

MINUTES OF UTOPIA REGULAR BOARD MEETING - JANUARY 13, 2003

THE UTOPIA BOARD OF DIRECTORS HELD A REGULAR MEETING ON MONDAY, JANUARY 13, 2003, AT 10 A.M. AT *THE NAGANO ROOM, E CENTER OF WEST VALLEY CITY, 3200 DECKER LAKE DRIVE*. THE MEETING WAS CALLED TO ORDER BY CHAIR DAN SNARR.

MEMBERS PRESENT: LouAnn Christensen, Brigham City
Joe Melling, Cedar City
Steve Thacker, Centerville (Substitute)
Alex Jensen, Layton
Ott Dameron, Lindon
Lee King - Midvale
Dan Snarr - Murray
John Park - Orem
Diana Erb, Payson (Substitute)
Ed Skrobiszewski, Perry
Mark Cram, Riverton
Christopher Davis. Roy
Richard Woodworth, Tremonton
Wayne Pyle, West Valley City

MEMBERS ABSENT: Brad Sears, Cedar Hills
David Gill, Centerville (Steve Thacker - substitute)
Todd Wilson, Payson (Diana Erb - substitute)
Janice Auger, Taylorsville - excused
Matt Shipp, South Jordan - excused

OFFICERS PRESENT: Paul Morris, Executive Director (West Valley City)
David Shaw, Deputy Director (Murray)
Dean Nickels, Treasurer (Orem)

1. Approval of December 9, 2002, Board Meeting Minutes. Executive Director Paul Morris presented draft minutes of the December 9, 2002 board meeting. Board Member LouAnn Christensen motioned to approve the minutes as written. Board Member Joe Melling seconded the motion. A vote was taken; it was unanimous.
2. Consideration of Resolution No. 03-01: A resolution amending UTOPIA's By-laws to direct composition of Executive Committee. Executive Director Paul Morris made some explanation for this resolution, that it is necessary for continuity and for fairness. The Executive Committee will be composed of a large city representative who gets two votes, a mid-size city representative, a small city representative, an off-the-Wasatch-Front city representative and an At-Large representative. The Executive Committee's powers are only

those delegated by the Board of Directors. There was ensuing discussion about terms of appointments and various viewpoints, but Board Member LouAnn Christensen suggested the discussion regarding any other changes be put off until a future meeting and others concurred. Board Member Joe Melling made a motion to approve Resolution 03-01 as written. Board Member Ott Dameron seconded the motion. A vote was taken; it was unanimous.

3. Election of Officers on the Executive Committee: Executive Director Paul Morris stated that the Bylaws require an election of Chair and Vice-Chairs during the first meeting of January each year. Paul stated that the Executive Committee has done a great job and he recommends those serving now be retained. The Board needs to vote for a Chair and four Vice-Chairs. Board Member John Park nominated Mayor Daniel Snarr to serve as Chair (to continue in that position) and as the representative from a mid-size city. Board Member LouAnn Christensen seconded the nomination. A vote was taken; it was unanimous.

Board Member Wayne Pyle nominated Alex Jensen to serve as the First Vice-Chair and as the representative from a large city. Board Member Mark Cram seconded the nomination. A vote was taken; it was unanimous.

Board Member LouAnn Christensen nominated Richard Woodworth to serve as 2nd Vice-Chair and as the representative from a small city. Board Member Joe Melling seconded the nomination. A vote was taken; it was unanimous.

Board Member LouAnn Christensen nominated Joe Melling to serve as the 3rd Vice Chair and the representative from a city in a non-Wasatch Front County. Board Member Mark Cram seconded the nomination. A vote was taken; it was unanimous.

Board Member John Park nominated Lee King for the Fourth Vice-Chair and the At-Large position. Board Member Alex Jensen seconded the nomination. A vote was taken; it was unanimous.

4. Consideration of Resolution 03-02: A resolution authorizing UTOPIA to adopt a 457 Deferred Compensation Plan with ICMA. Executive Director Paul Morris stated that the next three resolutions are not new. They have previously been discussed in relation to UTOPIA getting set up as an employer, but the different companies require their own specific language, hence these resolutions. Board Member John Park clarified that UTOPIA is not contributing to the 457. It is at the employee's option. Board Member Christopher Davis motioned to approve Resolution 03-02. Board Member Mark Cram seconded the motion. A vote was taken; it was unanimous.
5. Consideration of Resolution 03-03: A resolution authorizing UTOPIA to adopt a 457 Deferred Compensation Plan with ICMA that will permit loans. There was no discussion. Board Member Christopher Davis made a motion to approve Resolution 03-03. It was seconded by Board Member Richard Woodworth. A vote was taken; it was unanimous.

6. Consideration of Resolution 03-04: A resolution authorizing UTOPIA to enter into an agreement creating the Utah Local Governments Trust. Board Member Lee King questioned the term “creating.” Paul Morris stated that he noticed that also, but it was their language and therefore necessary. He thought that they were simply having each new member adopt the same version of the agreement as the original members who created the Trust. Board Member Christopher Davis made a motion to approve Resolution 03-04. Board Member Joe Melling seconded the motion. A vote was taken; it was unanimous.

Board Member John Park mentioned that the By-laws might need an amendment to direct absent Board Members to appoint substitutes. Paul Morris stated that the CEO of the city is the default appointee but the CEO may appoint someone from that city as their UTOPIA representative so if someone is going to send a substitute, they should send a letter indicating who the alternate is. Paul stated that this is a valid concern and when changes are made to the Interlocal Agreement that will be a good time to better address use of substitutes.

7. UTOPIA Status Report: Executive Director Paul Morris stated that there is significant progress on UTOPIA each month. DynamicCity has 20 full-time employees devoting their energy to UTOPIA. Talks with service providers continue, including Qwest. Paul spoke of his ongoing efforts to be part of the national policy discussion on broadband and was in San Jose last week to promote UTOPIA’s wholesale model.

UTOPIA’s office is an ongoing concern. Paul stated that it has been very good to have a separate office, but the arrangements are not perfect and a permanent home needs to be located. He told of the nearby office space for sale/lease and Roger Black’s efforts to make some kind of arrangement for a lease/option and then subleasing available offices to pay the rent. Paul’s preference is to move once to a permanent location.

The Murray lease agreement draft is almost completed. Ballard Spahr’s Jerry Oldroyd is preparing it as a lease with the option to purchase. It must go before Murray’s Planning Commission and their Technical Advisory Committee. Paul hopes to get it before Murray’s City Council in February and back to the UTOPIA Board in February.

It is likely that a special executive committee meeting will be called to discuss these contracts with DynamicCity. The agreement with DynamicCity is being drafted by Val Antczak of Parsons Behle and Latimer. As part of the discussion, DynamicCity will provide the guarantee for the Murray lease payments.

8. Financial Team Status Report: Laura Lewis distributed a model of the financing set up. She explained that it is like dominoes and if one area fails, they all fail. Her second handout shows what paperwork they must assemble for the financing package and it will be large. The timing of the financing depends upon how quickly they get answers to their questions. She said they must know who the service providers are before they ask investors to participate. Paul Morris stated that service providers will be evident in late February or March, which keeps UTOPIA on track for June or July bonding. Jim Matsumori stated that

Dean and Co is helping through its feasibility study and they are coming to town tomorrow, to help move things along.

9. DynamicCity Status Report: D. Keith Wilson stated that there are increased phone calls with service providers as the word gets out. The first service providers are looking at contracts. The feasibility study is on schedule and they will get with each city at the end of March or in April. He needs the unit counts turned in to determine density, etc. Several RFI's have been sent out for construction pricing and those will be in the feasibility report.

Board Member Lee King asked the Board if any other cities have adopted the model ordinance for subdivisions that was crafted by Gary Crane. He said one of their builders loved it and another didn't. Mark Cram said his city adopted an adjusted one, but no one had any experiences to share.

Paul Morris stated that UTOPIA now owns 700 feet of fiber due to the effort to get UTOPIA fiber hookup at its temporary office. He said we also now own 1,000 feet of copper, which is a bit embarrassing to admit.

10. Auditor's Report: Paul Morris stated that Roger is attending a funeral in Denver and is out of town unexpectedly. Roger is now the COO of UTOPIA. He has taken on the responsibilities of Chief Operations Officer and has done an excellent job. He has entered all financial information and merged bank account funds into one account. He has tracked all UTOPIA spending from the beginning to the present. Dean Nickel will continue as Treasurer. The Auditor's report completed as required, by the end of the year. It was a favorable audit and no problems were reported. From now on, Roger will make a presentation at each Board meeting regarding UTOPIA's financial status. Board Member John Park made a motion to accept the Auditor's Report. Board Member Ott Dameron seconded the motion. A vote was taken; it was unanimous.

Dave Shaw raised the conflict with the legislature and next month's Board meeting. Paul asked the Board if February's Board Meeting could be held on Thursday, February 13th. Board Members noted the meeting change.

Board Member Alex Jensen inquired about legislative support for UTOPIA, if it is still positive. Paul expressed concern about hearing from two sources that rural areas were in opposition to UTOPIA and planned to file a bill that could harm UTOPIA. Paul does not know the source or who is sponsoring such a bill and asked the Board to notify him immediately if they hear anything of the sort.

Board Member Richard Woodworth made a comment about the terms of service for the Executive Committee, that three were just elected to their second term and the two new appointees will serve two year appointments, and renewals should be staggered. Other Board Members said this would be addressed at another time.

11. The meeting was adjourned after Board Member John Park made a motion to dismiss the meeting and Board Member Joe Melling seconded it.