UTOPIA
FIBER

Ivins
June 2, 2022

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	

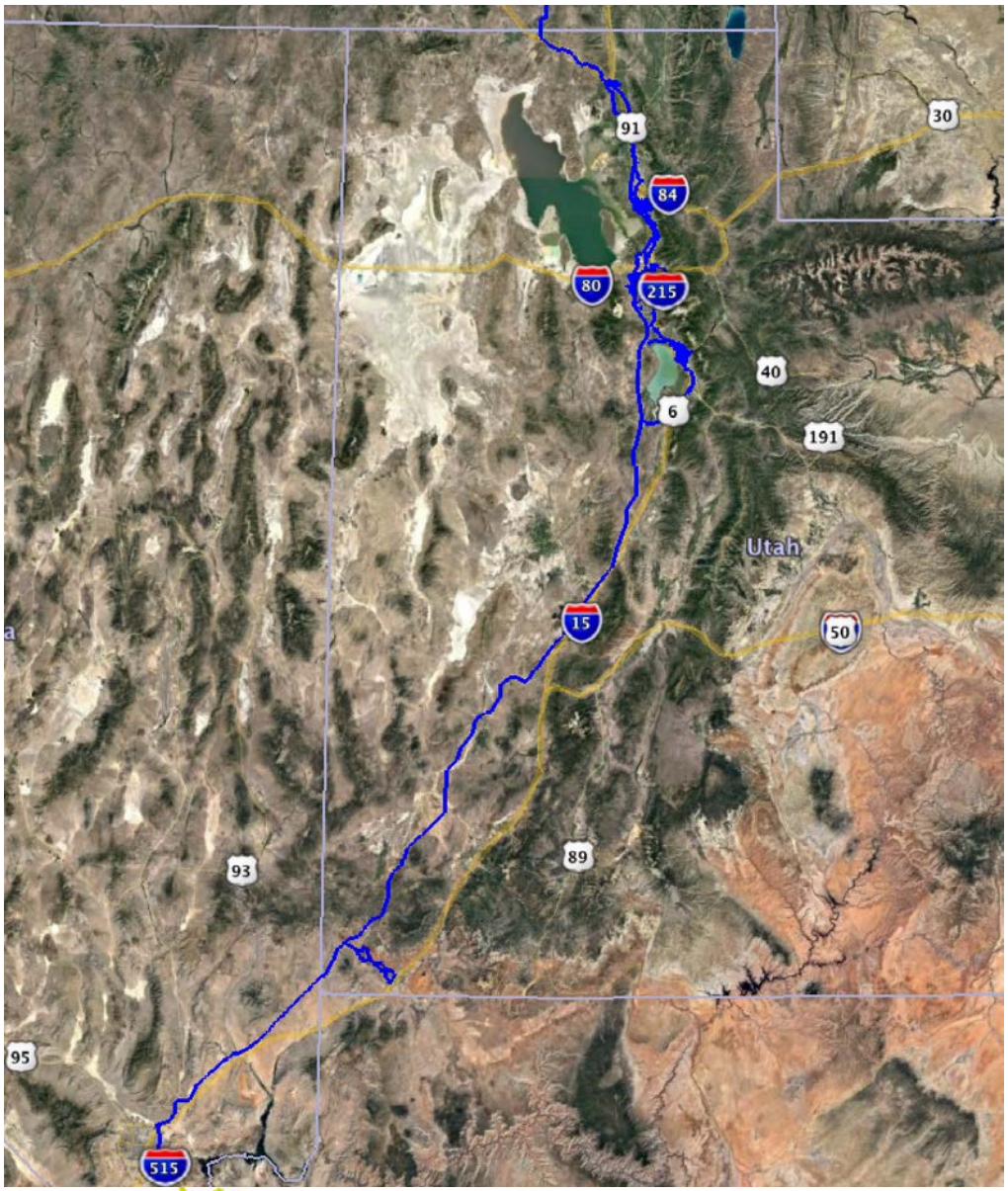
Partner Cities

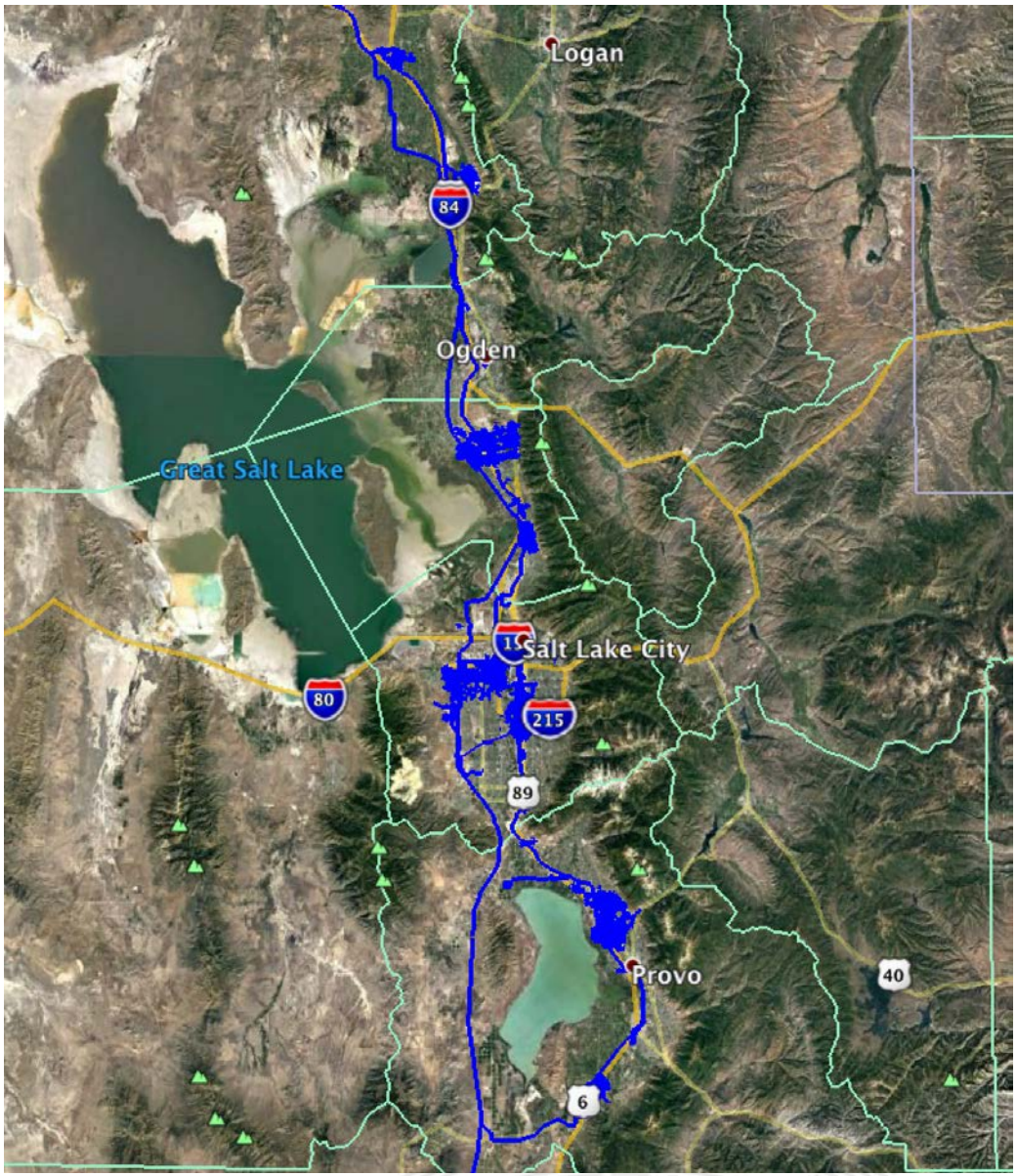
Woodland Hills	Idaho Falls
Morgan City	West Point
Clearfield	Pleasant Grove
Syracuse	Bozeman
Santa Clara	Cedar Hills
…….	……

WHAT IS UTOPIA FIBER?

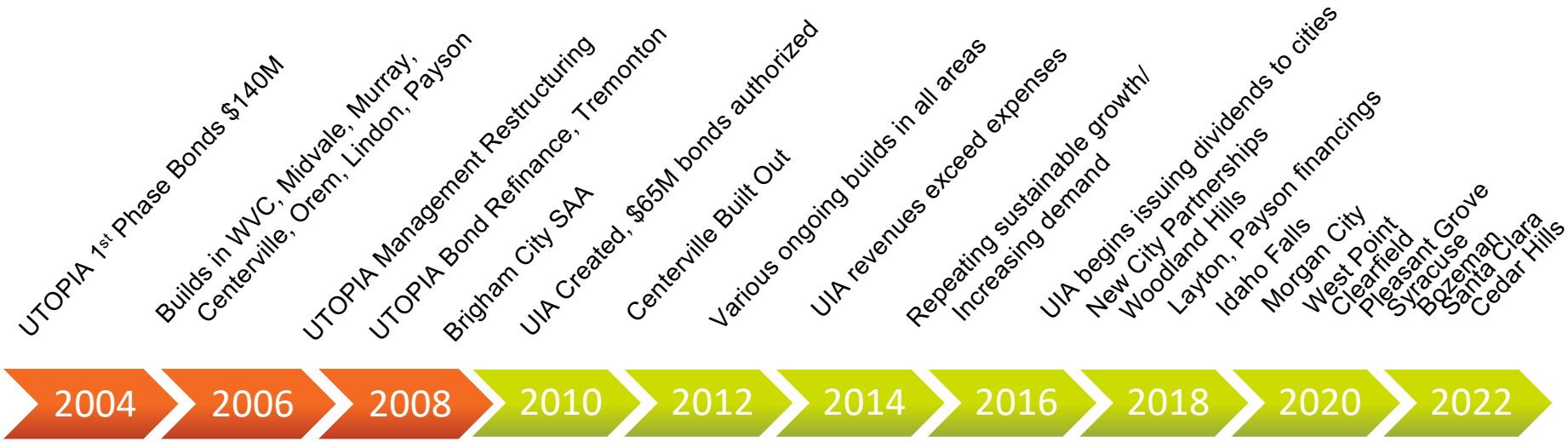


WHAT IS UTOPIA FIBER?





WHAT IS UTOPIA/UIA FIBER?



←UTOPIA - Phase 1→

$185M Fiber Projects
Revenues Covering Operating Costs
Cities Paying Debt

UIA - Phase 2 →

$400M Fiber Projects
Revenues Covering Operating Costs
Revenues Paying Off Debt
No cost to participating cities

MUNICIPAL OPEN-ACCCESS 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

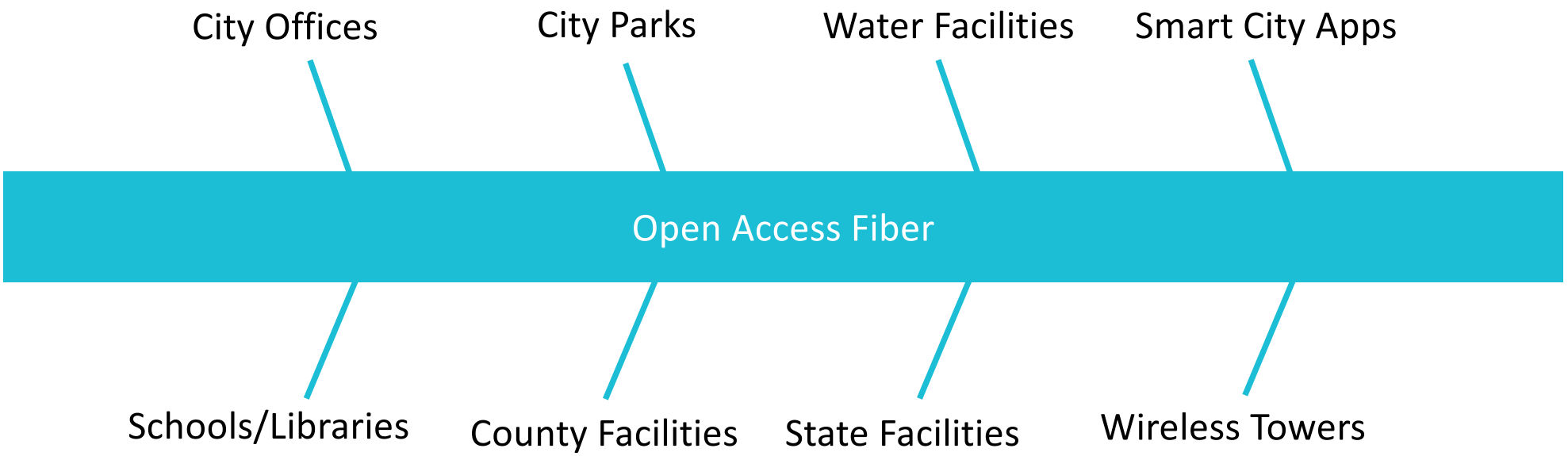


MUNICIPAL OPEN-ACCESS FIBER

Open-access Municipal Fiber Infrastructure



NOT JUST FIBER-TO-THE-HOME



NOT JUST ABOUT INTERNET

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

PROVIDER ABUSES BECOME EXTINCT



Surprise rate-hikes



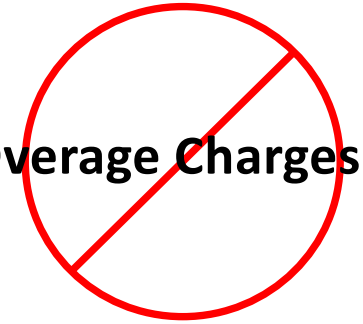
Weather-caused outages



Early Termination Fees



Buffering



Overage Charges



Installation Fees



Evening Slow-downs



Provider Coverage Cherry-picking



Speed throttling

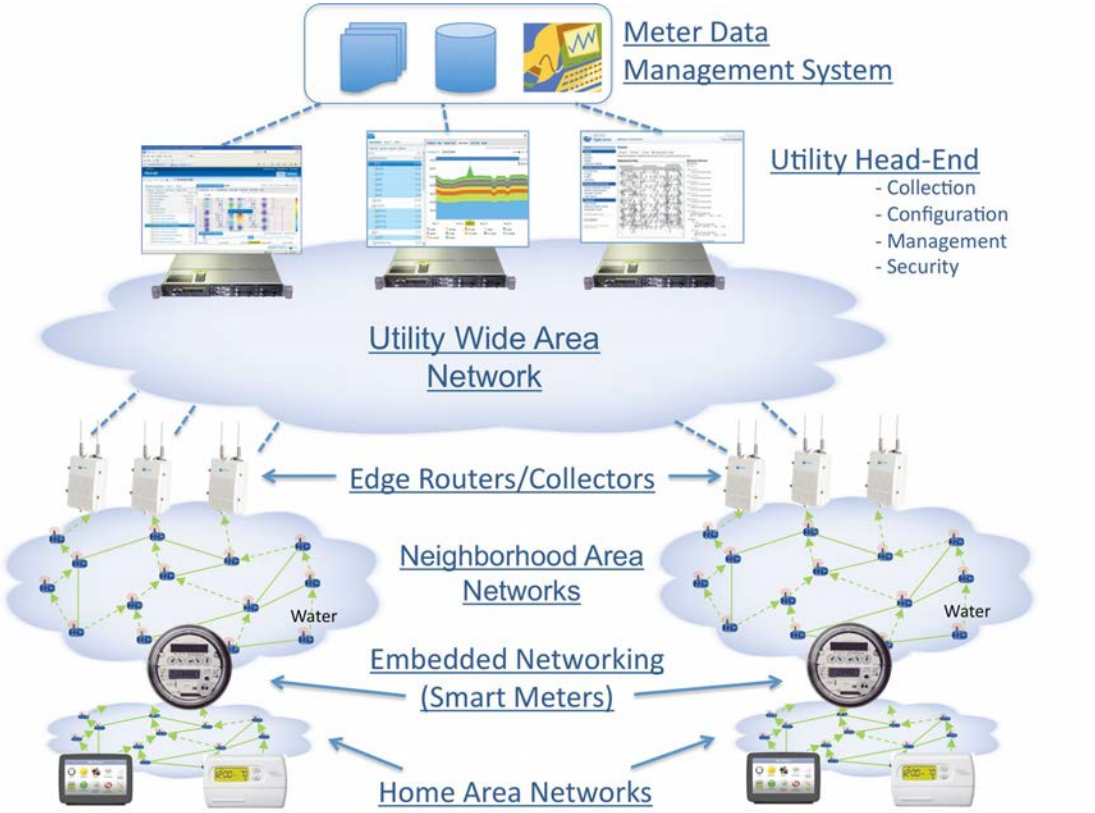
WHY OPEN ACCESS FIBER?

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

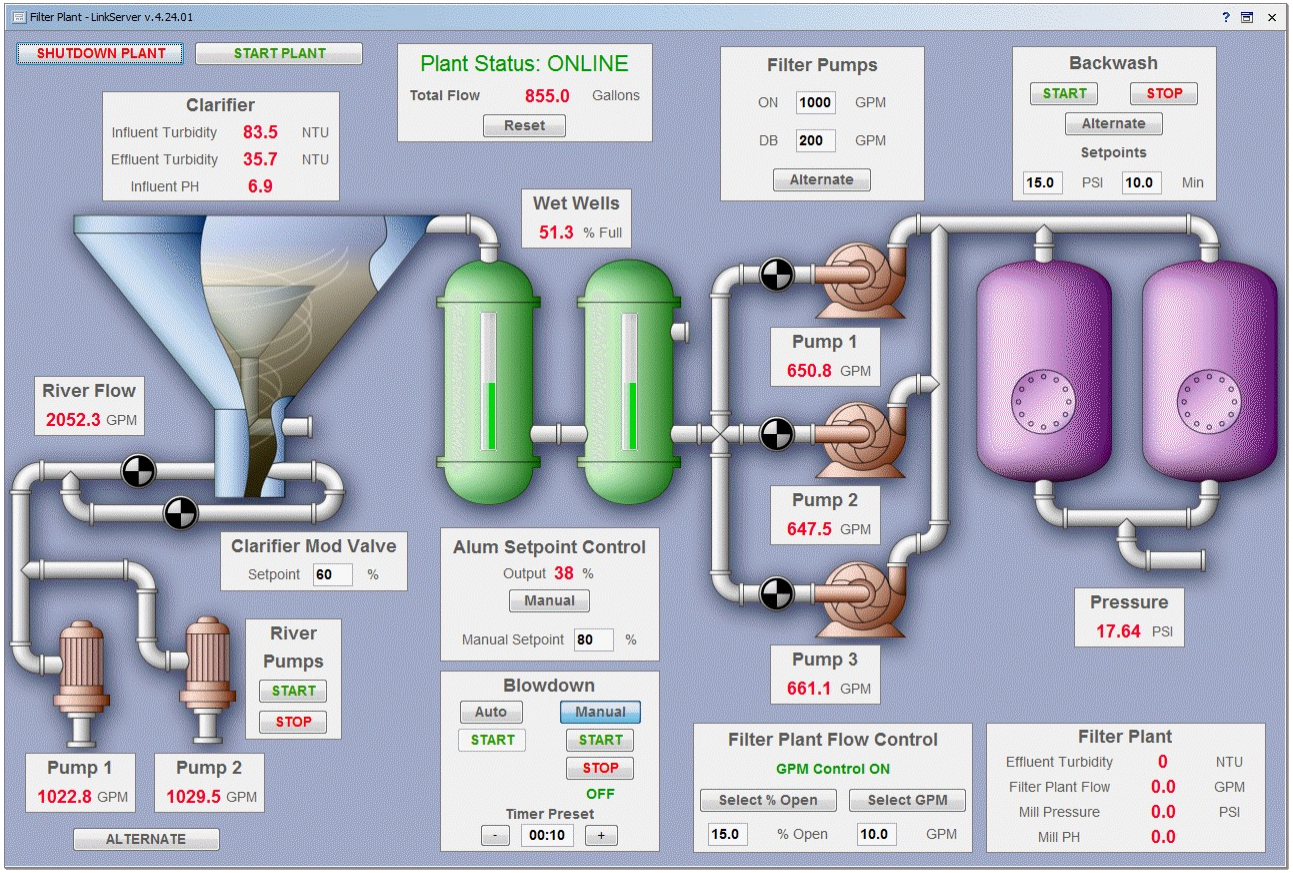
SMART CITY APPLICATIONS

Advanced Metering Infrastructure (AMI)



SMART CITY APPLICATIONS

NEXT-GENERATION SCADA

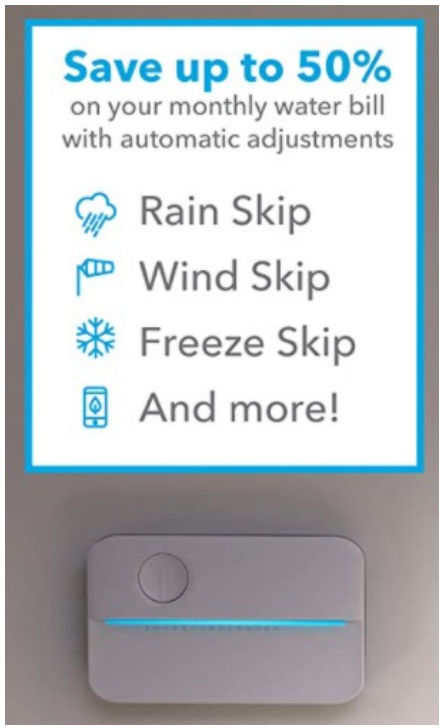


SMART CITY APPLICATIONS

Smart Irrigation



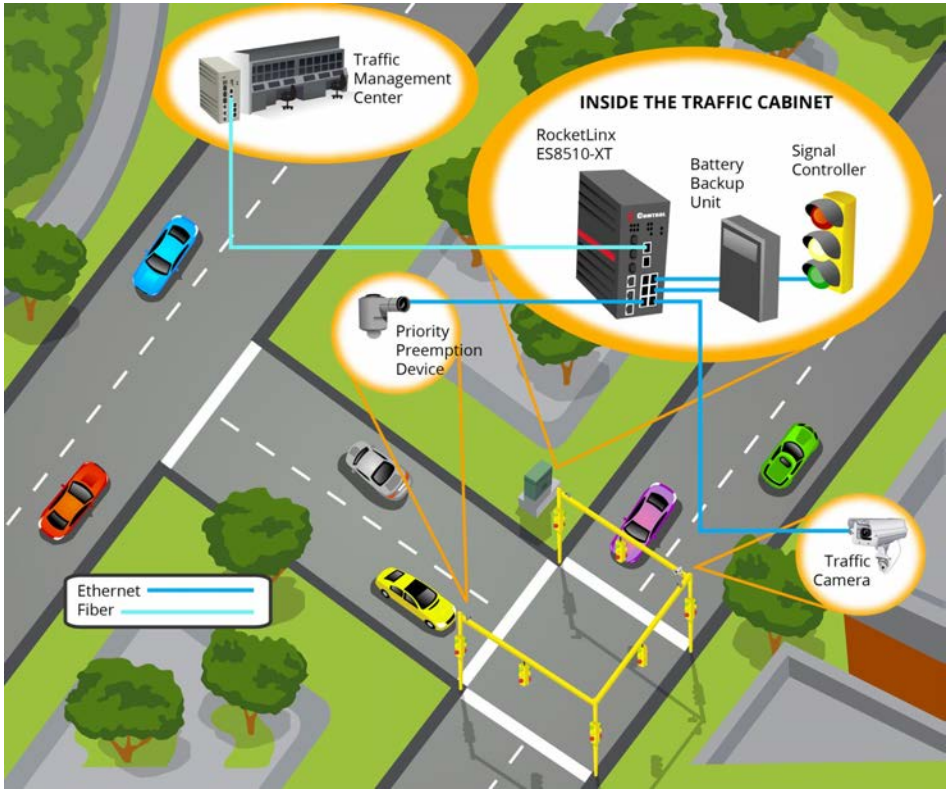
Rainbird Cirrus



Rachio 8ZULW-C

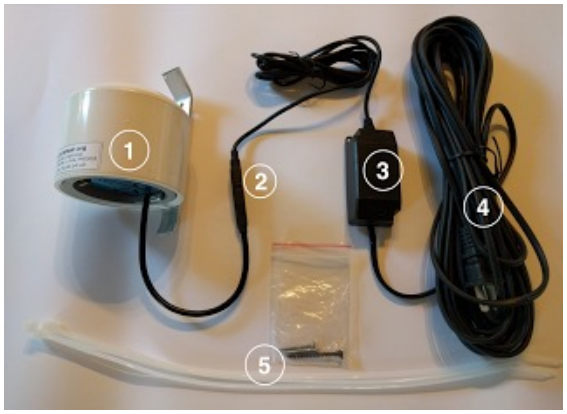
SMART CITY APPLICATIONS

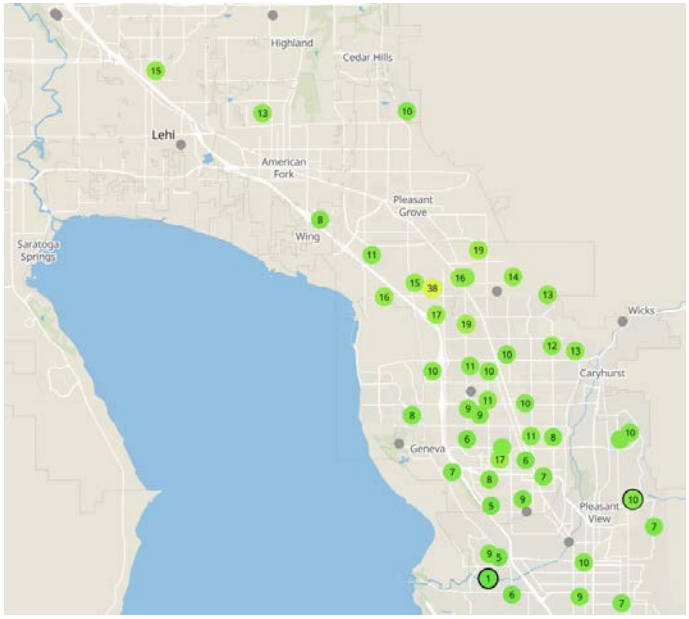
Traffic Control / Monitoring

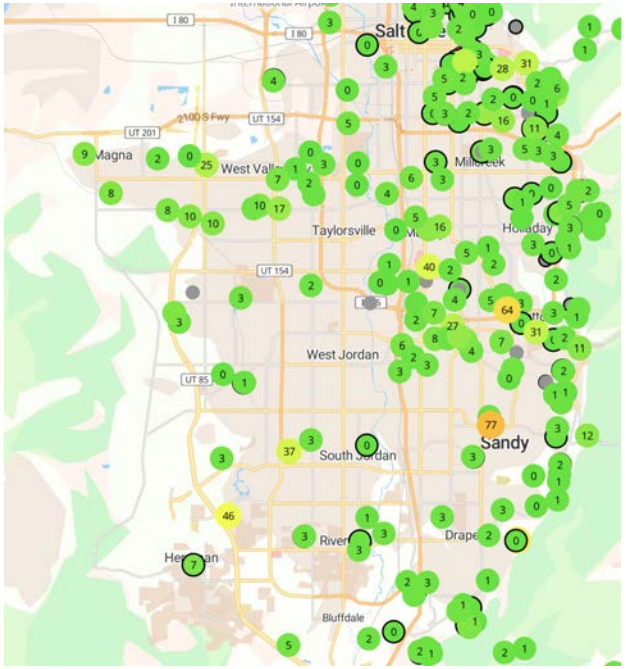


UTOPIA Fiber provides connectivity for UDOT and cities for traffic control systems.

SMART CITY APPLICATIONS - Air Quality Sensor Network







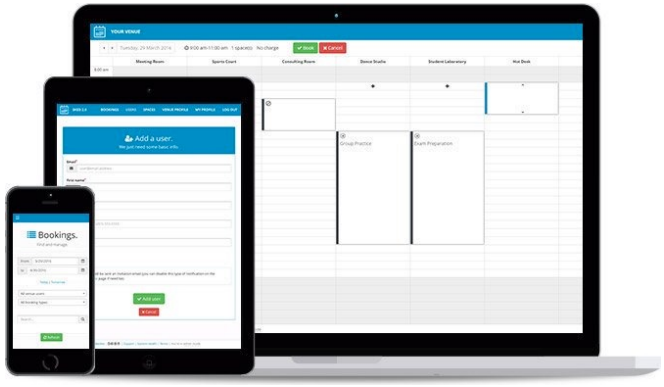
UTOPIA Fiber is #1 provider of PurpleAir air quality sensors in Utah, available live on purpleair.com and KSL weather.

SMART CITY APPLICATIONS

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

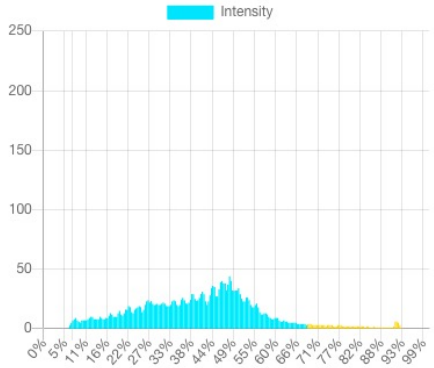




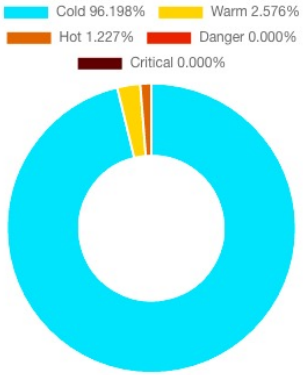
EDWIN-AI Fire Certainty



Infrared Intensity Histogram



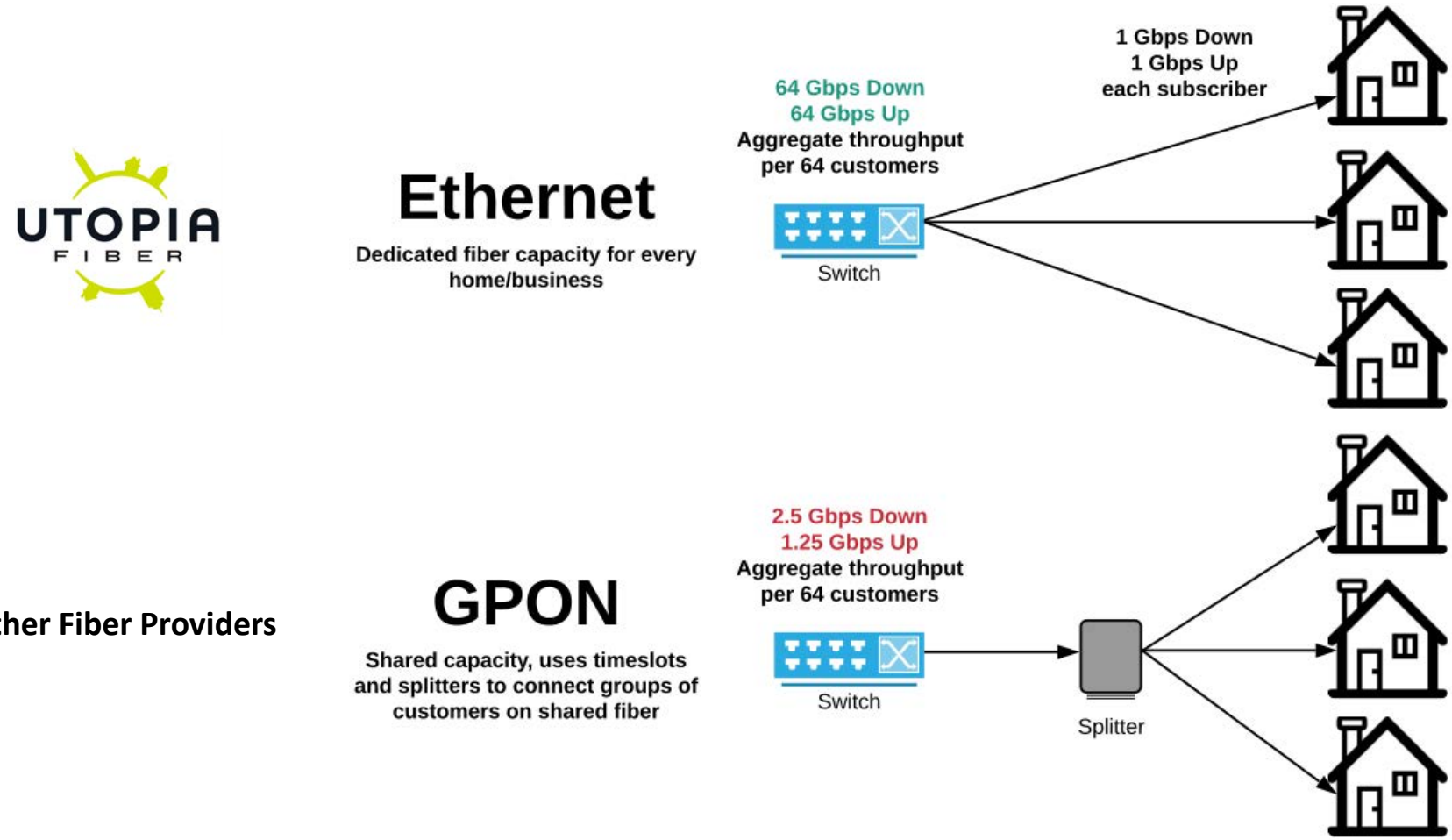
Infrared Intensity Levels



http://edwinproject.org

CITY-WIDE FIBER TO THE PREMISES

- 10 Gbps available across UTOPIA Fiber, 100 Gbps for businesses
- Carrier services for homes, businesses, enterprises, schools, carriers, data centers, etc.
- Supports Open-Access



Other Fiber Providers

UTOPIA FIBER SERVICE OPTIONS

Fiber + **Service Provider** = **Total Cost**

UTOPIA FIBER

$30/mo

PROVIDER	INTERNET			PHONE*	VIDEO*
Advanced Stream	250 Mbps $37.00	1 Gbps $55.00	10 Gbps $199.99	Advanced Stream Phone $24.95	
BEEHIVE BROADBAND	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; Entertainment Package $59.95; Total Video Package $99.95
Brigham.net	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
CentraCom	250 Mbps $34.95		1 Gbps $49.95	CentraCom Phone $15.00	Basic Video Package $33.95; Expanded Video Package $90.95; Advantage Video Package $117.95
FIBERNET	250 Mbps $34.95		1 Gbps $49.95		
InfoWest	250 Mbps $35.00		1 Gbps $48.00	InfoWest Phone $15.00	
Intellipop		250 Mbps $34.95			
Rise Broadband	250 Mbps $35.00		1 Gbps $49.00	Monthly Phone $20.00	
senawave	250 Mbps $37.00		1 Gbps $50.00	Standard Calling $17.99; Premium US48 $27.98	
SUMO	Premium 250 Mbps $35.00; Premium 1 Gbps $48.00; Premium 10 Gbps $200.00; Basic 250 Mbps $30.00; Basic 1 Gbps $40.00; Basic 10 Gbps $170.00			Unlimited Plan (USA48) $10.00	Yondoo TV (Contact Yondoo for pricing and plan details 877-309-4462) $0.00
VERACITY	250 Mbps $34.99	1 Gbps $54.99	10 Gbps $199.99	Veracity Phone $9.99	
voonami	250 Mbps $34.95		1 Gbps $48.95	Voonami Phone (Unlimited 48 States) $9.95	
XMISSION	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 - ~$60/mo

1 Gbps - ~$70/mo

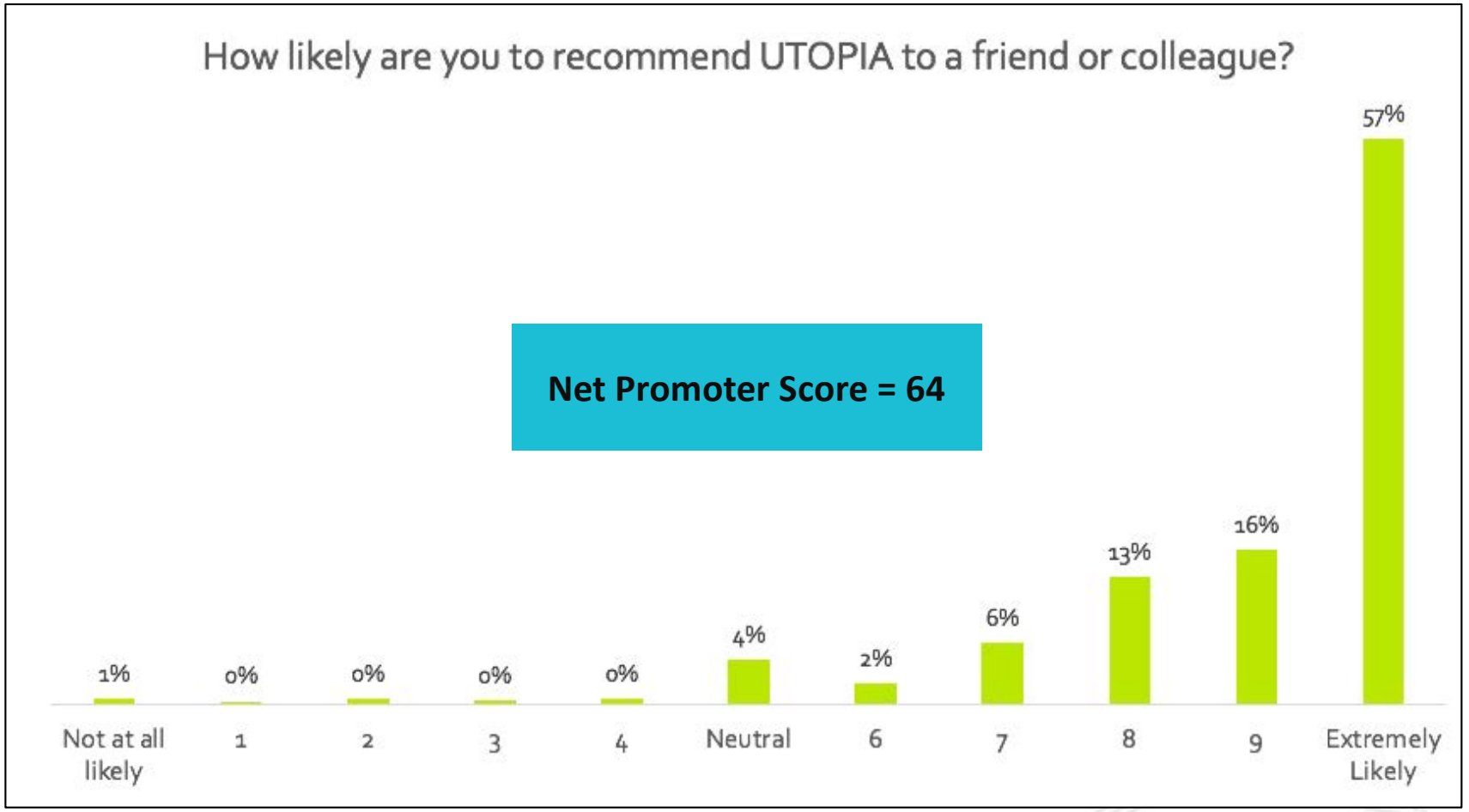
10 Gbps - ~$200/mo

Symmetrical Speeds
Dedicated Connections
Unlimited usage
$0 Installation

No promotional rates
No contracts
No termination fees

NET PROMOTER SCORE

Highest customer satisfaction



Third-party survey conducted August 2018 by Boncom

ACCOMPLISHMENTS

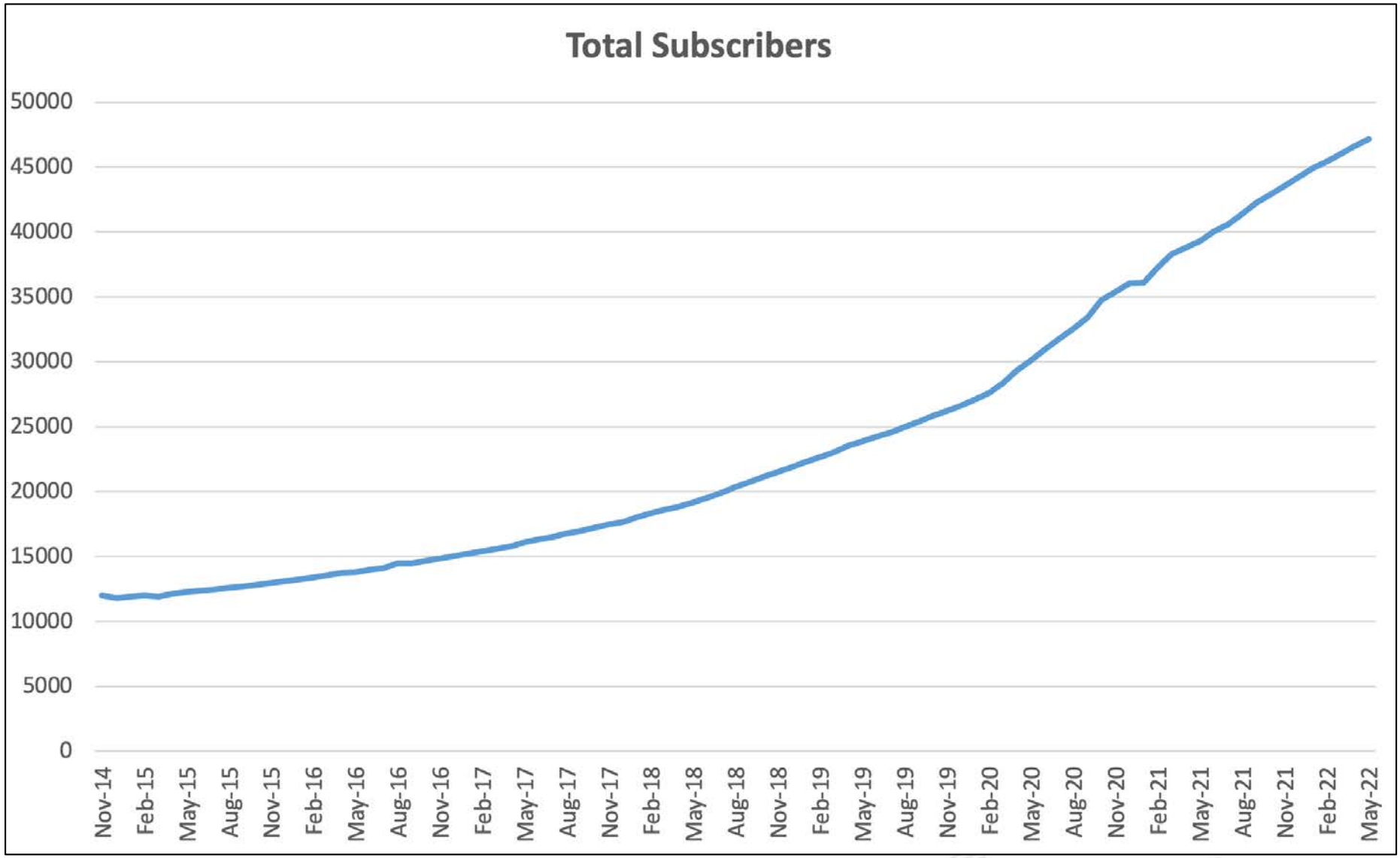
- – Largest Open-Access Network in United States (140k+ available locations)
- – Fastest Speeds in the United States (10 Gbps residential, 100 Gbps business)
- – Most Competitive Open-Access Network in United States (15 providers)
- – Awardee from 2021 Utah Education and Telehealth Network (178 new school circuits)
- – Provider of Air Quality Sensors in Utah (200 active monitoring stations)
- – Provider of Smart City Solutions in Utah (wildfire detection, public Wi-Fi, air quality, etc.)
- – Net Promoter Score (+63)
- – Google Rating Score (4.5 stars)
- – Smart 50 Award from Smart Cities Connect Foundation and US Ignite
- Ongoing Broadband Communities top 100 FTTH Award

GOOGLE RATINGS

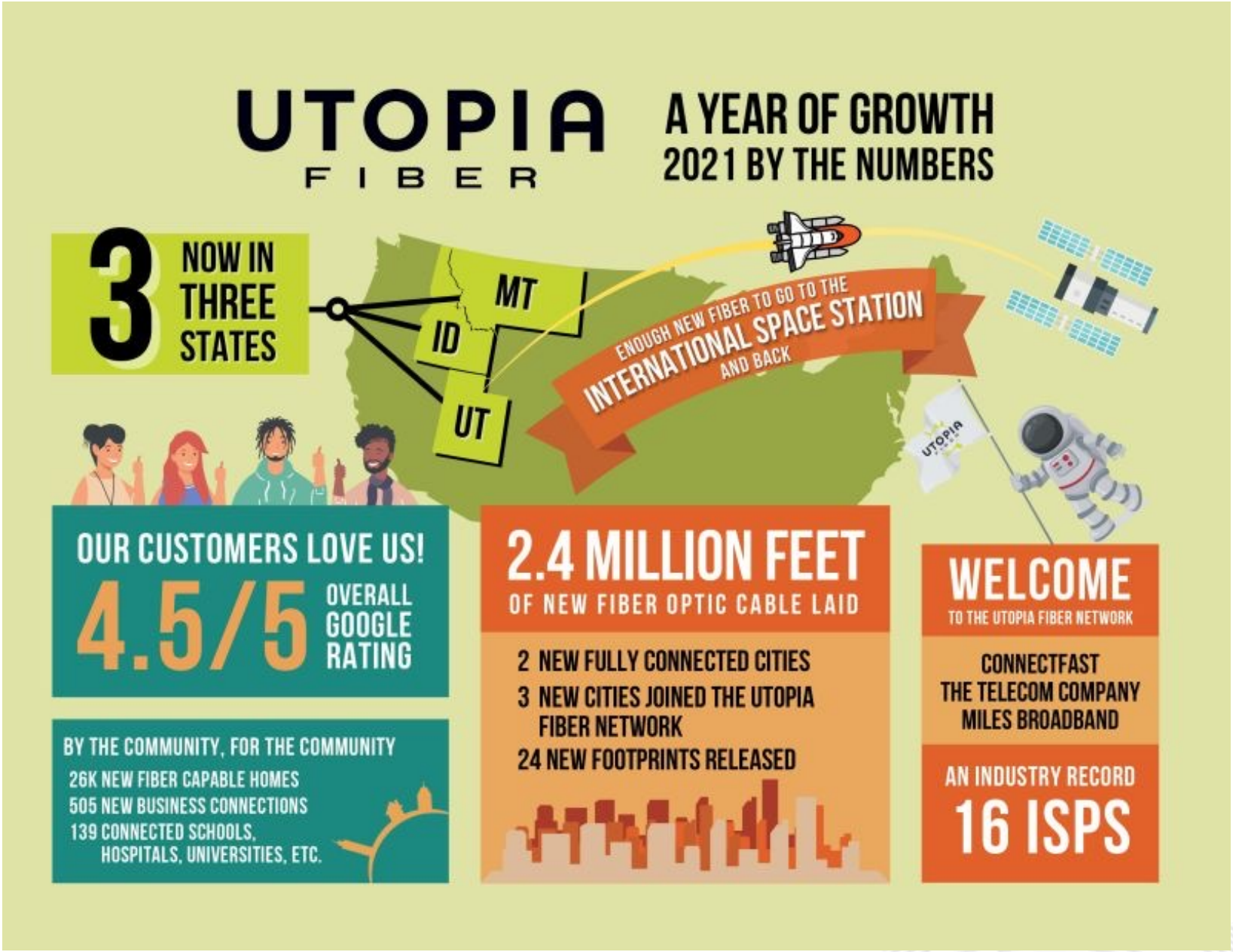
	All West	2.8	92 reviews
	Beehive Broadband*	4.0	169 reviews
	Centurylink	1.5	81 reviews
	Comcast/Xfinity	3.5	551 reviews
	Connext	4.2	103 reviews
	Centracom	3.6	190 reviews
	Carbon/Emery Telecom	2.8	72 reviews
	Google Fiber	3.8	381 reviews
	Strata Networks	4.4	372 reviews
	Sumo Fiber*	4.5	258 reviews
	TDS	2.1	373 reviews
	UTOPIA Fiber	4.5	1,378 reviews
	Xmission*	4.2	120 reviews

*UTOPIA Fiber partner provider

INCREASING DEMAND



SKYROCKETING DEMAND



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 with revenue pledge based on **~45% take-rate (typical)**

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



Partnership Risk

Phase I - Previous

All Previous Costs
- Fiber Backbone
- Office Building, Warehouse Facility
- Startup Expenses
- Core facilities/electronics
- IT Software/Development
- Data Center and Service Provider Fiber Interconnects
- All previous fiber projects to achieve current economy of scale
- Service Provider Marketplace

UIA

Phase 2 – City Buildout

- Project Cost Guarantee
- Issuance/servicing of Debt
- Guaranteed Performance of Design/Engineering/Construction and Schedule

UIA

- Revenue guarantee tied to financing cost of Phase 2 city-wide buildout with ~45% subscriber installations

City

Phase 3 - Future

All Future Costs
- Additional Installations
- Churn Replacement
- Repair
- Insurance/liabilities
- New Development
- Annexations
- Ongoing Marketing
- Maintenance
- Electronics Refresh

UIA

WORTH THE RISK?

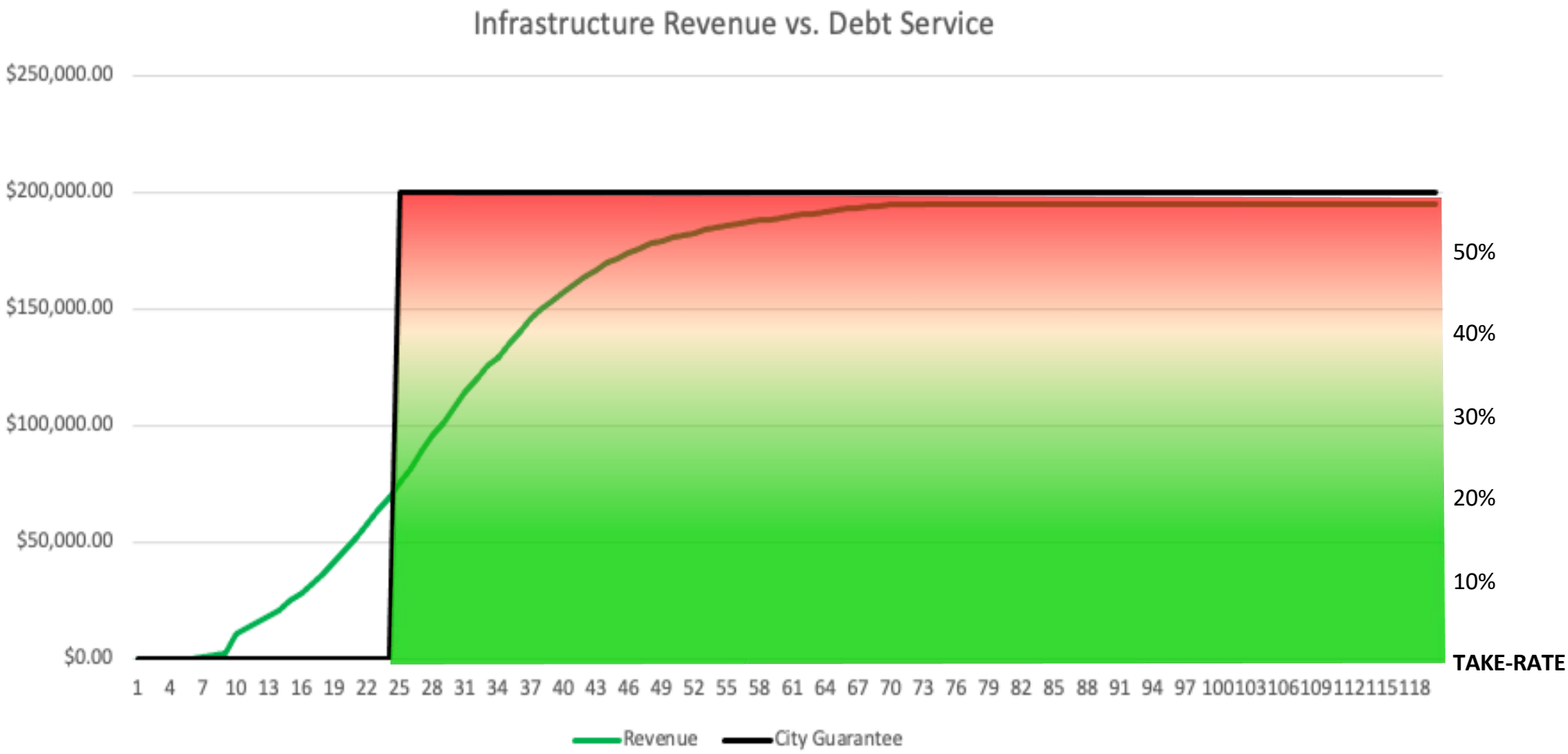
Entire project is paid for by the voluntary subscription fees of those who choose to sign up for a better and lower cost service than what they have now. Project is financed, designed, built, operated, and maintained by UIA.

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.**

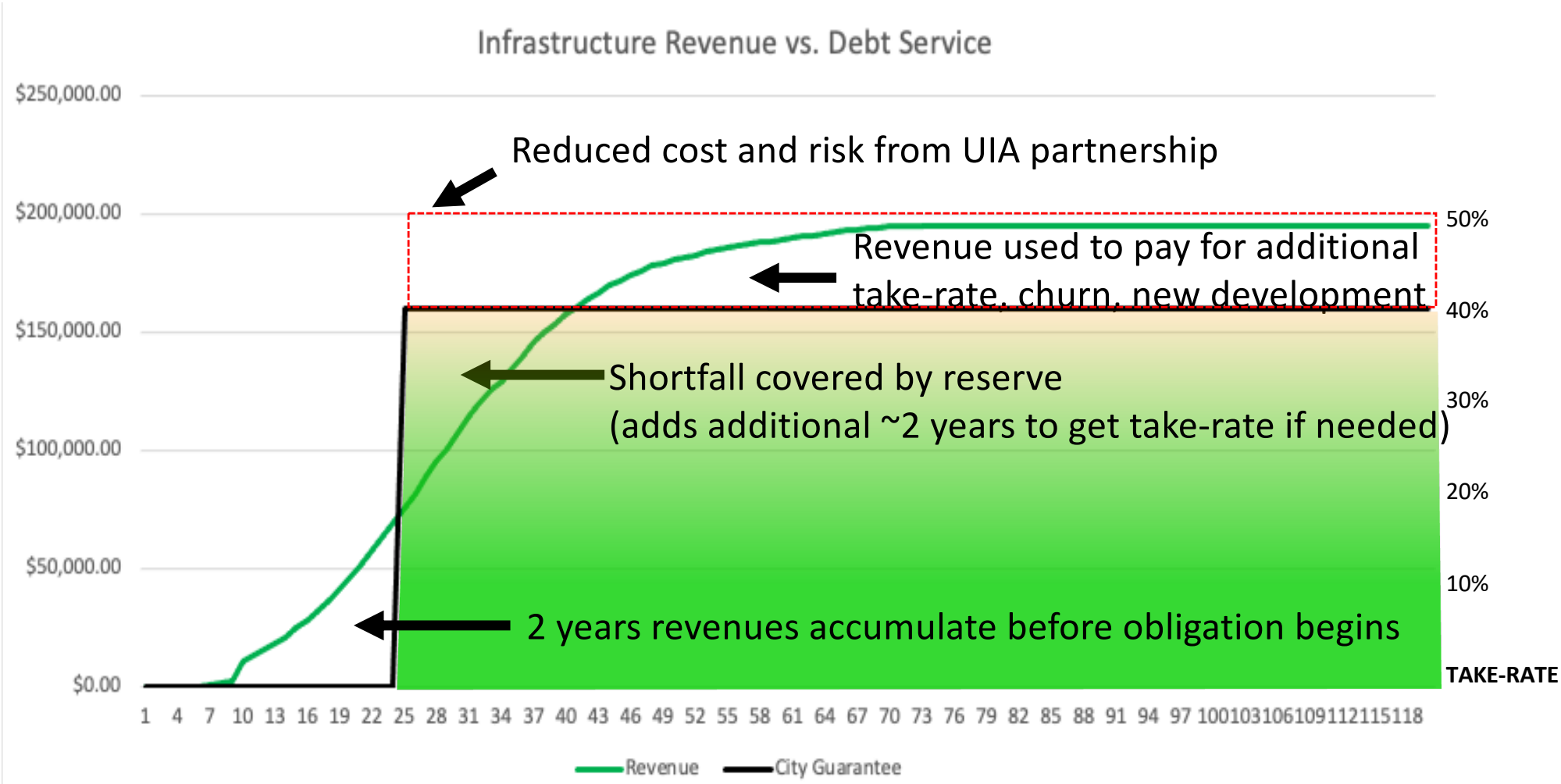
*https://medium.com/@fiberbroadband/when-gigabit-internet-comes-to-town-it-could-mean-savings-for-consumers-4feccd69223

MUNICIPAL FIBER - HIGHER RISK TO DO W/O PARTNERSHIP



*additional debt needed for churn, additional installations, city growth, etc

UIA PARTNERSHIP LOWER COSTS



UTOPIA FIBER COMPLETED DESIGN/FEASIBILITY – IVINS (UPDATED JUNE, 2022)

Project Specifics
4798 Locations
$12,500,000
$72,500 – Monthly guarantee (*subject to changes in interest rates)
2417 – Subscriptions needed

50.4% - Residential take-rate to cover guarantee
~47% - Blended take-rate (with city connections, businesses, schools)

Contract terms will be slightly higher to allow financing flexibility, but risk is based on actual financing terms.

Guarantee usually provided in the form of a revenue pledge from energy franchise revenues

NEW DEVELOPMENT LOWERS RISK OVER TIME

Project Specifics
2417 of 4798 locations needed (50.4% take-rate)

~2 year forecast
500 new locations developed
2417 of 5298 (45.6% take-rate)

~5 year forecast
1000 new locations developed
2417 of 5798 (41.7% take-rate)

Additionally, city connections, businesses, wireless backhaul, schools, governmental all off-set required take-rates. Obligation likely met about 5% lower than residential-only calculation

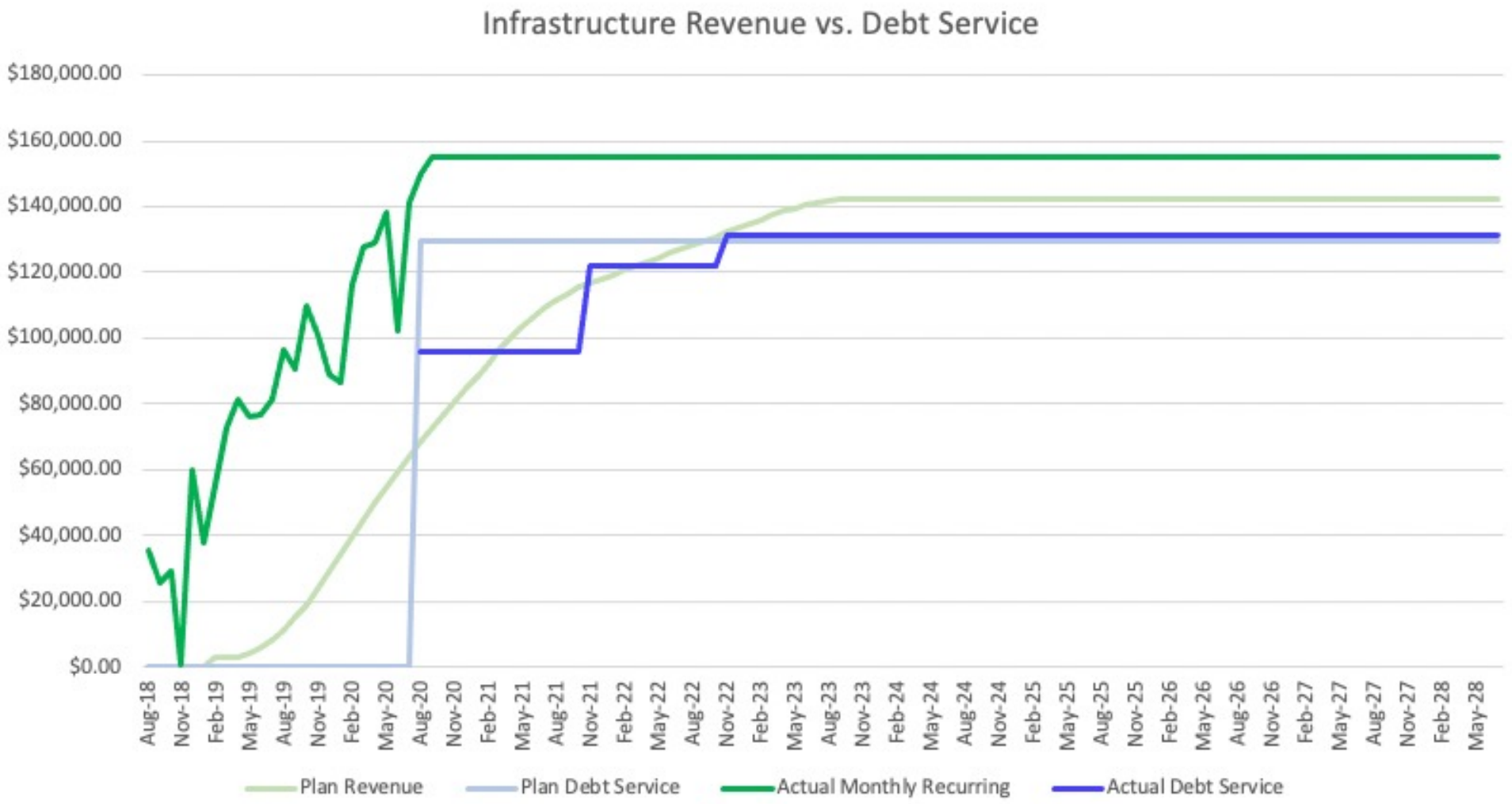
UTOPIA FIBER TAKE-RATES

	Mar-22	Apr-22	May-22
Brigham City	45.30%	45.35%	45.36%
Centerville	48.92%	48.66%	48.85%
Clearfield*	15.34%	16.20%	16.39%
Layton	39.10%	39.13%	39.30%
Lindon	58.20%	58.24%	58.25%
Midvale*	17.19%	17.33%	17.51%
Morgan	61.17%	61.90%	61.91%
Murray*	34.80%	30.70%	31.08%
Orem*	35.65%	35.74%	36.02%
Payson*	37.45%	37.77%	37.93%
Perry	49.91%	50.36%	50.54%
Pleasant Grove*	0.00%	0.00%	3.50%
Tremonton	41.81%	41.75%	42.17%
West Point*	39.68%	38.18%	38.17%
West Valley City*	14.06%	14.16%	13.98%
Woodland Hills	55.47%	55.66%	55.94%

*Cities under construction or recently completed

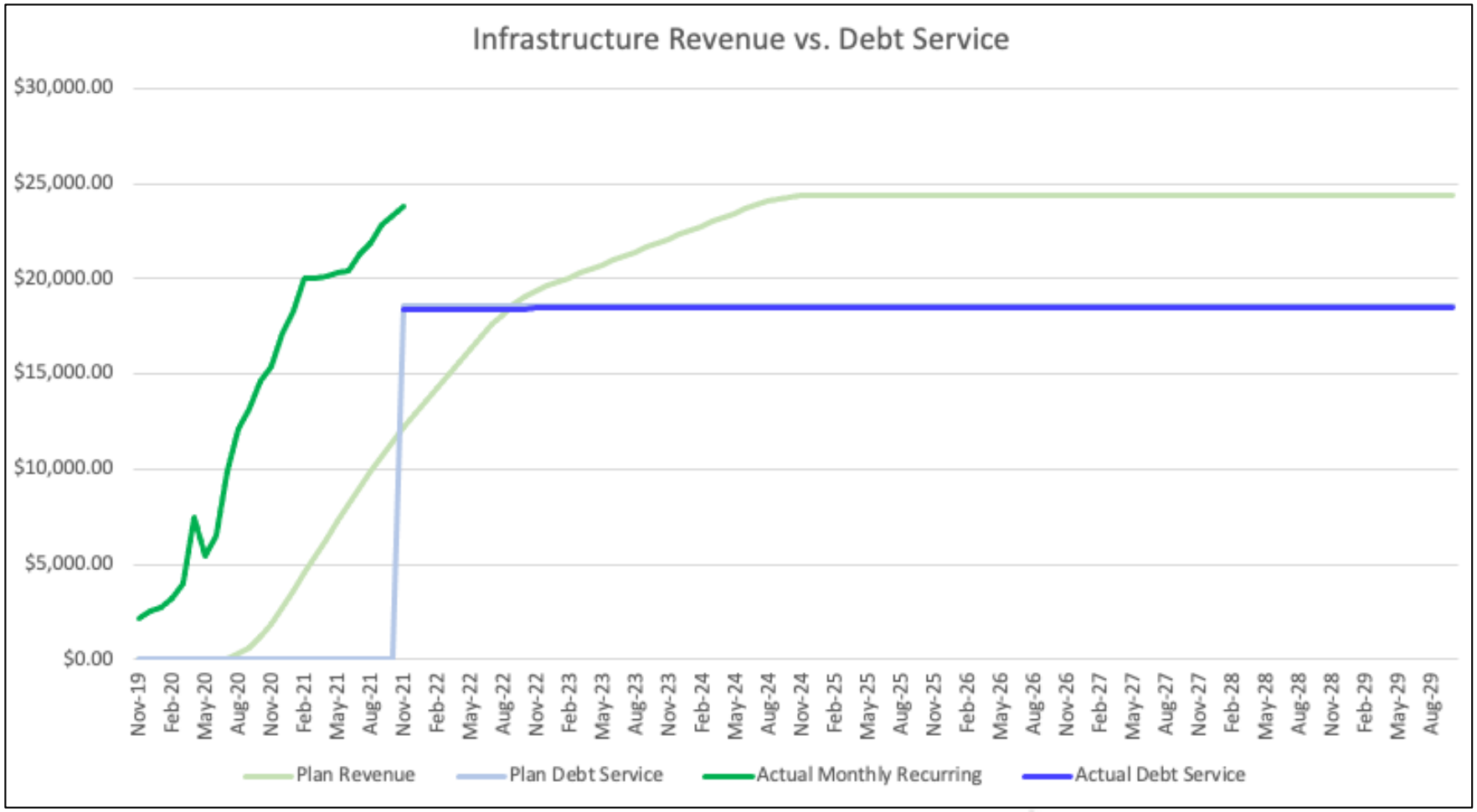
LAYTON COMPARISON

$23M PROJECT - SUCCESSFULLY COVERING ALL COSTS



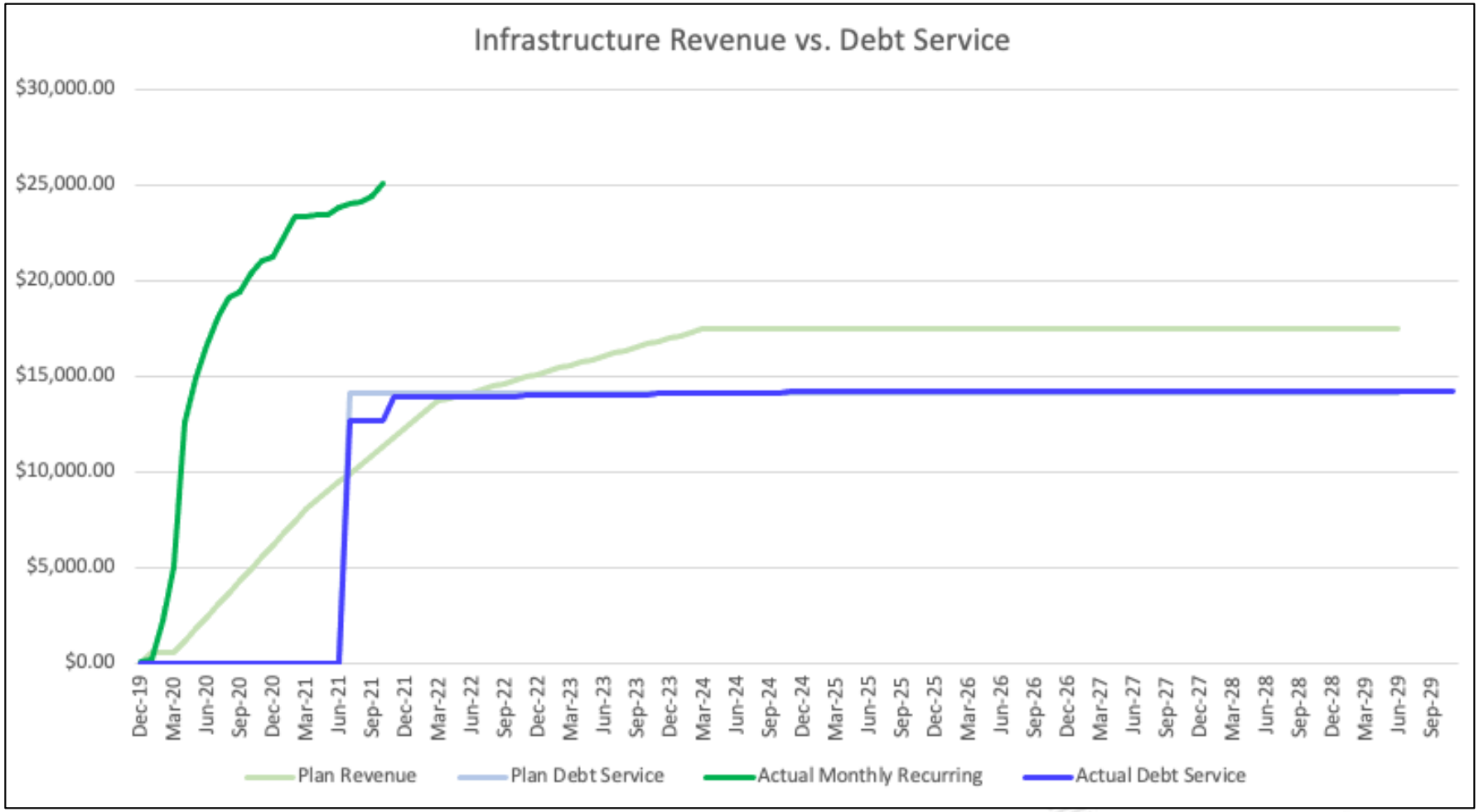
PAYSON COMPARISON

$3.5M PROJECT - SUCCESSFULLY COVERING ALL COSTS



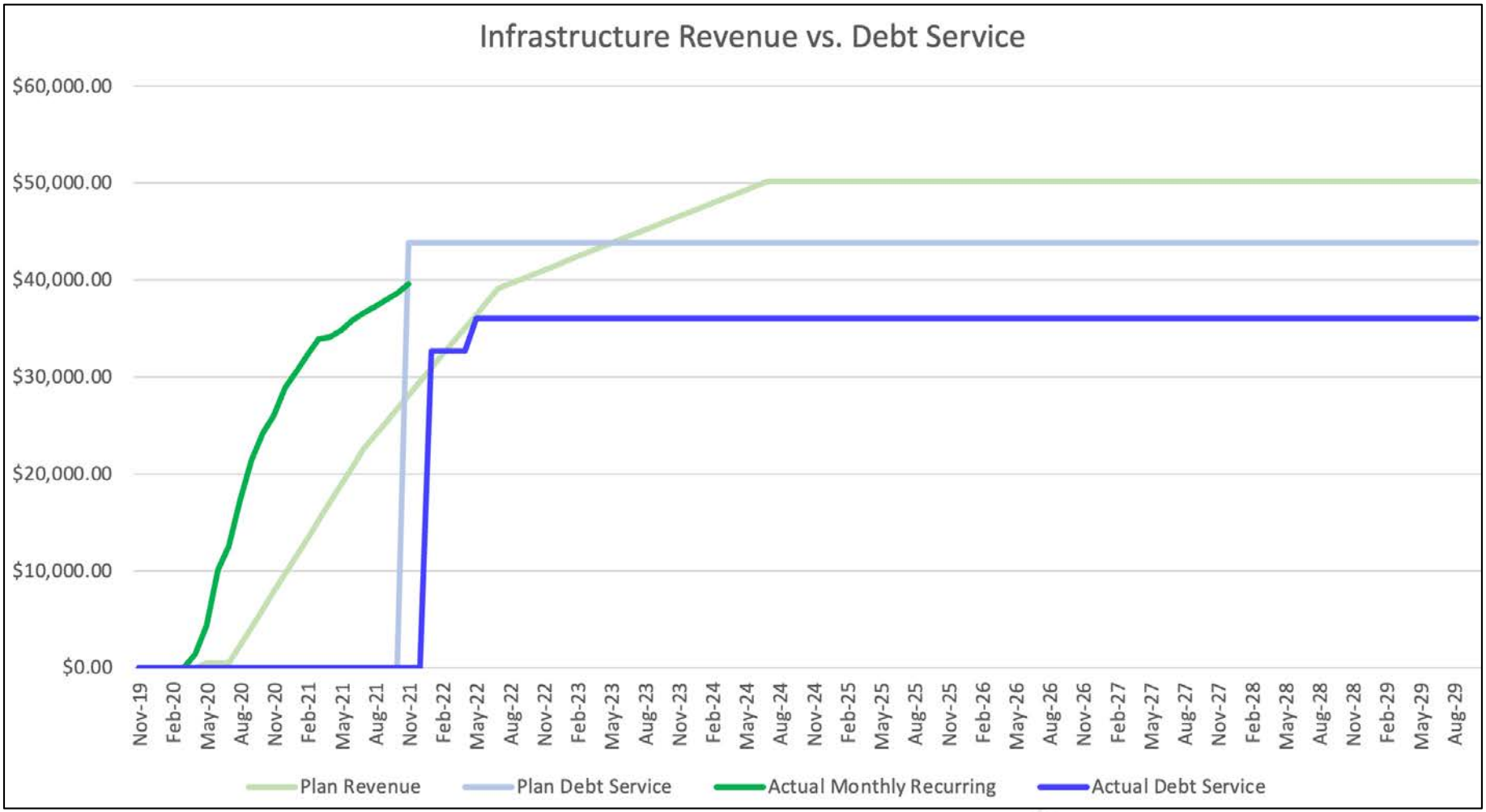
MORGAN COMPARISON

$2.5M PROJECT - SUCCESSFULLY COVERING ALL COSTS



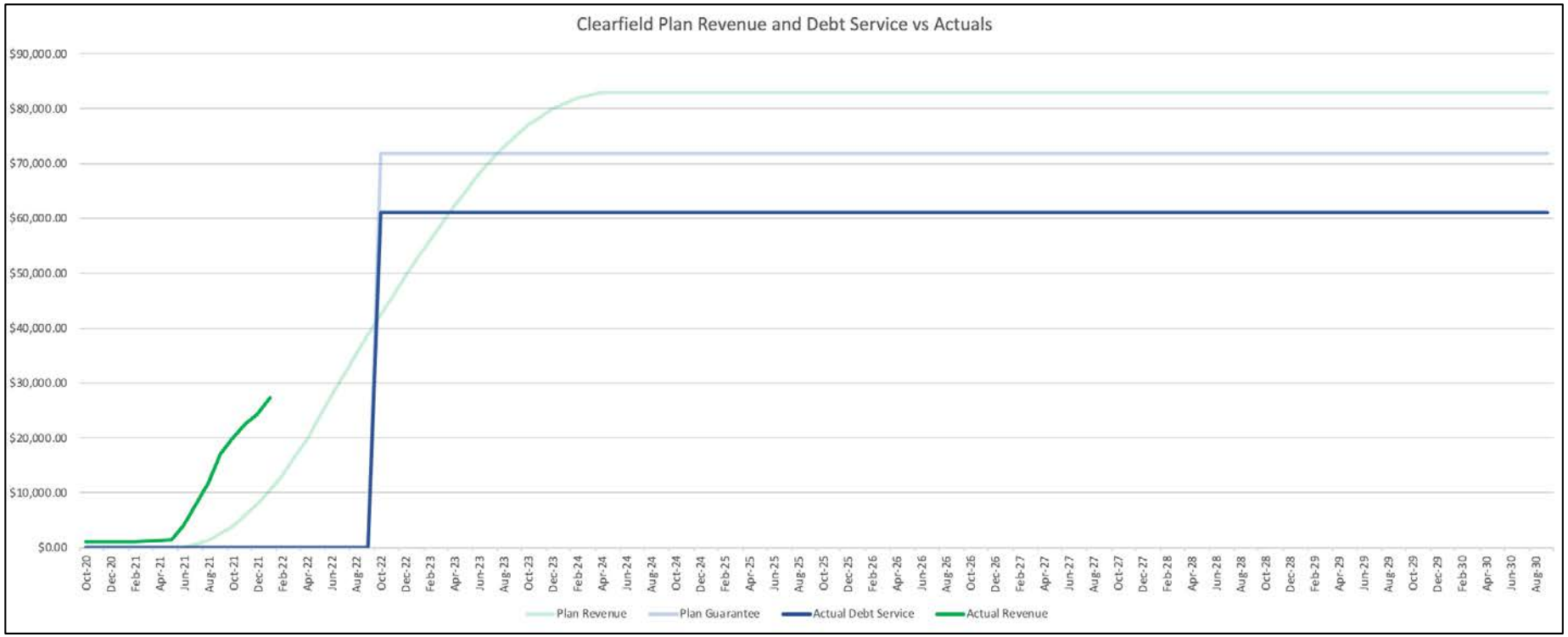
WEST POINT COMPARISON

$7.2M PROJECT – SUCCESSFULLY COVERING ALL COSTS



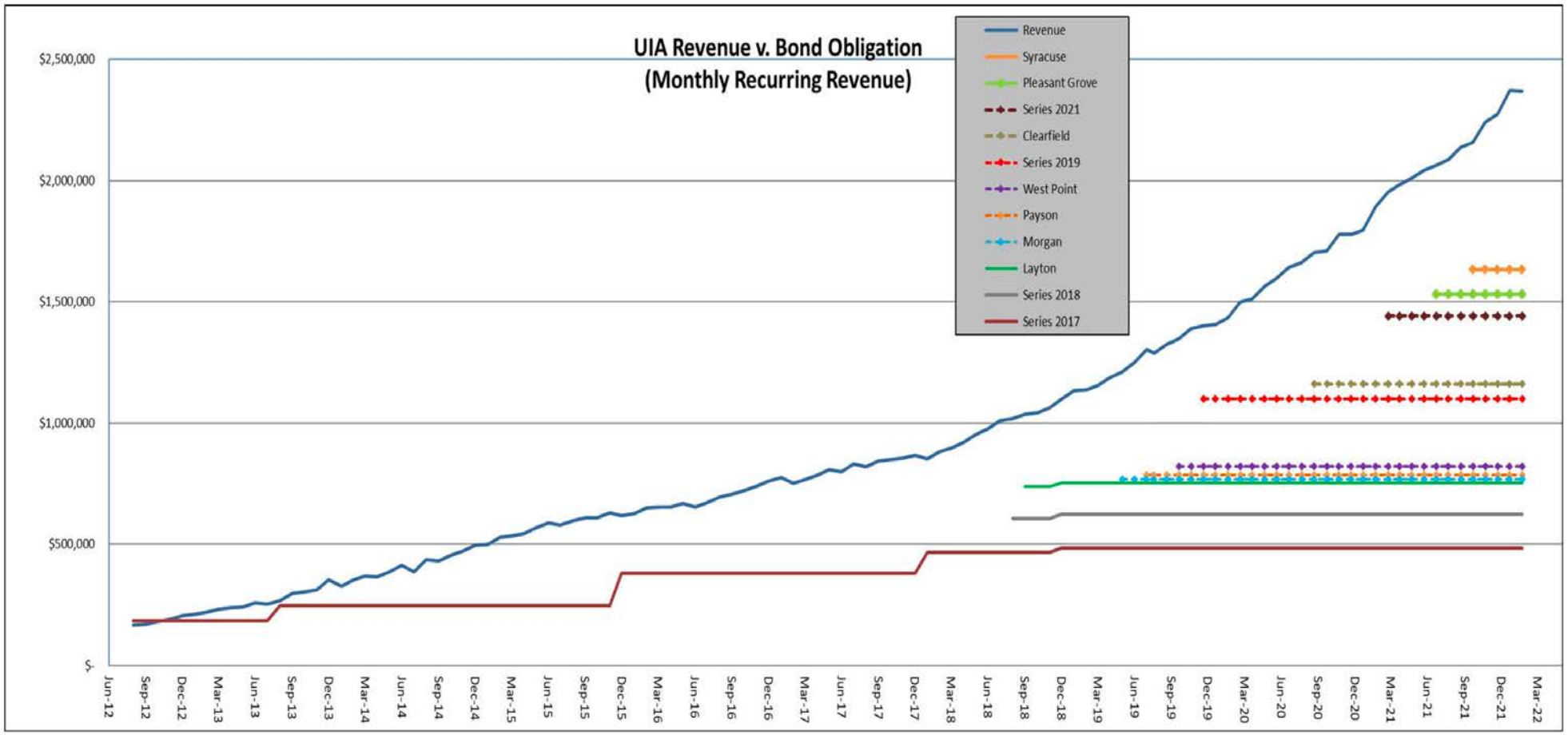
CLEARFIELD COMPARISON

$12.7M PROJECT TRENDING AHEAD OF SCHEDULE



UIA SUMMARY

$450M OF FIBER PROJECTS, ALL PAYING FOR THEIR DEBT AND OPERATING EXPENSES FROM REVENUES



PARTNERSHIP GUARANTEE

With such favorable terms, why is a guarantee needed?

- Required of the other partnering cities
- Proof of political support (unanimous city council vote required)
- Used to secure more favorable financing terms

Protections to ensure guarantee is not impacted:

- Term – 30 year revenue pledge (beginning after 2 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

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 years for project completion

	UTOPIA FIBER	Other guys
Shovel-ready (capacity to build in 24 months or less)	✅	❌
Established Service Provider Marketplace	✅	❌
Successful track record of city-wide deployments	✅	❌
No city debt/no city bond	✅	❌
Existing Fiber Backbone in city	✅	❌
UETN, UDOT, State, County contracts	✅	❌
100% City-wide Coverage Guarantee	✅	❌
Publicly Owned	✅	❌
Track record of other successful city partnerships	✅	❌

Questions?

Roger Timmerman, Executive Director
rtimmerman@utopiafiber.com
www.utopiafiber.com
801-613-3855

