

MINUTES OF UTOPIA REGULAR BOARD MEETING – JANUARY 31, 2005

THE UTOPIA BOARD OF DIRECTORS HELD A REGULAR MEETING ON MONDAY JANUARY 31, 2005 AT *THE UTOPIA OFFICES, BOARD ROOM; 1385 West 2200 South, Suite 302, West Valley City*. THE MEETING WAS CALLED TO ORDER BY ACTING CHAIR ALEX JENSEN.

MEMBERS PRESENT: LouAnn Christensen, Brigham City, *late arrival*
Jim Allan, Cedar City
Jim Perry, Cedar Hills
Blaine Lutz – Centerville (*substitute*)
Alex Jensen – Layton
Ott Dameron – Lindon
Lee King – Midvale
Dan Snarr – Murray
Jim Reams – Orem
Andy Hall – Payson
Ed Skrobiszewski – Perry
Mark Cram – Riverton
Richard Woodworth - Tremonton
Wayne Pyle – West Valley City

OFFICERS PRESENT: Paul Morris, Executive Director
Roger Black, Deputy Director and COO
David Shaw, General Counsel

Acting Chair Alex Jensen called the meeting to order and welcomed all attending. He turned the time over to Paul Morris, Executive Director.

1. Election of New Officers. Executive Director Paul Morris read the By Laws and referred everyone to the handouts that were in the packet that outlined the requirements for Executive Committee representatives. He then turned the time over to Chair Snarr, who had arrived. Chair Snarr asked for nominations. Board Member Alex Jensen thanked the existing committee for their efforts. He then made a motion to nominate the Executive Committee as follows:

Lee King as Chair and the Mid-Size City Representative
Alex Jensen as First Vice Chair and Large City Representative
Jim Reams as Second Vice Chair and as At-Large Representative
Paul Cutler as Third Vice Chair and as Small City Representative
LouAnn Christensen as Fourth Vice Chair and Off Wasatch Front Representative
Board Member Richard Woodworth seconded the motion. A vote was taken; it was unanimous. Board Member LouAnn Christensen was absent for the vote. Board Member Jim Reams was excused to catch a flight. Chair Lee King conducted the remainder of the meeting.

2. Introductions. Chair King called on Paul Morris to make introductions. Mr. Morris introduced Blaine Lutz, Centerville Finance Director, who is substituting for Paul Cutler. He introduced Jon Hansen, CEO of MSTAR, a service provider. Jon then gave a brief overview of MSTAR and indicated that they are moving their headquarters to Murray. Their goal is to provide triple play to every house from Cedar City to Tremonton. Then Mr. Morris introduced Nicolle Minster as UTOPIA's Accounting Technician who will be watching over all monies.

3. Approval of December 13, 2004 Minutes. Chair King called for a motion to approve the minutes from the December 13, 2004 meeting. Board Member Jim Allan made a motion to approve the minutes. Board Member Ott Dameron seconded the motion. A vote was taken; a majority approved the minutes. Three Board Members abstained since they were not present at the last meeting. The abstentions were from Board Members LouAnn Christensen, Andy Hall, and Mark Cram.

4. Resolution 05-01: A Resolution approving the execution of an Interlocal Cooperative Agreement to lease/purchase Murray City's fiber optic system. David Shaw, General Counsel, briefly explained that this contract is a lease purchase. UTOPIA will initially lease the system and then purchase it when it completes the second round of financing. Discussion ensued regarding the difference between buying Murray's fiber optic network and starting from scratch. Mr. Shaw said it was a win-win situation for both parties. Paul Morris said this lease would accelerate the UTOPIA network construction in Murray. Board Member Ott Dameron asked if this lease purchase was a budgeted item. The answer was affirmative. Ott Dameron then asked when the first payment is due and what the payment options were. Mr. Shaw stated the payments were to be pro-rated at \$250,000 per year. First payment is due within 30 days of the signing of this agreement.

A discussion ensued regarding fair market value. Murray did two appraisals and they came in at \$1.3M and \$1.33M, not counting the electronics. With the electronics and same site locations in Murray, the purchase price agreed to was \$1,625,093.80. UTOPIA evaluated the acquisition from a cost to replicate stand point. That amount was estimated to be between \$1.5M and \$1.7M. So the agreed price matched Murray's appraisals and UTOPIA's replication costs. Chair King asked for further questions or discussions. There was none so he called for a motion. Board Member Wayne Pyle made a motion to approve the resolution. Board Member LouAnn Christensen seconded the motion. A vote was taken; it was unanimous in favor of adopting the resolution.

5. Resolution 05-02: A Resolution approving the succession line of authority for Acting Executive Director in the Executive Director's temporary absence or incapacity. General Counsel David Shaw introduced this resolution as a necessity, that every government position is required to have a line of succession three deep. To comply, this resolution was prepared, listing the order of Executive Director after Paul Morris, as Roger Black, David Shaw and Cindy Patterson. The COO line of succession after Roger Black is Paul Morris, Dave Shaw and Cindy Patterson. For General Counsel after David

Shaw is Paul Morris, Ballard Spahr and Parsons Behle. The two law firms will not charge unless they are actually used.

Chair King called for a motion. The motion to approve Resolution 05-02 was made by Board Member Dan Snarr. Alex Jensen seconded the motion. A vote was taken; it was unanimous.

6. Resolution 05-03: A Resolution approving an Interlocal Cooperative Agreement between UTOPIA and West Valley City for information technology services. David Shaw explained that this agreement was similar to UTOPIA's relationship with Murray City on local and long distance telephone service. Paul Morris said that is why "West Valley City" shows on caller ID when UTOPIA calls. Effort is being made to see if it can be changed to be "UTOPIA" on the caller ID. There was no discussion. The Chair called for a motion. Board Member Richard Woodworth made a motion to approve the resolution. Board Member Ed Skrobiszewski seconded the motion. A vote was taken; it was unanimous.

Mr. Morris reminded the cities that he wants a digital picture from each city to decorate the bare walls in UTOPIA's offices. An aerial photo would be fine, too. UTOPIA will frame and hang them about the board room and in the conference room.

Board Member Alex Jensen expressed his confidence in the UTOPIA staff and said they had earned the Board's trust. He mentioned specifically the way the Murray Agreement was handled.

Chair King called for a motion to adjourn. Board Member Dan Snarr made a motion to adjourn.