



**Fiber Connected Future
Millcreek**

April 2018

WHAT IS UTOPIA FIBER?

UTOPIA is a Utah Interlocal Entity and political subdivision of the State of Utah

Founding Members

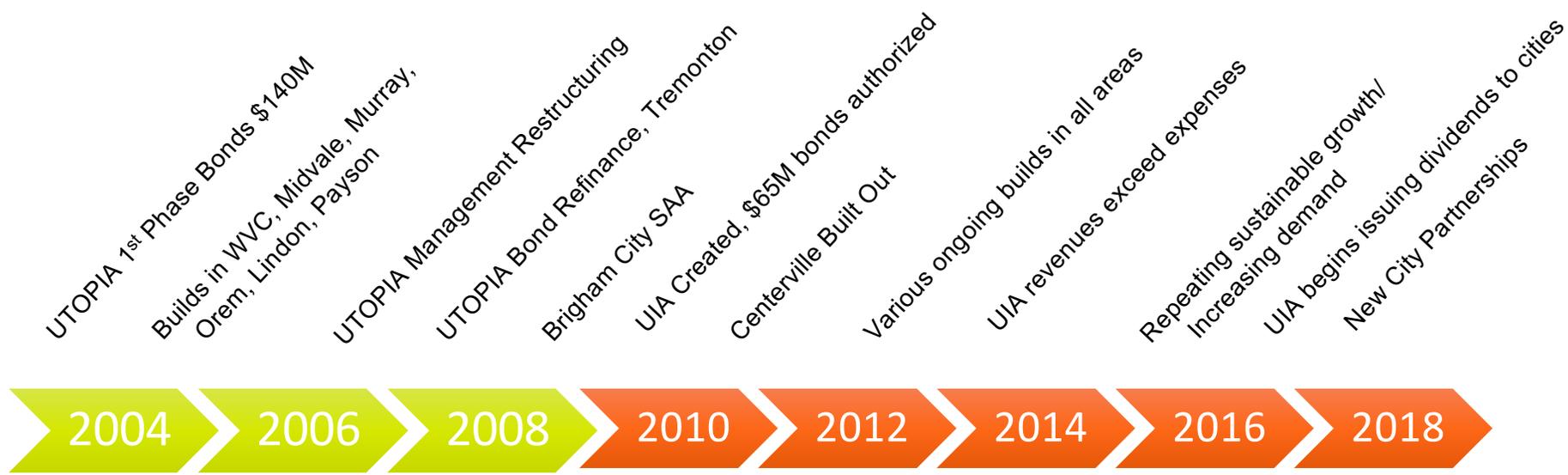
Brigham City	Centerville
Layton	Lindon
Midvale	Murray
Orem	Payson
Perry	Tremonton
West Valley City	

New Partner Cities

Woodland Hills	Idaho Falls
Morgan City	



WHAT IS UTOPIA/UIA FIBER?



UTOPIA - Phase 1

- Core Backbone Built
- Revenues lagged
- Higher expenses
- Few service providers

UIA - Phase 2

- Revenues exceeding debt service
- Sustainable buildouts
- Lower material and electronics costs
- Strong service provider competition



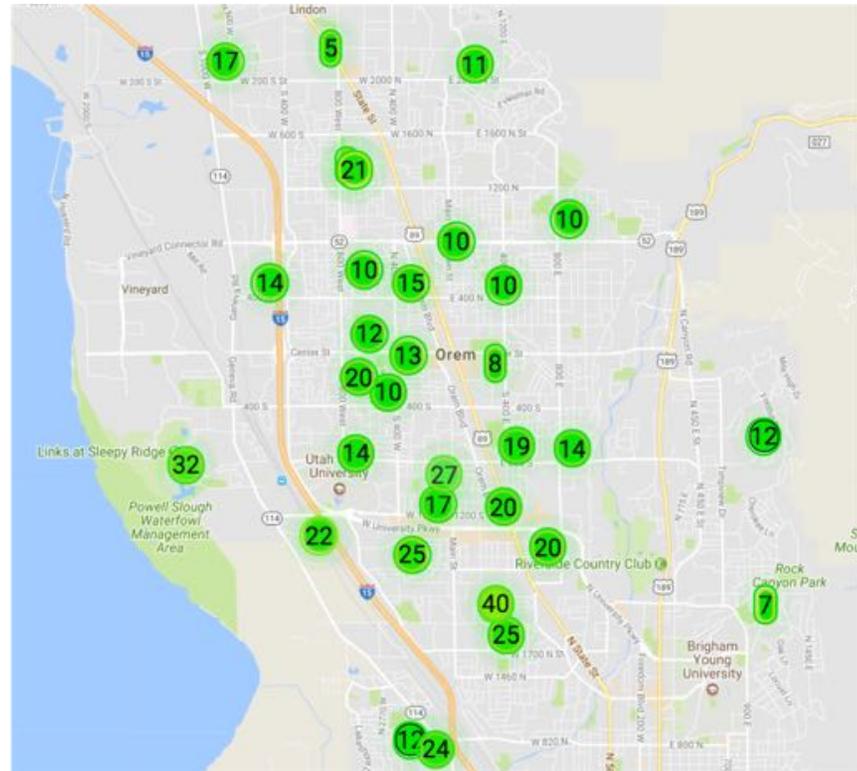
Why do cities desire open-access fiber?

Enables Smart City Applications

- Video Surveillance
- Automated Metering Interface (AMI)
- SCADA
- Smart Irrigation
- Traffic Control
- Air Quality Monitoring
- Park Wi-Fi / Downtown Wi-Fi
- City Meetings
- Disaster Recovery
- Smart Parking
- Smart Facilities



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.



MUNICIPAL OPEN-ACCESS FIBER

- Industry term that means that the operator of the network and the service provider are separate entities.
- Sometimes referred to as a “wholesale model” or “infrastructure model”.
- Unlike closed systems is **pro-private sector** and **pro-competition**
- Utah code refers to it as “leases, sells capacity in, or grants other similar rights to a private provider”

MUNICIPAL OPEN-ACCESS 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



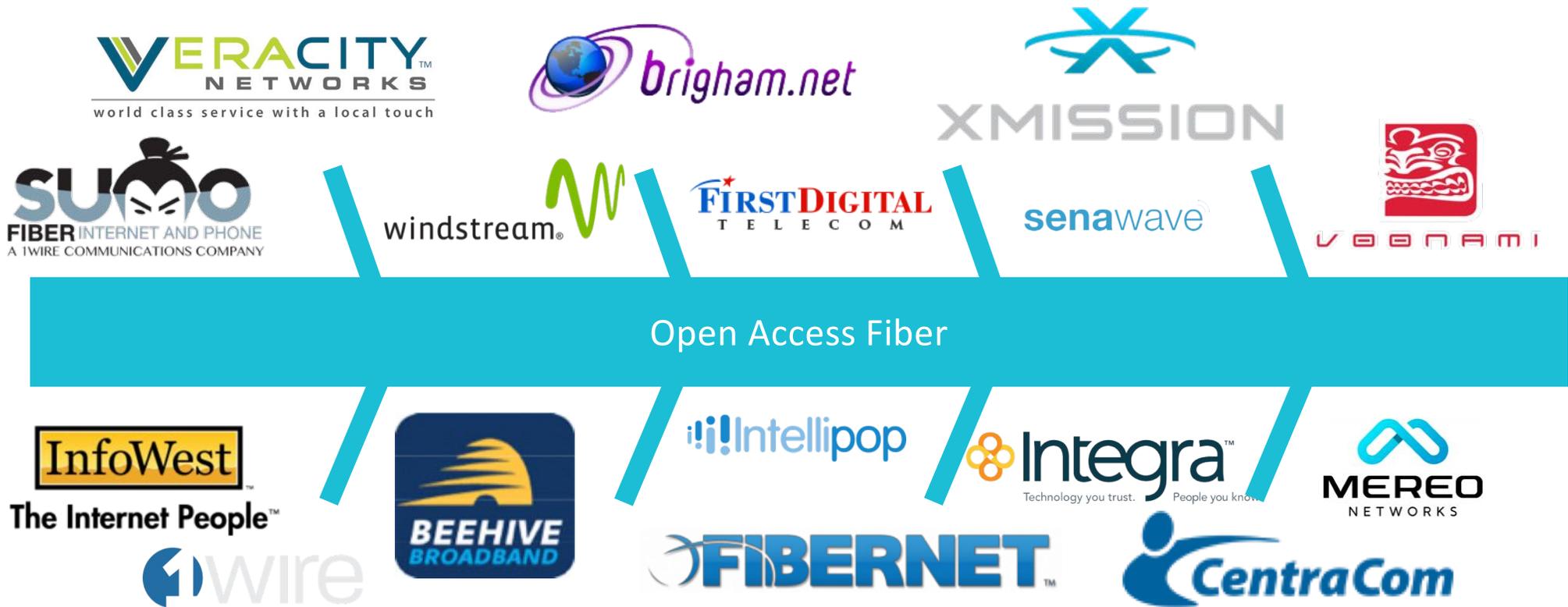
MUNICIPAL OPEN-ACCESS FIBER

Open-Access Transportation Infrastructure



MUNICIPAL OPEN-ACCESS FIBER

Municipalities provide fiber infrastructure that can be shared by competing telecommunications companies.

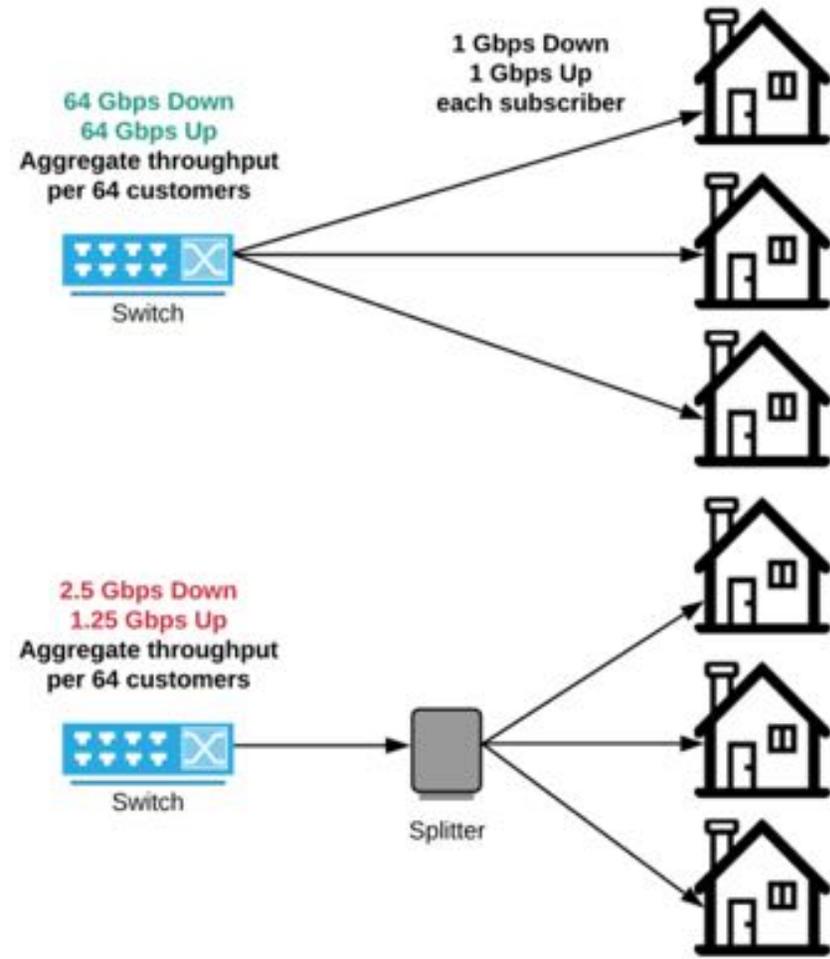


SUPERIOR, FUTURE-PROOF ETHERNET ARCHITECTURE

- Supports dedicated capacity per customer
- 10 Gbps now available across UTOPIA Fiber, 100 Gbps for businesses



Ethernet
Dedicated fiber capacity for every home/business



Other Fiber Providers

- Google Fiber
- CenturyLink



DOES YOUR COMMUNITY HAVE GOOD OPTIONS?



CURRENT OPTIONS IN CITY

#11 of “The 15 Most Disliked Companies in America”
– Business Insider

“one of the most widely disliked in an industry of companies with poor reputations” - USA Today - 2018

“Worst company in America 2014” - Consumerist

**#1 in “Customer Service Hall of Shame”
– 24/7 Wall St.**

“lost 65,000 broadband customers during the second quarter” (2017)
– DSL Reports

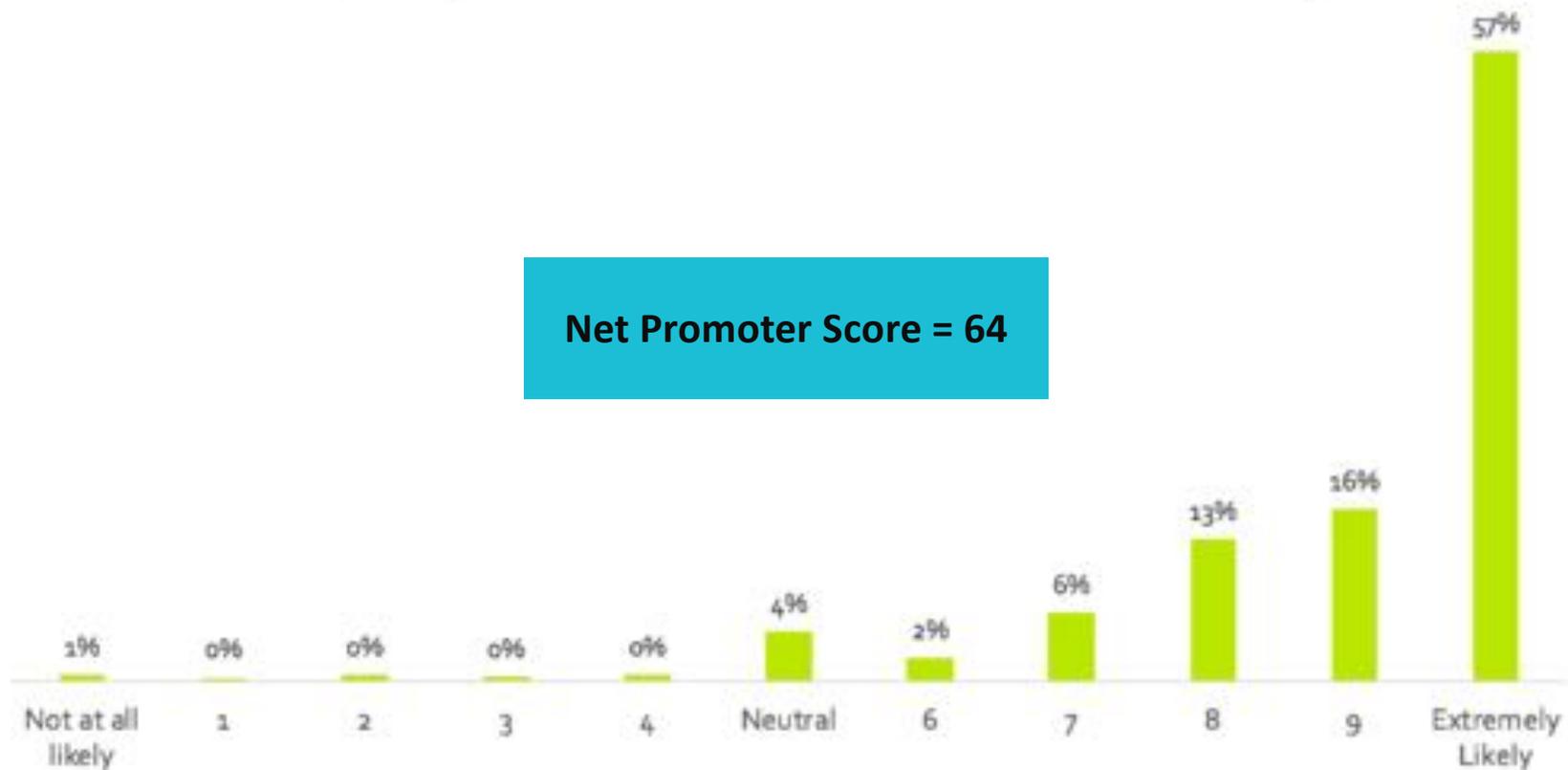
#1 of “Most hated companies in America” – Huffington Post



NET PROMOTER SCORE

Highest customer satisfaction in Utah!

How likely are you to recommend UTOPIA to a friend or colleague?



Third-party survey conducted August 2018 by Boncom



GOOGLE RATINGS

UTOPIA Fiber is the #1 rated provider in region

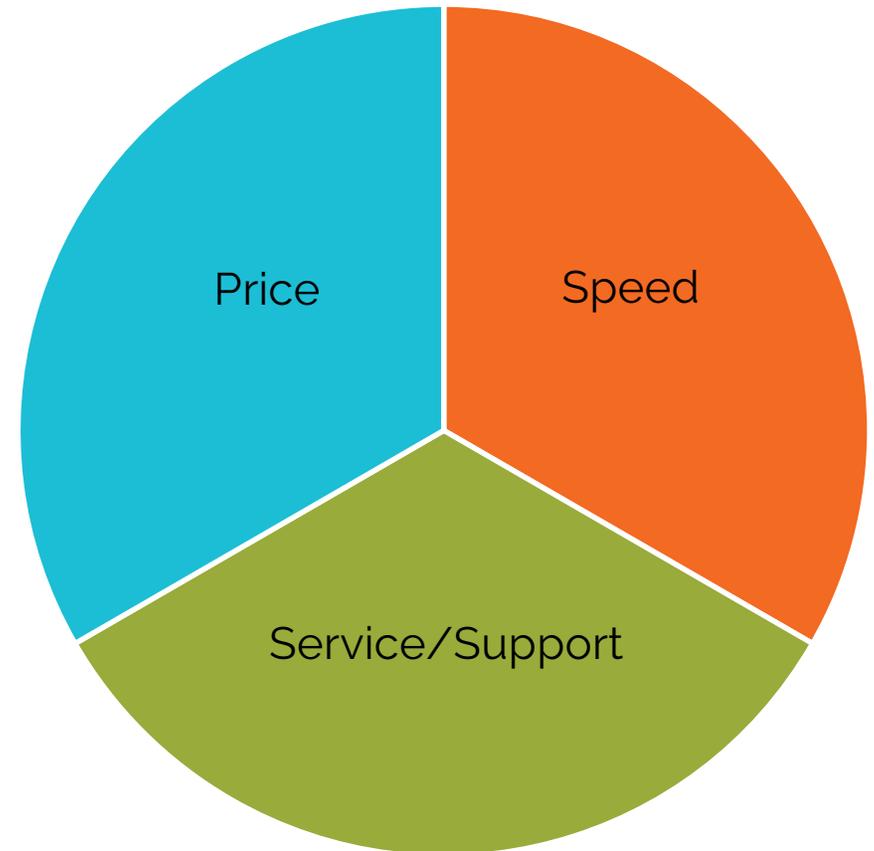
Provider	Score	Source
All West	2.2	https://goo.gl/maps/DKr99kKBxAk
Beehive Broadband*	4.2	https://goo.gl/maps/ha5s3zSCNZ72
Comcast	3.1	https://goo.gl/maps/e2B7BfDLVyB2
Centracom	3.1	https://goo.gl/maps/b9y29wadCrR2
Centurylink	1.4	https://goo.gl/maps/fNjf6TwPj2U2
Emery Telcom	1.9	https://goo.gl/maps/A76PxxYsfEx
Google Fiber	3.9	https://goo.gl/maps/xEksEoo3ob12
UTOPIA Fiber	4.5	https://goo.gl/maps/8xeqhDQ6KU82
Xmission*	4.5	https://goo.gl/maps/DXF6Uw3mcYv

*UTOPIA Fiber partner provider



UTOPIA FIBER - KEYS TO SUCCESS

- Fastest in country
 - 10 Gbps Residential
 - 100 Gbps Business
- Top Rated in Utah
 - Net Promoter Score = 64
 - Google Rating - 4.5 Stars
- Best Value
 - 250 Mbps - \$65
 - 1 Gbps - \$78



IS UTOPIA FIBER FINANCIALLY SUSTAINABLE?

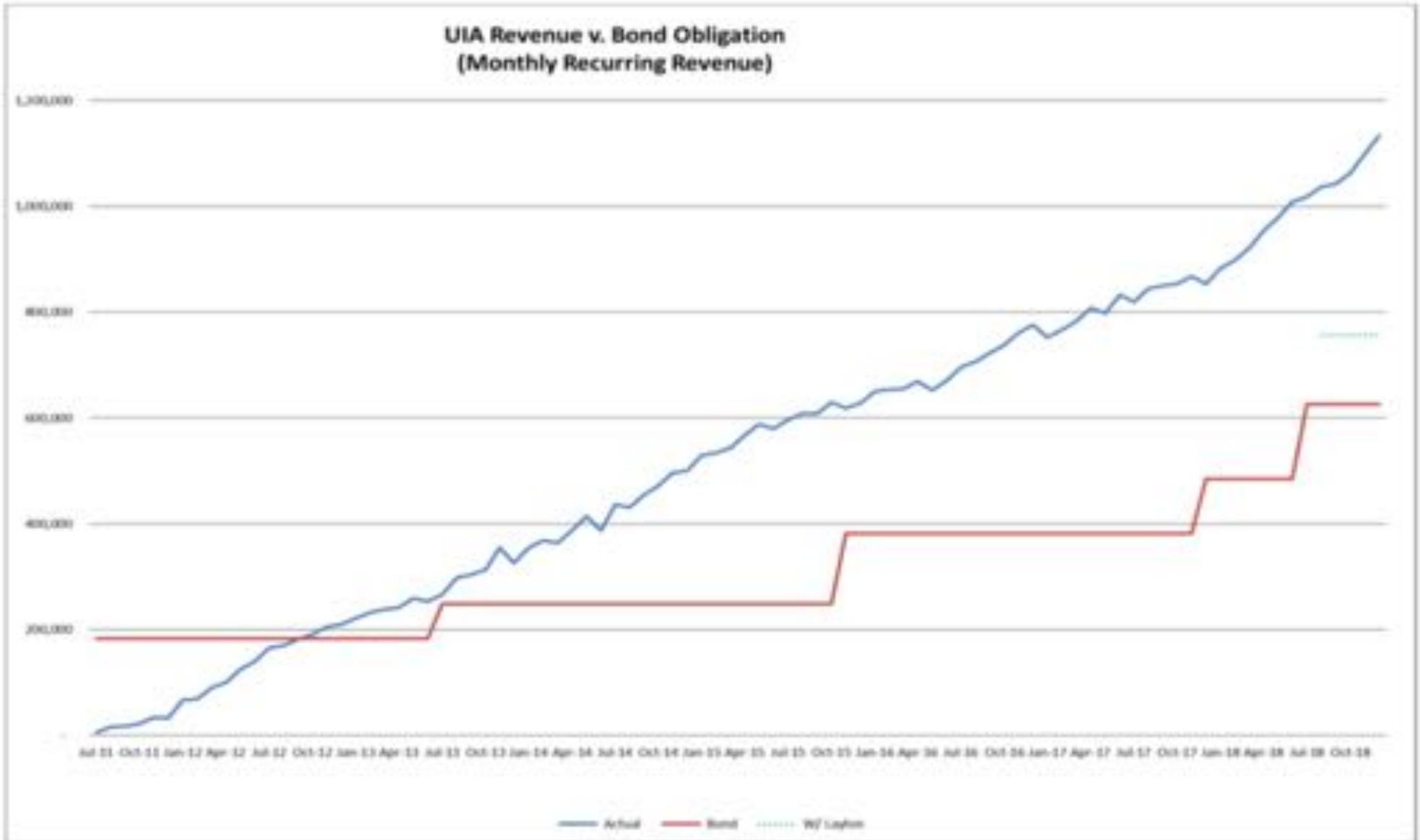


IS UTOPIA FIBER FINANCIALLY SUSTAINABLE?

- Phase I
 - UTOPIA is covering all of its operational expenses
 - UTOPIA cities are paying for original UTOPIA bond obligations
- Phase II
 - UIA is covering all of its operational expenses and debt service
 - UIA net revenues continue to grow
 - UIA is paying dividend back to member cities
 - Rapid growth of 1000-1500 new homes each month

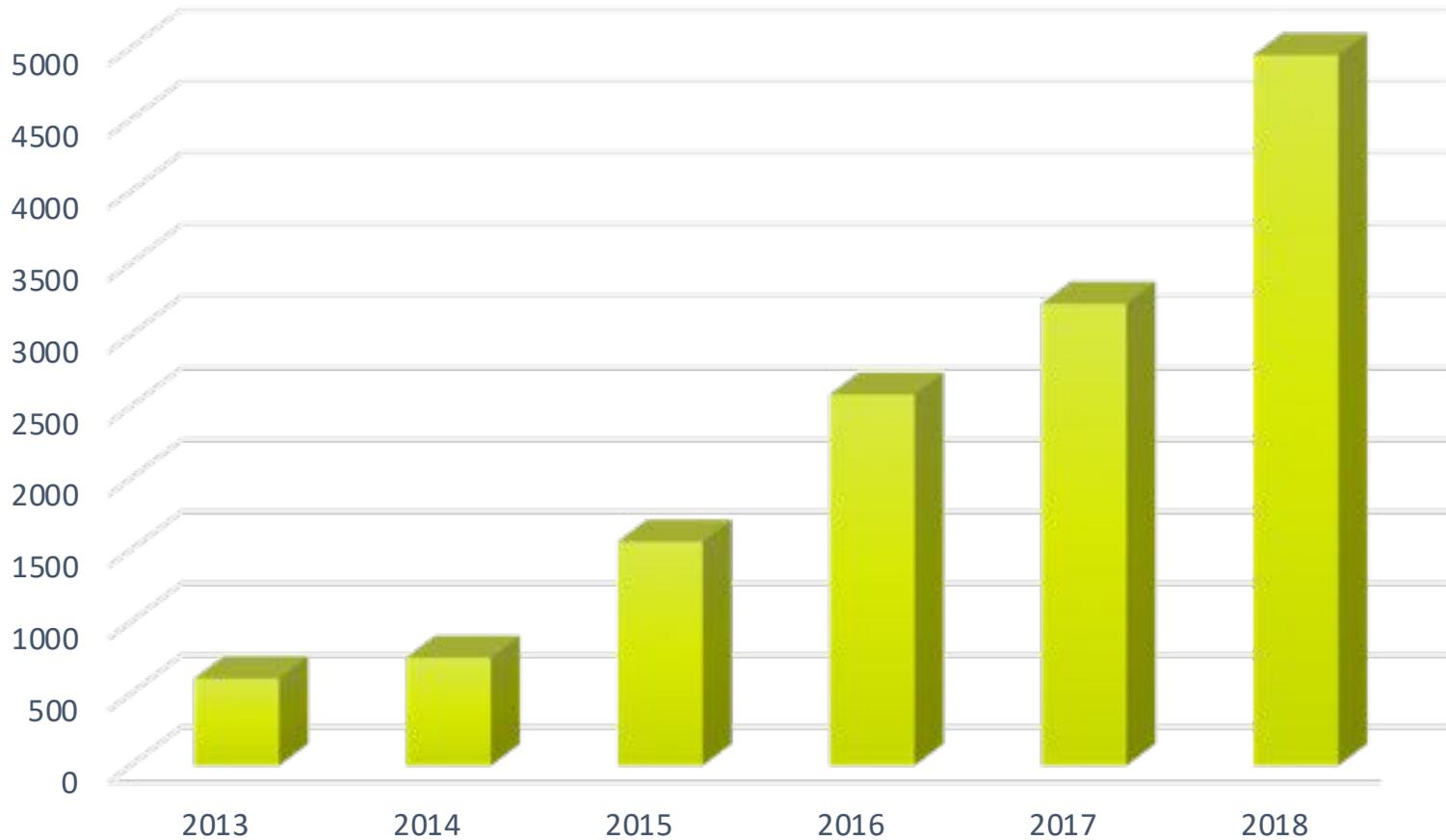


IS UTOPIA FIBER SUSTAINABLE?



Skyrocketing Demand

RESIDENTIAL SALES 2013-2018



Increasing Demand



POTENTIAL PARTNERSHIP WITH UTOPIA FIBER



POTENTIAL PARTNERSHIP WITH UTOPIA FIBER

Municipality (individual or collectively)

- Services agreement based on ~33% take rate in Millcreek
- Not obligated to UTOPIA (Phase I) or UIA (Phase II) debts

UTOPIA/UIA

- Finances the project
- 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



POTENTIAL PARTNERSHIP WITH UTOPIA FIBER

Current UTOPIA Fiber Residential Offerings

**250 Mbps
\$65/month**

**1 Gbps
\$78/month**

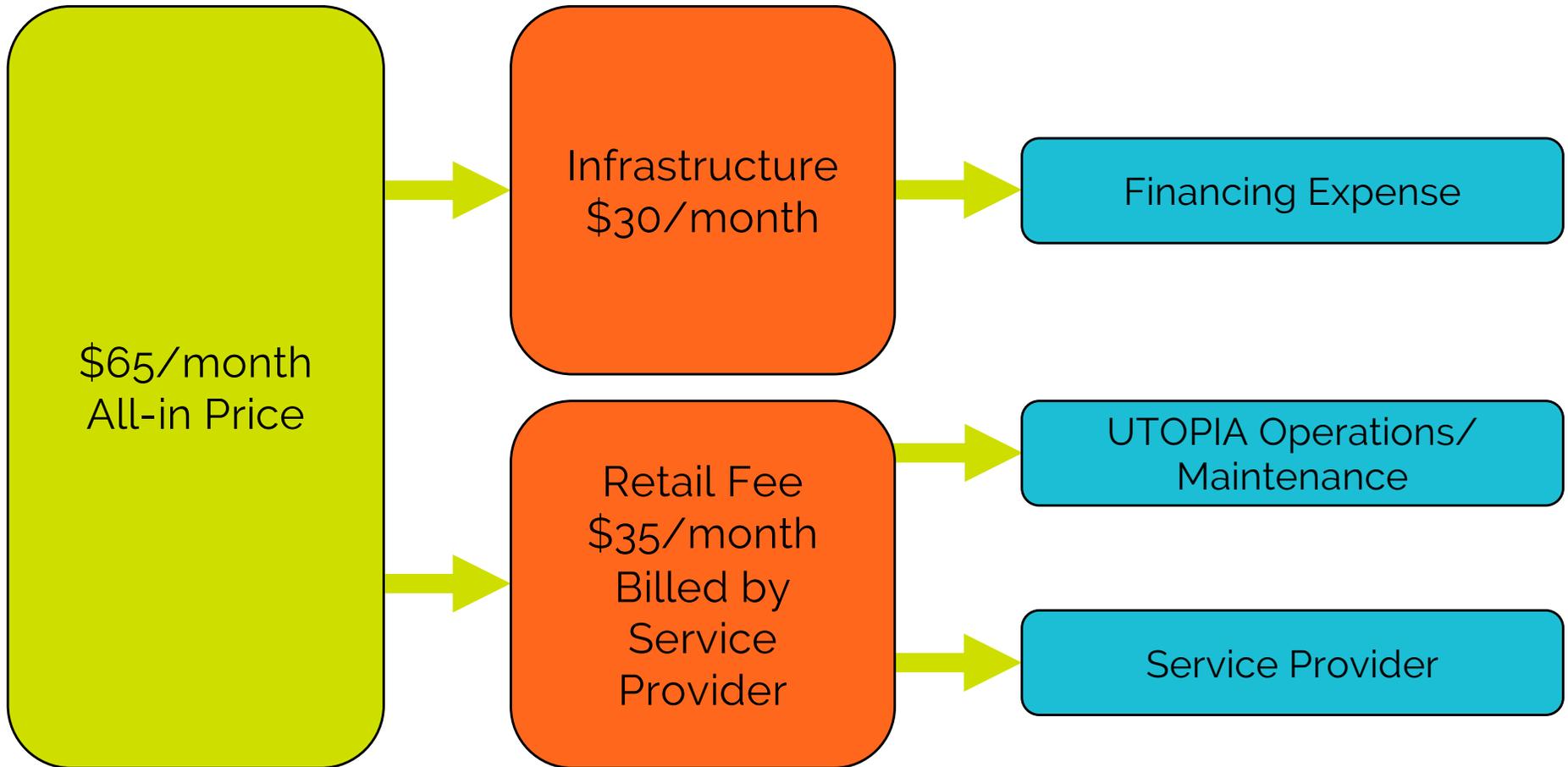
**10 Gbps
\$229/month**

- Includes \$30/mo infrastructure fee to pay financed cost of project
- Available from 11 different residential service providers
- All-in cost, covers entire cost of the fiber project



REVENUE DISTRIBUTION OF SUBSCRIBER FEES

Example – Minimum 250/250 Mbps Internet Package, 1yr commitment



ECONOMIC BENEFITS

- Bring top speeds, price, service, value for telecommunications service to city
 - Expected decreased cost of service for all residents of \$27/month*
 - Increased residential property values by 3.1%**
 - Better service and lower costs for businesses, schools, municipal services, other.
- [*https://medium.com/@fiberbroadband/when-gigabit-internet-comes-to-town-it-could-mean-savings-for-consumers-4feccd69223](https://medium.com/@fiberbroadband/when-gigabit-internet-comes-to-town-it-could-mean-savings-for-consumers-4feccd69223)

BENEFITS OF PARTNERING WITH UTOPIA FIBER

- Established partner with existing operations
- Avoid startup costs
- Stable finances
- Economy of scale benefit
- 25+ service providers in place
- Simple structure based on proven UIA model
- Lower costs from UTOPIA volume materials and labor purchasing



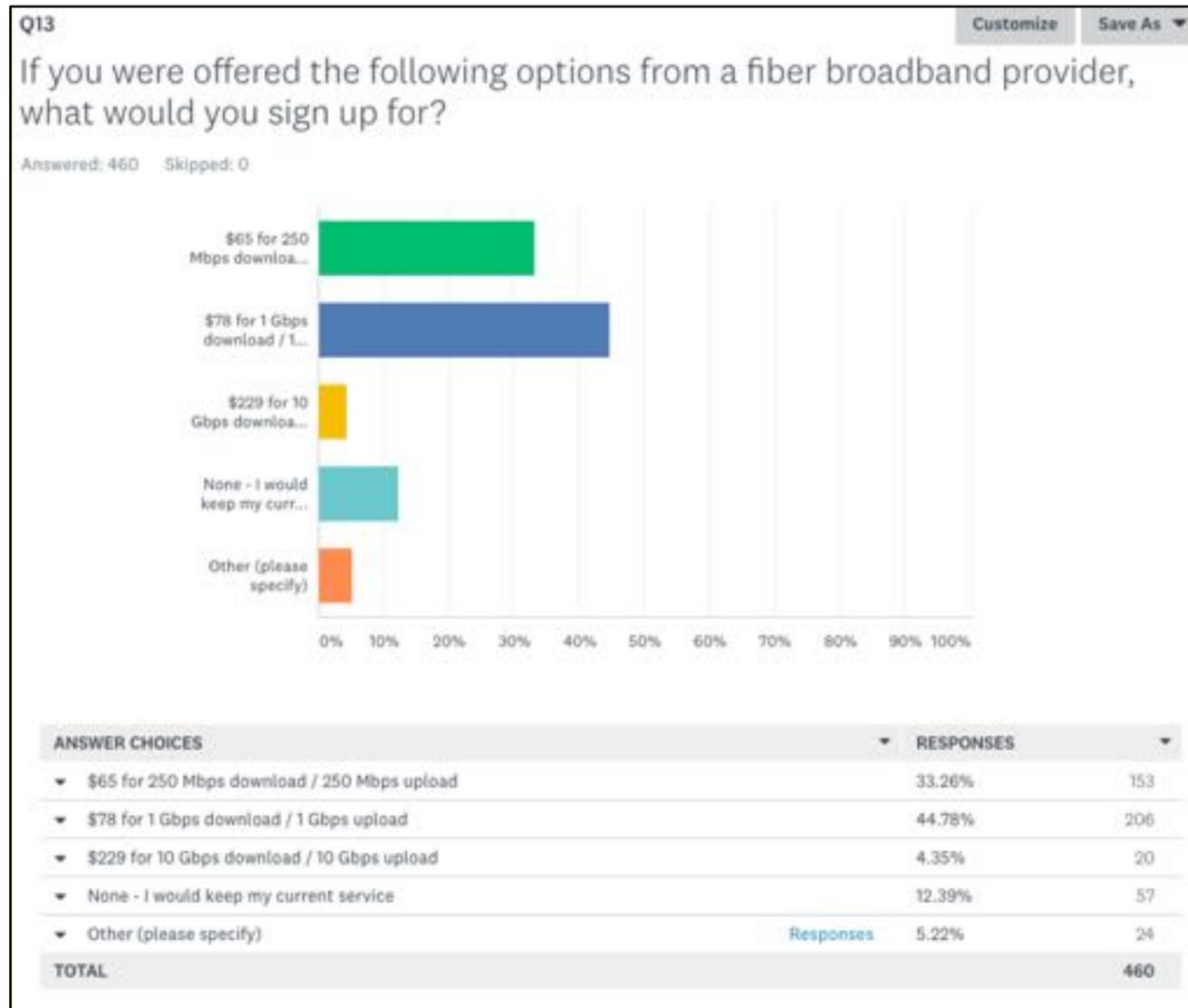
NEXT STEPS

- Community Survey
- City Issues RFI/RFP
- UTOPIA Fiber Proposal
- City Council Vote
- Project Build
- 2-3 year maturity of marketing to target take-rates



NEXT STEPS

First Step – Community Survey



Questions?

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