. A voice vote was taken - vote was unanimous with one abstention from Todd Christensen (Perry) due to his absence from the June 8, 2020 meeting.

3. DISCUSSION OF EDWIN PROJECT – THERMAL CAMERAS

Mr. Roger Timmerman, UTOPIA Executive Director, stated this was started last fall through a Capstone Project at BYU. Different cameras were tested to see if they could detect fires. What came out of that project was the initial installation of one of these cameras. Cameras have been installed on the UTOPIA building in Murray, Layton and Woodland Hills. There are both thermal and optical feeds on the cameras. He shared information about the project website, EDWIN.org, and the information available on there such as live stream cameras and what the initiative is about. He also showed the analytics behind the cameras. This has been done through contract work and one of the team members from BYU was hired as UTOPIA’s Smart City Engineer. There has been a lot of good attention and this is a great use of the network. There have been requests from fire departments for a camera so some terms have been created to cover cost and maybe have some ongoing revenue. This is mostly seen as a public benefit to the community.

Mr. Pyle asked what the next step would be to expand the network.

Mr. Timmerman stated the goal is to have coverage up and down the Wasatch Front. UTOPIA is very busy with fiber to the home but is responding to fire departments and cities that are interested. If any cities have a budget for this UTOPIA would love to work them. So far the budget has been kept low by purchasing used cameras. To purchase a new camera it would be about $40,000. It may require another $5,000 to $10,000 to install. For a city without fiber it could cost up to $100,000 to build a fiber route.

Mr. Pyle asked what kind of press has resulted from this.

Mr. Timmerman stated this has received more press than anything UTOPIA has done in the past. There was a press event at Valley View Golf Course in Layton when the camera was launched. There were about 17 mentions in the local news. It has all been very positive press.

Mr. Adam Cowie, Lindon, asked about the sensitivity level and what kind of activity it picks up and sends notice of.

Mr. Timmerman stated the camera in Woodland Hills was two kilometers away from a six-inch fire and it showed up well. There are different views with some that can zoom in more. It depends on the camera and distance from the bench area. One concern from the fire official is a hot log that may have been struck by lightning and that should be detected from these cameras. A few minutes of notice to first responders can be a significant difference in fighting fires.

4. UTOPIA FINANCIAL UPDATE

Ms. Laurie Harvey, UTOPIA CFO, presented the Combined Recurring revenue graph through June 30, 2020 for UIA & UTOPIA; recurring monthly revenue for the entire system is $2.25 million. UIA revenue is just above $1.6 million and UTOPIA revenue is about $600,000. All
bonds, except the UIA general bond, are still in the Cap I period. Layton is close to having debt service due. The Clearfield Bond closed on Thursday and the True Interest Cost was 2.64% which is the lowest rate the organization has ever had on a bond. Once that is added UIA will still be below $1.2 million in debt service payments until the next UIA bond is issued. The average month over month increase in revenue is $40,000. She showed a summary of UIA bonds. It showed a trend of decreasing interest rates since 2017 which is mostly dependent on the bond ratings. The total UIA debt is about $215 million. The average True Interest Cost of all UIA borrowings is 3.51%. The timing of the next bond is late winter or early spring of next year which will finish buildout of all UTOPIA / UIA cities.

Mr. Pyle commended the progress made and that it seems the organization is staying ahead of both debt and organizational costs.

5. UTOPIA NETWORK UPDATE

Mr. Timmerman previously sent out a subscriber report to all board members. A chart was added showing the overall trend for take rate with the actual numbers. Take rates are increasing in every city except for cities where a lot of building is taking place because where the denominator increases the number goes down a bit. The actual subscriber growth has been fantastic. Even in the highest take rate cities there are still more subscribers coming on board. The progress of buildout is great for not only member cities but new cities as well. Things are great and the good financial reports reflect customers coming onto the system. Growth has been phenomenal. Even several months into the Coronavirus issues, growth has stayed strong and sales are still over 900 each month. UTOPIA maintains a very good churn rate of 3-4%; most companies in this industry experience 10% churn. All add-on city projects are either ahead of where they need to be from a revenue perspective or they are trending strongly toward it. All add-on projects are doing very well so there will be no financial exposure to those cities or UTOPIA / UIA. On the operating side each new customer adds to the organization’s economy of scale.

Mr. Todd Christensen, Perry, asked how the ISPs are keeping up with the growth. There has been a fair amount of issues in his area.

Mr. Timmerman stated generally ISPs handle the growth well. There are some instances where a provider hits a limit of their capacity and the issue will be escalated to inform them of customer complaints. When a customer is getting a bad experience it reflects poorly on the organization. From an enforcement perspective, there is no contractual obligation to market and sell customers to providers so one option is to remove the ISP from the shopping cart to decrease their growth on the network if they are not performing well. Speed test clients have recently been installed in all member cities to regionally test providers and how they are performing throughout the network. Service providers are encouraged to make upgrades where needed. He showed some detail about bandwidth that Xmission provides.

Mr. Christensen was advocating about UTOPIA with a group of people who had concerns about UTOPIA being overloaded. They had outages and happened to all be ones he had recommended Xmission as a service provider.
Mr. Timmerman stated there is plenty of capacity, even during peak hours, from UTOPIA’s perspective even with the increase in subscribers. Coronavirus has created a benefit to UTOPIA through the shift so many have made to remote working. There are a lot of people glad to be part of the UTOPIA project and have this available in their communities. There is a lot of attention from new cities that are not a part of the project and it is likely there will be new city partnerships in the future. That is always balanced to make sure new cities do not come on to the detriment of the organization from a construction pace. New projects have not pushed anything behind schedule and construction is ahead of schedule.

6. CLOSED SESSION TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION

ACTION: Adam Cowie (Lindon City) moved to close the meeting to discuss litigation matters at the UTOPIA Offices. The meeting would be considered adjourned at the end of the closed session. Councilmember Thomas Peterson (Brigham City) SECONDED the motion. A roll call vote was taken – the vote was unanimous.

7. ADJOURN

Mr. Pyle stated that at the conclusion of the closed session, the board meeting would be considered adjourned as there was nothing more to discuss.

There being no further business of the UTOPIA Board of Directors, the meeting on Monday, August 10th, 2020, was adjourned at 11:03 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 19th day of October, 2020