

UTAH INFRASTRUCTURE AGENCY (UIA)

SPECIAL BOARD MEETING MINUTES

April 15, 2021

8:30 AM

UTOPIA FIBER OFFICES
5858 SOUTH 900 EAST
MURRAY, UTAH 84121

Board Members Present: Meeting conducted electronically

**Board Members Joining
Electronically:**

Alex Jensen – Chairman, Layton City
Jason Roberts – First Vice Chair, Brigham City
Matt Dahl – Second Vice Chair, Midvale City
Jamie Davidson – Third Vice Chair, Orem City
Nicole Cottle – West Valley City
Brant Hanson – Centerville City
Brenda Moore – Murray City
Mayor Jeff Acerson – Lindon City
Jason Sant – Alternate, Payson City

**Officers Joining
Electronically:**

Roger Timmerman – UIA Chief Executive Officer
Laurie Harvey – UIA Secretary/Treasurer
Joshua Chandler – UIA General Counsel

**Others Joining
Electronically:**

Christa Evans – UTOPIA Secretary
Kimberly McKinley – UTOPIA Chief Marketing Officer
Aaron Leach – UTOPIA Chief Operations Officer
Laura Lewis – Financial Advisor, Lewis Young Robertson &
Birmingham
Brad Patterson – Bond Counsel, Gilmore & Bell

1. WELCOME AND INTRODUCTIONS

The UIA Board of Directors held an electronic special board meeting on Thursday, April 15, 2021. The meeting was live streamed to allow public viewing. UIA Chairman Alex Jensen (Layton) called the meeting to order at 8:34 AM. He welcomed all attendees.

UIA Total Votes Present: 439

UIA Majority Vote: 220

UIA 2/3 Vote: 293

2. CONSIDER APPROVAL OF RESOLUTION 21-03: EXECUTION OF SERVICE CONTRACT BETWEEN PLEASANT GROVE CITY (THE “CITY”) AND UTAH INFRASTRUCTURE AGENCY (UIA) FOR UIA TO PROVIDE CERTAIN SERVICES TO

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THE CITY; AUTHORIZING THE CHAIR OF UIA OR OTHER DESIGNATED OFFICER OF UIA TO EXECUTE AND DELIVER THE SAME; AND RELATED MATTERS

Mr. Roger Timmerman, UIA Chief Executive Officer, stated discussions with Pleasant Grove have been going on for several years. There have already been a lot of opportunities to build in the city for businesses and schools so UIA is already receiving revenue from the city and has a decent footprint. That works in the city's favor because the buildout cost is less and will also be quicker. Many obstacles such as canal and railroad crossings have already been passed. The current council was very supportive. As far as the economics, the take rate needed is low along with the associated revenue pledge. This is the same model done with other cities in the past. The city council unanimously approved the project at their meeting Tuesday night and it was an extremely supportive environment. It borders the organization's highest take rate city, Lindon, and has very similar demand and demographics so meeting the needed take rate will not be an issue. Another concern that often comes up is how a project like this affects construction in member cities. At this point no impact is expected regarding the build out schedule for member cities. At Pleasant Grove's size and the commitment made to them, monthly construction will be 500 homes which is a quarter of the organizations capacity to build. He does not have any concerns about this and feels it is a great partnership opportunity.

Mr. Jensen asked what the anticipated build timeline is.

Mr. Timmerman stated the agreement specifies 24 months, but staff feels it can be built out within a year and a half. The first areas will come online in about 7 to 8 months. It is a good time because construction in Clearfield will be wrapping up soon and resources there can move to Pleasant Grove.

Mr. Jensen was interested in the reaction from the board members of the neighboring cities, Lindon and Orem.

Mayor Jeff Acerson, Lindon City, stated his city is excited about Pleasant Grove's decision to implement UTOPIA. In discussions with Mayor Fugal frustration has been expressed regarding the cost of current providers and he is excited for a good quality alternative with a good price. His only concern is making sure Orem's build out does not get impacted by this.

Mr. Jamie Davidson, Orem City, has a lot of respect and appreciation for the Pleasant Grove administration and elected officials. This has been a focus of theirs for several years and COVID was a catalyst to their decision. He is excited to have another UTOPIA city in Utah County and it reinforces fiber as the standard. He appreciates Mayor Acerson's concern regarding Orem's buildout and the organization's effort to accelerate the buildout.

ACTION: Mayor Jeff Acerson (Lindon City) MOVED to approve Resolution 21-03 approving execution of a service contact between Pleasant Grove and UIA. Brant Hanson (Centerville City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

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3. CONSIDER APPROVAL OF RESOLUTION 21-04: AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$21 MILLION AGGREGATE PRINCIPAL AMOUNT OF TELECOMMUNICATIONS AND FRANCHISE TAX REVENUE BONDS (PLEASANT GROVE CITY PROJECT) SERIES 2021; SETTING THE DATE FOR A PUBLIC HEARING AND OTHER MATTERS

Mr. Roger Timmerman, UIA Chief Executive Officer, stated the take rate and revenue goals are very low for this project. The needed take rate is about 33% or below. The neighboring city, Lindon, is at 62% and is continuing to grow. If businesses, schools, governmental properties, bulk MDUs, etc. are included the take rate is even lower around 30%.

Mr. Brad Patterson, Gilmore & Bell, stated this resolution is similar to the one-off projects like Morgan and Clearfield. The bond will be secured by revenues generated by the service contract. The service contract pledges a portion of the city's franchise tax revenues to support payment of the bonds. This resolution authorizes the issuance of those bonds. The final action regarding this bond is to hold a public hearing which is scheduled for May 10, 2021. At that meeting there will also be a discussion with respect to the Preliminary Official Statement. The action today authorizes the bonds to be issued if it is not more than \$21 million dollars, the interest rate cannot exceed 5.5%, cannot mature more than 30 years from the issuance date and cannot be sold at less than 97% of the principal amount. This authorizes certain designated officers to complete the process.

Ms. Laura Lewis, Lewis Young Robertson & Burningham, stated the market is great right now. Interest rates are phenomenally low which is why this is moving forward rapidly. The ratings presentation will be on May 6, pricing is anticipated at the end of May with closing in early June.

Mr. Davidson stated the Daily Herald article mentioned the backstop costing the city \$7.9 million which did not seem correct.

Mr. Timmerman stated that was misquoted in the meeting and was captured in the article in error.

Ms. Lewis expects it will be close to \$21 million.

Mr. Timmerman stated the city knows the actual cost, which is in the service agreement, even though the number was quoted incorrectly in the article.

ACTION: Mayor Jeff Acerson (Lindon City) MOVED to approve Resolution 21-04, approving the parameters of the bond with Pleasant Grove City, and setting the time and place for the public hearing (May 10, 2021). Matt Dahl (Midvale City) SECONDED the motion. A roll call vote was taken - vote was unanimous.

4. ADJOURN

There being no further business of the UIA Board of Directors, the meeting held on Thursday, April 15, 2021, was adjourned at 8:57 AM.

Utah Infrastructure Agency (UIA) Special Board Meeting Minutes

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

Laurie Harvey

Laurie Harvey, UIA Secretary

Approved this 14th day of June, 2021

