

1 **Northwest Communications Union District**
2 **Special Meeting Minutes**
3 **September 1, 2020 4 p.m.**
4 **Virtual Meeting (Zoom ID 872 0373 7283)**
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6 **Attendance:** Sean Kio, Chair (Enosburgh Rep.), Chris Cota, Vice-Chair (Fairfax Rep.), Tara Wright
7 (Georgia Alt.), Shaun Coleman (NRPC), Emily Klofft (NRPC), Brad Docheff (Fairfax Alt.) and Ken Millman
8 (Alburgh Rep.).

9 Guest: Roger Timmerman, Executive Director, UTOPIA Fiber.

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11 **Call to Order and Adjustments to the Agenda**

12 Chair Sean Kio called the Special Meeting to order at 4:00 p.m. There were no adjustments to the
13 agenda.

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15 **UTOPIA Fiber**

16 Roger Timmerman, Executive Director, UTOPIA Fiber provided a presentation on UTOPIA Fiber. UTOPIA
17 is a Utah Interlocal Entity (UIE) and a political subdivision of the State of Utah made up of cities ranging
18 in size from 500 to 500,000 residents. One member, Idaho Falls, is in the neighboring states of Idaho.

19
20 UTOPIA Fiber began as two-phased project in 2004. In Phase 1, bonds were taken out and the core
21 backbone was built. Expenses were high and there were few service providers. Cities are paying back the
22 bonds. UTOPIA Fiber is hoping to reimburse the cities. In 2019, Phase 2 began and UTOPIA/UIA was
23 created. There were \$65 million in bonds that were authorized. Buildouts have been sustainable in that
24 bonds are taken out and paid back based on customer revenues. Costs for materials and electronics
25 have been lower in recent years. There is a strong service provider competition which help keeps rates
26 low.

27
28 UTOPIA runs a municipal owned open-access fiber network. The competitive nature of open access
29 drives prices down and increases service. Customers receive two bills: one for ISP and one from UTOPIA
30 fiber for \$30/month which goes into operating and maintenance of the fiber. You can get 10 gbps for
31 \$200/month. The 10 gbps it is cheapest in country. Premium service of 25mbps costs approximately
32 \$35/month.

33
34 UTOPIA Fiber supports a dedicated capacity per customer system. Each customer receives dedicated
35 fiber capacity whether for home or business. Other fiber companies have shared capacity from switch to
36 splitter to customer site which results in inconsistent speeds comparatively.

37
38 Roger noted that UTOPIA doesn't provide LifeLine services but some of the ISPs do. UTOPIA looks for
39 cities, state and federal government to subsidize costs for those types of services.

40
41 UTOPIA has about 35,000 customers. The economy of scale is much better than when they had 10,000
42 customers.

1 UTOPIA has a good service record within Utah including the top Google rating as best broadband
2 provide. Net Promoter Score rates UTOPIA as having the highest rate of customer satisfaction. Their
3 subscriber trend shows UTOPIA has doubled the number of customers in recent years. The demand
4 remains high.

5
6 UTOPIA/UIA finances projects by bonding and pays off the bond with no city debt. Cities often pledge
7 revenue towards projects. Sometimes city's pledge sales tax revenues. Some cities have pledged
8 franchise tax revenues and others have pledged water revenues towards a project to serve as backstop.
9 Backstopped projects usually get better interest rates.

10
11 Project Steps include: Community Survey, UTOPIA Fiber Proposal, RFP, Contract Award/Approval, UIA
12 Financing of Project, Project Build and Marketing/Sales. The process takes about a year and half to
13 complete. Permitting is the Achilles heel on a lot of projects.

14
15 Surveys are key at the start of the process. Survey response does not equate to customer sign-ups.
16 Typically, break-even points are 35-40% of customers in survey response. It is a good practice to map
17 out the survey responses. Utilities can help promote the surveys through social media. Until you issue an
18 RFP and have a contract in hand with construction contractor, you won't know what the actual costs
19 might be.

20
21 There are very few feasibility studies that actually turn into projects. UTOPIA can partner in a project.
22 There may be opportunities for consulting with a company not associated with UTOPIA regarding a
23 similar business model. It is likely going to be a higher cost per home in the District due to the low
24 population density. Given the number of premises that could be served, it would be worth exploring
25 development of a project.

26
27 Chris thanked Roger on behalf of the District.

28
29 **Public Comment**

30 None.

31
32 **Adjourn**

33 Chris adjourned the meeting at 5:07 p.m.