

SOUTH JORDAN CITY
CITY COUNCIL ELECTRONIC MEETING

February 16, 2021

Present: Mayor Dawn R. Ramsey, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Jason McGuire, Council Member Don Shelton, Council Member Tamara Zander, CM Gary Whatcott, ACM Dustin Lewis, City Attorney Ryan Loose, Engineering Director Brad Klavano, Police Chief Jeff Carr, Administrative Services Director Spencer Kyle, Communications Manager Rachael Van Cleave, Planning Director Steven Schaefermeyer, Public Works Director Jason Rasmussen, CFO Sunil Naidu, City Commerce Director Brian Preece, Strategic Services Director Don Tingey, Fire Chief Chris Dawson, IT Director Jon Day, City Recorder Anna Crookston

Others: Attendance electronically via Zoom.

6:30 P.M.
REGULAR MEETING

A. Welcome, Roll Call, and Introduction to Electronic Meeting - By Mayor Dawn R. Ramsey

Mayor Ramsey welcomed everyone present. All members of the City Council were present. She introduced the electronic meeting.

B. Invocation – By Council Member, Don Shelton

Council Member Don Shelton offered the invocation.

C. Pledge of Allegiance – By Council Member, Tamara Zander

Council Member Tamara Zander led the audience in the Pledge of Allegiance.

D. Minute Approval

- D.1. January 26, 2021 City Council Open Meeting
- D.2. January 27, 2021 Budget Meeting
- D.3. February 2, 2021 City Council Study Meeting
- D.4. February 2, 2021 City Council Meeting

Council Member Shelton made a motion to approve the January 26, 2021 City Council open meeting minutes, January 27, 2021 budget meeting minutes, February 2, 2021 City Council study meeting minutes, and the February 2, 2021 City Council meeting minutes as printed. Council Member McGuire seconded the motion. The vote was unanimous in favor.

E. Mayor and Council Reports

Council Member Shelton reported he has been involved with the Legislative Advocacy. He has been attending the Legislative Policy Committee (LPC) meetings and several legislative roundups. He said has had conversations with our legislators and senators and appreciates the opportunity to be involved in the process.

Council Member McGuire said he has been attending the LPC meetings and the legislative roundup meetings. He said he met with the Art's Council and reviewed the presentation that was presented in the previous study session meeting. They have started looking at directors for the new play.

Council Member Marlor reported they have not convened the Architectural Review Committee meeting. He has been keeping himself up to date with legislative issues. He said he doesn't serve on the LPC. He has been reading the emails and there are a few bills he is concerned about and would like to discuss later in the meeting.

Council Member Zander reported last Tuesday she attended the South Valley Mosquito Abatement meeting. She has been attending the LPC and is surprised at how much is happening. She gave a shout-out for the involvement leadership had in the meetings. She said she is impressed at how much South Jordan does and how well we advocate and lobby for the rights of the cities across the state. She expressed appreciation to Gary, Ryan, and Melinda for their involvement and updates.

Council Member Harris said the committees he serves on did not meet during the last two weeks and has comments for the legislative issues but will save those for when it is discussed later in the meeting.

Mayor Ramsey said she was only going to report on a few of the 52 meetings she has attended the last two weeks. She said all the regular meetings she attends everyone is working hard and staying close to what's happening with the legislative sessions. Additionally, she had the opportunity to judge a 5th-grade class competition at South Jordan Elementary and said they presented on the constitution and worked so hard to learn about it and did an outstanding job. She also had the opportunity to deliver a commemorative classroom grant check, to go on display at the school at South Jordan Elementary. She mentioned there is a lot of work taking place with the legislative sessions and has a couple of things she'll bring up later in the meeting. She said she was asked last week to serve as Chair Pro Tem for the Point of the Mountain State Land Authority. She expressed appreciation for everyone's hard work and extra efforts.

F. Public Comment:

None.

G. Presentation Items: Proclamation, recognition of the BHS Minerettes 6A Championship.
(By Mayor Dawn R. Ramsey)

Mayor Ramsey read the proclamation in recognition of the BHS Minerettes 6A Championship.

Mr. Roger Timmerman was not in attendance at this time of the meeting. Skipped Item H. and moved to Item I. on the agenda.

I. Action Item: Resolution R2021-05, adopting City-wide Policy 400-01 Fraud and Abuse Reporting & Hotline. (By City Attorney, Ryan Loose)

Mr. Loose reviewed the background information on this item.

Mayor Ramsey said it's a hotline to report any concerns over financial fraud. She noted as long as Mr. Loose has been with the city there has been no financial fraud. Mr. Loose said there have been no allegations against any city employee, official or anyone else at the city. Mayor Ramsey said we're proud of that track record and we plan to keep it that way.

Council Member Shelton asked if someone suspected fraud or abuse, where do they call and how do you find the phone number. Mr. Loose said a page on the city website will be set up that will have the hotline number and other contact information. The report will be forwarded to the appropriate individual to investigate the matter.

Council Member McGuire made a motion to approve Resolution R2021-05. Council Member Marlor seconded the motion. Roll call vote. The vote was unanimous in favor.

H. Discussion Item: UTOPIA feasibility in South Jordan. (By Roger Timmerman, UTOPIA)

UTOPIA Executive Director, Roger Timmerman introduced team member Chief Marketing Officer, Kim McKinley.

Mr. Timmerman and Ms. McKinley introduced the presentation. (Attachment A)

Mayor Ramsey asked has there been another city where you have successfully been able to meet the threshold of 38% with only taking into account half the city and if the 38% threshold isn't met is the city obligated to pay the difference. Mr. Timmerman said Layton has that structure they did half a long time ago with UTOPIA, and then they did the second half of the city with a \$23 million project but the services are available throughout the city. We haven't carved out to who gets it and who doesn't forever. The intention is to cover the whole city. Mayor Ramsey said she understands that and is wondering if the 38% threshold could be met with only half the city. Mr. Timmerman said the 38% won't include Daybreak, it only includes the part of the city they build.

Mayor Ramsey asked what the time frame would be before the city has to start to pay back the deficit. Mr. Timmerman said three years before the obligation hits. However, if there aren't enough customers that day, we start drawing from the reserve of all the revenues that have accumulated before that time. It depends on how quickly customers and businesses come on board. It comes out to about four and a half to five years before the full 36% take rate needs to be paid with that blend of business in there. He shared the take rate data of other cities from the presentation (Attachment A). He added all of the cities that we've built are done in two years with the take rate they need and you have four and a half years.

Council Member Harris thanked Mr. Timmerman for the detailed presentation. He asked if Daybreak comes on board would they contribute to the 36% or would they get added on top of that. Mr. Timmerman said Daybreak doesn't help or hurt. There would be a separate financial partnership and contract with the HOA's. He doesn't know if they'll get any of them, but they will need to do it on their own. He said it's not recommended for the city to guarantee a project in Daybreak, because of the special circumstance of having authority to enter large groups of households into contracts under bulk arrangements. It is a bad thing because you might not get any, or good because you can get a lot of them and guarantee your revenue upfront. He added whether or not we do a partnership with the city, they are pursuing Daybreak expansion anyways. Mr. Harris said he has an issue for Daybreak not to count because it is still part of South Jordan City. He said future homes built outside of Daybreak count towards the city take rate. Mr. Timmerman said as long as they're eligible to buy from UTOPIA we will get conduit as they're built and count any new revenues towards the obligation. Mr. Harris asked if there is new development on the west side of the city, outside of Daybreak who forms large HOA's as well, are you going to contract with them individually and not count them towards the city take rate. Mr. Timmerman clarified if it is a new Daybreak community and they're willing to enter into an agreement, we will count those, but will not for anything existing. He said they will cover the cost for new development to get conduit and fiber built and give the city the revenue benefit. Mr. Harris asked what happens when we have an existing HOA, still growing. Does the city not get those because it's an existing HOA? Mr.

Timmerman said the cost to do the existing is high so any new development they can get conduit and fiber in as it's built with the HOA allowing them to sell to those units will count.

Council Member Harris asked worst-case scenario in a situation of default, who is on the hook for the debt. Mr. Timmerman answered each of the cities is on the hook for the debt with their project. He added the project cost is \$36 million and in the first year it's being paid off, any outstanding amount is decreasing each year. It will probably be completely paid by the customer's overtime. As the take rate is there, it gives more protection and is a decreasing obligation over time. He said normally a city would take on the debt and have to pay it themselves. The model is designed to protect the city from that happening.

Council Member Harris said when you go and bond, ultimately the individual city may not be on the hook, it would be a collection of cities if there is a default. Mr. Timmerman said for the most part our debts are guaranteed by cities. There are some exceptions, the bond that was closed this morning is based on the ability to generate revenues on other projects. It is possible to default but the risk doesn't fall back on South Jordan as a partner, it falls back on the cities that are the founding UIA members. The new structure with new city partnerships isolates South Jordan City if there was a problem or a shortfall. The only obligation the city has is on a specific project in your city. He added the UIA has financial headroom on its bonds and revenues to pay for all the other expansions. UIA as an organization is in a position to commit to paying for the additional capital costs. The city would be on the hook for the initial 6,500 customers, most likely they will get 8,000 or 9,000 customers quickly and that number will continue to grow over time. UIA will finance all of those costs, which could be \$1,000 per home. That is millions of dollars paid as the city gets those connections. He said the \$30 charge doesn't need to pay the bond, eventually, it would pay UIA back on its capital costs. UIA is a financing governmental entity financing and taking on the obligation of future debt to grow and expand the system over time.

Council Member Harris said he still doesn't like the idea of doing a separate contract with Daybreak and it not being counted towards the city's percentage. Mr. Timmerman said he'd love to get Daybreak in on the deal, if we get a 33% take rate from Daybreak it would cover itself but the problem is you can't get a take rate because of the purchase in bulk. Mr. Harris said if Daybreak were to decide later that they want fiber and it not counting towards the city's percentage is an issue. Mr. Timmerman said if Daybreak were able to piece all its community together in an RFP, it would be about a 15 million dollar project in building the area out and if they were awarded the RFP they could come back to the city and work it into the general commitment. He added they're not opposed to the idea of it being a separate guarantee. It could be a phase one, non-Daybreak project and when the day comes that Daybreak commits, we'll bring it into the fold of the city-wide project and guarantee. He said he doesn't know that Daybreak has the ability, because of different timings on different contracts with various agencies within the daybreak community.

Council Member Marlor said as a businessman and entrepreneur he appreciates risk and understands you need to do business to make money. He noted to his recollection there really isn't any money and is personally not willing to put the city at risk for money that we already don't have. He added whether it a business or an entity this is a business proposition. There is not any other utility or business pitching to put all this infrastructure in and adding they want you to guarantee as well as a guarantee of so many clients. He said he does not agree with that approach, and personally does not feel like business propositions should be entertained at City Council meetings. If they want to provide a report to staff, he is happy to listen. He said he has had this pitch from UTOPIA many times as a council member and hasn't supported it and cannot support it now.

Council Member Zander said she appreciated the presentation, it was enlightening and she learned a lot but agrees with Council Member Marlor that a business proposition belongs in the study session not in a council meeting.

Council Member Shelton said he is curious about the other fiber providers. Mr. Timmerman said Century Link has some small pockets where they provide fiber, but most of the city does not have fiber available. Mr. Shelton asked your proposal would put fiber in every home outside of Daybreak? Mr. Timmerman said yes. Mr. Shelton asked for clarification on net neutrality from the presentation. Mr. Timmerman clarified when you don't have a choice of providers, they can take advantage by putting bandwidth caps and overages. He added there is paid prioritization, where they require payment from the customer for a connection and payment from like Netflix and others to get priority on their network. These are things considered to be violations of net neutrality. It was an effort to make those things illegal where providers couldn't abuse their position as a monopoly provider. It fell apart and is not mandated by law, making it so providers are allowed to manipulate and take advantage of their monopoly position. However, as a better solution, we have a competitive market where providers don't do any of those net neutrality violations because if they did, people would cancel and switch to someone else. By putting in public infrastructure and creating a competitive marketplace, you avoid the abuses of what net neutrality was meant to prevent.

Council Member Shelton said if we were to enter into an agreement with you, you would go out and issue bonds that are UIA bonds and we're contractually guaranteeing those bond payments with you is that where the guarantee is. We're not on the actual debt, is that right? Mr. Timmerman said yes it doesn't get on the books of the city, but it is something you would still have in your financial disclosures. We would work with the city and the most common practice has been in the form of pledging franchise tax revenues for non-telecommunications energy franchise revenues. The money cannot be used for another bond or guarantee. In the case of a shortfall, the bondholders would look to that as the guarantee, the city could choose to pay it however they want. It is a shared guarantee with UIA who has a strong operational partner with a strong track record. Therefore, that helps with the bond rating, but then additionally having a city guarantee on that on that financing helps with the bond rating and a tool for financing in getting a better interest rate. It's a mechanism and fairness in the city partnership. Mr. Shelton asked would it affect the city to go out and bond for other projects. Mr. Timmerman said it does if you have tapped out other sources of revenue, it could be an obstacle. It is a guarantee that prohibits the use of that money and it is something to be aware of on how it affects the city's financials.

Council Member Shelton asked how long were you bonding for. Mr. Timmerman recommended a 28-year agreement, with 25 years of payments and three years of capitalized interest upfront. Mr. Shelton said the bonding capacity would be for the entirety of that time. Mr. Timmerman said that is true.

Council Member Shelton asked if the city is involved in the marketing, how is it done. Ms. McKinley said it is a combined effort, they do most of the marketing. She added the successful cities working in correlation and supporting the project with them see a rise in their take rates. Mr. Shelton asked for clarification asked what that looks like. Ms. McKinley gave examples of different utility bill inserts. She said what helps the most is having a united front from the city's perspective. Mr. Timmerman added it could be stand-up banners in city facilities and letters of support from the Mayor. He added the fourteen providers are actively marketing trying to get customers instead of going to other providers.

Council Member Shelton asked if UTOPIA is the only one who offers fiber. Mr. Timmerman said the other provider coverage is minimal in the city. If another fiber provider provides a service at a lower cost, we still get the take rates we need, just because of the reputation and service options that we have. He added they'd be interested in doing that survey and refine it to know pockets of where people have fiber

service and don't want to select that service. It would be at the city's discretion to exclude or pick the areas. He said generally, we like to see it cover the entire city, even if we get a lower take rate to ensure we address digital equity issues and help make sure that everybody has access to high-speed broadband.

Council Member Shelton said do we think of it as a public utility or look at it as a regular marketplace affected by supply and demand issues. He noted the city has lousy internet service in lots of areas and what he would like to see because the council is not sold on the idea is to do a survey. He said if the residents want it maybe we figure out how to do it.

Council Member McGuire said Council Member Shelton covered a lot of what he was thinking about, He is on board to do a survey as well. He noted living in Daybreak and having Fiber to his home, he doesn't hear people saying they need better internet service. He would need to see a survey to see if residents are on board. He said he doesn't like the city being on the hook for the difference and the idea of being on the bond for 25 years.

Mayor Ramsey asked how the city can market for one service provider over another. Mr. Loose said when your member of UTOPIA, like the founding cities you're part of the inner local, it is just like if we were part of a different inner local to provide a service. He added he can see how a city part of that would promote the services. We'd have to make that connection in the contract and it sounds like it does by the city backing the contract. The city has its free speech to endorse certain things as we've talked about before. Generally, the city doesn't endorse any private businesses but the city as an entity has the right to speak. He noted in the past there was a request to speak as a council and endorse a certain position statement group and declined to do so. Mr. Timmerman said they've been threatened many times and have been just fine promoting UTOPIA among our cities, partners, and members.

Mr. Loose said he is sure other private providers wouldn't appreciate it and would appreciate the city endorsing them. Mayor Ramsey said she knows the city has a policy that we don't do that and wonders how other cities are doing it. She said she was unaware if it is legal and if it is, it comes down to whether or not it is ethical.

Mayor Ramsey said with the 28-year bond, will it impact the current bond rating the city has and recognizes it will go past bonding capacity. CFO, Sunil Naidu said it could, depends on the amounts and how much is used. The rating agencies look at the coverage ratios and if we have a revenue source, for example, franchise tax revenue, we would look at all the obligations that we have plus this obligation and where it nets out. If that franchise tax revenue is already placed with another bond it absolutely will affect the coverage ratio. We may not be able to use franchise tax and have to go somewhere else. He asked for clarification on the \$195,000. Mr. Timmerman said if you were to run it through a typical transaction bond for a 25 year period for that amount of debt, insurance costs, a 2.8% interest rate, and three years capitalized interest. The maximum annual coverage comes out to 2.34 million per year. That gets paid for from the monthly revenues and it's only the shortfalls that the city would be expected to loan to the organization and then get it back if or when we do get enough customers. Mr. Naidu said with the clarification there will be some impact and depending on coverage the current bond ratings would be affected.

Mayor Ramsey asked what the fiber installation consists of and if there is a cost to the city for repairs. Mr. Timmerman said it is all underground construction, there is some restoration. We cover all repair work of planned and unplanned restoration and take pride in how our infrastructure looks. It is messy and it is a big construction project but would be happy to provide references. Residents will receive fliers as well with contact information if there are problems.

Mayor Ramsey said we have a decision to make and asked do we see this as a service South Jordan wants to provide or do we see this as a commercial service to let the market drive it. There is House Bill 342 that Representative Strong is running requiring cities to look at everything they offer by the public or by the private sector.

Council Member Harris asked if they would be open to negotiation on the terms. Mr. Timmerman said it depends, over time the rate could go down as they grow. We could talk about ways to change it but fundamentally we need a guarantee from the city to the cost of the project to build out to the homes. Mr. Harris said the member cities would want South Jordan City to come on, because if it's successful, those profits help to drive down some of that debt. Mr. Timmerman said the member cities are still paying all the original debt. There are not any real profits going back to them. The profits of the organization are primarily being used to reinvest back into the system. UIA is independent in the sense that its revenues and profits would reinvest back into the system and potentially result in lower fees if we can continue to grow and have more success.

Mayor Ramsey said she doesn't think anyone questions whether South Jordan needs good internet service. There's a lot to consider when you take into account that this model puts the city on the hook with a debt obligation bond that ties up resources that could go to other things for a very long time. She added she would like the opportunity to talk to some of the other cities that are of similar size. She noted she wants everyone to know the Council's goal is to do the right thing for the residents of the city, both now and in the long-term future. She added this is not a decision that can be made tonight as it is not an action item but rather a discussion item and needs further discussion.

J. Public Hearing Item: Ordinance 2021-06, Text Amendment of City Code §§ 17.30.020.H, 17.40.020.H - eliminating residential fence permit requirements. *RCV (By Director of Planning, Steven Schaefermeyer)*

Mr. Schaefermeyer reviewed the background information on this item.

Mayor Ramsey opened the public hearing.

Chuck Newton, 3236 Cameron Park Court, mentioned he was involved in amending the previous fence ordinance, particularly along the major corridors for South Jordan. It was only masonry brick and a number of residents wanted the ability to have lower-cost vinyl. There was angst the proposal because of the problems with vinyl breaking, and now those problems coming to fruition. A couple of council members wanted to allow wood fences, still wanting to avoid chain link. He said the problem with Mr. Schaefermeyer's proposal is that under that logic, then why don't we just get rid of building permits and not require any permits, just educate the public. It doesn't work that way, even with building permits there are a lot of failures and a lot of re-inspections. The problem that we have with present fencing is despite the educational aspect of the permits, code enforcement hasn't been going out and responding. It has been pretty much left to a wild west type of approach. In the fencing changes made, vinyl fences were to replace open rod iron and the pillars were supposed to be left in place. What we have seen is vinyl fencing being behind rod iron. Wood fencing was supposed to face out to the streets with a supporting brace behind it attached outside the rod iron. Now instead you see the fencing turned around to face inside the homeowner's yard with the bracket supporting the rod iron railing instead of replacing the rod iron railing. He said the fencing now, has not been handled well by planning. Eliminating the permit isn't going to solve the issue. The permit provides education, but there is no follow-up with it. Once a person puts up a fence code enforcement and planning has been reluctant to do anything and so we have a problem. He said to the point that it takes up staff time, that's one of the things that staff is supposed to be doing to keep a certain look and feel of the city in place. This is why money is spent upgrading

intersections on Bangerter Highway and street lights. He concluded by saying this is a dangerous road to go down because the city is already responsible for about 50% of the fencing on collector streets. Eventually, there will be a wide disparity between the types of fencing that the city is responsible for versus what residents are responsible for and added, I just don't think it's a good way to go.

Mayor Ramsey closed the public hearing.

Council Member Zander said she lives in Daybreak and has definite rules and guidelines for fencing. She is curious if any other council members have concerns in their areas.

Council Member Harris said a while back, right when Council Member Zander and I came on with the city council, there was discussion about collector street fences corroding and there was talk about the city, passing them back over to the residence because of the cost to continue to maintain them. He said that is when he heard from the residents with concerns.

Council Member Zander asked didn't the fencing get resolved on 9800 south and 11400 south or 11800 south. Mr. Whatcott said those were fences already owned by the city in the public right of way and decided to keep it the same. We are actively maintaining and repairing those fences.

Council Member Harris asked what impacts of passing this would it have on those collector fences and the maintenance. Mr. Whatcott said none, this is a separate issue for residents who come in to get a fence permit and there is no charge or inspection for these permits. He added, it is a lot of hoops to jump through for nothing. If we are going to spend the resources to go out and review every fence, it would make sense to collect money to pay for the services. The process currently is they come in to get a permit and nobody goes out to inspect. This has nothing to do with the developer's review. These are fences put up in their yards. Mr. Schaefermeyer recommended if they keep the fencing permit to charge a fee and added, there is a very small amount of residents who have complied with this. In comparison, fence permits do not compare to building permits and the review and work done.

Council Member Marlor said recently several residents in his district petitioned for the city to replace their fence. He said Mr. Whatcott would acknowledge this is sort of half on half off, but we're taking responsibility from a repair standpoint. There aren't funds to replace those fences and I am not sure that I would support that given the cost. They would love to have an eight-foot fence like you see a little bit further east. He said he supports the city continuing to repair or replace a section. He said he got a call from a resident from his district who wants to put up a larger than acceptable fence on 9800 south at their own cost. If they're willing to do it with the appropriate material he can understand given the amount of traffic coming down 9800. It is a lot like 10400 and 11400, becoming that way only it's two lanes. He said he doesn't personally have a problem if they want to do that at their expense to match what is very close to them. He said he assumes they would be required to get a permit. He asked Mr. Schaefermeyer how that would be received by staff.

Mr. Schaefermeyer said if the fence is higher than six feet we can't approve it because the current ordinance does not allow it. He added usually what happens is they drive throughout the city to find fencing taller than six feet. At that point, we can ask for an address and forward it to code enforcement. He said if the council wants to consider higher fences along collector streets that is something we can do.

Council Member Marlor said the resident lives close to the eight-foot fences the city put up and didn't follow their ordinance at the time. He wants to match what the city put up at their own expense. Mr. Schaefermeyer said he is not familiar with that particular situation and as you can imagine there are different situations throughout the city. He added there use to be an appeal process to go to City Council

for things like taller fences and taller signs but determined several years ago that wasn't legally defensible to allow these one-off exceptions. It was discussed to have an ordinance change with an administration exception with some requirements. There is still something with new developments to put in taller fences along Bangerter Highway and other areas. He said if we want to make a change throughout the city it would be a separate text amendment to discuss and consider.

Mayor Ramsey said this is just to remove the fence permit application requirement that we never follow up on or inspect. She noted in the staff report Riverton, Draper, Sandy, West Jordan, and Herriman do not require permits for residential agricultural fences. Although most new homeowners install fencing, only a very small portion of new construction results in fence permits. Over the last three years, approximately 2-8% of new single-family home construction resulted in fence permit applications.

Council Member McGuire made a motion to approve Ordinance 2021-06. Council Member Marlor seconded the motion. Roll call vote. The vote was unanimous in favor.

K. Staff Reports and Calendaring Items

City Attorney Loose said kudos to Representative Ward, he did not have to go to the Bountiful City Council and deal and answer questions. He added it would be hard for a city to support a bill that preempts us and takes away local control, but if we can get to a neutral bill, that is worthwhile and better than opposing a bad bill. He said he thinks Representative Ward is giving more credence to the parking issue and other issues involving the percent of the city that has to allow it. He heard it would be somewhere between 60-75% of your primarily residential areas. Unless you're a college town and college towns with 10,000 or more on-campus students. They're negotiating on those terms and the general outline of House Bill 82.

Mayor Ramsey said she will have a meeting Thursday morning as league officers to try and reach an agreement with Representative Ward and Representative Schultz. She noted one thing she is concerned about is the minimum lot size but appreciates it's almost to a point to have it approved requiring 60-75% of the single-family residential zones and allowing the city to approve one additional parking space. Mr. Loose said it was defined as single-family but the term being used now is primary residential homes. Mayor Ramsey said the lot size is going to matter and there are smaller lots where ADU's are going to be allowed but there is no room for additional parking spaces. Mr. Loose said if you think about the parking issues we have had in the past with the townhomes and single-family area over by Rushton Meadows this could exacerbate it by these ADU's. If you have single-family neighborhoods with 30-50% of the homes go to ADU's in the basement it will add at least one to two more cars and if you don't have parking in the neighborhood we are getting complaints already. Mayor Ramsey said one of the concerns with more cars the city may be allowed to deny an ADU under a certain lot size, but the city may not regulate the percentage of the house or number of rooms.

Council Member Marlor said he would be happy if Representative Ward was extended an invitation to attend our City Council meeting. Mr. Loose said an invite could be extended but Representative Ward attended Bountiful City Council because of their ordinance and he represents Bountiful City and those residents.

Mayor Ramsey said one thing to consider is to do something similar and having our Representative and Senator come and speak to us.

Mr. Loose said this is a discussion that has been had about 2020 being different from other years and we weren't able to have the pre-meetings with legislators. Something we want to change for next year is after

introducing the bills and before the session starts to have them come to a meeting and post-session to do the same. The ones to focus on would be Senator Fillmore, Representative Pulsipher, Representative Teuscher, Representative Pierucci, Senator McCay, and Representative Christiansen.

Council Member Harris asked for clarification if HOA's are allowed to prohibit ADU's. Mr. Loose said HOA's cant but it's prospective. Representative Teuscher likes that provision and wishes it was retrospective.

Mr. Loose spoke about House Bill 89 that has two provisions. The first part is the timing for inspections and plan review. It would allow the developer to hire their own private plan reviewer if we haven't done the plan review within 14 days on a residential project, single-family duplexes, but not big condos. Building inspections need to be done in three days or they can hire a private inspector. We've looked at our numbers and it shouldn't be a concern one way or another. The second part will take away design standards. You couldn't as a City Council have any standards for height, building materials, roof pitch, and garage or door placement. It is Representative Ray's bill and he believes people have property rights. They have worked with us on fencing, some building material, and landscaping. We've been able to work through a lot of issues but had to give up on some. He added it is better, it's not great and the best we could do was neutral because it still takes out some local control.

Mr. Loose said House Bill 61 is for the billboards and we don't have issues with it but the Senate Bill 144 is another billboard bill saying we can't prohibit billboards anymore.

Mr. Loose said there are several law enforcement bills we support but some of them aren't good.

Mayor Ramsey said it was made clear in the Kitchen Cabinet meeting the Governor's Office is not a fan of SB 144. It opens it up everywhere across the state and doesn't allow restrictions.

Mayor Ramsey pointed out South Jordan City has had a great deal of input on taking those and getting them to a place where they are not nearly as damaging as they have been. She thanked everyone for their hard work.

Mr. Loose clarified Council Member Harris's question about the HOA's restricting ADU's and said he couldn't find it in the third sub of House Bill 82. He added he needed to give kudos to Mayor Ramsey and Council Member Shelton in regards to reaching out and reassuring Senator Fillmore on House Bill 244. If it goes through the city will receive ongoing monies for 15 years that we could bond against or schedule projects on.

Council Member Marlor said he is interested in engaging if it will be helpful. Mr. Loose said when they have a situation that comes up like that we will send an email and text to the entire council. He asked if anyone plans on reaching out to notify the group.

Police Chief Jeff Carr said House Bill 367 does away with qualified immunity and replaces it with the city's having to provide a bond for the police officers at an enormous cost. In addition to that, it also requires police officers to be responsible for the first 50,000 dollars of any settlement. He added the thing to remember about qualified immunity is its qualified, meaning as long as the officers well within established law they are immune from any lawsuit. It's a doctrine that has been around for decades, and it works well on the courts. Utah Law Enforcement Legislative Committee (LELC) made it a priority opposition and suspects to hear about it from the league as well. Mr. Loose said it is Representative Brian King's bill. He added Chief Carr explained it well and said it is the legal doctrine saying if a cop is doing what they think is right and there is no clear law saying it is not right they are immune from liability. It

doesn't necessarily get the entity off but the officer out of the civil lawsuit. We will be sending an action alert if it starts gaining steam. Mayor Ramsey said it was concerning to LPC as well. Mr. Loose said due to how LELC and LPC have handled things over the summer a lot of the bad law enforcement bills have tempered down.

Mayor Ramsey concluded by saying the Governor's Office has a high concern about many of the law enforcement bills. It is something that they are looking at closely and trying to dig into what is good or what isn't.

ADJOURNMENT

Council Member Marlor made a motion to adjourn. Council Member Zander seconded the motion. The vote was unanimous in favor.

The February 16, 2021 City Council meeting adjourned at 9:26 p.m.

This is a true and correct copy of the February 16, 2021 City Council Meeting Minutes, which were approved on March 2, 2021.

Anna Crookston

South Jordan City Recorder



South Jordan
February 16, 2021

WHAT IS UTOPIA FIBER?

UTOPIA is a Utah Interlocal Entity and political subdivision of the State of Utah

Founding Members

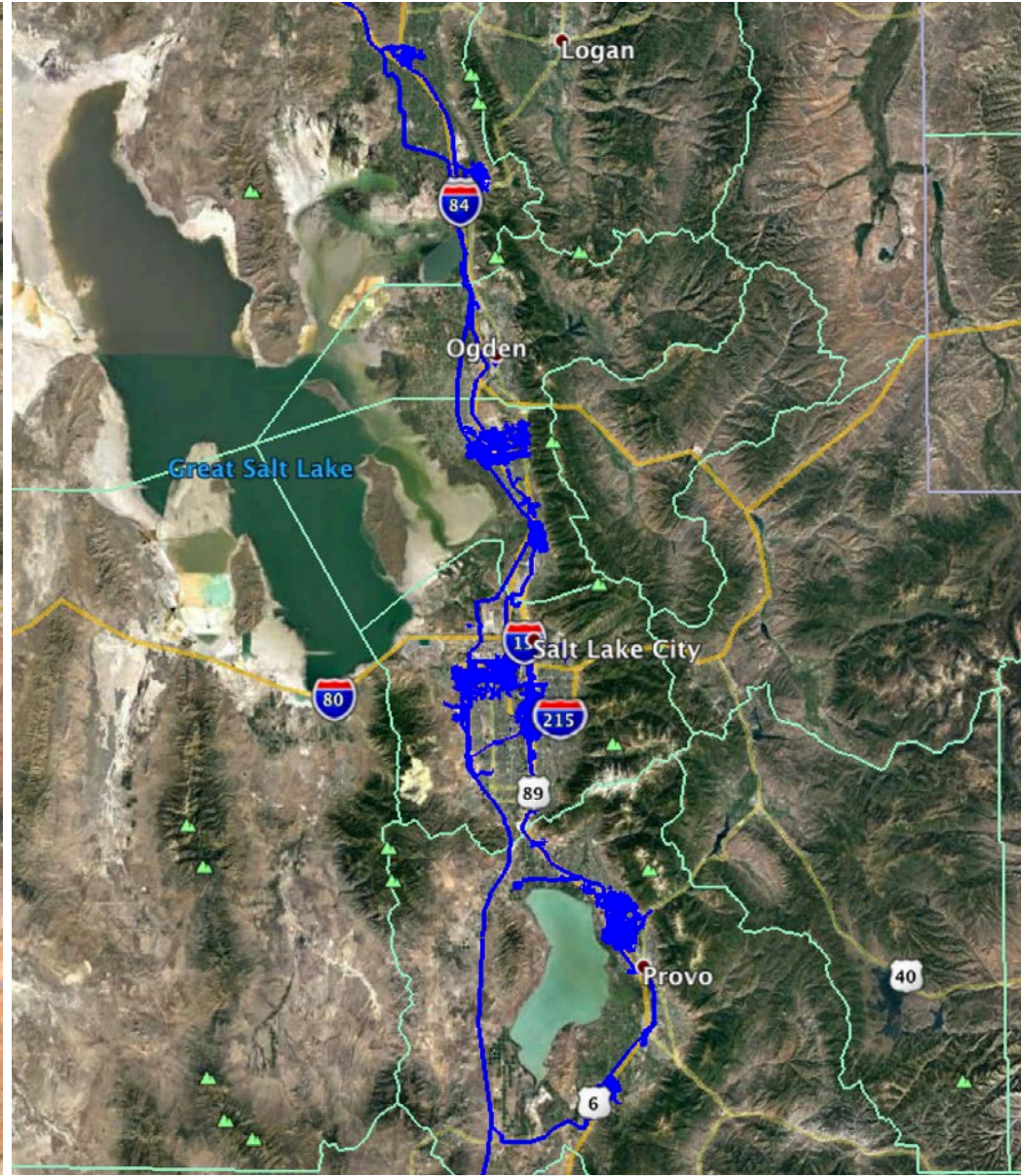
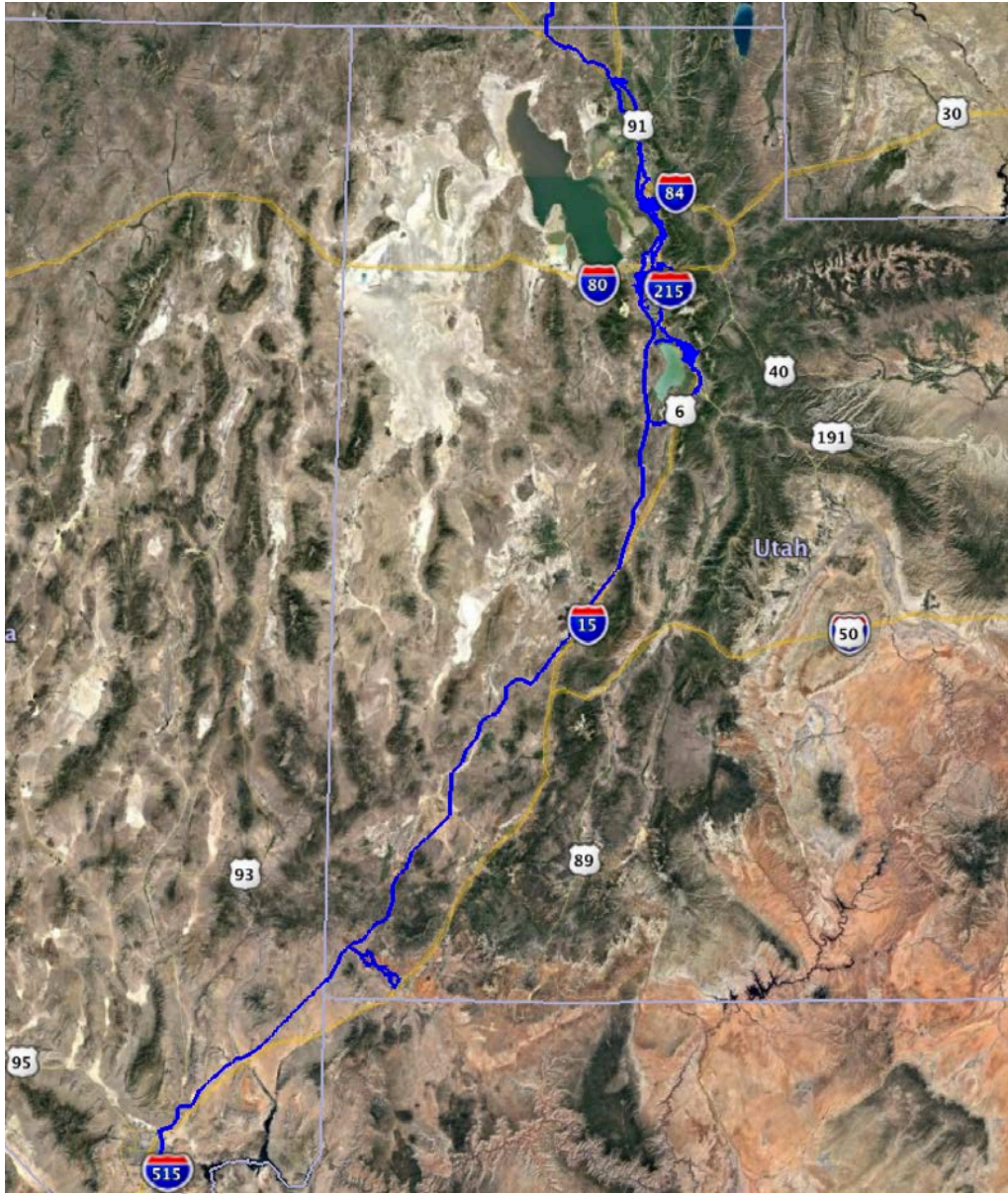
Brigham City	Centerville
Layton	Lindon
Midvale	Murray
Orem	Payson
Perry	Tremonton
West Valley City	

New Partner Cities

Woodland Hills	Idaho Falls
Morgan City	West Point
Clearfield	*****
*****	*****



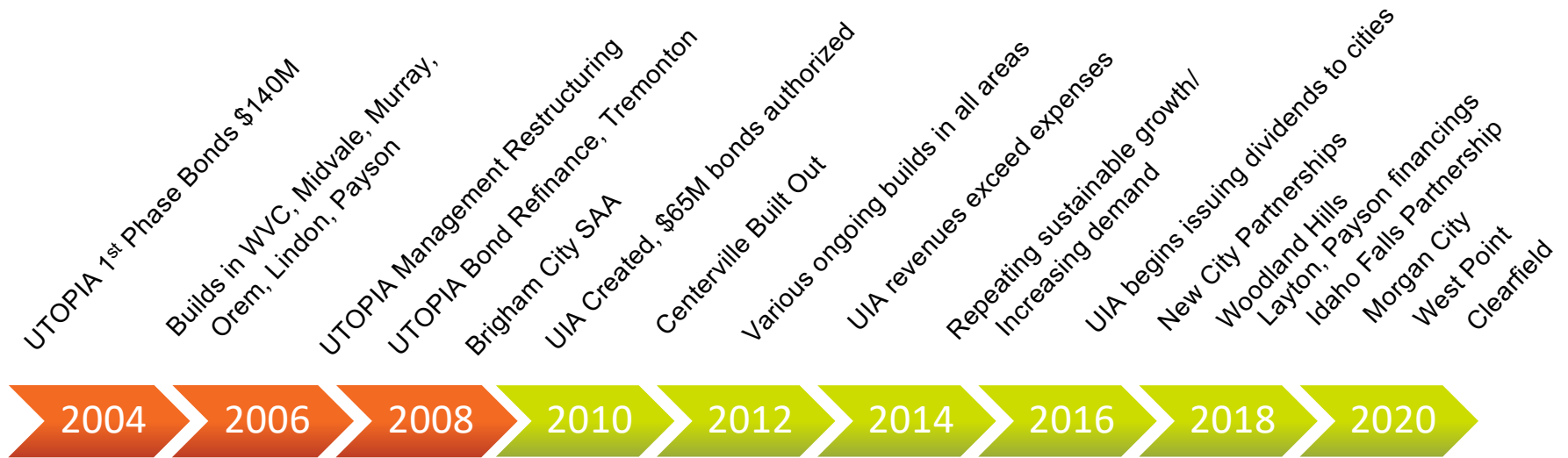
WHAT IS UTOPIA FIBER?



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WHAT IS UTOPIA/UIA FIBER?



UTOPIA - Phase 1

- Core Backbone Built
- Revenues lagged
- Higher expenses
- Few service providers

UIA - Phase 2

- Revenues exceeding debt service
- Sustainable buildouts
- Lower material and electronics costs
- Strong service provider competition



FACT VS FICTION

Is UTOPIA an Anti-Competitive Overreach of Government?

- No, this is a misrepresentation spread by the incumbent duopoly

UTOPIA enables **private companies** and a **competitive marketplace**

- Utah-based broadband providers are pro-UTOPIA
- 14+ service providers depend on UTOPIA Fiber infrastructure to offer services
- Almost all Utah-based Internet providers utilize UTOPIA Fiber infrastructure
- UTOPIA public, community owned fiber infrastructure is available to all private companies, including wireless providers, incumbents, etc.



MUNICIPAL OPEN-ACCESS FIBER

Open-Access Roads



Municipalities provide street infrastructure that can be shared by competing private shipping companies.



MUNICIPAL OPEN-ACCESS FIBER

Open-Access Transportation Infrastructure



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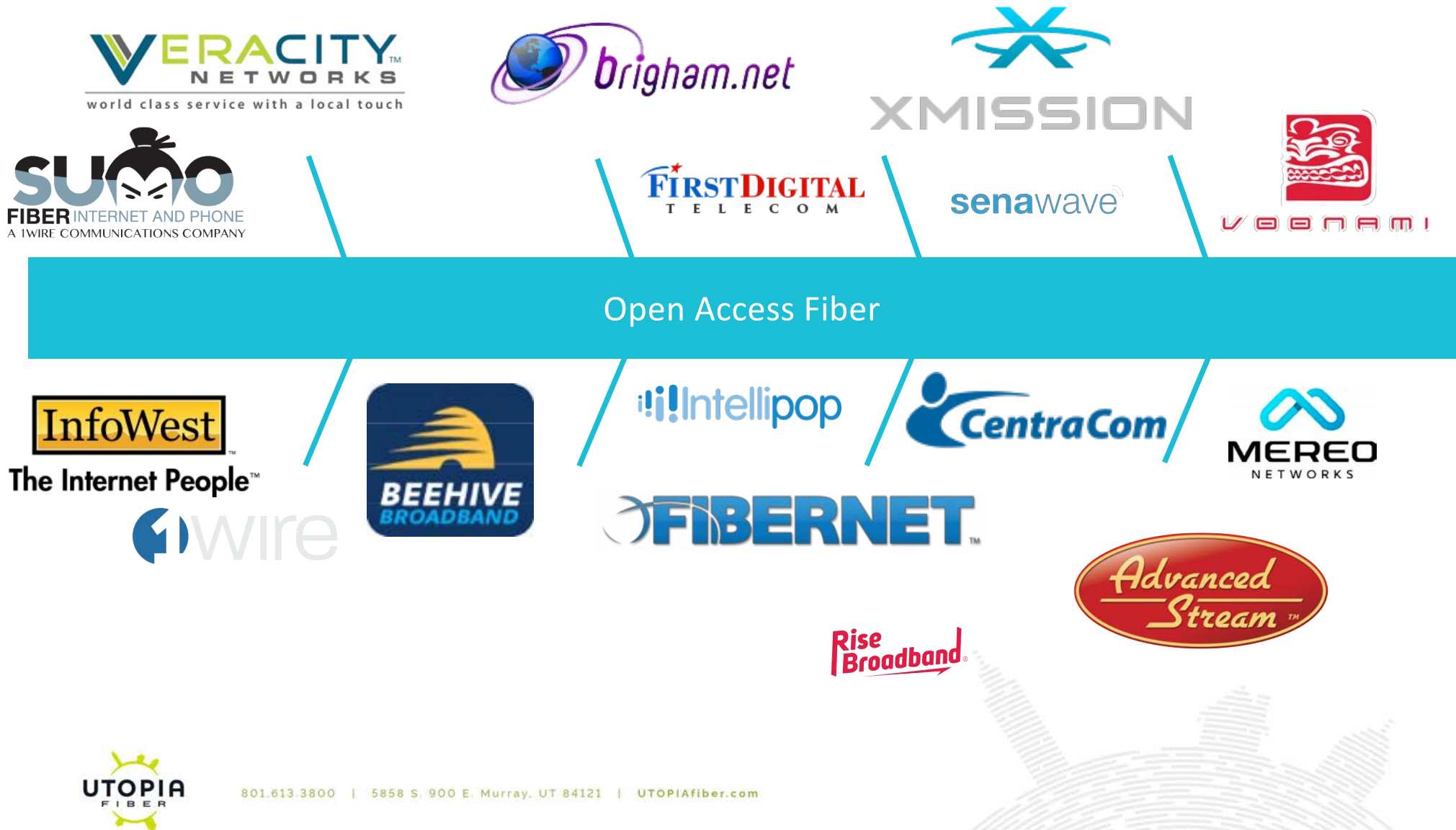
MUNICIPAL OPEN-ACCESS FIBER

Open-Access Airports



MUNICIPAL OPEN-ACCESS FIBER

Open-access Municipal Fiber Infrastructure



UTOPIA FIBER SERVICE OPTIONS

Fiber

+

Service Provider

=

Total Cost



\$30/mo

PROVIDER	INTERNET			PHONE*		VIDEO*	
	250 Mbps \$37.00	1 Gbps \$55.00	10 Gbps \$199.99	Advanced Stream Phone \$24.95			
	250 Mbps \$34.95		1 Gbps \$49.95	Beehive Phone - Self Installation \$19.95	Beehive Phone - Technician Installation \$19.95	Lifeline Video Package \$19.95	Family Package \$49.95
	250 Mbps \$35.00	1 Gbps \$54.95	10 Gbps \$199.99	Brigham.net Phone: Voice line includes 500 minutes Free Long Distance, Caller ID, Call Waiting, Call Forwarding, Voicemail, Follow me & E-911 services. \$24.95		Yondoo TV (Contact Yondoo for pricing and plan details 877-309-4462) \$0.00	
	250 Mbps \$34.95		1 Gbps \$49.95	CentraCom Phone \$15.00		Basic Video Package \$33.95	Expanded Video Package \$90.95
	250 Mbps \$34.95		1 Gbps \$49.95			Advantage Video Package \$117.95	
	250 Mbps \$35.00		1 Gbps \$48.00	InfoWest Phone \$15.00			
		250 Mbps \$34.95					
	250 Mbps \$35.00		1 Gbps \$49.00	Monthly Phone \$20.00			
	250 Mbps \$37.00		1 Gbps \$50.00	Standard Calling \$17.99	Premium US48 \$27.98		
	Premium 250 Mbps \$35.00 Basic 250 Mbps \$30.00	Premium 1 Gbps \$48.00 Basic 1 Gbps \$40.00	Premium 10 Gbps \$200.00 Basic 10 Gbps \$170.00	Unlimited Plan (USA48) \$10.00		Yondoo TV (Contact Yondoo for pricing and plan details 877-309-4462) \$0.00	
	250 Mbps \$34.99	1 Gbps \$54.99	10 Gbps \$199.99	Veracity Phone \$9.99			
	250 Mbps \$34.95		1 Gbps \$48.95	Voonami Phone (Unlimited 48 States) \$9.95			
	250 Mbps \$37.00	1 Gbps \$50.00	10 Gbps \$250.00	XMission Phone \$15.00		Yondoo TV (Contact Yondoo for pricing and plan details 877-309-4462) \$0.00	

250 Mbps - ~\$65/mo

1 Gbps - ~\$78/mo

10 Gbps - ~\$200/mo

Symmetrical Speeds
Dedicated Connections
Unlimited usage
\$0 Installation

No promotional rates
No contracts
No termination fees



NOT JUST ABOUT STREAMING VIDEO

CRITICAL INFRASTRUCTURE NEEDS

- Remote Education
- Remote Work
- Tele-Health
- Smart City Applications
- Utility Metering
- Smart Grid
- Smart Transportation
- Future Technologies
- Business Connectivity
- Educational Institution Needs
- Hospitals



PROBLEMS SOLVED - FOREVER

Surprise rate-hikes

Weather-caused outages

Early Termination Fee

Buffering

Overage Charges

Installation Fees

Evening Slow-downs

Provider Coverage Cherry-picking

Speed throttling



WHY OPEN ACCESS FIBER?

Top Political Issues in Utah – Benefit from municipal open access fiber

-  Air Quality and Environment
-  Transportation and Traffic
-  Education
-  Government Spending
-  Jobs and Economy
-  Healthcare



WHY OPEN ACCESS FIBER – OTHER BENEFITS

-  **Net Neutrality**
-  **Digital Divide – Digital Equity**
-  **Rural Broadband Divide**
-  **Competitive Options**
-  **Faster Internet Speeds**
-  **Lower Internet Prices**
-  **Honest Marketing/Stable Pricing**
-  **5G and other future technologies**
-  **Enables Smart City Applications**
-  **Economic Development Benefits**
-  **Stops Brain Drain**



WHY OPEN ACCESS FIBER?

Enables Smart City Applications

- Video Surveillance
- Automated Metering Interface (AMI)
- SCADA
- Smart Irrigation
- Traffic Control
- Air Quality Monitoring
- Park Wi-Fi / Downtown Wi-Fi
- Irrigation Control
- City Meetings
- Disaster Recovery
- Smart Parking
- Smart Facilities
- Wildfire Detection/Mitigation



SMART CITY APPLICATIONS

Video Surveillance

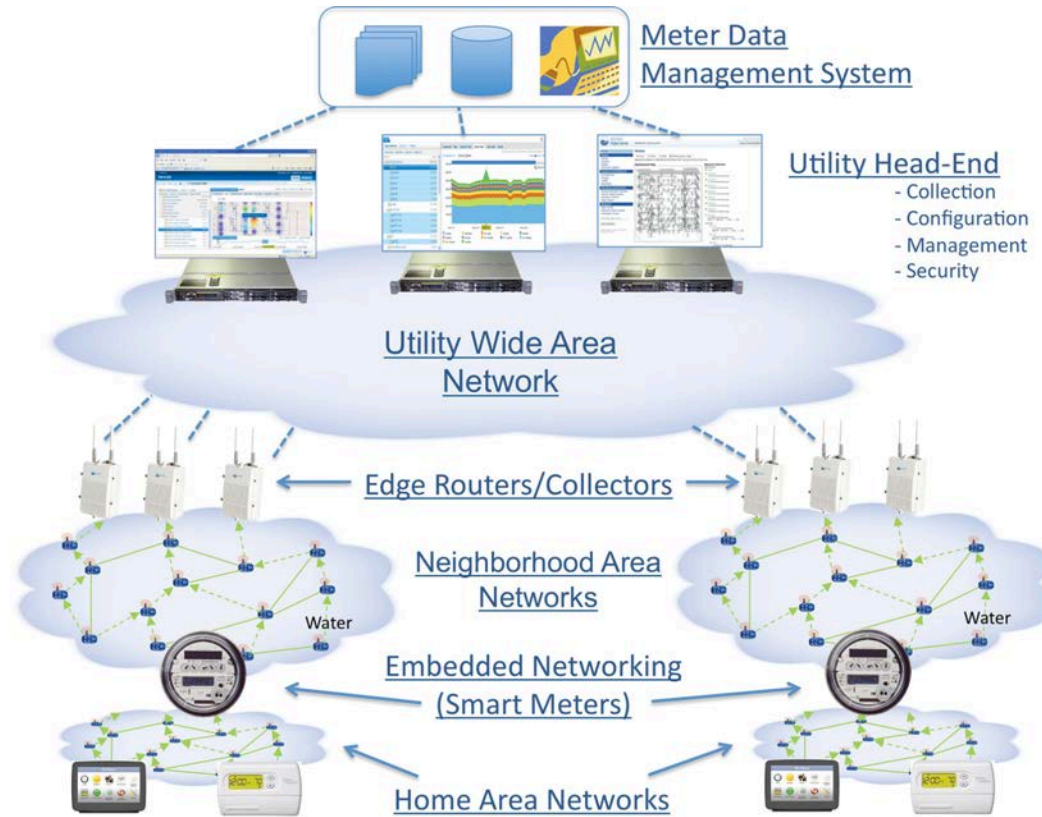


- Axis Q6128-E
 - 4k resolution
 - 0.03lux night vision
 - 150Mbps+ per camera
 - <\$3k



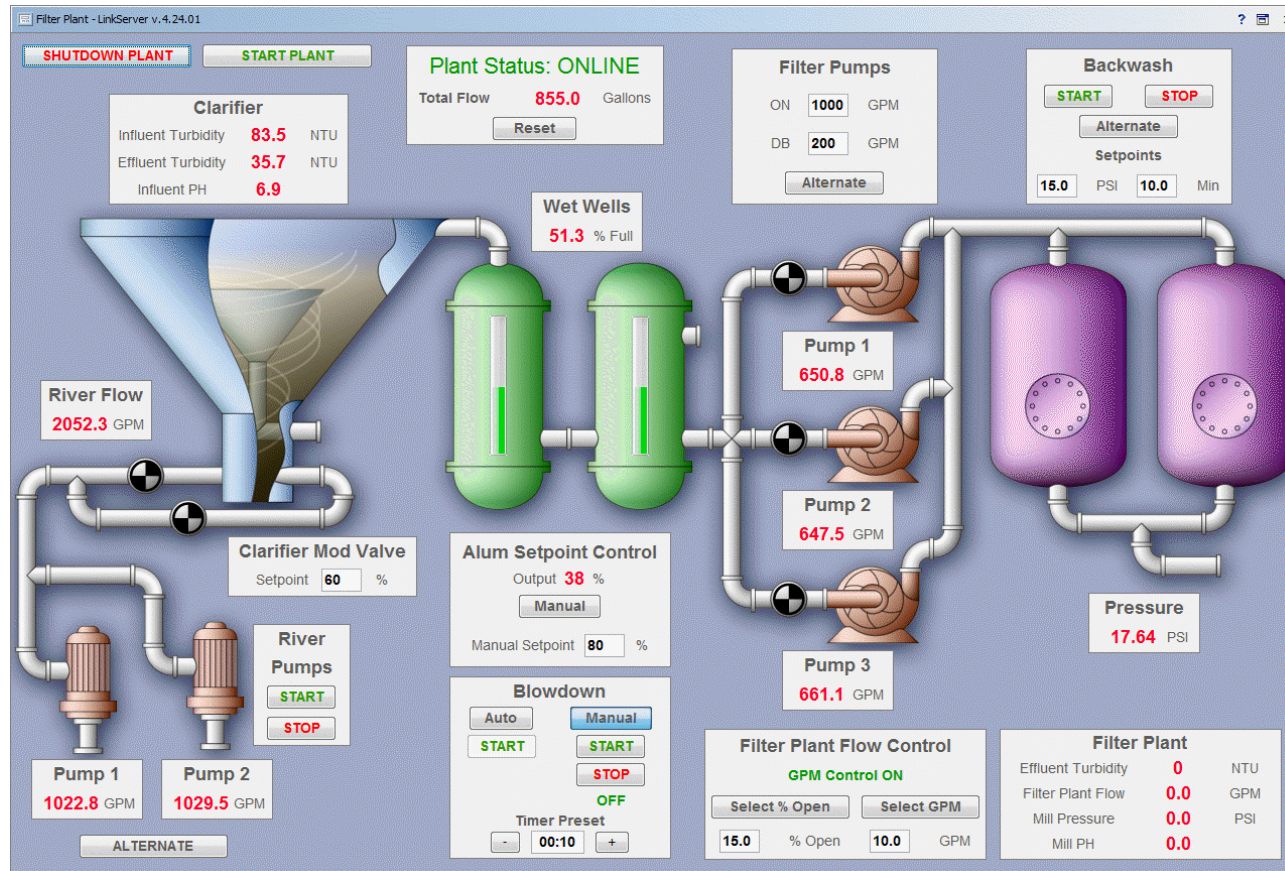
SMART CITY APPLICATIONS

Advanced Metering Infrastructure (AMI)



SMART CITY APPLICATIONS

NEXT-GENERATION SCADA







SMART CITY APPLICATIONS


Smart Irrigation



Rainbird Cirrus

Save up to 50%
on your monthly water bill
with automatic adjustments

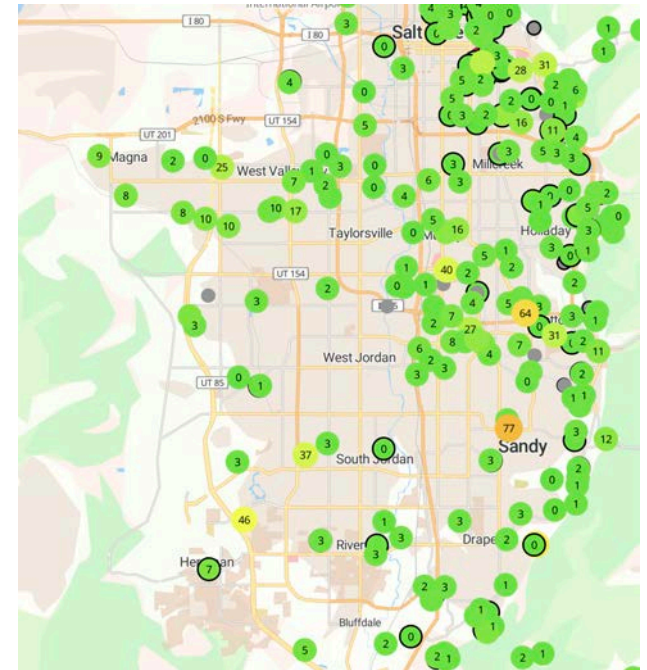
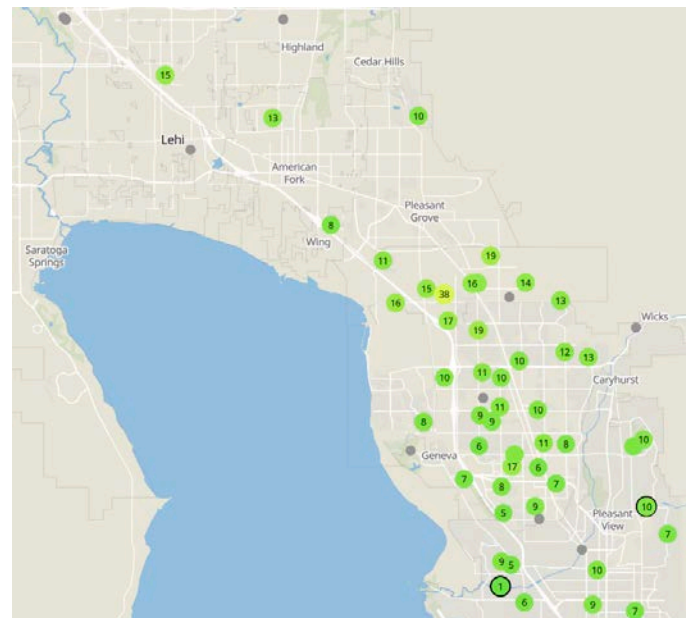
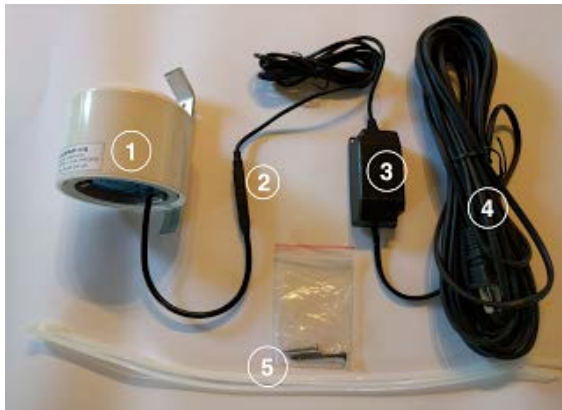
-  Rain Skip
-  Wind Skip
-  Freeze Skip
-  And more!



Rachio 8ZULW-C



SMART CITY APPLICATIONS - Air Quality Sensor Network



UTOPIA Fiber is #1 provider of PurpleAir air quality sensors in Utah, available live on purpleair.com and KSL weather.



SMART CITY APPLICATIONS

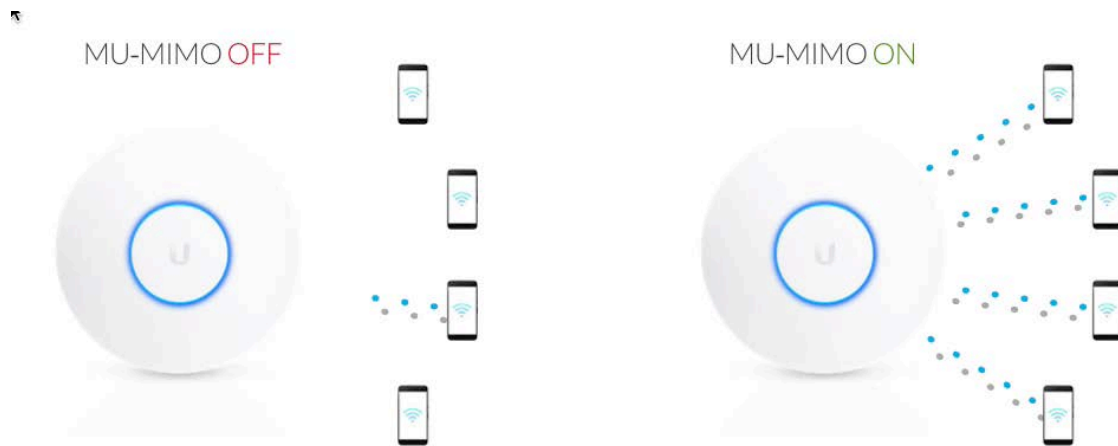
Wi-Fi Solutions

UAP-AC-HD - Ubiquiti Networks

- MU-MIMO Beamforming
- 1.7Gbps Aggregate per AP

Applications

- Park Wi-Fi
- Downtown Wi-Fi
- Public Safety Wi-Fi
- Broadband Lifeline



Wi-Fi 6 Solutions Being Released

- MU-MIMO Beamforming
- OFDMA
- 9.6 Gbps Aggregate per AP



SMART CITY APPLICATIONS

Smart Lighting

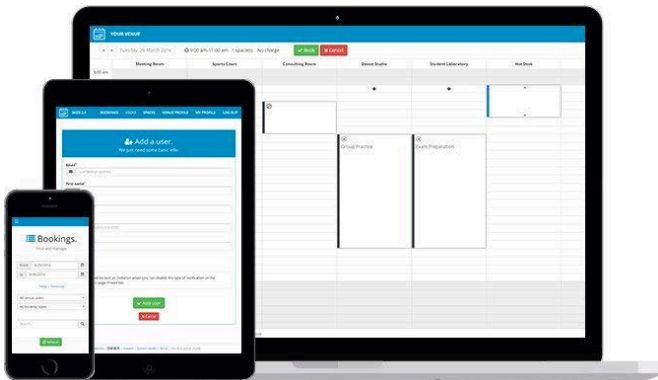
- Cities carry large electric bill for street lighting
- Smart lights can be timed precisely to sunrise/sunset
- Smart lights can coordinate with each other for general lighting/weather conditions
- Dimming lights can save electricity over on/off lights during twilight hours



LoRaWAN option

SMART CITY APPLICATIONS

Smart Municipal Facilities



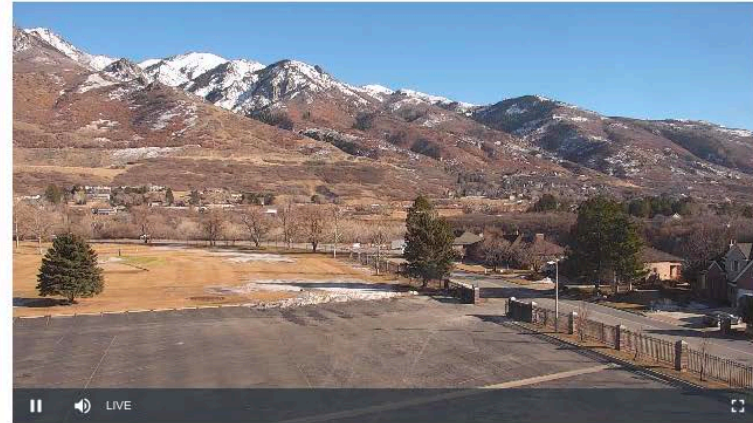
- Park Pavilion Scheduling
- Sport Court/Field Scheduling
- People Counting
- Demand Analysis



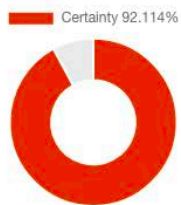
EARLY DETECTION WILDFIRE IMAGING NETWORK (EDWIN)

Valley View Golf Course

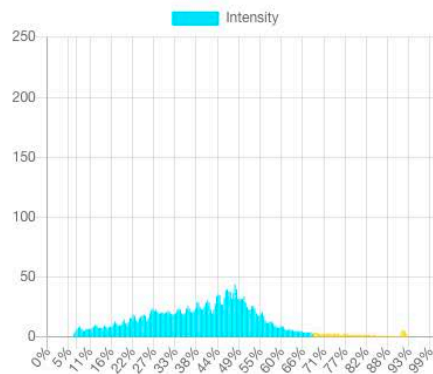
Streams



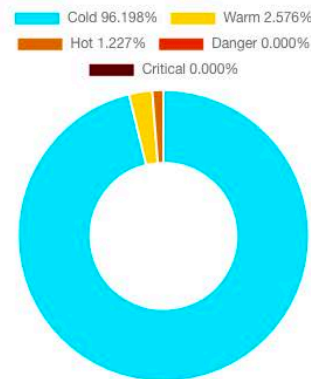
EDWIN-AI Fire Certainty



Infrared Intensity Histogram



Infrared Intensity Levels



<http://edwinproject.org>



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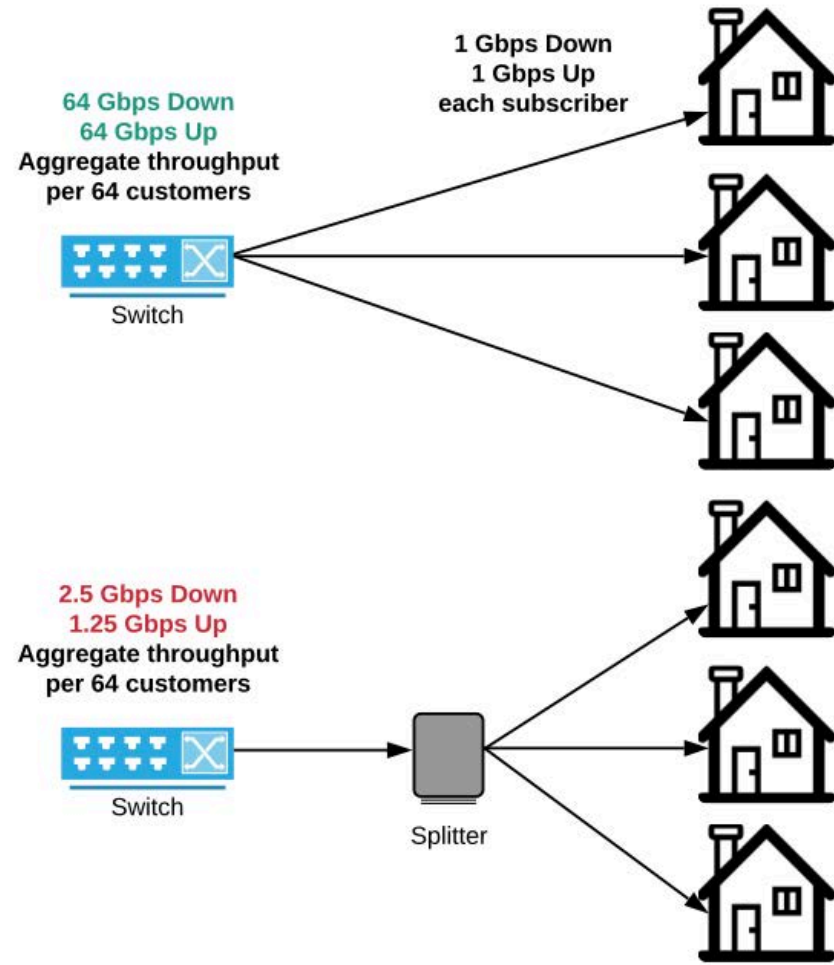


SUPERIOR, FUTURE-PROOF ETHERNET ARCHITECTURE

- Supports dedicated capacity per customer
- 10 Gbps now available across UTOPIA Fiber, 100 Gbps for businesses



Ethernet
Dedicated fiber capacity for every home/business



Other Fiber Providers

- Google Fiber
- CenturyLink

GPON
Shared capacity, uses timeslots and splitters to connect groups of customers on shared fiber



CURRENT OPTIONS

ars TECHNICA BIZ & IT TECH SCIENCE POLICY CARS GAMING & CULTURE

AND PRICE HIKES, AN ICONIC DUO —
promised not to raise prices—
guess what happened next

accused of renegeing on "lifetime" price promise in Google Fiber city.

JON BRODKIN - 9/19/2019, 11:59 AM

FierceTelecom

AI TELECOM TECH PLATFORMS

Operators

to pay \$8.9 million in fraudulent billing case

by [Martha DeGrasse](#) | Jan 10, 2020 10:30am

StarTribune
BUSINESS

agrees to \$1.1 million in refunds in deceptive practices lawsuit

AG, cable giant settle deceptive-practices suit.

By [Mike Hughlett](#) Star Tribune | JANUARY 15, 2020 — 7:18PM

PHILADELPHIA BUSINESS JOURNAL Where Philadelphia's top chefs are eating in 2020 >

Media & Marketing

to pay \$15.5M to settle class-action lawsuit over set-top box rentals

By [Michelle Caffrey](#) — Reporter, Philadelphia Business Journal
Sep 25, 2019, 1:42pm EDT

NEWSWATCH 12 abc KDRV.COM Watching Out For You

HOME NEWS WEATHER SPORTS VIDEO FEATURE

OREGON REACHES \$4 MILLION SETTLEMENT WITH FOLLOWING CONSUMER COMPLAINTS

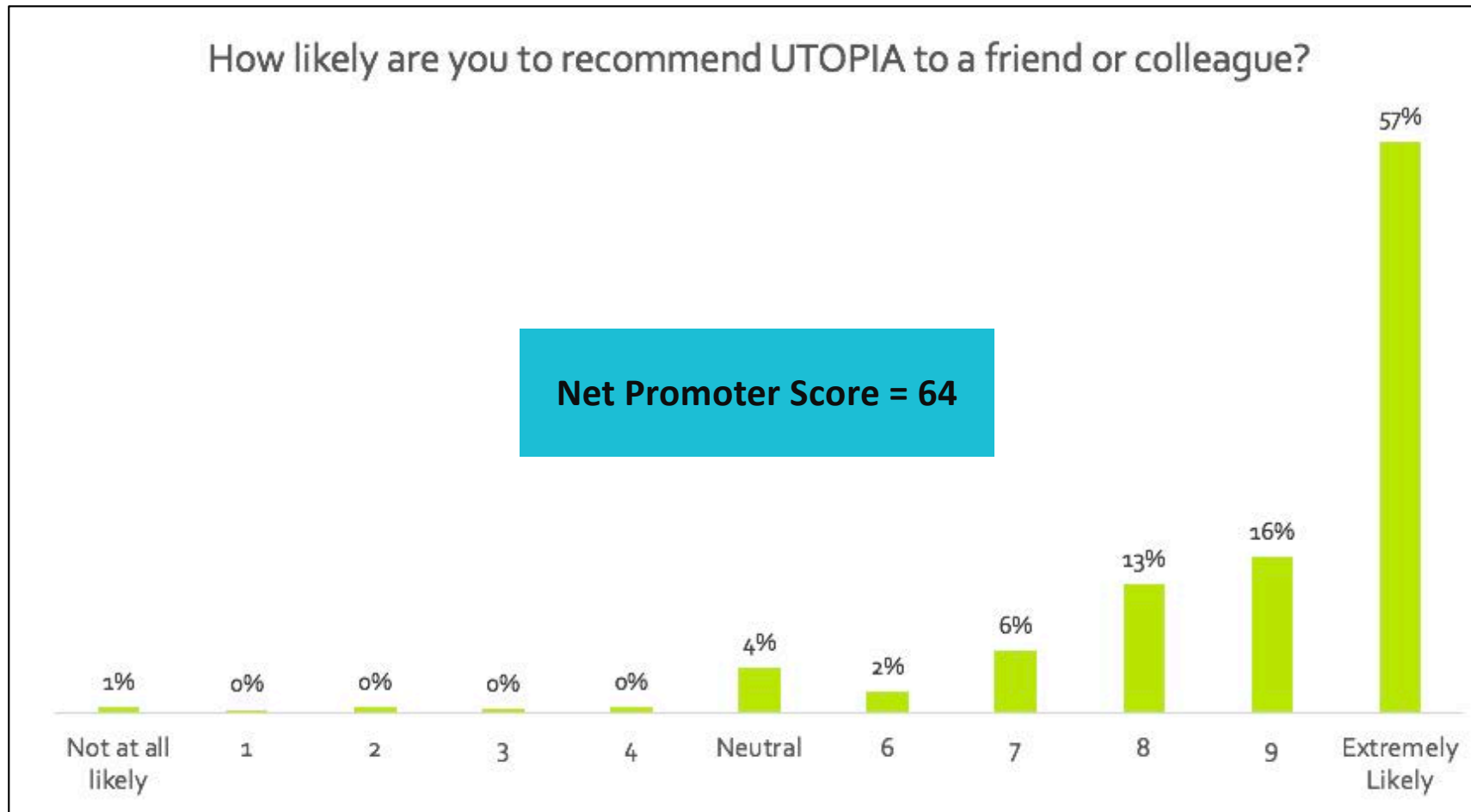
The Attorney General's office said that it had received more than 1,200 customer complaints about , prompting the suit.

Posted: Dec 31, 2019 3:57 PM
Updated: Dec 31, 2019 4:06 PM
Posted By: Jamie Parfitt



NET PROMOTER SCORE

Highest customer satisfaction






Third-party survey conducted August 2018 by Boncom



GOOGLE RATINGS

UTOPIA Fiber is the #1 rated broadband provider in region

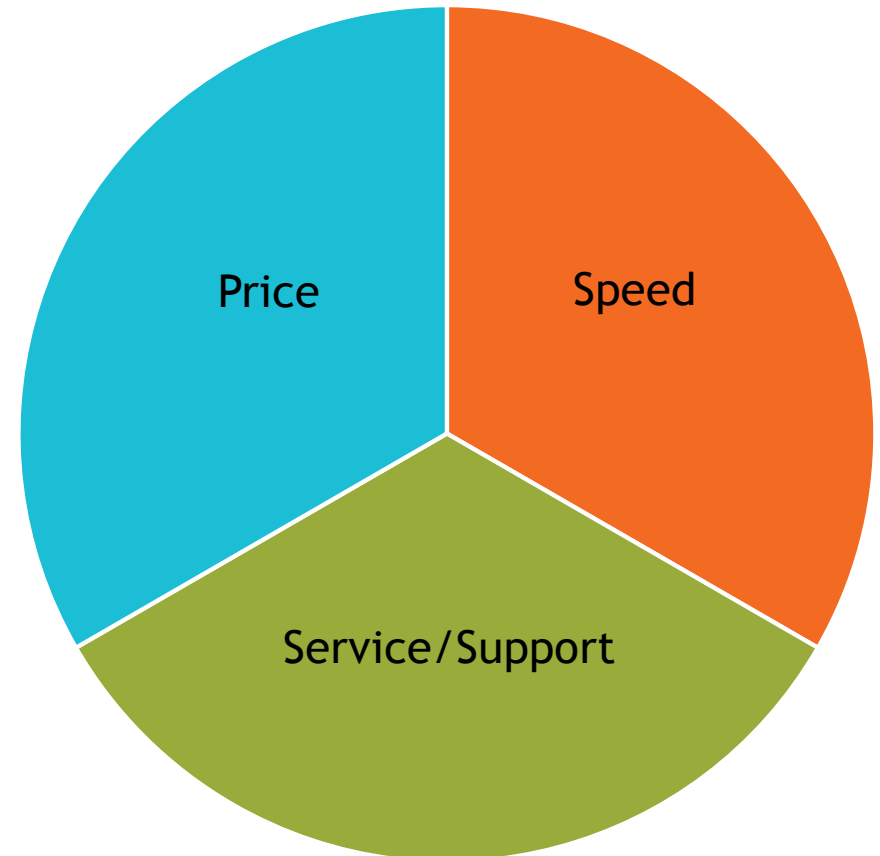
All West	2.3	★ ★ ★ ☆ ☆	(58)
Beehive Broadband*	4.1	★ ★ ★ ★ ☆	(125)
Centurylink	1.4	★ ☆ ☆ ☆ ☆	(220)
Comcast/Xfinity	3.2	★ ★ ★ ☆ ☆	(608)
Centracom	2.5	★ ★ ☆ ☆ ☆	(13)
Carbon/Emery Telecom	2.2	★ ★ ☆ ☆ ☆	(47)
Google Fiber	3.7	★ ★ ★ ☆ ☆	(122)
Strata Networks	4.1	★ ★ ★ ★ ☆	(245)
 Sumo Fiber*	4.4	★ ★ ★ ★ ☆	(176)
 UTOPIA Fiber	4.5	★ ★ ★ ★ ☆	(1,131)
 Xmission*	4.4	★ ★ ★ ★ ☆	(79)

*UTOPIA Fiber partner provider

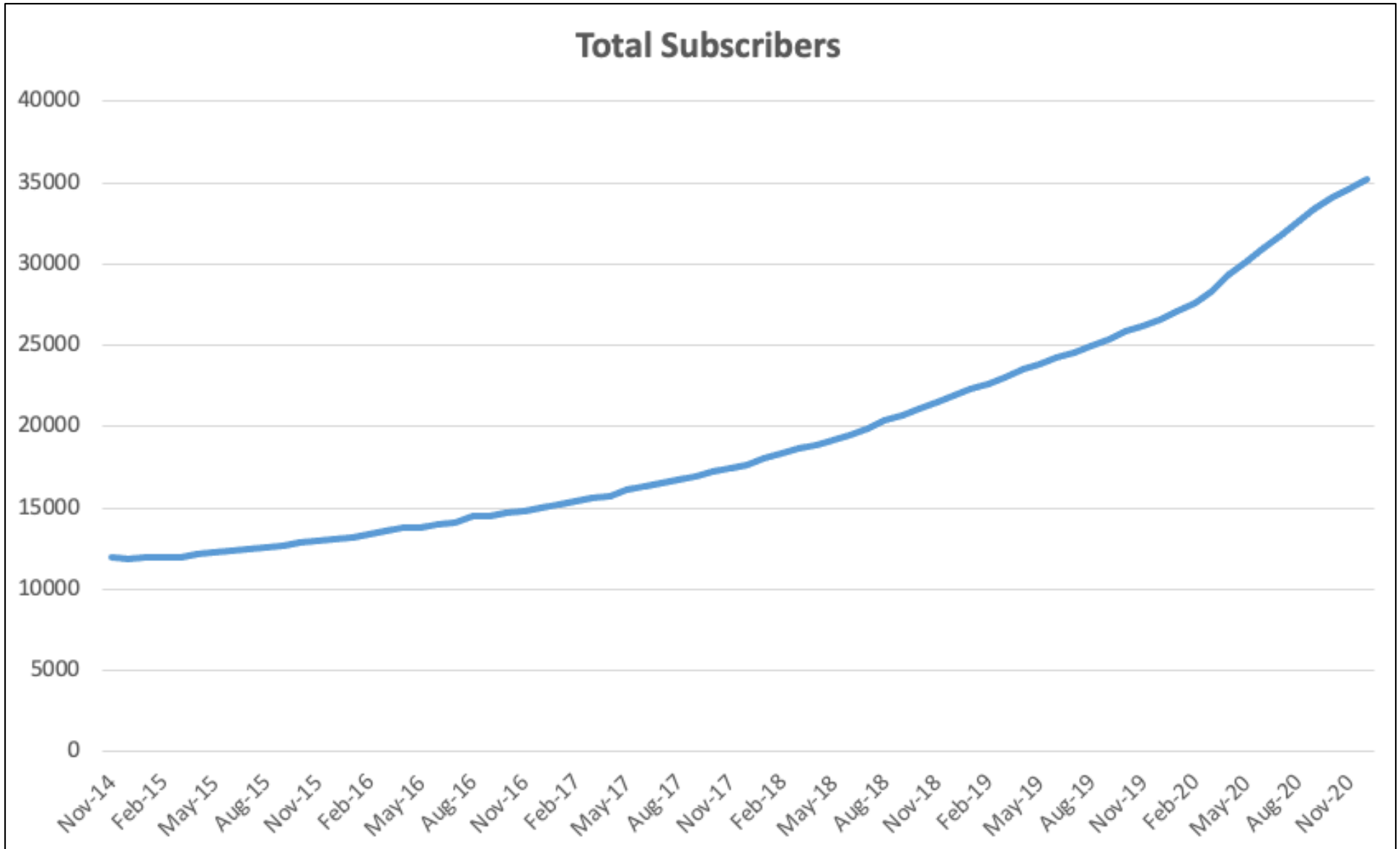


UTOPIA FIBER - KEYS TO SUCCESS

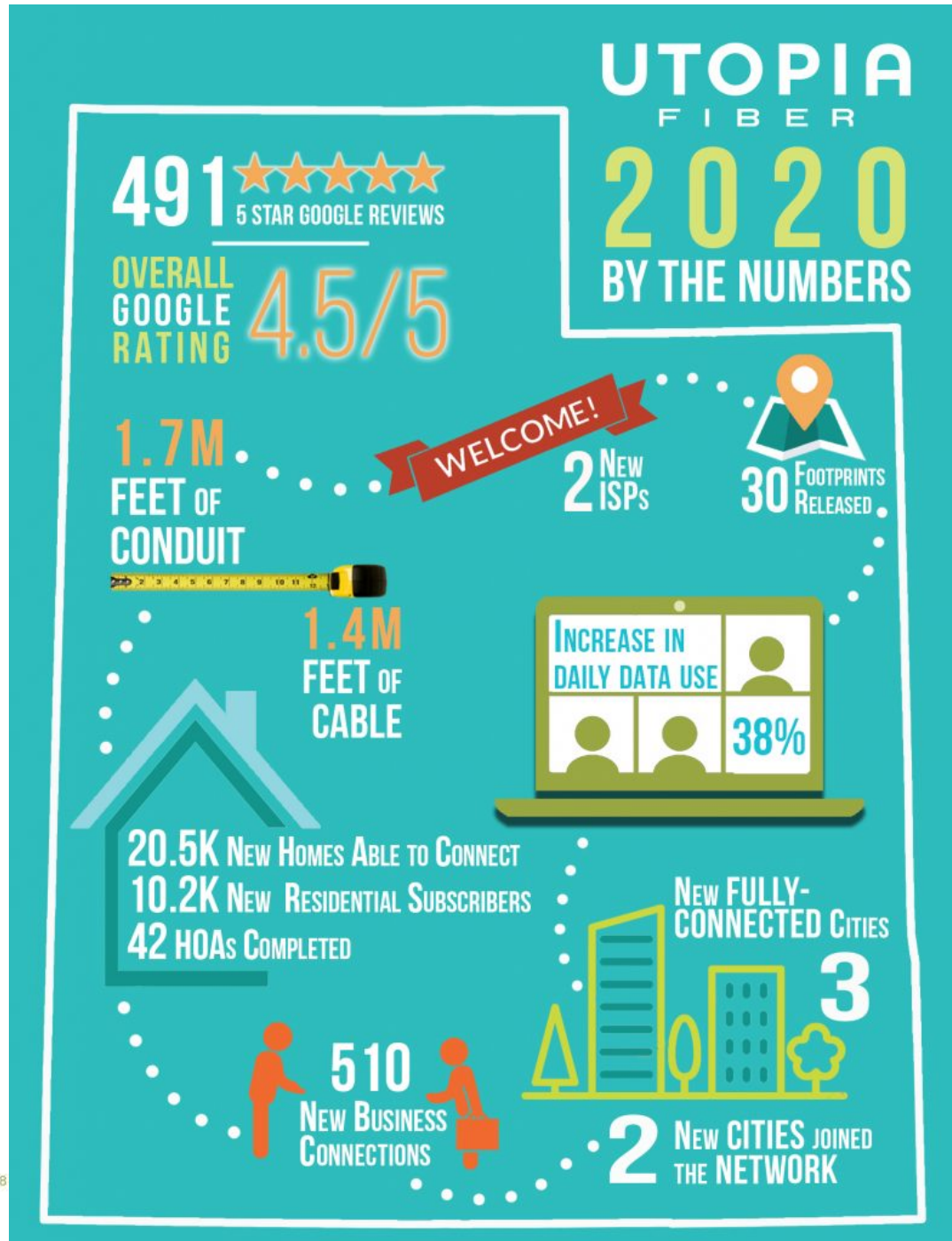
- Fastest in country
 - 10 Gbps Residential
 - 100 Gbps Business
- Top Rated
 - Net Promoter Score = 64
 - Google Rating - 4.5 Stars
- Best Value
 - 250 Mbps - \$65
 - 1 Gbps - \$78



SKYROCKETING DEMAND



SKYROCKETING DEMAND



801.613.38

Partnership with Utah Infrastructure Agency (UIA)

UTOPIA/UIA

- Finances the project (bonds for the project, and pays off the bond with no city debt)
- Receives portion of subscriber fees to cover operational expenses
 - Electronics replacement
 - Fiber maintenance
 - Utility locating
 - Repairs
 - Backbone interconnectivity
 - Network Operations Center monitoring
 - Service provider interconnectivity
 - Billing
 - Marketing

Municipality (individual or collectively)

- Services agreement with UIA with revenue pledge based on **~40% take-rate**

Risk Avoidance

- Other similar projects already successful
- City revenues, business revenues offset risk
- Increasing demand, technology advancements, 5G revenue
- Decreasing risk over time with new development, inflation, technology trends



WORTH THE RISK?

Entire project is paid for by the voluntary subscription fees of those who choose to sign up for a better and lower cost service than what they have now. Project is financed, designed, built, operated, and maintained by UIA.

Municipality Benefits vs Risk

- Significant \$ benefit to residents and businesses in city
 - Reduced costs of services (\$27/mo average savings*)
 - Increased property values (3.1% average*)
 - Protection of net neutrality
 - Eliminate digital divide
 - Quality of life improvement
- No other municipal project brings a more dramatic and immediate change in economic and quality of life improvement than fiber
- UTOPIA/UIA partnership brings all of the benefits of fiber provider competition, top-rated services, reliability, fastest Internet speeds with **no cost, taxes, or subsidies.**

[*https://medium.com/@fiberbroadband/when-gigabit-internet-comes-to-town-it-could-mean-savings-for-consumers-4feccd69223](https://medium.com/@fiberbroadband/when-gigabit-internet-comes-to-town-it-could-mean-savings-for-consumers-4feccd69223)



Why Partner with UIA/UTOPIA?

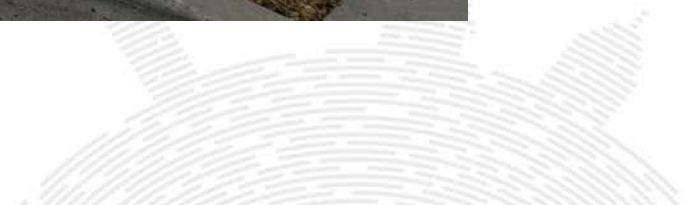
- Established partner with proven successful model
- City avoids startup costs, risks, pitfalls
- Reduced legal challenges
- Reduced risk of referendum or other public opposition
- Economy of scale benefit
- 25+ service providers in place
- Simple structure based on proven UIA model
- Lower costs from UTOPIA volume materials and labor purchasing
- Proven track record (\$230M+ successful projects)
- Leverage existing resources of UTOPIA Fiber



UTOPIA Fiber Available Resources

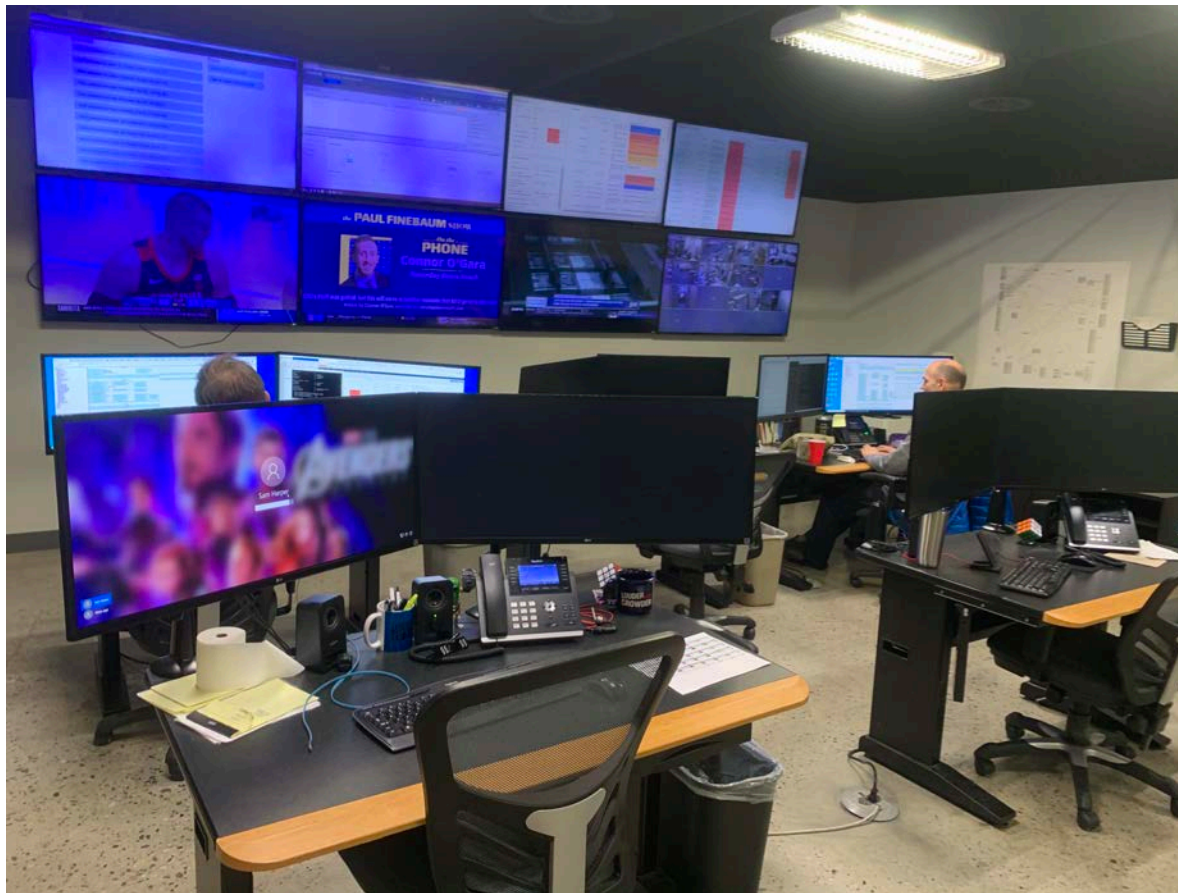


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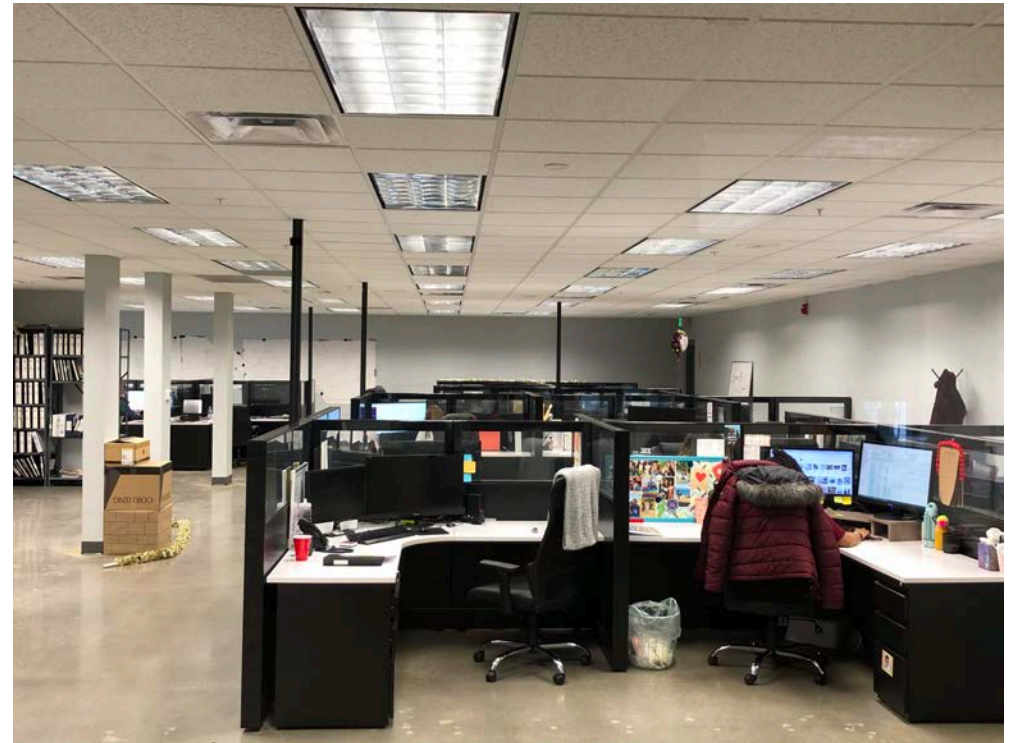
UTOPIA Fiber Available Resources

- 24/7 Network Operations Center (5x Full Time)
 - Monitoring, Provisioning, Troubleshooting, Tier 2 tech support, Emergency Dispatch
- Network Engineering Team (4x Full Time)
 - Network Architecture, Updates, Cybersecurity, Electronics Refresh



UTOPIA Fiber Available Resources

- Operations (7x Full Time)
 - Order Management, Customer Service Team



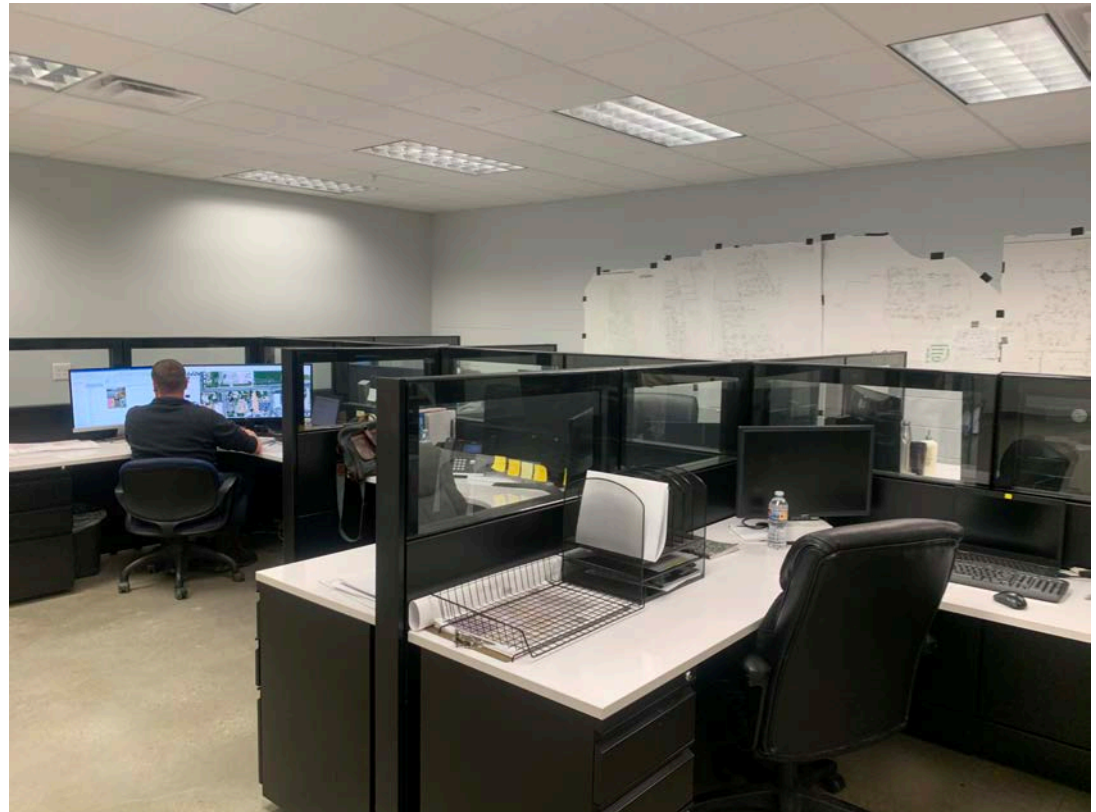
UTOPIA Fiber Available Resources

- Field Services (6x Full Time)
 - Network Repair, Maintenance, Emergencies
- Utility Locating (7x Full Time)
 - Marking of utilities for Blue Stakes of Utah



UTOPIA Fiber Available Resources

- GIS (3x Full Time)
 - Mapping, Documentation
- Accounting/Billing (4x Full Time)
 - Billing, collections, accounts payable
- Information Technology (2x Full Time)
 - Software/Systems
 - Servers
 - Cyber Security
- Sales/Marketing (6x Full Time)
 - City Events
 - Inbound/outbound sales
 - Business Sales



UTOPIA Fiber Available Resources

- Warehouse/Purchasing
 - Inventory, Forecasting, Materials Management



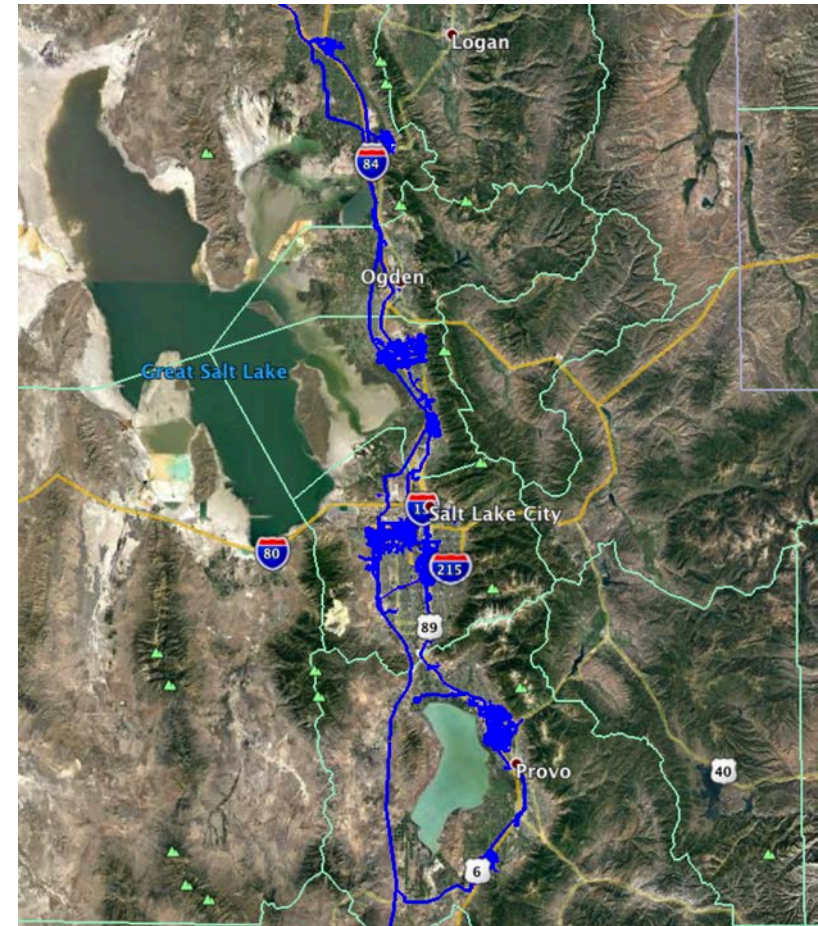
UTOPIA Fiber Available Resources

- Over 70 Full time staff managing new and existing networks across 50 Utah cities
- No Cost to city other than user service fee built into UTOPIA Fiber rates at lower cost than it would cost to do it independently



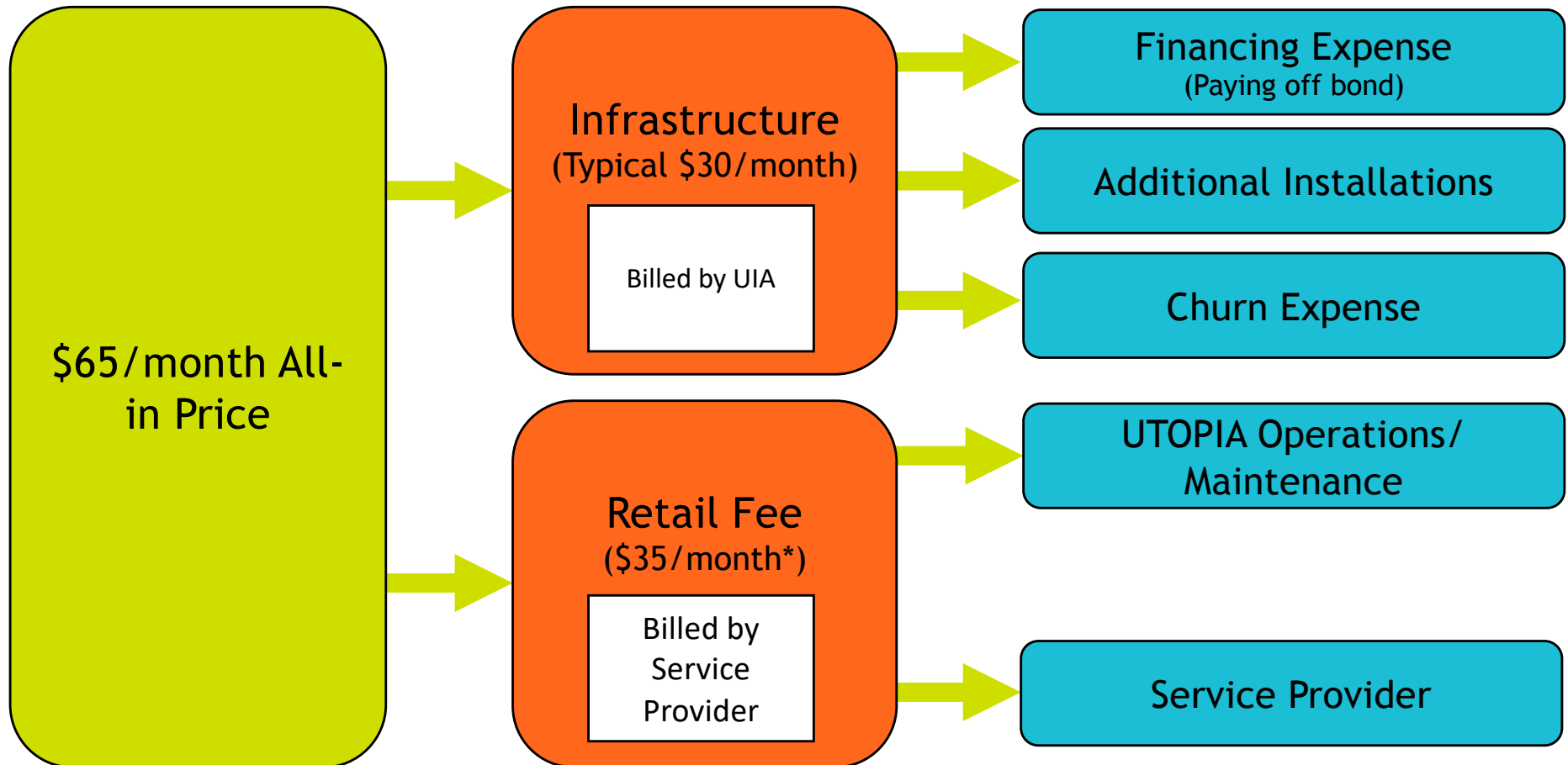
UTOPIA Fiber Available Resources

- On-net Connectivity to
 - Alpine School District Aggregation sites in AF, Lindon, Saratoga Springs
 - State Capital for State Agencies Use
 - UVU and UofU for schools, libraries, etc
 - All major Utah Data Centers for businesses
 - 25+ service providers
 - Various Smart City Systems
- Over 3000 route-miles of fiber in place



REVENUE DISTRIBUTION OF SUBSCRIBER FEES

Example - Minimum 250/250 Mbps Internet Package, no commitment



*varies by a few dollars depending on choice of provider, more for higher tiers, business

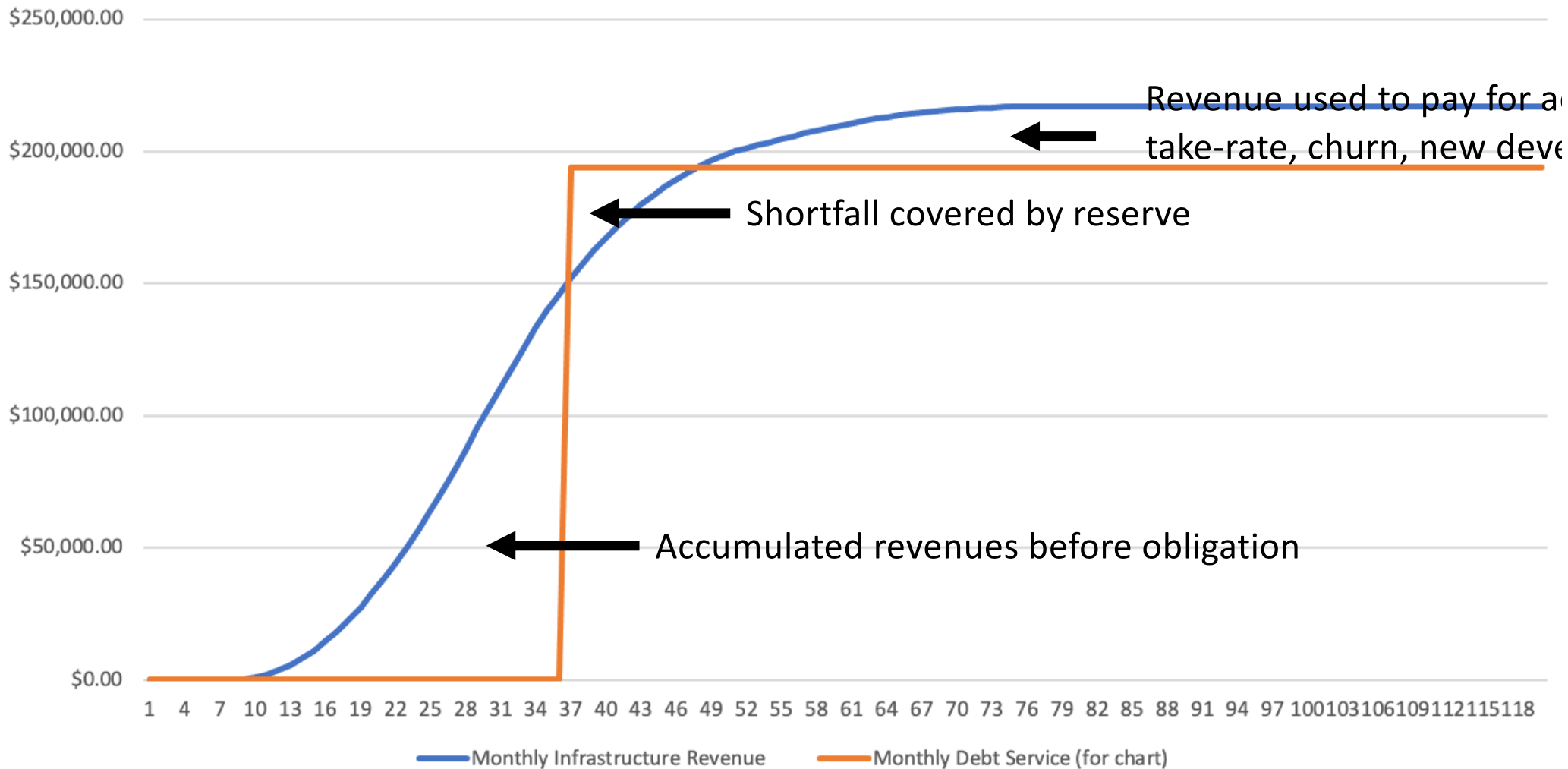


FINANCIAL MODEL – SOUTH JORDAN

CONSERVATIVE 38% BLENDED TAKE-RATE AFTER 5 YEARS

\$32.0M INFRASTRUCTURE DESIGNED, BUILT, OPERATED AT NO COST TO CITY

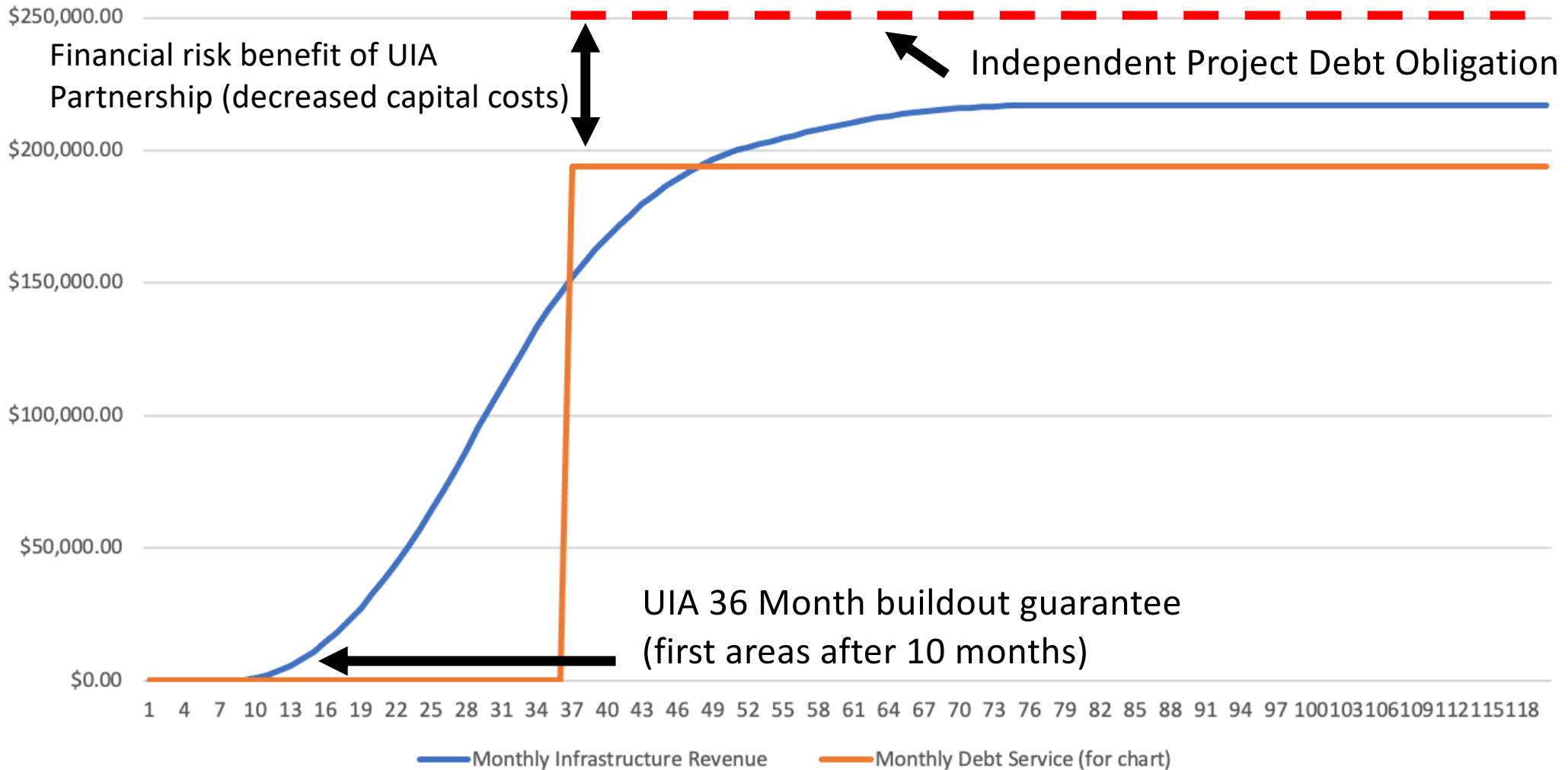
Infrastructure Revenue vs. Debt Service



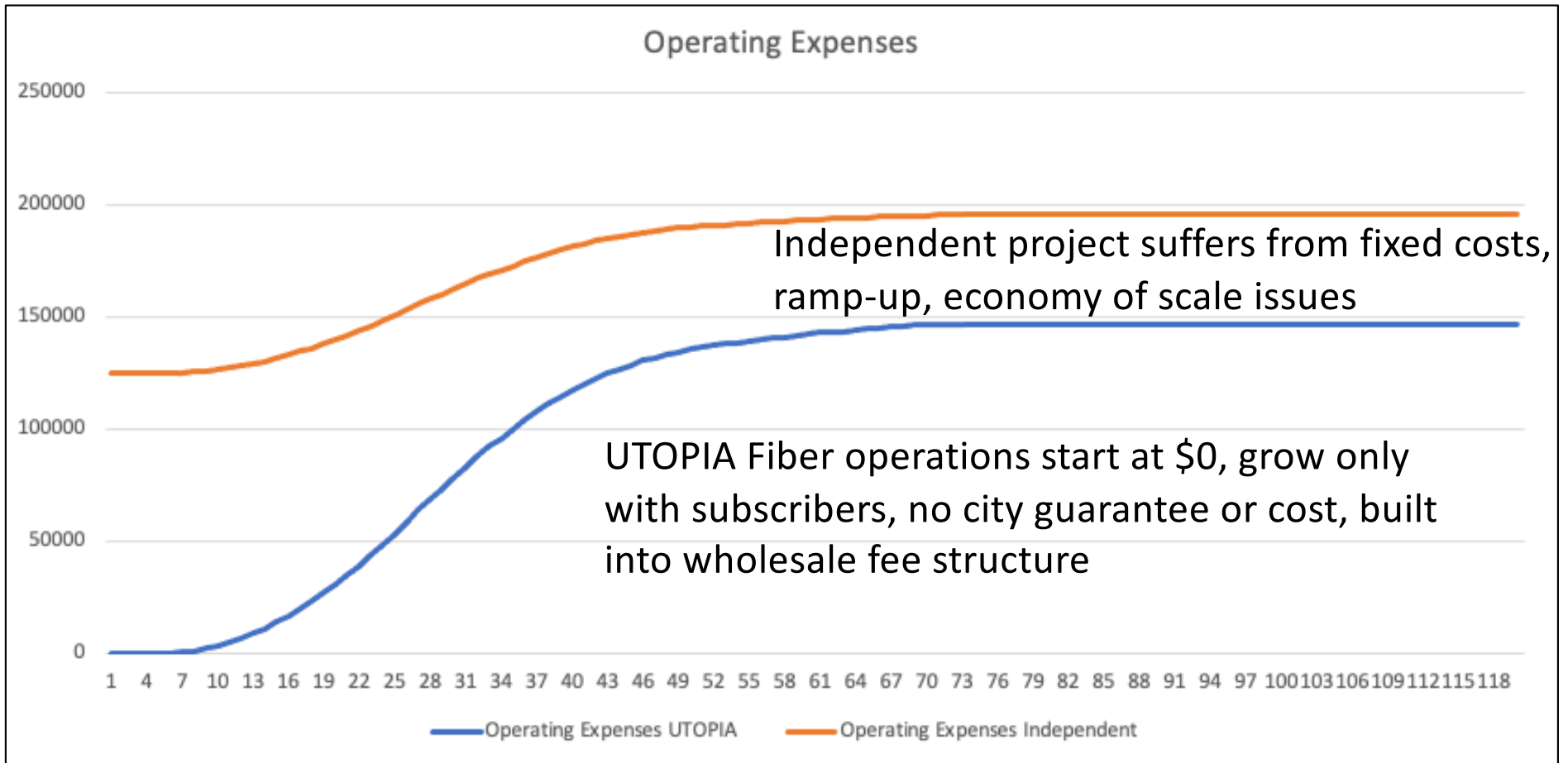
FINANCIAL MODEL – SOUTH JORDAN

BENEFITS OF UTOPIA FIBER PARTNERSHIP at 38% take-rate

Infrastructure Revenue vs. Debt Service



FINANCIAL MODEL – SOUTH JORDAN OPERATIONS



FINANCIAL PARTNERSHIP- UTOPIA FIBER + SOUTH JORDAN

Lower cost because of existing infrastructure, future capital expenses covered by UIA



EXISTING INFRASTRUCTURE

- Existing Backbone and Middle-mile Fiber Routes
- Service Provider Marketplace
- Data Center Interconnectivity and Co-location
- State, County, UDOT, UEN Contracts and Infrastructure
- Vendor Contracts, Facilities and Operations
- Systems, Licensing, IT, Economy of Scale



INCREMENTAL BUILDOUT FINANCING GUARANTEE

- Guarantee of ~6450 subscribers (~38%)
- Loan to UIA if there is a shortfall, only for amount of shortfall
- City revenues, business revenues offset residential subscriptions
- Risk reduces over time with new development



ALL OPERATING EXPENSES

- Repair, Maintenance, Refresh, Monitoring, Licensing, Systems, GIS, etc.

FUTURE CAPITAL COSTS

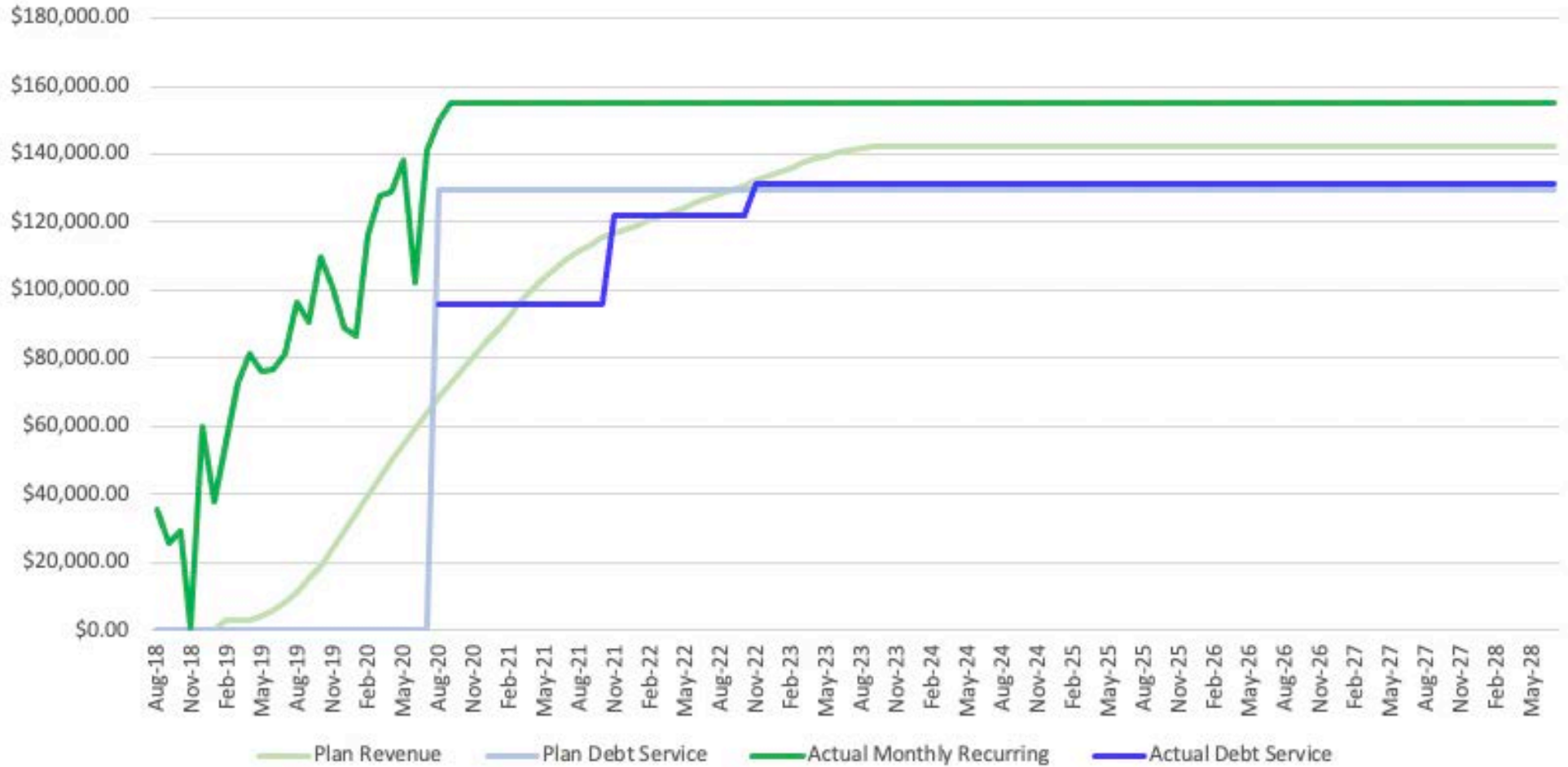
- Additional Installations
- New Development
- Churn Replacement
- Annexations



LAYTON COMPARISON

\$23M PROJECT SUCCESSFUL

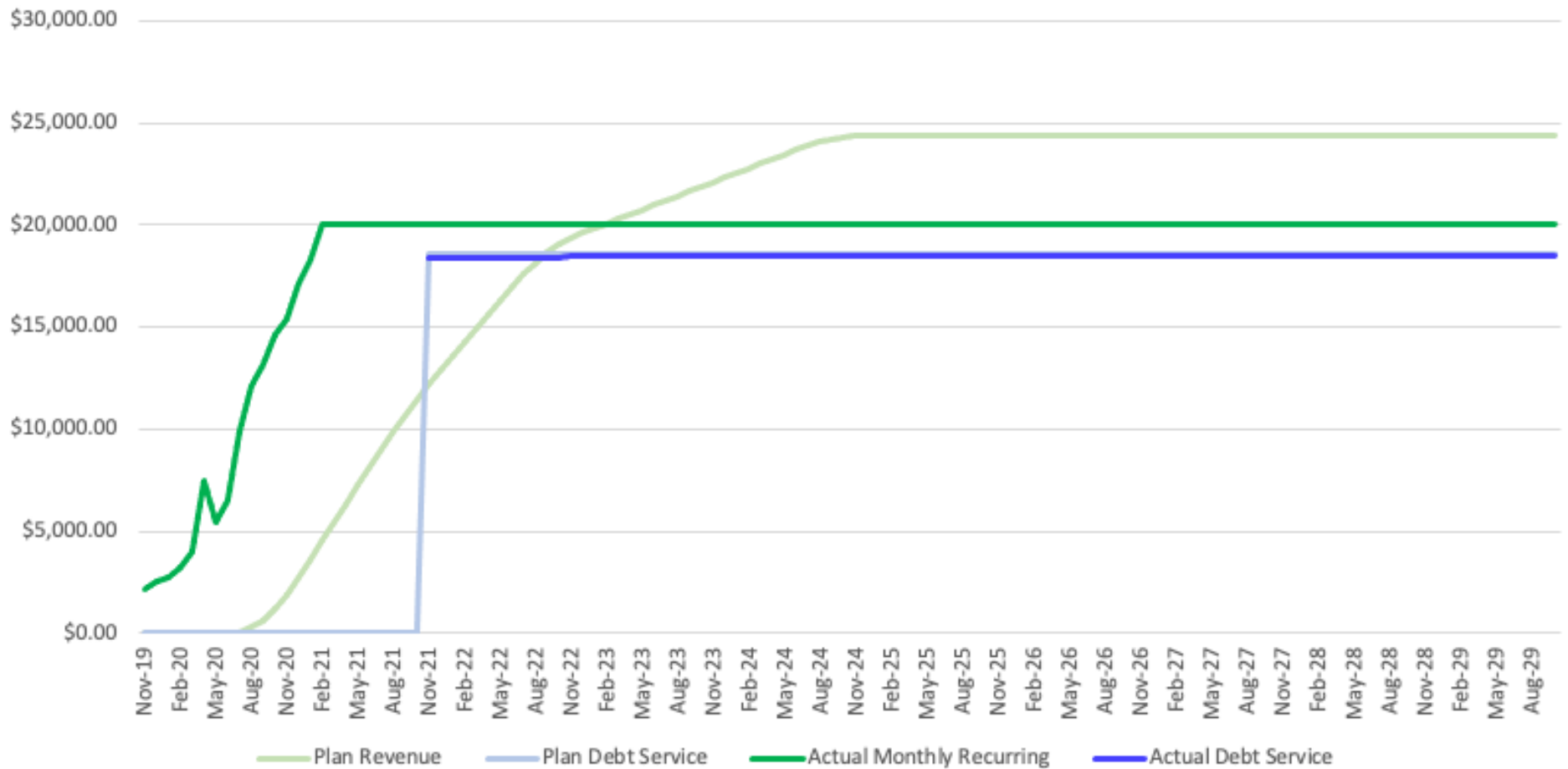
Infrastructure Revenue vs. Debt Service



PAYSON COMPARISON

\$3.5M PROJECT SUCCESSFUL

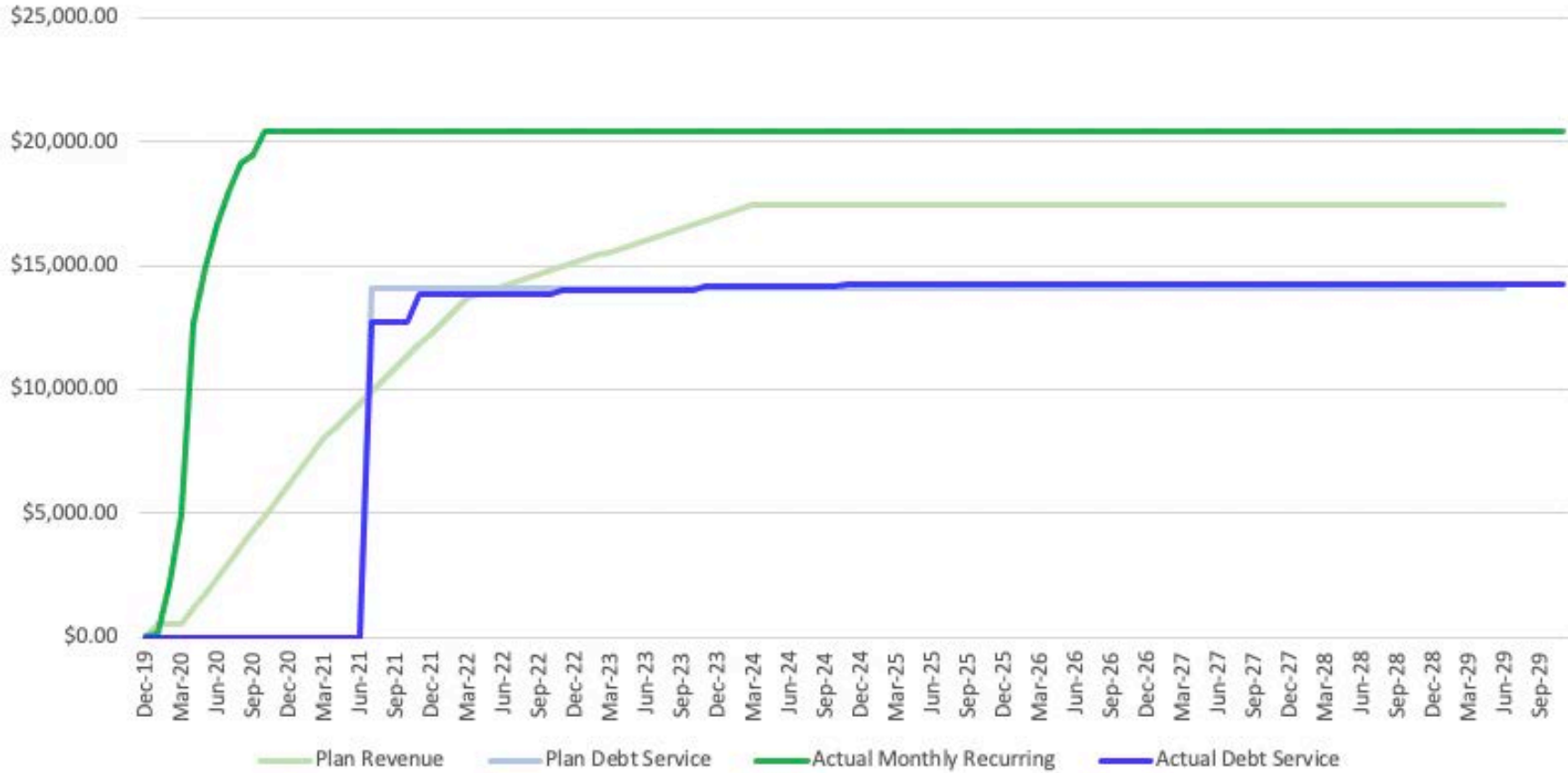
Infrastructure Revenue vs. Debt Service



MORGAN COMPARISON

\$2.5M PROJECT SUCCESSFUL

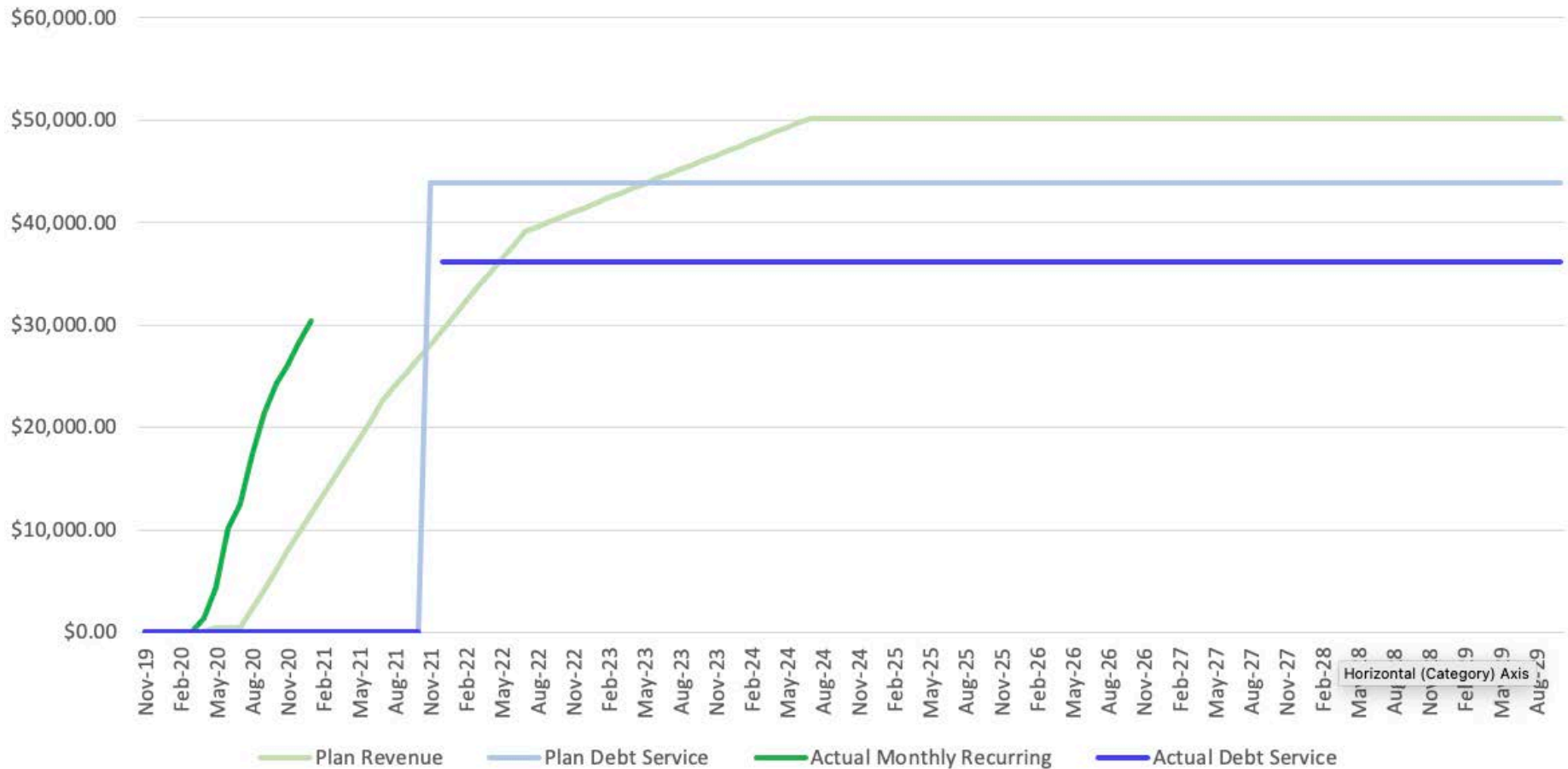
Infrastructure Revenue vs. Debt Service



WEST POINT COMPARISON

\$7.2M PROJECT TRENDING AHEAD OF SCHEDULE

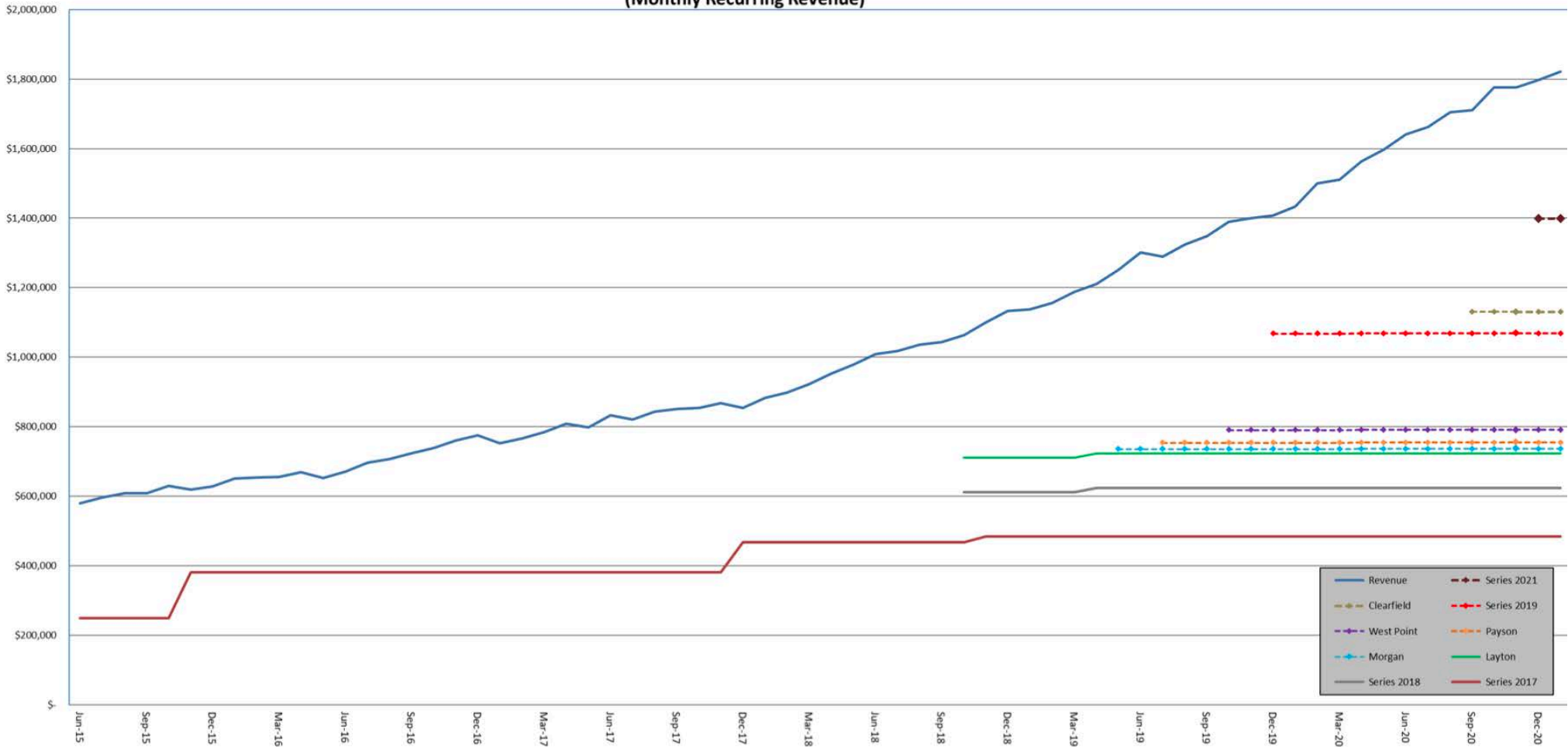
Infrastructure Revenue vs. Debt Service



UIA SUMMARY

\$250M OF FIBER PROJECTS, ALL PAYING FOR THEIR DEBT AND OPERATING EXPENSES FROM REVENUES

UIA Revenue v. Bond Obligation
(Monthly Recurring Revenue)



SOUTH JORDAN FEASIBILITY CONSIDERATIONS

- **Pros**

- Existing UTOPIA Fiber backbone, UTOPIA/UDOT routes in city
 - Faster buildout, faster revenue coverage, lower project cost
- Significant business revenue potential offsets risk
- Similar city take-rates all exceed South Jordan guarantee level
- Future development, lowering risk over time

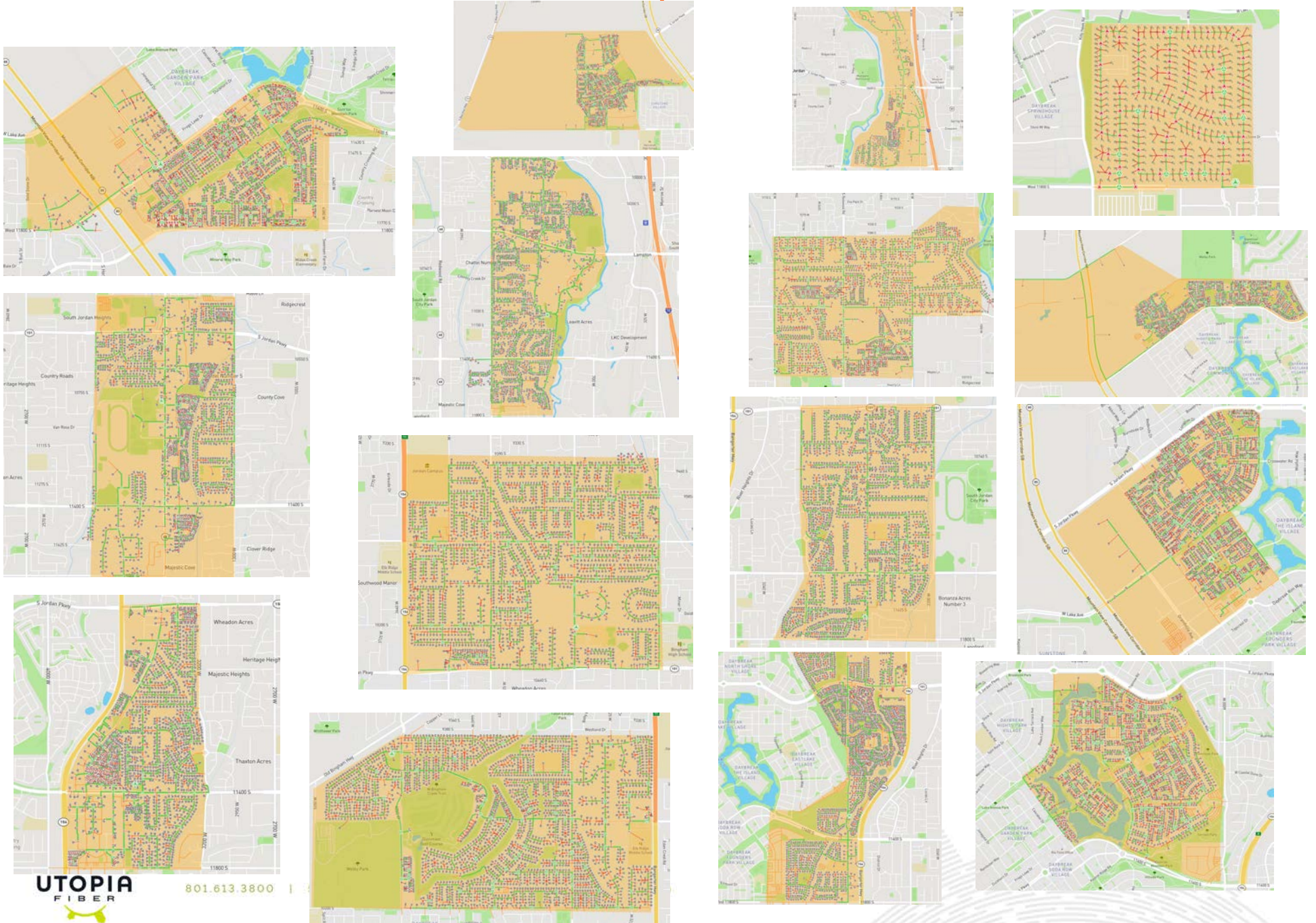
- **Cons**

- Moderate Density
- All underground infrastructure
- 95%+ new route

OVERALL –LOW RISK PROJECT



UTOPIA FIBER FEASIBILITY STUDY/DESIGN – SOUTH JORDAN



UTOPIA FIBER FEASIBILITY STUDY/DESIGN – SOUTH JORDAN (Excluding Daybreak)

Draper Feasibility Study/Design Result

16,889 Locations (Daybreak Excluded)

\$54,000,000 – Independent Project Cost (estimated)

\$36,070,000 – UTOPIA Fiber Incremental Project Cost

\$195,000 – Monthly guarantee

6500 – Subscriptions needed (\$30/mo each)

38.4% - Residential Take-rate to cover obligation

~36% - Residential Take-rate to cover obligation w/ business, city revenue blend

Other Terms

- Term – 25 year revenue pledge (beginning after 3 years CAPI)
- Initial revenues buffer against risk
- Business revenues buffer at 50%
- City revenues buffer at 100%
- Any shortfall is a loan, paid back when revenues are sufficient, or at end of bond period, whichever is sooner.
- UIA obligated to pay for expansion, additional installations, annexations, upgrades, all repair and maintenance, with no guarantee from the city.
- Take-rate % requirement decreases as new homes/businesses are built



WHAT ABOUT DAYBREAK?

Daybreak has better overall fiber construction/revenue economics than rest of the city. The project size is approximately \$16.2M needing 33% take-rate. However, contracts are managed by HOA(s) in bulk. UTOPIA Fiber has regularly requested opportunity to bid, but original Daybreak area has not solicited new providers since 2015.

UTOPIA Fiber has separate bulk and opt-in options available for HOA's and bulk service arrangements. UTOPIA Fiber can finance buildout of Daybreak areas with city backing or HOA contract with each HOA.

Bulk UTOPIA Fiber contracts still allow for choice of provider, speed tiers, etc. but also can include bulk discounted rates.

Recommendation is to exclude Daybreak from city project, but to allow each HOA to negotiate directly with UTOPIA/UIA.



WHERE DO WE GO FROM HERE FOR CITY-WIDE FIBER?

- ✓ UTOPIA Fiber Proposal
- ✓ Detailed Design/Feasibility

- Survey (optional)
- RFP (optional)

1-12 months,
depending on
options

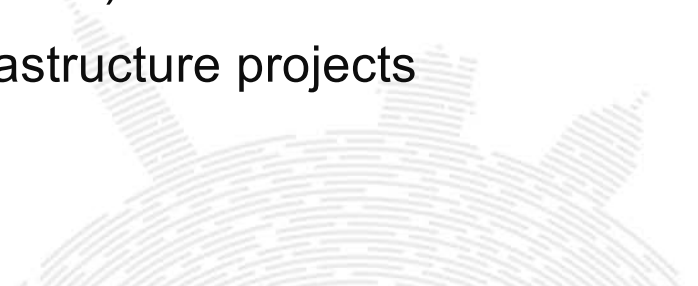
- City Council Vote/Approval
- UIA Financing of Project
- Project Build
- Marketing/Sales

2-3 years for
project
completion



IF NOT FTTP NOW, WHAT ELSE CAN BE DONE TO PLAN FOR FUTURE?

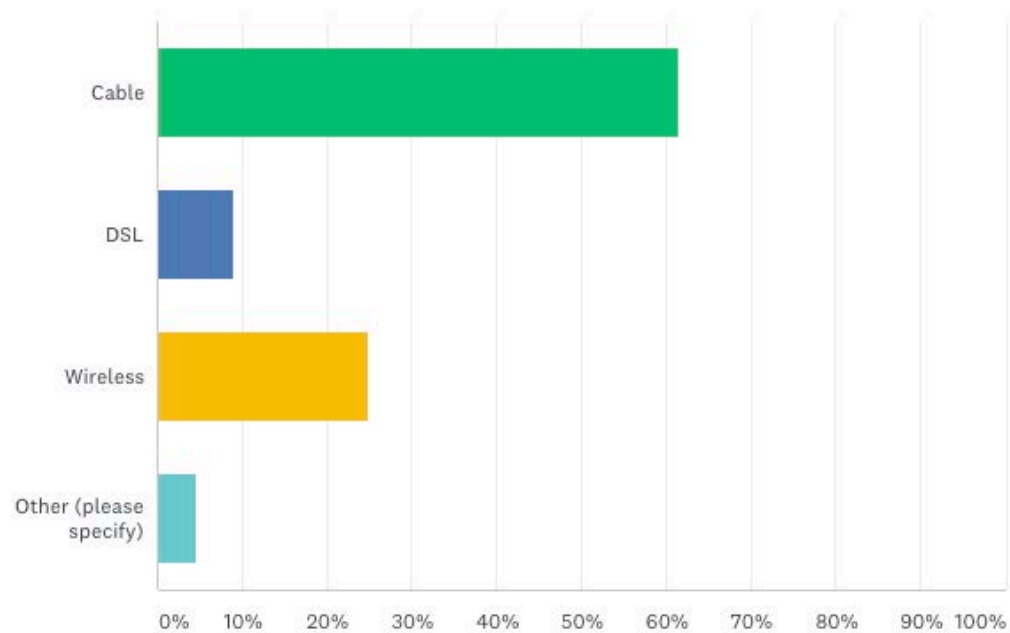
- **Upgrade of city services to UTOPIA Fiber**
 - Builds additional public infrastructure
 - Offsets future cost
- **Smart City Applications**
 - Public Wi-Fi
 - Wildfire Detection
 - Air Quality Monitoring
 - Private city facilities network
- **Take advantage of other funding opportunities**
 - \$50M in Utah State Budget for Broadband
 - CARES Act Funds (and next stimulus act)
 - Include conduit/fiber in other city infrastructure projects



SIMILAR CITY- SURVEY RESULTS

What type of internet service do you currently have?

Answered: 837 Skipped: 0



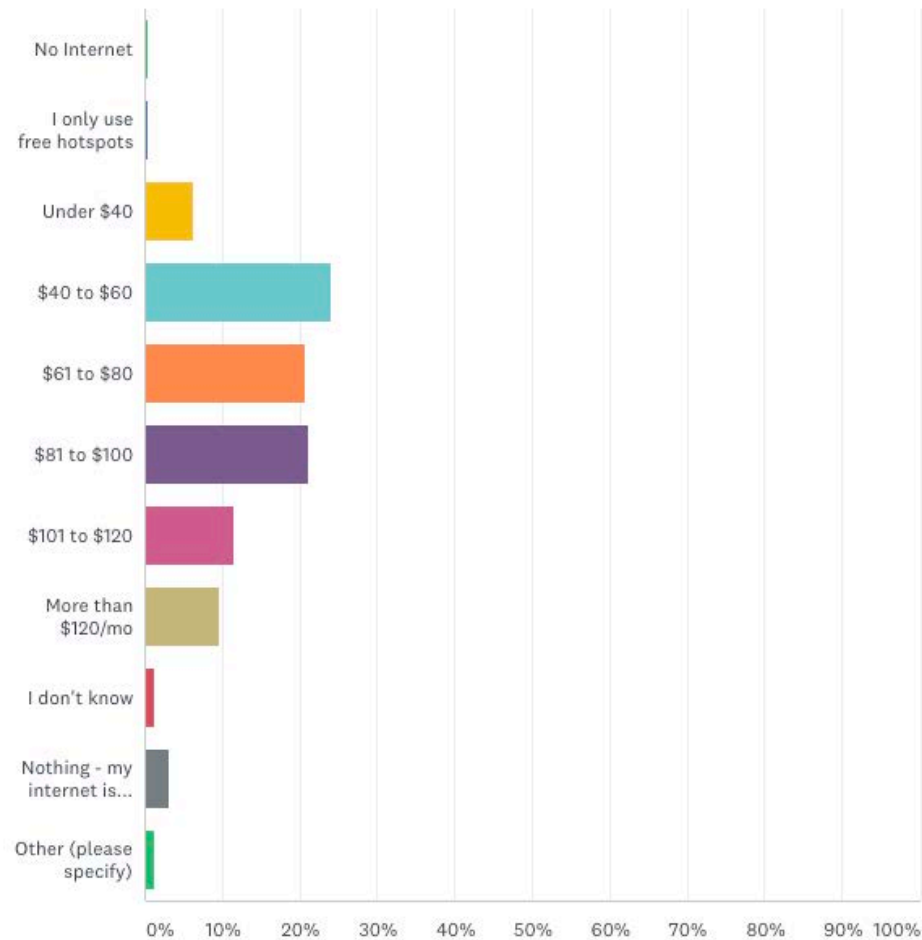
ANSWER CHOICES	RESPONSES
▼ Cable	61.53% 515
▼ DSL	8.96% 75
▼ Wireless	24.97% 209
▼ Other (please specify)	Responses 4.54% 38
TOTAL	837



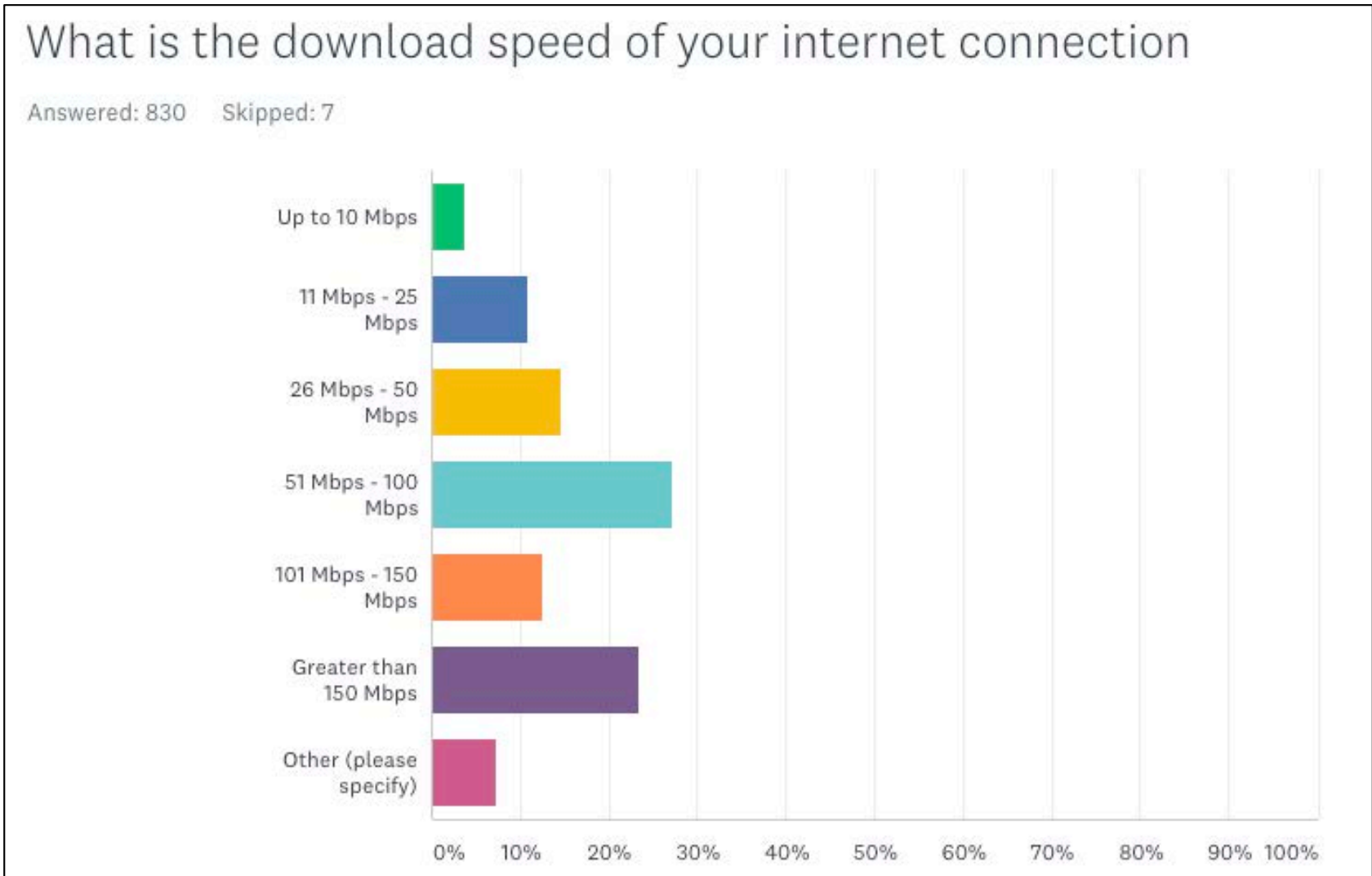
SIMILAR CITY – SURVEY RESULTS

Currently, how much do you pay for internet service each month? (monthly)

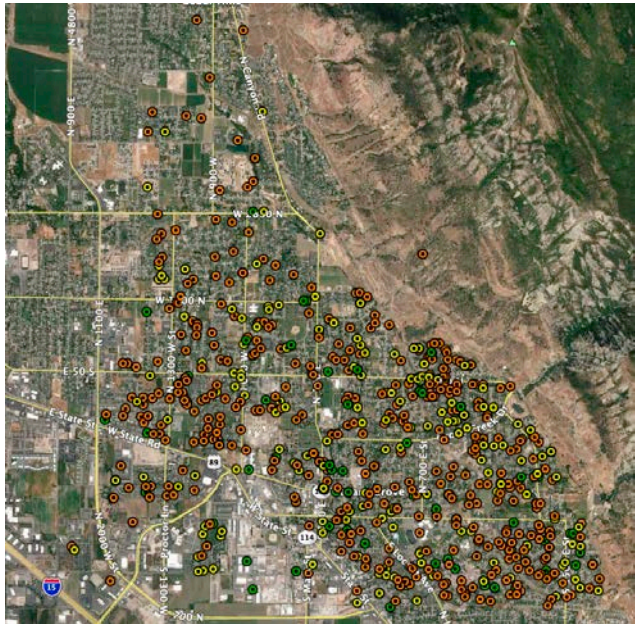
Answered: 837 Skipped: 0



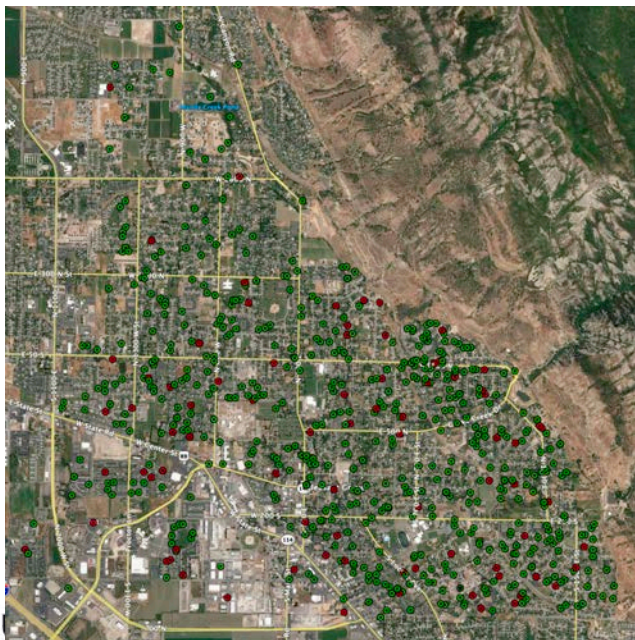
SIMILAR CITY- SURVEY RESULTS



SIMILAR CITY- SURVEY RESULTS



Cable – Orange
DSL – Green
Wireless - Yellow



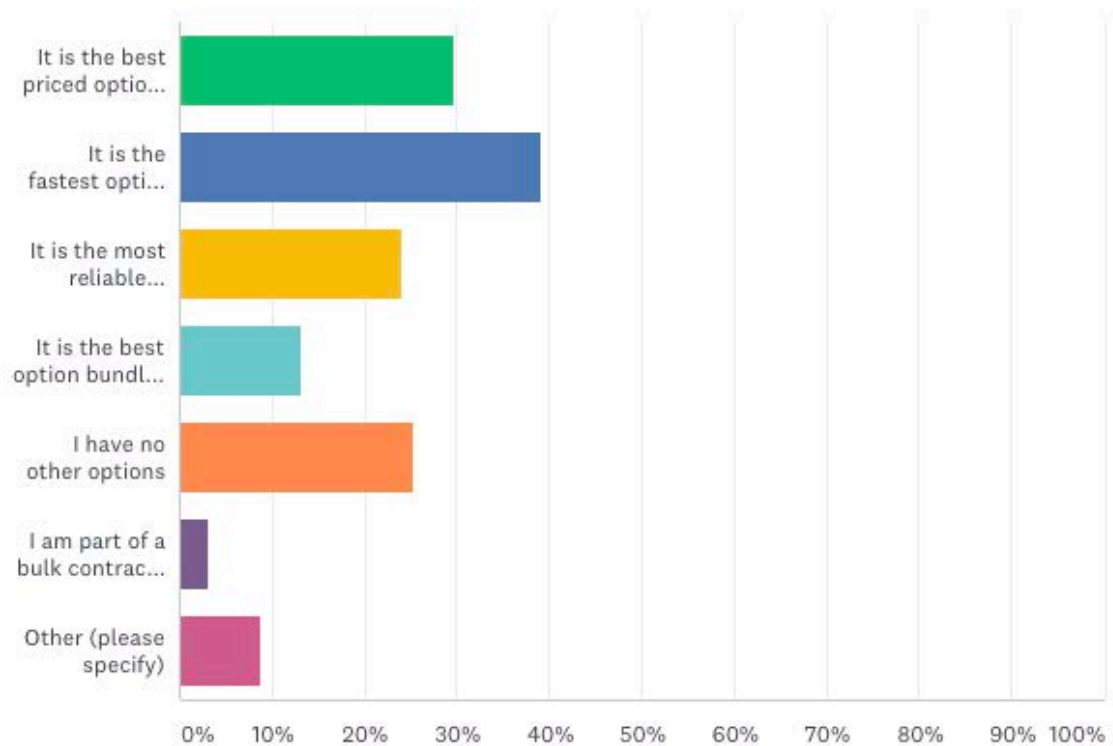
Green – Choose service
Red – Keep current service



SIMILAR CITY – SURVEY RESULTS

Why did you select the Internet service that you currently have? (select all that apply)

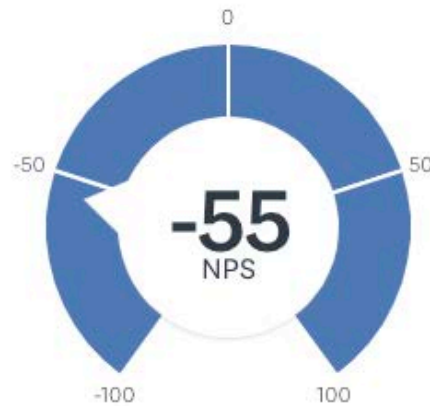
Answered: 837 Skipped: 0



SIMILAR CITY – SURVEY RESULTS

How likely is it that you would recommend your current Internet service to a friend or colleague?

Answered: 837 Skipped: 0



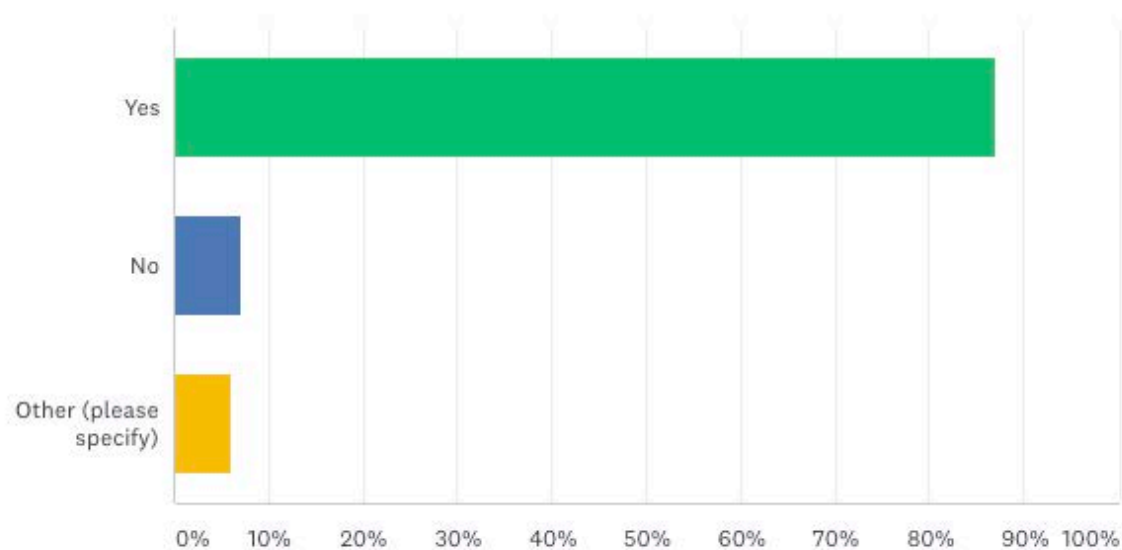
DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
64% 538	26% 219	10% 80	-55



SIMILAR CITY – SURVEY RESULTS

Are you supportive of the city actively pursuing additional broadband options for our community?

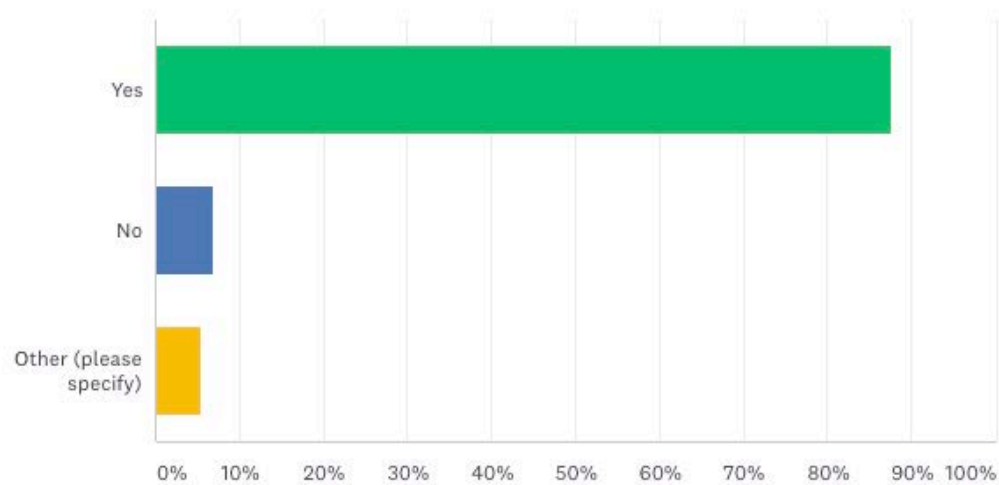
Answered: 837 Skipped: 0



SIMILAR CITY – SURVEY RESULTS

Are you supportive of the city building a fiber-to-the-home network if it can be paid for only by those that voluntarily sign up for services (no taxes or fees for non-subscribers)?

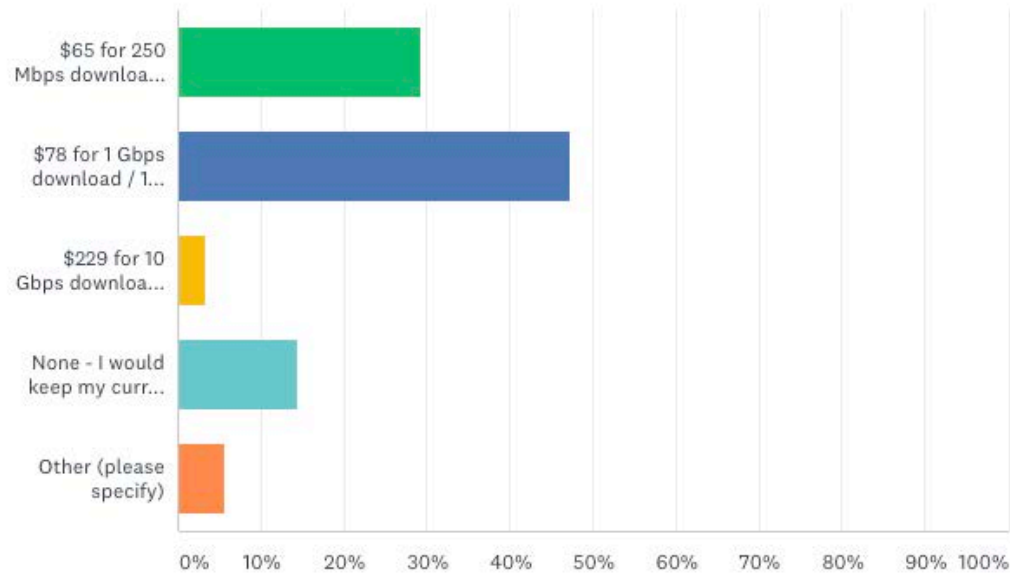
Answered: 837 Skipped: 0



SIMILAR CITY – SURVEY RESULTS

If you were offered the following options from a fiber broadband provider, what would you sign up for?

Answered: 837 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ \$65 for 250 Mbps download / 250 Mbps upload	29.39% 246
▼ \$78 for 1 Gbps download / 1 Gbps upload	47.19% 395
▼ \$229 for 10 Gbps download / 10 Gbps upload	3.35% 28
▼ None - I would keep my current service	14.34% 120
▼ Other (please specify) Responses	5.73% 48
TOTAL	837



Questions?

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