

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, January 7,**
3 **2014 at 7:00 p.m.** in the Lindon City Center, City Council Chambers, 100 North State
4 Street, Lindon, Utah.

6 **REGULAR SESSION** – 7:00 P.M.

7 Conducting: Jeff Acerson, Mayor
8 Pledge of Allegiance: Karen Acerson
9 Invocation: Randi Powell, Councilmember

10 **PRESENT**

ABSENT

11 Jeff Acerson, Mayor
12 Matt Bean, Councilmember
13 Randi Powell, Councilmember
14 Van Broderick, Councilmember
15 Jacob Hoyt, Councilmember
16 Adam Cowie, City Administrator
17 Cody Cullimore, Chief of Police
18 Hugh Van Wagenen, Planning Director
19 Kathryn Moosman, City Recorder

20
21 **1. Call to Order/Roll Call** – The meeting was called to order at 7:07 p.m.

22 **2. Presentations/Announcements** –

- 23 a) **OATH OF OFFICE CEREMONY** – (Conducted by the Honorable W.
24 Brent Bullock, Lindon City Municipal Justice Court Judge). The newly
25 elected Mayor, Jeff Acerson, was sworn-in for a 4 year term as Lindon City
26 Mayor. Jacob Hoyt and Van Broderick were also sworn-in for 4 year terms as
27 Lindon City Council members.
28 b) Mayor Jeff Acerson then conducted the swearing-in of Kathy Moosman as
29 City Recorder, Dona Haacke as City Treasurer, Brian Haws as City Attorney,
30 and Mark Christensen as City Engineer.
31 c) Mayor/Council Comments – Mayor Acerson welcomed new
32 Councilmember’s Broderick and Hoyt to the Council. He then called for any
33 comments or announcements at this time. Adam Cowie, City Administrator,
34 mentioned the City Council member vacancy and noted that applications will
35 be accepted from January 8th through January 27th. He stated there is a link on
36 the city website and it is also posted on facebook; in addition an
37 announcement also went out in the city newsletter. Mr. Cowie stated the
38 Council will interview the applicants at one or both meetings in February to
39 fill the remaining two (2) year term.

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43 **3. Approval of Minutes** – The minutes of the regular meeting of the City Council of
44 December 17, 2013 were reviewed.

COUNCILMEMBER BRODERICK MOVED TO APPROVE THE MINUTES
OF THE MEETING OF DECEMBER 17, 2013 AS AMENDED. COUNCILMEMBER
HOYT SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE

THE MOTION CARRIED UNANIMOUSLY.

4. Consent Agenda – After consideration and direction from the Council, on December 18, 2013 Mayor James A. Dain signed an updated City Administrator Agreement between Mr. Cowie and Lindon City specifying the terms of employment for Mr. Cowie to serve as the City Administrator. As no further discussion on this matter is necessary, official action by the Council will be satisfied by approval of the agreement as a Consent Agenda item.

COUNCILMEMBER POWELL MOVED TO APPROVE THE CONSENT
AGENDA ITEM AS PRESENTED. COUNCILMEMBER BEAN SECONDED THE
MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE

THE MOTION CARRIED UNANIMOUSLY.

5. Open Session for Public Comment – Mayor Acerson called for any public comment not listed as an agenda item. There were no public comments.

CURRENT BUSINESS

6. Review and Action – *Interlocal Agreement: North Pointe Solid Waste Special Services District (Resolution #2013-18-R)*. This item was continued from the December 17, 2013 Council meeting. This is a request for City Council review and consideration of an interlocal agreement between the solid waste district and the thirteen member cities that comprise the district, to provide continued commitment to the district for the collection, transfer, transportation, and disposal of municipal solid waste. Rodger Harper, District Manager, will present a general overview of the District functions and be available to answer questions about the proposed agreement.

Mr. Cowie opened the discussion by giving a quick summary of this agenda item. He noted this issue was reviewed by the Council at the last meeting held on December 17th and was continued. He stated this is a request for the City Council's review and consideration of an interlocal agreement between the solid waste district and the thirteen member cities that comprise the district and to provide continued commitment to the district for the collection, transfer, transportation, and disposal of municipal solid waste.

2 Mr. Cowie noted that Rodger Harper, District Manager, along with Jerald Hatch,
District Board member, are in attendance to present a general overview of the District
4 functions and be available to answer questions about the proposed agreement. Mr. Cowie
noted at the last meeting there was a request from the Council for additional information
6 on the structure and setup of the solid waste district. Mr. Cowie stated that he has had
some conversations between Mr. Harper and the Solid Waste District's Attorney to try to
8 respond to some of those issues in question. He explained that this agreement would tie
the city to the NPSWSSD for the next 5 years. He added that there are some provisions
10 in the agreement that allows the City to leave the District, but the agreement does have
some requirements to buy back in to the District based on a formula with a percentage of
12 those assets. Mr. Cowie explained that the agreement was intentionally left a bit vague as
to which assets and how much would be applied, so the Board would have some leeway
in assessing the buy back in rates if the city were to choose to leave the District.

14 Mr. Cowie commented that he spoke with Reece Demille (with Republic
Services) and Mr. Demille felt that North Point is very beneficial for Lindon because of
16 the following two issues:

- 18 1. The location and close proximity to Republics current facilities and the landfill
- 20 2. Their garbage hauling trucks are based out of the location off of Sam White's
lane, (just north of 700 north). So, essentially, garbage hauling with Republic is
22 very convenient and cost effective. He added that it has been beneficial for the
low fuel costs and that is also a plus.

24 Mr. Cowie then invited Mr. Harper and Mr. Hatch to address the Council at this
time. Mr. Harper mentioned that he appreciates Mr. Hatch being on the Board and that it
is a good working relationship. He further stated the Mr. Hatch is more knowledgeable
26 than anyone in Utah County about the transfer station and that knowledge is greatly
appreciated. Mr. Harper commented that the District and Lindon City has enjoyed a 20
28 year contract that began in 1993 with the construction of the transfer station and that
contract came to an end last year (2013). He noted that throughout the 20 year
30 relationship the landfill was there, and Lindon brought their garbage there, which was the
level of commitment. Mr. Harper stated that now that they are coming to the end of the
32 contract a couple of things come into play. Allied was looking for ways to make more
money on the garbage haul (we have the best rates in the state), and to that extent, Allied
34 purchased some property in Pleasant Grove and are permitted to build a transfer station if
they need to. So, the 20 year contract with Allied Waste had a provision for four (4) more
36 renewals of five (5) years each to renew the contract, and in order to secure the best price
for the citizens it is in the best interest of everyone to renew the contract for an additional
38 five (5) years.

40 Mr. Harper stated that IRL is located in Fairfield and is a brand new municipal
landfill that was permitted by the State in 2012. He noted that prior to the opening of
42 IRL, the District had discussions with IRL about going into partnership so the haul rate
would be cheaper, but when you factor in the loss of garbage (if Allied was to build their
own transfer station), the costs were within pennies of each other whether they stayed
44 with Allied or went with IRL. Mr. Harper stated the Board decided, because of the
experience, to stay with Allied and renew the contract. He noted they have met with all
46 of the City Managers in the District (over the course of the last 9 months), to work

2 through this interlocal agreement, and they feel they have come up with something that
the City Managers can live with. Basically this interlocal agreement will get them
4 through the current 5 year contract (which expires in 2018) with Allied Waste. He noted
what they are essentially asking for is some commitment. Mr. Harper then presented his
6 slideshow depicting the actual operations and services offered by the transfer station. Mr.
Harper noted that in addition to Mr. Hatch, Utah Commissioner Larry Ellertson and Dave
Shawcroft (at large representative) are also on the governing board.

8 Mr. Cowie then asked Mr. Harper to highlight the tonnages at the landfill. Mr.
Harper stated that in 2012 they shipped 190,000 tons to the landfill. He noted that with
10 IRL opening and diverting waste from the transfer station it dropped to 160,000 tons or a
20% decrease, and when the tonnage decreases it increases the costs of operation. Mr.
12 Harper noted the average public customer brings less than 500 lbs. and the average
commercial truck brings about 8 tons, so it takes 32 private sector vehicles to equal one
14 (1) commercial load. Mr. Harper then referenced his prepared chart (included in the
packets) indicating the pricing and origins of the waste from Lindon that goes to the
16 transfer station. There was then some general discussion by the Council regarding this
proposed agreement.

18 Mr. Harper noted that Orem, Highland, Pleasant Grove, Lehi and Saratoga
Springs have all signed the agreement and everyone is on board. He stated that he did
20 meet with American Fork City and they will address it at the Council meeting on January
24th and they also appear to be on board. Mr. Harper commented that all of the cities
22 realize that this agreement is needed to not only serve the citizens but it will also benefit
the cities.

24 Mr. Cowie stated that he feels because of the close proximity to the District, and
that it is financially beneficial, and from the recorded numbers of the residents and
26 businesses that use the transfer station that it makes sense. Councilmember Powell
voiced her concerns that the agreement language regarding the opting in and out is vague.
28 Mr. Harper stated that if a city opts out it doesn't alleviate their responsibility to improve
the facility to make it more efficient and safer for the citizens. Councilmember Bean
30 commented that he is hesitant to sign a vague agreement that doesn't have defined terms;
he noted he does not have a problem signing a defined agreement, but the way it is
32 currently written he has some concerns. He would like to see someone look at some
provisions of this new agreement and tighten them up and answer some questions, as
34 intent is important. Councilmember Powell agreed with Councilmember Bean's
statements.

36 Mayor Acerson commented that it should not be difficult to anticipate what those
actual costs would be and how it would relate to each city if they made the decision to
38 leave. Mr. Harper stated that they had this same discussion (assets, income, etc.) with the
City Managers. Mr. Harper stated that they have had a relationship with Lindon for the
40 past 20 years without an agreement. Mayor Acerson commented that they are just asking
for clarification in the agreement. Councilmember Hoyt asked Mr. Harper what the
42 process would be to consult with their attorney and adjust the language in the agreement
to be a little more specific. Mr. Harper stated that the process isn't the issue, getting it
44 back through all of the cities is the issue, and noted this agreement does not have any
validity until all of the cities have signed. Councilmember Bean commented that he
46 would hope if the cities were willing to sign this agreement they would also be willing to

2 sign a more specific agreement. Councilmember Broderick inquired if other cities have
4 expressed these same concerns. Mr. Harper stated that some of the cities had the same
6 concerns and they were looking at ways to resolve some of these concerns. Mayor
8 Acerson stated that the Council is just trying to clearly identify the agreement as to what
10 the future impacts there might be which is good for all cities involved. Mr. Harper stated
12 that they will take the agreement back to their Attorneys and the Board and bring the
14 amended agreement back to the City Council.

16 Mayor Acerson called for any further comments or questions from the Council.
18 Hearing none he called for a motion.

20 COUNCILMEMBER POWELL MOVED TO CONTINUE RESOLUTION
22 #2013-18-R THE INTERLOCAL AGREEMENT WITH NORTH POINTE SOLID
24 WASTE SPECIAL SERVICES DISTRICT. COUNCILMEMBER BEAN SECONDED
26 THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

28 COUNCILMEMBER POWELL AYE
30 COUNCILMEMBER BEAN AYE
32 COUNCILMEMBER BRODERICK AYE
34 COUNCILMEMBER HOYT AYE
36 THE MOTION CARRIED UNANIMOUSLY.

38 **7. Review & Action** — *Appointment to North Pointe Solid Waste Special Services*
40 *District Board.* This is a request by Mayor Acerson for the Council's consent to the
42 recommendation for appointment of Jerald I. Hatch as Lindon City's representative
44 on the Board for the North Pointe Solid Waste Special Services District. Mr. Hatch
46 has served on this board for over 25 years and has the knowledge and expertise
48 needed to continue representing Lindon. Notice of the recommended appointment
50 will be forwarded to the Utah County Commission, who will take official action to
52 appoint Mr. Hatch to the District Board. Council member Van Broderick is
54 recommended as the secondary Board member if Mr. Hatch is unavailable.

56 Mr. Cowie opened the discussion by explaining this is a procedural item for the
58 Council's consent to recommend the appointment of Jerald I. Hatch as Lindon City's
60 representative on the Board for the North Pointe Solid Waste Special Services District.
62 Mr. Cowie stated that Mr. Hatch has served on this board for over 25 years and has the
64 knowledge and expertise needed to continue to represent Lindon. Mr. Cowie stated that
66 notice of the recommended appointment will be forwarded to the Utah County
68 Commission, who will take official action to appoint Mr. Hatch to the District Board.
70 Mr. Cowie noted that Council member Van Broderick is recommended as the secondary
72 Board member if Mr. Hatch is unavailable.

74 Mayor Acerson called for any comments or questions from the Council. Hearing
76 none he called for a motion.

78 COUNCILMEMBER HOYT MOVED TO APPROVE THE APPOINTMENT
80 OF JERALD HATCH AS LINDON'S REPRESENTATIVE ON THE NORTH POINTE
82 SOLID WASTE SPECIAL SERVICES DISTRICT BOARD. COUNCILMEMBER

BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS
FOLLOWS:

COUNCILMEMBER POWELL AYE

COUNCILMEMBER BEAN AYE

COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

THE MOTION CARRIED UNANIMOUSLY.

8. Review and Action – *Mayor pro-tem appointments (Resolution #2014-1-R)*. This is a request by Mayor Acerson for the Council’s consent to the appointments of 2014 Mayor pro tem. This appointment will rotate quarterly among City Council members as listed in Resolution #2014-1-R.

Mr. Cowie opened the discussion by explaining this is also a procedural item for the Council’s consent to the appointments of 2014 Mayor pro tem to function in the Mayor’s role as needed. He noted that this appointment will rotate quarterly among City Council members. Councilmember Powell suggested adding the secondary appointment on the schedule also. Mr. Cowie stated that he will add the secondary appointments to the schedule and amend the resolution.

Mayor Acerson called for any comments or questions from the Council. Hearing none he called for a motion.

COUNCILMEMBER POWELL MOVED TO APPROVE RESOLUTION #2014-1-R, STIPULATION THE MAYOR PRO TEM APPOINTMENTS FOR THE 2014 CALENDAR YEAR AND GIVE THE MAYOR THE AUTHORIZATION TO SIGN THE REVISED RESOLUTION. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE

COUNCILMEMBER BEAN AYE

COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

THE MOTION CARRIED UNANIMOUSLY.

9. Review and Action – *Appointment to Animal Shelter Board*. This is a request by Mayor Acerson for the Council’s consent to the recommendation for appointment of Jacob Hoyt as Lindon City’s official representative on the Board for the North Utah Valley Animal Services Special Services District. Notice of the recommended appointment will be forwarded to the Utah County Commission, who will take official action to appoint Mr. Hoyt to the District Board. Council member Matt Bean is recommended as the secondary Board member if Mr. Hoyt is unavailable.

Mr. Cowie opened the discussion by explaining this too is a formality for the Council’s consent to recommend the appointment of Jacob Hoyt as Lindon City’s official representative on the Board for the North Utah Valley Animal Services Special Services District. Mr. Cowie stated that notice of the recommended appointment will be forwarded to the Utah County Commission, who will take official action to appoint Mr.

Hoyt to the District Board. He noted that Council member Matt Bean is recommended as the secondary Board member if Mr. Hoyt is unavailable.

Mayor Acerson called for any further comments or questions from the Council. Hearing none he moved on to the next agenda item.

COUNCILMEMBER BRODERICK MOVED TO APPROVE THE APPOINTMENT OF JACOB HOYT AS LINDON’S REPRESENTATIVE ON THE NORTH UTAH VALLEY ANIMAL SERVICES SPECIAL SERVICE DISTRICT BOARD, WITH MATT BEAN SERVING AS A SECONDARY BOARD MEMBER IN THE ABSENCE OF MR. HOYT. COUNCILMEMBER POWELL SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
THE MOTION CARRIED UNANIMOUSLY.

10. Review & Action — *Appointments to the Lindon City Redevelopment Agency.* This is a request by staff for the Council’s formal action to appoint Mayor Acerson as Chair of the Lindon City Redevelopment Agency with all current City Council members including Matt Bean, Randi Powell, Jacob Hoyt and Van Broderick appointed as board members of the RDA.

Mr. Cowie opened the discussion by explaining this is also a procedural item for the Council’s formal action to appoint Mayor Jeff Acerson as Chair of the Lindon City Redevelopment Agency (which is technically a separate entity) with all current City Council members including Matt Bean, Randi Powell, Jacob Hoyt and Van Broderick appointed as board members of the RDA.

Mr. Cowie noted that the RDA for Lindon City functions as a separate legal agency that contract with Lindon City for all of its services. The RDA’s primary function within Lindon City has been to create districts where tax revenues and tax increment financing can support development of new business and infrastructure. Mr. Cowie further noted that the RDA Board meets on an as needed basis. The Mayor and Council have traditionally appointed themselves as board members to the RDA, and the appointment of the Chair and Board members of the RDA is necessary after the changes in Mayor and Council members.

Mayor Acerson called for any comments or questions from the Council. Hearing none he called for a motion.

COUNCILMEMBER POWELL MOVED TO APPROVE THE APPOINTMENT OF MAYOR JEFF ACERSON AS CHAIR OF THE LINDON CITY REDEVELOPMENT AGENCY (RDA) WITH ALL CITY COUNCIL MEMBERS INCLUDING MATT BEAN, RANDI POWELL, JACOB HOYT AND VAN BRODERICK APPOINTED AS BOARD MEMBERS OF THE RDA. COUNCILMEMBER HOYT SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE
2 COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
4 COUNCILMEMBER HOYT AYE
THE MOTION CARRIED UNANIMOUSLY.

6
8 **11. Review and Action** – *UIA and UTOPIA appointment.* This is a request by Mayor
10 Acerson for the Council’s consent to the appointment of Matt Bean as an alternate
12 Board member to both the Utah Telecommunication Open Infrastructure Agency
(UTOPIA) and Utah Infrastructure Agency (UIA). Mr. Bean will serve as a voting
member of the Board(s) in the absence of Mr. Cowie of the UTOPIA Board, and/or
Mayor Acerson of the UIA Board.

14 Mr. Cowie opened the discussion by explaining this too is a procedural item for
16 the Council’s consent to the appointment of Matt Bean as an alternate Board member to
18 both the Utah Telecommunication Open Infrastructure Agency (UTOPIA) and Utah
Infrastructure Agency (UIA). Mr. Bean will serve as a voting member of the Board(s) in
the absence of Mr. Cowie of the UTOPIA Board, and/or Mayor Acerson of the UIA
Board.

20 Mayor Acerson called for any comments or questions from the Council. Hearing
none he called for a motion.

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24 COUNCILMEMBER HOYT MOVED TO APPROVE THE APPOINTMENT
OF MATT BEAN AS LINDON’S REPRESENTATIVE AS AN ALTERNATE BOARD
MEMBER TO BOTH UTOPIA AND UIA BOARDS. COUNCILMEMBER POWELL
26 SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER POWELL AYE
28 COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
30 COUNCILMEMBER HOYT AYE
THE MOTION CARRIED UNANIMOUSLY.

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34 **12. Review and Action** – *North Union Irrigation Company appointment.* This is a
request by Mayor Acerson for the Council’s consent to the appointment of Van
36 Broderick as Lindon’s official representative on the North Union Irrigation Company
Board of Directors. Jacob Hoyt will serve as the secondary Board member in the
absence of Mr. Broderick.

38
40 Mr. Cowie opened the discussion by explaining this is a procedural item for the
Council’s consent to the appoint Van Broderick as Lindon’s official representative on the
42 North Union Irrigation Company Board of Directors. Jacob Hoyt will serve as the
secondary Board member in the absence of Mr. Broderick.

44 Mayor Acerson called for comments or questions from the Council. Hearing
none he called for a motion.

2 COUNCILMEMBER POWELL MOVED TO APPROVE THE APPOINTMENT
3 OF VAN BRODERICK AS LINDON'S REPRESENTATIVE ON THE NORTH
4 UNION IRRIGATION COMPANY BOARD, WITH JACOB HOYT SERVING AS A

5 SECONDARY BOARD MEMBER IN THE ABSENCE OF MR. BRODERICK.
6 COUNCILMEMBER BEAN SECONDED THE MOTION. THE VOTE WAS

7 RECORDED AS FOLLOWS:
8 COUNCILMEMBER POWELL AYE

9 COUNCILMEMBER BEAN AYE

10 COUNCILMEMBER BRODERICK AYE

11 COUNCILMEMBER HOYT AYE

12 THE MOTION CARRIED UNANIMOUSLY.

13 **13. Review and Action** – *UTOPIA, Macquarie - public/private partnership*. The Council
14 will review the public portions of the Pre-Development Agreement (PDA) between
15 UTOPIA and Macquarie Infrastructure Developments LLC (Macquarie) and instruct
16 UTOPIA/UIA Board members as to Lindon's participation commitment in further
17 development of the public-private partnership. UTOPIA Legal Counsel, David Shaw,
18 will be available to answer questions about the PDA.

19
20 Mr. Cowie opened the discussion by explaining this review tonight will cover the
21 public portions of the Pre-Development Agreement (PDA) between UTOPIA and
22 Macquarie Infrastructure Developments LLC and instruct UTOPIA/UIA Board members
23 as to Lindon's participation commitment in further development of the public-private
24 partnership. Mr. Cowie noted that UTOPIA Legal Counsel, David Shaw and Todd
25 Marriot are in attendance to answer any questions about the PDA the Council may have.
26 Mr. Cowie stated that what is being asked by the City is our willingness to participate
27 with this pre-development agreement. Mr. Cowie stated that Wayne Pyle, the current
28 chair of UTOPIA, has offered an additional work session with Nick Hann, the
29 representative of Macquarie, next Wednesday. If the Council is interested, it may be
30 worth continuing this item tonight to hear what they have to say.

31
32 Mr. Cowie then gave a general overview stating that currently Lindon City has
33 not given any formal indication that we will participate in this pre-development
34 agreement with Macquarie and UTOPIA. Mr. Cowie stated what has been removed from
35 the agreement are some details of their financial obligations that Macquarie has put forth
36 as part of this that are still considered a protected record under GRAMA. Mr. Cowie
37 stated that he feels it is appropriate to ask what general financial commitments may be
38 expected.

39
40 Mr. Cowie explained that Lindon City currently has about 60% of the city with
41 UTOPIA accessible with a 40% take-rate in those areas (therefore about 25% of the city
42 is using UTOPIA fiber). He noted that UTOPIA has recently announced a potential
43 public-private partnership between its organization and Macquarie Infrastructure
44 Developments LLC (Macquarie), and if finalized, Macquarie would commit to fronting
45 the capital to build the network and would run the organization for the next 30 years, then
46 deliver the network back to the cities in some level of upgraded condition. Mr. Cowie
noted there would be requirements for Macquarie to be repaid their investment by the
member cities and how this repayment is handled is yet to be finalized with the primary
factor being how much it will cost to construct the network. Mr. Cowie stated that the

2 engineering and design work is proceeding with the goal to shortly know the total
potential cost of development and thus enabling the determination of potential obligations
for pay-back by the member cities that choose to participate.

4 Mr. Cowie further explained this potential partnership appears to provide a real
opportunity to develop the entire network with the initial cost coming from the private
6 sector. Mr. Cowie stated that there is limited political will from all member cities to
continue with traditional city bonding to finish the network, so this opportunity should be
8 carefully considered as a means to complete the network and provide fiber connectivity
to all parts of Lindon City. Mr. Cowie explained that financial implications however, are
10 potentially significant as, over the next 30 years, the investment made by Macquarie will
need to be paid back with profit margins added.

12 Mr. Cowie then referenced the Pre-Development Agreement (PDA) between
UTOPIA and Macquarie outlining the stipulations for moving forward with the potential
14 partnership. Mr. Cowie noted the Chair of UTOPIA has asked for cities to commit to
supporting the proposal with potential financial obligations. Mr. Cowie stated that no
16 official action has been taken by the UTOPIA or UIA boards on this matter.

18 Dave Shaw, UTOPIA Legal Counsel, addressed the Council at this time and gave
a brief summary. Mr. Shaw commented that he has seen the ups and downs with
UTOPIA and the mistakes that have been made, and the rectification of those mistakes, in
20 recent years. He further stated that without question, he views this transaction as the
most promising opportunity UTOPIA and UIA have had to achieve what the ultimate
22 goal was at the outset, and that was the ubiquitous state of the art, advanced
communications network made available to all citizens and businesses in our cities. He
24 noted it has taken a lot of effort and time to get to this point and he can say that there is
still a lot to be learned but it is a very promising opportunity. Mr. Shaw explained that
26 the pre-development agreement lays out four milestones under which work proceeds to
investigate the feasibility of that ubiquitous deployment and it has taken a lot to get to
28 this point but he is pleased to be moving forward.

30 Todd Marriott commented that he appreciates Mr. Shaw's comments and added
that over the 5 ½ years he has been with UTOPIA there are a lot of people who have
approached them with ideas and solutions and opportunities, which they have
32 investigated, and some which have had merit, but he feels this agreement, to date, has
significant merit and needs to be considered far and above anything else they have seen.
34 Mr. Marriott further commented that this agreement has come about as a result of many
efforts and has taken along time to get to this point. Mr. Shaw added that this was an
36 unsolicited proposal that came their way in the course of other business. He added that
investigation of wireless is nothing new to UTOPIA; they put out the first request for
38 proposal for a wireless platform out in 2005 and determined then that it was too
expensive, but there was always the intent to further investigate it, so, in the further
40 investigation this opportunity arose.

42 Mr. Marriott noted to keep in mind that they work on behalf of Lindon City and is
essentially an extension or department head for the City's fiber optic entity, so, that
entity, which is UTOPIA, is an interlocal cooperative between the cities. He explained
44 that they are operating UTOPIA and UIA at its lowest operational levels, in terms of
expenditures in history, yet they are doing more and are continuing to carve into that gap
46 and are ahead of schedule. Mr. Marriott stated that the fact of the matter is that Lindon

2 City is partners with the fellow cities. He added that the operational gap exists, but they
are optimistic and they will continue to carve the gap to produce revenues, but they need
4 those revenues to continue to pursue the plan they have designed and outlined, and they
are doing that and they are ahead of schedule.

6 Mr. Shaw stated the legalistic answer is, ultimately, if there is not money to
operate the system then there are natural consequences which flow to the bond
documents, and under the agreements that exist between the cities, primarily, what would
8 happen is the franchise taxes of the cities would get hit. He went on to say this is not
anticipated in the near future, but if everyone took the position of “we are not paying”
10 then the bond trustee would have no choice but to go to that remedy in order to make sure
that things are paid.

12 Mr. Shaw noted there is one city that has chosen not to pay the OpEx under UIA,
and another city that originally chose not to pay the full amount, and a couple of cities on
14 the UTOPIA side who are not participants in UIA that have not been paying. He stated if
they were all to contribute their portion, it would be easier to be able to operate the
16 system at full schedule. Mr. Shaw discussed that one of the opportunities that would exist
under the Macquarie transaction would be some opportunities to drive a parody and
18 recoup that balance out of revenues, but that is a discussion yet to be had. He added that
it is worth noting that Lindon has the highest take rate of all the cities.

20 Mayor Acerson stated that conceptually, if this partnership moves forward and is
funded and paying for the operational expenses and the revenues are generated; those
22 monies will go to offset that. And the cities that have paid in will have a credit and those
cities that haven’t participated will have a deficit. Mr. Shaw stated that will be a Board
24 level decision. Mr. Cowie asked, as a UTOPIA board member, at what point will this
agreement come before the UTOPIA and UIA boards and in what fashion. Mr. Shaw
26 commented that in terms of a time frame, that question would follow the four milestones
then a decision to move forward with Macquarie long term. Mr. Marriott added they are
28 doing everything they can to expedite the process to present better information to the
Council’s as soon as possible. Mr. Shaw commented that he wished they had all of the
30 answers buttoned up on this, but really what they are talking about is developing a
relationship with Macquarie where basically they are moving down the path where there
32 can be a commitment. Councilmember Powell inquired what the actual costs will be.
Mr. Shaw stated that costs are compared to the total network build out fractions, and
34 compared to respective city budgets and totality. He stated that he has to be a little coy on
total amounts because those numbers are protected by GRAMA. He noted they are happy
36 to provide the numbers to the elected officials but not in a public meeting setting. Mr.
Shaw stated that milestone one is the least risky, milestone two increases the risk slightly,
38 and milestones three and four are probably about even in terms of risk.

40 Mr. Marriott commented that he feels that this partnership with Macquarie is an
exceptional opportunity if they can get the costs and everything else aligned, and they
will be happy to have more discussion regarding numbers. Councilmember Bean
42 inquired who wrote the pre-development agreement. Mr. Shaw replied that it was initially
drafted by Macquarie and significantly revised by them with significant input by a
44 working group among the cities (City Attorneys, Chairman of the Board, Financial
Advisors etc.). Councilmember Bean commented that the concern is requiring the
46 citizens to come up with a pretty high fee every month and how do we address those

2 issues, practically, with the citizens. Mr. Shaw stated that there are a couple of ways to
3 look at that question 1. Is this core infrastructure and if it is should it be provided to the
4 citizens and 2. Can we entice a company like Macquarie to participate with us in a
5 partnership fashion, so they take on the vast majority of the risk. Mr. Shaw stated that
6 these are the decisions the Council was elected to make.

7 Mr. Marriott commented that he feels Macquarie has the ability to bring to bear
8 some of the issues of scale and some of the influences they have around the world that
9 will allow those guarantees to actually work and mitigate some of the risks. He went on
10 to say the biggest part of this deal that makes sense is once the parameters are outlined
11 and determined and agreed upon, this deal is forever and fully funded; the parameters are
12 established, funded and fully guaranteed for 30 years. Plus the fact the Macquarie will be
13 putting equity into this deal to make it work, and if Macquarie fails we don't pay.

14 Mr. Shaw concluded by stating that there are certainly more issues and questions
15 for discussion and there is homework to be done, but he feels confident that is a great
16 opportunity and their door is always open for suggestions, questions or comments.
17 Following discussion the Council was in agreement to hold an additional work session on
18 January 15, 2014 at 4 p.m. for further discussion with Wayne Pyle, the current chair of
19 UTOPIA, and with Nick Hann, the representative of Macquarie.

20 Following some additional general discussion by the Council regarding this
21 agenda item Mayor Acerson called for a motion.

22 COUNCILMEMBER POWELL MOVED TO CONTINUE THE PRE-
23 DEVELOPMENT AGREEMENT AND/OR POTENTIAL PARTNERSHIP BETWEEN
24 UTOPIA/UIA AND MACQUARIE. COUNCILMEMBER BRODERICK SECONDED
25 THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

26 COUNCILMEMBER POWELL AYE

27 COUNCILMEMBER BEAN AYE

28 COUNCILMEMBER BRODERICK AYE

29 COUNCILMEMBER HOYT AYE

30 THE MOTION CARRIED UNANIMOUSLY.

32 **14. Review and Action** — *Utah Infrastructure Agency Assessments*. On February 27,
33 2013 the City Council approved Resolution #2013-5-R authorizing payment of
34 monthly operations assessment loans to the Utah Infrastructure Agency (UIA) in
35 order to eliminate such expenses from being funded by UIA bond proceeds. The loans
36 are to be repaid to Lindon with interest. Per the Council's direction, progress reports
37 will be presented and reviewed prior to authorizing payment of additional
38 assessments. The Council will review UIA/UTOPIA performance reports and give
39 staff direction in regards to whether payment of assessment invoices received for the
40 months of November and December of 2013 in the amount of \$10,169.00 per month
41 should be made. The assessments have been budgeted for the 2013-14 fiscal year.

42
43 Mr. Cowie opened the discussion by explaining On February 27, 2013 the City
44 Council approved Resolution #2013-5-R authorizing payment of monthly operations
45 assessment loans to the Utah Infrastructure Agency in order to eliminate such expenses
46 from being funded by UIA bond proceeds. Mr. Cowie noted that per the Council's

2 direction, progress reports will be presented and reviewed prior to authorizing payment of
any additional assessments. Mr. Cowie explained the Council will review
4 UIA/UTOPIA performance reports and give direction in regards to whether payment of
assessment invoices received for the months of November and December of 2013 in the
6 amount of \$10,169.00 per month should be made. He added that the assessments have
been budgeted for the 2013-14 fiscal year.

8 Mr. Cowie further explained that Lindon has paid its assessment for October
2013, but the November and December 2013 payments are still pending, and due to new
10 deployment and distribution of assets, Lindon's OpEx assessment was been reduced by
\$993.00 from our original monthly assessment amount paid in spring 2013. Mr. Cowie
12 stated that based on previously reviewed materials UTOPIA appears to be slowly
increasing total number of subscribers and meeting general expectations for growth based
14 on the plan that was presented last February. Mr. Cowie further stated that staff has been
informed that no negative outcome or penalty to those member cities that have not
participated in OpEx has occurred.

16 Mr. Cowie invited Mr. Marriott to address the Council at this time. Mr. Marriott
referenced a graph depicting the performance of the organization through September of
18 2013, including total revenues which shows they are growing and expanding. Mr.
Marriott noted they are exceeding the debt obligations under UIA and they are creating
20 positive revenue that is going towards the operational gap. He noted that he feels that this
trend will continue. Mr. Marriott stated they are operating on less money today than ever
22 before, as a percentage to the debt, and to their efforts are producing consistently on a
monthly basis, which is a cut into the revenue shortfall. He stated that they have also cut
24 back as far as then can. Mr. Marriott concluded by stating they are ahead, spending less,
and are very conscientious of every dime they spend. He added they are right on budget
26 in terms of the costs and revenues they are generating. Mr. Cowie stated that the
requested amount is \$10,169.00 per month for both November and December of 2013.

28 Following some general discussion amongst the Council members regarding this
issue Mayor Acerson called for a motion.

30
32 COUNCILMEMBER BEAN MOVED TO CONTINUE THE DISCUSSION
AND TO NOT AUTHORIZE THE CITY TO PAY THE UIA OPEX ASSESSMENTS
AS INVOICED FOR THE MONTHS OF NOVEMBER AND DECEMBER OF 2013.

34 COUNCILMEMBER POWELL SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

36 COUNCILMEMBER POWELL AYE

COUNCILMEMBER BEAN AYE

38 COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

40 THE MOTION CARRIED UNANIMOUSLY.

42 **15. COUNCIL REPORTS**

44 **Councilmember Powell** – Councilmember Powell reported that she will be attending the
next Community Center Advisory Board meeting in February and also the IHC Outreach

meeting. Councilmember Powell also reported that the Branding Task Force has been very enjoyable to be a part of.

Councilmember Bean – Councilmember Bean reported that Jordan Cullimore was hired for the Associate Planner position in the Community Development Department and expressed that he is well qualified and will do a good job in that capacity.

Chief Cullimore – Chief Cullimore reported that it was a quiet holiday season. Chief Cullimore also reported there were some residential burglaries on the east side of town. Chief Cullimore reported that he would like to use the Facebook page to get information out to citizens on pressing items and noted that it is a very valuable tool. He noted there are currently 1,500 followers on Facebook, which would reach a lot of citizens quickly. Mr. Cowie commented that he agrees that Facebook would be a beneficial tool that could be utilized by the Police Department. The Council was in agreement on this issue.

Councilmember Hoyt – Councilmember Hoyt commented that he had the opportunity to talk with Mr. Cowie and expressed that he is pleased with his assignments and eager to get started.

Councilmember Broderick – Councilmember Broderick commented that he also appreciates the Council assignments given and is excited to serve.

Mayor Acerson – Mayor Acerson reported that he will be attending the upcoming UIA and UTOPIA Board meetings.

Administrator’s Report:

Mr. Cowie reported on the following items:

Misc Updates:

- Project Tracking List.
- Financial reports uploaded to Google Drive.
- 2012-13 Audit Report still pending.
- Mr. Lee – Storm water fee concerns.
- Heritage Trail update: Phase 3 contract documents approved by UDOT to proceed with project (design engineering, right-of-way acquisition, etc.). Still working with PacifiCorp on dedication of easement.

Upcoming Meetings & Events:

- Newsletter Assignment: Councilmember Hoyt - March newsletter article. *Due by last week in February.*
- Jan. 11th – ULCT newly elected officials training. Provo, Saturday, Jan 11th, 8am-1:30pm.
- Jan. 20th – MLK Holiday, offices closed.
- Jan. 29th – ULCT Local Officials Day at the Legislature. 7:30am-2:00pm. Utah Capitol/Lunch @ Salt Palace. Registration required if interested.
- Feb. 11th at Noon – Engineering Meeting at Public Works Mayor Acerson and

Councilmember Broderick will attend.

- Feb. 27th at 6:00pm – Budget Kick-off Meeting & Dinner at City Center.

Future items:

- Policy Manual updates.
- Ordinance updates for Council actions/procedures.
- Fee and Utilities rate studies / review of active service military utility waivers.
- Lindon Pumping Co. land – 725 E. 200 S., potential land sale/use by neighbor.
- Planning Commission member vacancy.

Mayor Acerson called for any further comments or discussion from the Council. Hearing none he called for a motion to adjourn.

Adjourn –

COUNCILMEMBER HOYT MOVED TO ADJOURN THE MEETING AT 11:40 P.M. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – January 21, 2014

Kathryn A. Moosman, City Recorder

Jeff Acerson, Mayor