

AMERICAN CITY COUNCIL
MAY 17, 2022
WORK SESSION AGENDA

Notice of Electronic Meeting

One or more City Council Members may be physically absent from this meeting but may participate electronically.

Notice is hereby given that the American Fork City Council will meet in a special session and work session on Tuesday, May 17, 2022, in the **American Fork City Hall**, located at **31 North Church Street**, commencing at 4:00 p.m. The agenda shall be as follows:

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

1. Review of the FY2023 Strategic Goals.
2. Review of the submittals for fiber proposals.
3. Adjourn.

Dated this 12th day of May 2022.



Terilyn Lurker
City Recorder

- In accordance with the Americans with Disabilities Act, the City of American Fork will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by contacting the City Recorder at 801-763-3000 at least 48 hours in advance of the meeting.
- The order of agenda items may be changed to accommodate the needs of the City Council, staff, and the public.

CITY COUNCIL STUDY ITEM

City of American Fork
COUNCIL WORK SESSION
MAY 17, 2022

Department Recorder

Department Terilyn Lurken

STUDY ITEM Review of the FY 2023 Strategic Goals.

BACKGROUND

Camden Bird will lead the discussion on the review of the FY 2023 Strategic Goals.

SUPPORTING DOCUMENTS

05.17.22 - FY 2023 Strategic Goals (PDF)

STRATEGIC GOALS WORKPLAN

FY 2023

5/17/2022



AMERICAN FORK

DRAFT

#	Action Plan	Detail	Target Date	Lead Staff	Notes/Status	Fiscal Impact
GROWTH PLANNING						
FIBER						
Define: Develop and implement a plan to provide fiber to residents and businesses						
1	Determine public interest	Conduct surveys of community to gauge need and interest.	Feb 2022	Admin	Surveyed residents three times, including two 3rd party surveys. Sufficient public interest to proceed.	\$9,370 MDI
2	Intent to Negotiate	Use Intent to Negotiate and select firm.	May 2022	Admin	Council to approve ItN in May.	\$0
3	Design the Project	Hired firm to design project scope and budget	TBD	Admin		TBD
3	Funding	Select bonding team. Take bond to market	TBD	Admin		Inc. in Bond
4	Construction	Construct Project	Est. Fall 22	Admin		
200 SOUTH CONSTRUCTION						
Define: Construct 200 South						
1	Design Road	Work with PEPG to design 200 S and set cost.	Nov 2021*	PW	Completed. *Working with UDOT/MAG/UTA on pony express/vineyard connection options. May impact designs.	\$1.12 M
2	Funding	Select bonding team. Take bond to market	May 2022	PW	CRA approved. Lining up bonding.	\$0
3	Project Bid	Bid Construction	Jul 2022	PW		\$0
4	Begin Construction	Begin Construction	Sep 2022	PW		TBD
FACILITIES MASTER PLAN						
Define: Develop a facilities master plan that incorporates the city's growth needs over the next 30 years						
1	Existing City Facilities	Look at current facility needs, specifically with PW, Admin, and Police and determine short and long term solutions to space constraints.	Est. Jan 2023	Admin, Police, PW	Negotiating with courts regarding lease extension.	TBD
2	Master Plan 30 Acre Property	Engage with key stakeholders to determine best use of space. Develop master plan based on input. Determine scope and cost.	Spring 2023	CSD		TBD
3	Property Acquisition Plan	Identify parcels for city acquisition and establish process for acquiring needed parcels. Right of first refusal	Spring 2023	Admin		\$0

#	Action Plan	Detail	Target Date	Lead Staff	Notes/Status	Fiscal Impact
WATER PRESERVATION						
WATER / SEWER LINES						
Define: Look at ways to preserve and protect our irrigation water supply						
1	Develop PI Metering Plan	Review model options and cost estimates. Look at phasing and funding.	Sep 2021	PW	Complete. Submitted funding application to state	\$12M, \$3M funded
2	Develop PI Rates	Develop PI meter rate structure based on usage and lot size. Communicate to residents new rates prior to implementation.	Spring 2023	PW	Looking to work with firm to help with fee structure analysis	TBD
3	Water Recycle Program	Develop concept and get approved by TSSD and DWR. Once approved, design project, determine funding package.	Spring 2023	PW	Horrocks has completed proof of concept. Need to take to TSSD and DWR.	TBD
ORGANIZATION						
City Code						
Define: Rewrite city code to be more organized, streamlined, and accurate						
1	Hire firm	Set scope and send out RFP	Jul 2022	Planning		\$0
2	Update code	Work with firm to organize code. Remove inconsistencies. Improve navigability.	May 2023	Planning		TBD
3	Adopt Code	Take to PC and CC for approval.	Jul 2023	Planning		\$0

CITY COUNCIL STUDY ITEM

City of American Fork
COUNCIL WORK SESSION
MAY 17, 2022

Department Recorder

Department Terilyn Lurken

STUDY ITEM Review of the Fiber proposals.

BACKGROUND

The council will review the proposals received for the fiber network.

SUPPORTING DOCUMENTS

05.17.22 - Fiber Proposal (PDF)



STRATA
NETWORKS®

DEVELOPMENT OF AN OPEN ACCESS FIBER NETWORK INVITATION TO NEGOTIATE

Public Private Partnership (PPP) | American Fork

Prepared by

STRATA Networks

Submission Date: Monday, May 9, 2022

STRATA Networks
211 E 200 N
Roosevelt, UT 84066
(435) 622-5007
www.stratanetworks.com

The following table of contents is provided as an outline of the primary components of the proposed PPP:

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American Fork City
Attn: David Bunker, City Administrator
51 East Main Street
American Fork, Utah 84003

American Fork City Officials,

Thank you for the opportunity to present this proposal to your city staff, administration, and city government. We appreciate the time taken by the city staff to consider the proposal and its potential value for the City of American Fork. The STRATA Networks team looks forward to working with you to design, construct, and operate a state-of-the-art, world-class fiber optic infrastructure system in American Fork.

This proposal provides a high-level overview of a robust network model which has been prepared with a focus on best practices in fiber optic architecture, materials, network topology, construction methods, and operational support. STRATA's unique perspective and abilities to execute come, in part, from over 65 years of telecommunications experience, with fiber optics being part of that experience for over 30 years. STRATA has experience with both Active Ethernet Networks and Passive Optical Networks and has implementations and experience with numerous outside-plant and inside-plant materials, equipment, and architectures/methodologies. A partnership with STRATA allows American Fork City to leverage the carrier-class experience of a proven Utah-based telecommunications company focused on the specific needs/expectations of American Fork City. We feel that we bring the experience, leadership, and knowledge that will ensure success for your potential project.

STRATA provides a strong professional services team staffed with excellent employees who have the experience and expertise to greatly compliment, enhance, and ensure success for American Fork City in this endeavor. On the following pages you will find the contact information for the STRATA personnel who are leading this effort. If you have questions or would like to discuss our proposal in more detail, please feel free to contact a member of our team dedicated to this effort, or you are always welcome to contact me at your convenience.

Sincerely,



Bruce H. Todd
CEO/General Manager
STRATA Networks
435.622.5007
btodd@stratanetworks.com

Project Team

COMPANY INFORMATION

STRATA Networks
211 E 200 N
Roosevelt, UT 84066
435. 622.5007
www.stratanetworks.com

MAILING ADDRESS

STRATA Networks (Attn: Tyler Rasmussen)
P.O. Box 398
211 East 200 North
Roosevelt, Utah 84066

MAIN PROJECT CONTACT(S)

Tyler Rasmussen

VP of Business Development

trasmussen@stratanetworks.com**David Ryan**

Chief Operations Officer (COO)

dryan@stratanetworks.com**Shad Sagers, PE**

Municipal Fiber Project Manager

ssagers@stratanetworks.com

SUPPORT TEAM

Beau Hancock

Legal Review/Special Projects

bhancock@stratanetworks.com**Jason McKee**

Chief Financial Officer (CFO)

jmckee@stratanetworks.com**Brent Simmons**

Vice President of Technology

bsimmons@stratanetworks.com

AUTHORIZED AGENT(S)

Bruce H. Todd

Chief Executive Officer (CEO)/General Manager

Office: 435.622.5007

btodd@stratanetworks.com

II. Statement of Qualifications (SOQ)

STRATA Networks, headquartered in Roosevelt, Utah, was founded in 1951 with the mission of delivering telephone service to rural areas of the state which were not being served by the current telephone service provider. Over the past seven decades, STRATA has evolved and progressed with technology. Today, STRATA is the largest independent telecommunications cooperative in the state of Utah, offering fiber-optic internet connectivity to over 11,000 locations, nationwide wireless coverage, television, and voice service.

Helping people connect with each other has always been STRATA's major focus. Responding to the needs of customers, the company has taken steps toward the future, building layer upon layer, forming a rock-solid foundation of the latest technology. Today, STRATA and its subsidiary companies, employ nearly 300 highly skilled individuals who bring a wide array of knowledge and expertise.

In addition to the company's traditional telecommunications services mentioned above, the company offers the following:

- Network Operation Center: 24/7/365 network monitoring and answering service
- Data Center located in Vernal, Utah
- Carrier Aggregation/Switching
- Media Production & Distribution
- Marketing Services
- Managed IT and Telemetry Services

STRATA has experience with both Active Ethernet Networks and Passive Optical Networks and has implementations and experience with numerous outside-plant and inside-plant materials, equipment, and architectures/methodologies. A partnership with STRATA allows American Fork City to leverage the carrier-class experience of a proven Utah-based telecommunications company focused on the specific requirements of your fiber project.

References

The following includes a representative sample of work that STRATA has recently performed on behalf of it's communities and clients. Each work sample is accompanied by contact information:

JASON WALKER City Administrator Lehi City 153 North 100 East Lehi, Utah 84043 Phone: 385-201-1000 Email: jwalker@lehi-ut.gov	Notable Project(s) with STRATA Networks: STRATA was selected as the partner to design, procure, construct, operate and maintain an open-access city-wide fiber optic network following the release of a RFP for the project. The Lehi City Council passed a resolution to contract with STRATA on the project and construction is expected to begin Summer 2022. The Lehi City Fiber Project capital investment is estimated at ~\$68M, it will serve roughly 21,800 locations and is expected to be completed within 3 years.
RYAN SNOW City Manager Providence City 164 North Gateway Drive Providence City, Utah 84332 Phone: 435-752-9441 Email: Ryansnow2@providence.utah.gov	STRATA acted in a consultative/advisory role on the Technical Advisory Committee for Providence City, Utah as it prepared to deploy an open-access city-wide fiber optic network. The Providence City Council passed resolutions to contract with STRATA on the design, construction, and sub-sequent operation for a city-wide fiber network project. The Providence City Fiber Project is currently under construction with a capital investment estimated at ~\$8M, it will serve roughly 2700-3000 locations and is expected to be completed within 3 years.

LYNNE YOCOM Fiber Optics Manager Utah Department of Transportation (UDOT) 2060 South 2760 West Salt Lake City, UT 84104 Phone: 801-514-4565 Email: lyocom@utah.gov	STRATA has a long-standing relationship with UDOT having partnered on multiple projects for over a decade. Recently, STRATA completed a 70-mile fiber-optic infrastructure build from Vernal, Utah to Manila, Utah and to Dutch John, Utah. The project traversed some of the most challenging terrain imaginable with roughly 40% of the route constructed in solid rock at a depth of 54". STRATA also worked as a sub-contractor on two recent UDOT projects along I-84 and I-70. The project was funded with contributions from UDOT and CARES Act fund allocations and the work was completed on an extremely constricted timeline between October 2020 and January 2021.
KELLEIGH COLE Strategic Projects/Senior IT Utah Education and Telehealth Network (UETN) 101 Wasatch Drive Salt Lake City, UT 84112 Phone: 801-244-2866 Email: kcole@uen.org	STRATA has a long-standing relationship with the Utah Education and Telehealth Network, currently providing connections to 30+ schools, hospitals, clinics, and head-start facilities in Utah. STRATA has partnered with UETN, advocating connectivity for education and medical services, for over two decades. STRATA completed a 70-mile fiber-optic infrastructure build from Vernal, Utah to Manila, Utah and to Dutch John, Utah. Despite many challenges, the project was completed ahead of schedule and on budget.
IRENE HANSEN Duchesne County Commissioner Duchesne County 734 North Center Street Duchesne, Utah 84021 Phone: 435-738-1139 Email: ihansen@duchesne.utah.gov	STRATA has deployed fiber optic infrastructure in Duchesne County for over 30 years. Recent projects include efforts to deliver fiber-to-the-premises (FTTP) to the residents and businesses of Duchesne County. These efforts are ongoing but, to date, STRATA has delivered FTTP to over 11,000 locations across the Uintah Basin, including Duchesne County.

Brief Summary of experience for main project contacts

Tyler Rasmussen, VP of Business Development: 19 years of experience in the industry with specific focus in strategic partnerships, community/economic development, marketing, public relations, retail sales, and business development. M.S. in Business Administration (Utah State University), B.A. in International Relations (Utah State University)

David Ryan, Chief Operations Officer (COO): 22 years of experience in the industry, along with 19 years of leadership experience managing Engineering, Rights-of-Way & Permitting, Warehouse & Logistics, Outside Plant Construction, and Fiber Installation & Splicing. B.S. in Business Management (Western Governor's University) and currently completing a M.S. in Business Administration.

Shad Sagers, PE - Municipal Fiber Project Manager: 7 years of experience in the telecommunications industry along with an additional 10 years of project and management experience in the Civil and Structural Engineering industry. Licensed Professional Engineer, M.S. Degree in Civil & Environmental Engineering (Utah State University), B.S. degree in Civil Engineering (Utah State University).

List of Proposed Subcontractors

STRATA, if selected as the City's open-access network partner, intends to self-perform the design, construction, and ongoing operation & maintenance of the fiber network. Certain situations, based on a variety of variables, may require the use of sub-contractors to complete elements of the project. Sub-contractors, if utilized on this project, will be clearly identified and communicated to the City.

III. Financial Stability

STRATA Networks: Professional Work History

- A. STRATA is proven, respected, and experienced in fiber-optic telecommunications infrastructure buildout and operation. Having been providing telecommunications services and building the networks to support those services since 1951, with a focus on fiber infrastructure since the 1980's, STRATA has nearly 70 years of industry experience.
- B. Over the last several decades, STRATA has built more than 1400 route miles of fiber, and currently maintains a fiber transport network of approximately 2400 route miles of fiber and associated network equipment. This network infrastructure has delivered fiber to over 11,000 locations with many more being added each year.
- C. STRATA has traditionally designed, built, and maintained its infrastructure utilizing in-house staff. This has allowed STRATA to develop in-house expertise in telecom engineering, rights-of-way/permitting, construction, fiber splicing, fiber installation, digital marketing, and technical support. STRATA has nearly 300 qualified employees, many of which will be assigned to this project. We have selected some of our in-house staff certifications/qualifications most relevant and applicable to this project and listed them here (number of staff with certificate/qualification in parenthesis):

- Certified Professional Engineer (2)	- Data Center Engineering Specialist Certificate (2)
- Master Electrician (2)	- Data Center Infrastructure Expert Certificate (2)
- Journeyman Electrician (6)	- IDCA Data Center Operations Manager Certificate (2)
- CompTIA Project+ (1)	- Photoshop Adobe Certified Expert (1)
- CompTIA A+ (4)	- SHRM Certified Professional Certificate (2)
- CompTIA Network+ (3)	- Google Analytics Certification (1)
- National Safety Council Advanced Safety Certificate (1)	- Microsoft Certified Solutions Associate: BI Reporting (1)
- OSHA 30 Certification (1)	- Microsoft Technology Associate: Database Fundamentals Certification (1)
- National Electric Safety Code Training Certificate (52)	- ABS Inventory/Purchasing Management (2)
- NCTI Fiber Install & Activation Certification (5)	- NTCA 2018 Cyber Wise Risk Management Certification (1)
- Active General Contractor License- Contractors License Professional DOPL (4)	- Milestone Certified Design Engineer (1)
- Ethernet Access Network Specialist (4)	- Mapcom M4 Certified – Specialist, Professional, Expert, &/or Master (64)
- Calix System Specialist (4)	- State Licensed Attorney – Utah (1)
- AGC/UDOT Traffic Control Maintainer Certificate (24)	- Certified Professional Accountant (1)
- ATSSA Traffic Control Technician Certification (13)	
- Traffic Control Supervisor – Utah (2)	
- D. STRATA owns and operates its own sophisticated Network Operations Center (NOC), with live staffing 24 hours per day/365 days per year, which would be leveraged to provide proactive network monitoring and incident response management.
- E. STRATA owns and operates its own state of the art Data Center facility, located in Vernal, UT, which could be made available to ISP's on the American Fork City fiber network for data storage, server management, etc. Network backhaul from Salt Lake City to both the NOC and Data Center is fully redundant and geographically diverse. STRATA also has redundant and geographically diverse fiber optic routes extending into Salt Lake City and Denver, Colorado, in the event that becomes of interest to the City and/or ISP's.

STRATA Networks: Legal Statement

No legal proceedings have been instituted or are pending to which STRATA is a party that would materially affect the ability to perform its obligations under the submitted proposal. No liens, pending bankruptcies, stop notice, judgments, foreclosures, or any such actions filed or resolved in the past seven (7) years would affect STRATA's ability to perform its obligations under the submitted proposal.

STRATA Networks: Financial Resources

STRATA holds \$135 million in assets and employs 278 individuals to ensure adequate ability and continuous performance of work. Please see subsection C. above for a list of licenses/certifications that employees currently hold. *An audit can be provided upon request subject to Non-Disclosure and GRAMA laws to further illustrate this statement.*

STRATA has an up-to-date and well-maintained fleet with a broad array of heavy and light equipment needed to complete the work required for operating and maintaining the Network. The following list of equipment demonstrates that it is sufficient, adequate, and suitable for the work contemplated.

- Caterpillar D8T High Track w/BRON HSII Plow
- Caterpillar D8T High Track w/Pre-Rip Shank and Dozer
- Dresser TD-15C Crawler Clean-Up Dozer
- Caterpillar HM320 Track-Hoe 130 Hammer
- Caterpillar 336 Track-Hoe Excavator
- Tesmec 1150 RS Rock Wheel/Saw
- Transport Truck (Semi) and Trail 50-Ton and 55-Ton (multiple)
- 10-Wheel Dump Truck
- 10-Wheel Dump Truck with Tag Axle
- Water Truck
- Dump Trailer (multiple)
- Multiple gooseneck 25,000# and 30,000# rated trailers
- Multiple other trailers (bumper pull, tilt-deck, etc.)
- Multiple, various size/capacity, reel trailers and reel handlers
- Gehl 8000# Telehandler Forklift
- Caterpillar 12,000# Telehandler Forklift (multiple)
- Caterpillar 420 F Backhoe (multiple)
- Case 580SN Backhoe (multiple)
- Case 590 SN Backhoe (multiple)
- Caterpillar 306 C3 Mini Excavator or similar (multiple)
- Hammerhead Piercing Tool (Hole Hog) or similar (multiple)
- Ditch Witch JT5 (walk-behind directional drill for yard work)
- Ditch Witch JT10 (or similar) Boring Machine (multiple)
- Ditch Witch JT24 Boring Machine
- Ditch Witch JT3020AT Boring Machine
- Ditch Witch JT40AT Boring Machine
- Ditch Witch RT115 Trencher
- Ditch Witch RT 115 Quad Plow
- Ditch Witch RT 125 Quad Plow (multiple)
- Ditch Witch RT80 Quad Plow
- Ditch Witch RT80 with MT16 Micro-Trencher
- Ditch Witch FX50 Vacuum Excavator
- Ditch Witch FX75 Vacuum Excavator (multiple)
- Kubota SVL95 Skid Steer
- Caterpillar 279 D3 Skid Steer
- Caterpillar 259 D Skid Steer or similar (multiple)
- Multiple In-Yard Trenchers and/or Plows for Service Drop Construction
- Condux Cable Blowing Machine (multiple)
- Greenlee PSA Minijet P01 Blowing Machine (multiple)
- Sherman-Reilly Minijet Blowing Machine
- Atlas Copco XAVS400 Compressor or similar (multiple)
- Fusion Splicer (Core Align) (multiple)
- Enclosed Splice Trailer (multiple)
- Generator (multiple)

IV. Business Plan

STRATA understands the City's primary goals and objectives with a city-wide fiber optic project and is confident that this partnership will meet project goals and preferred technical attributes set forth by The City.

1. *Deployment of a City-wide dynamic open access broadband network solution that can be deployed for the benefits of all residents and businesses.*

Response: STRATA's proposal assumes fiber-to-the premises (FTTP) availability to all households, businesses, public facilities, and private institutions in American Fork City. STRATA has provided two model options for American Fork City to consider, a Utility Model and a Subscription Model.

- I. A Utility Model provides basic internet service, sufficient for web browsing and email, for a reasonable base utility fee to all residents with an opportunity to upgrade to higher tier broadband services. In this model, considerations can also be given to reduce/eliminate the utility fee for some citizens based on pre-determined qualifiers of economic hardship.
- II. A Subscription Model does not include a basic internet service or utility fee, rather each resident and business would be given the opportunity to subscribe to higher tier broadband services on the City network at their discretion. With a Subscription Model, only those who subscribe to the network are required to pay service fees. The network is deployed ubiquitously throughout the City, but individual customer service drops are only placed to those locations who choose to take service.

MONTHLY RESIDENTIAL PRICING			
Revenue Distribution	250 Mbps Package		1000 Mbps (Gig) Package
	*Utility Fee:	\$ 10.00	*Utility Fee: \$ 10.00
	Network Refresh Allocation:	\$ 7.00	Network Refresh Allocation: \$ 7.00
	City Infrastructure Allocation:	\$ 15.00	City Infrastructure Allocation: \$ 20.00
	Network Operator Fee:	\$ 20.00	Network Operator Fee: \$ 20.00
	<u>Internet Service Provider Fee:</u>	<u>\$ 13.00</u>	<u>Internet Service Provider Fee:</u> <u>\$ 18.00</u>
	Total Consumer Bill:	\$ 65.00	Total Consumer Bill: \$ 75.00

*The City may opt to eliminate this fee and only charge residents who choose to subscribe to the network. In such circumstances, the \$10 fee would be added to the City Infrastructure Allocation.

2. *Optimize choice and freedom for customers.*

Response: STRATA proposes the network be established as an "Open Access" network, inviting other ISPs and telecom providers common access to the network in order to provide broadband and connectivity services to American Fork City citizens. STRATA proposes to manage the network as a true "Open Access" network to allow fair and equal access. Both STRATA and American Fork City will recruit and manage other ISPs and telecom providers to the network. In addition, STRATA will provide an auto-provisioning capability allowing consumers to auto-select their choice for internet service provider.

3. *Minimize financial costs and risk to the City and network customers.*

Response: STRATA's proposal provides mutual incentives for the successful deployment and operation of the FTTP network. As the network operator STRATA receives payment based solely on a fee applied incrementally for each active subscriber on the network. The risks and benefits of subscribers utilizing the network are shared between STRATA and the City.

STRATA's proposal includes a deferral of revenue sharing mechanisms until after the minimum debt

obligation is met through subscription. The revenue sharing mechanism will not initiate until after revenue thresholds exceed bond payments. Revenue, after network operator fees and network refresh fees have been paid, will be split 60% to the City and 40% to STRATA Networks.

4. Minimize legal risk to City

Response: STRATA with over 70 years of industry experience is aware and in compliance with both federal law and applicable state laws. The information provided in this proposal is for reference and not for the purpose of providing legal advice. STRATA encourages the City to evaluate the proposal and consult the City's legal counsel.

5. Maximize security, privacy, and quality of service to network customers.

Response: Working closely with city officials to meet the City's goals, STRATA will design a city-wide fiber network utilizing the modeling preferences (Utility or Subscription) of the City. As previously specified, the network will be designed using top quality, carrier-class materials and network components to ensure the City's investment will last many years into the future and that the network will be cost-effective to maintain. The network will be designed using hybrid Passive Optical Network (PON) and Active Ethernet technology to provide a cost-effective solution that is flexible and scalable for the future. The network will be capable of providing multi-gig service to each location within the City.

STRATA proposes that the City enter into a Network Operation and Maintenance agreement with STRATA Networks for a period of 5-10 years. This agreement will obligate STRATA to operate and maintain the network on behalf of the City. STRATA will utilize local employees and resources to maintain and repair the network according to agreement terms. Network Operation Center (NOC) personnel, working 24/7/365, will serve as primary technical support for any customers that STRATA serves as an ISP and for other ISP's who are troubleshooting on behalf of their customers on the City network. In the proposed model, the City will pay STRATA a monthly fee per subscriber on the network. This unique model requires that the City and STRATA share in the financial risk of adoption to and subscription on the network.

STRATA Networks manages cybersecurity for its network and facilities through the company's dedicated cybersecurity program. As a part of this program, STRATA's data center achieved the highly regarded designation of being a "SOC 2" approved facility in 2019. All cybersecurity requirements are documented and communicated to employees through this program. At the time of hiring, STRATA employees are required to review and accept the company's cybersecurity policies.

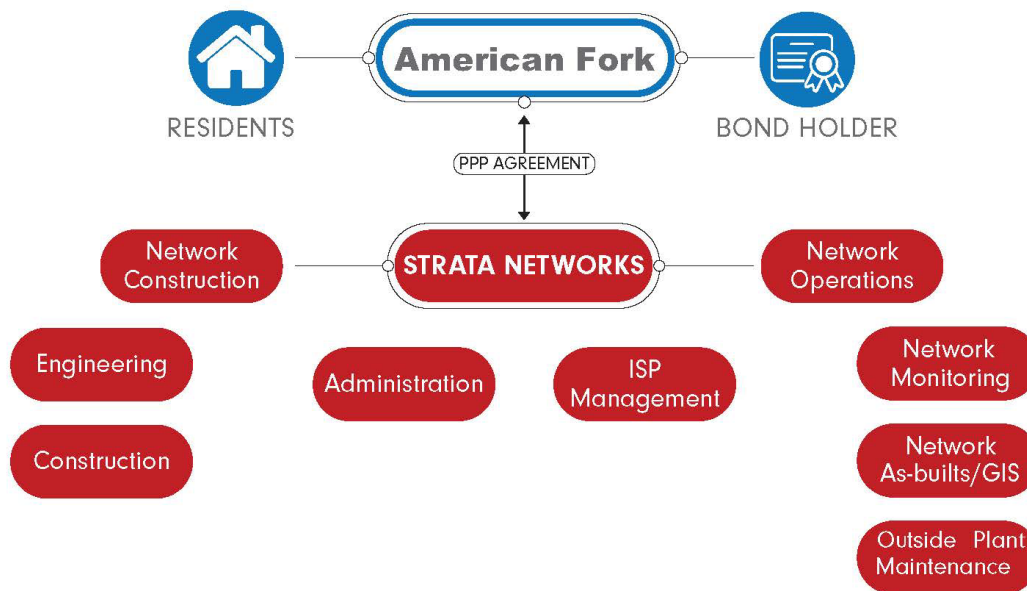
Access to STRATA's network and the equipment utilized to manage it is restricted based on an employee's specific position and the following principles: the employee's need-to-know, the least amount of access needed to accomplish their job, and the strict separation of duties among employees. Network changes are managed according to specific change control procedures based on STRATA's change management policy. Network components are hardened, consistent with industry best practices, and network segmentation is implemented to ensure the secure operation and administration of all systems.

6. Ownership of network to remain with municipality.

Response: STRATA Networks proposes a public-private partnership for consideration of the City-wide network. Public-private partnerships involve collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects, such as public transportation networks, parks, and convention centers. Funding a project through a public-private partnership (PPP) can

allow a project to be completed sooner or make it a possibility in the first place. STRATA is proposing to form a PPP with American Fork City towards the design, construction, and ongoing operation of a municipal fiber-optic network. This partnership will align our interests and allow both parties to share in the financial and operational risk of a city-wide fiber investment.

The proposed Public Private Partnership (PPP) brings together one of the state's most reputable and established telecom carriers with a forward-thinking and thriving community. This proposal assumes ownership of the network will reside with the City and STRATA Networks would act, under contract, as the network operator on behalf of the City's network.



7. *Realistic timeline to execute on proposal.*

Response: STRATA Networks proposes to begin design of the network immediately following the execution of a contract to construct. Actual construction may start within six to twelve months of contract execution. STRATA proposes a three-year construction period. STRATA proposes to divide the City into several neighborhood zones. Utilizing an online fiber demand aggregation tool, STRATA will work closely with City officials to determine, through actual market feedback, which zones will produce the greatest level of subscription. Targeting these areas first in the design and construction process will allow the City to expedite subscription to the network and lead to a more improved return on the City's investment.

Service will be available in a zone at the completion of work within that zone.

STRATA recommends that any new development be integrated into the expansion of the fiber-optic network. This should be done during construction of the new development to ensure service is available to any new customer once the development is complete.

STRATA proposes that any new development be required to:

- Open and close trenches for fiber optic conduit. This trench will most often be a shared trench with power.
- The City would provide all materials, be responsible for placing facilities in the open trenches, and inspect to ensure proper completion.
- The City may consider requiring payment of a predetermined dollar amount per lot/unit to provide service into the new development.

Mainline extensions (new development and/or annexation) and service drops requested after the completion of the construction window will represent additional cost to the City. These costs may be offset with impact fees and requirements for new developments.

8. *Strategy for leveraging State and Federal stimulus dollars for the development and construction of the physical network.*

Response: STRATA Networks has a team dedicated to monitoring and strategizing partnerships and projects to leverage Federal, State and Local funding opportunities. The STRATA team has been successful in applying for, and being awarded, nearly \$50 million in government funding for broadband over the last 18 months. The team is continuously watching for opportunities to partner with municipalities and other entities to deploy broadband infrastructure and have the skills and experience necessary to write grants, follow-up on required reporting, and execute project completion. The STRATA Team is closely monitoring the Broadband Equity, Access, and Deployment (BEAD) Program as program details and funding opportunities will be released within the next several months. The BEAD Program was established by the Infrastructure Investment and Jobs Act (IIJA) and appropriates \$42.45 billion for states to utilize for broadband deployment, mapping, and adoption projects. It is yet to be determined how funding will be allocated to each state and the mapping mechanism that will be used to determine eligibility, but there is anticipation that small areas in several cities located along the Wasatch Front including American Fork could be eligible for funding. STRATA Networks will work closely with American Fork City if areas within the city are determined to be eligible. Local American Rescue Plan Act (ARPA) funds are also eligible for broadband infrastructure and may be used in connection with this project.

V. Development Pro Forma

American Fork Comparative Municipal Pro Formas

Fiber Network Status (projected)	Calendar Year											
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Projections (at mid-year; rounded)	Building	Building	Building	Established	Established	Established	Established	Established	Established	Established	Established	
Municipal Margins - Utility Model												
Provision For Network Updates - Utility Model	\$475,012	\$1,493,331	\$2,589,733	\$1,926,244	\$1,978,789	\$2,027,163	\$2,075,328	\$2,127,849	\$2,182,336	\$2,229,075	\$2,284,979	
	\$73,547	\$234,575	\$412,676	\$523,351	\$552,262	\$582,812	\$615,015	\$649,010	\$684,882	\$722,785	\$762,729	
Funds Available To Municipality - Utility	\$548,559	\$1,727,906	\$3,002,409	\$2,449,595	\$2,531,051	\$2,609,975	\$2,690,343	\$2,776,860	\$2,867,218	\$2,951,860	\$3,047,707	
Bond Debt Service	\$0	\$0	\$0	\$2,371,759	\$2,371,759	\$2,371,759	\$2,371,759	\$2,371,759	\$2,371,759	\$2,371,759	\$2,371,759	
Funds After Debt Service - Utility Model	\$548,559	\$1,727,906	\$3,002,409	\$77,836	\$159,292	\$238,216	\$318,584	\$405,101	\$495,459	\$580,101	\$675,948	
Funds / Debt Service - Utility Model	n/a	n/a	n/a	1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	
Projected Net Funds After Debt Service, Network Update Allocation, & Revenue Share [16]*												
	\$ 475,012	\$ 1,493,331	\$ 2,589,733	\$ (445,515)	\$ (392,970)	\$ (344,595)	\$ (296,431)	\$ (243,910)	\$ (189,423)	\$ (142,684)	\$ (86,780)	
Municipal Margins - Subscription Model												
Provision For Network Updates - Subscription Model	\$306,437	\$976,622	\$1,716,751	\$1,150,340	\$1,201,269	\$1,249,984	\$1,300,421	\$1,354,727	\$1,411,866	\$1,464,439	\$1,525,813	
	\$73,547	\$234,575	\$412,676	\$523,351	\$552,262	\$582,812	\$615,015	\$649,010	\$684,882	\$722,785	\$762,729	
Funds Available To Municipality - Subscription	\$379,983	\$1,211,197	\$2,129,428	\$1,673,691	\$1,753,530	\$1,832,795	\$1,915,436	\$2,003,738	\$2,096,747	\$2,187,224	\$2,288,541	
Bond Debt Service	\$0	\$0	\$0	\$1,955,876	\$1,955,876	\$1,955,876	\$1,955,876	\$1,955,876	\$1,955,876	\$1,955,876	\$1,955,876	
Funds After Debt Service - Subscription Model	\$379,983	\$1,211,197	\$2,129,428	(\$282,186)	(\$202,346)	(\$123,081)	(\$40,440)	\$47,861	\$140,871	\$231,347	\$332,665	
Funds / Debt Service - Subscription Model	n/a	n/a	n/a	0.9	0.9	0.9	1	1	1.1	1.1	1.2	
Projected Net Funds After Debt Service, Network Update Allocation, & Revenue Share [16]*												
	\$306,437	\$976,622	\$1,716,751	(\$805,537)	(\$754,608)	(\$705,893)	(\$655,455)	(\$601,149)	(\$544,011)	(\$491,438)	(\$430,064)	

Municipality public finance counsel will determine final rates and terms.

*Projected Net Funds listed on bottom line of this Proforma assume 100% utilization of network refresh/update allocation.**

VI. Project Funding

STRATA has made several key assumptions within this response. Further input from the City is welcomed in producing further cost refinements for this project.

- **American Fork City Address Assumptions:**
 - o 8,548 residential addresses
 - o *4,084 MDU addresses
 - o 575 business addresses
 - o 13,207 total addresses
 - *MDU address costs include fiber drop and do not include installation costs.*
- **Micro trench Construction Assumptions:**
 - o 36-month construction window
 - o ~83% micro trenching
 - o ~15% directional drilling/boring
 - o ~2% Plow placemen

Summary - Utility Model

FIBER-OPTIC INFRASTRUCTURE MODEL

Estimated Initial Fiber-Optic Network Infrastructure Cost:	\$ 40,946,373.00
Bond Term (Years):	30
Bond Interest Rate:	4.00%
Estimated Monthly Bond Payment for Infrastructure (Year 4):	\$ 197,646.58
Estimated Monthly Utility Fee Revenue (Year 4):	\$ 157,400.00
Minimum # of Subscribers for Estimated Monthly Bond Payment:	1464
Minimum Take Rate for Estimated Monthly Bond Payment	10%

Summary - Subscription Model

FIBER-OPTIC INFRASTRUCTURE MODEL

Estimated Initial Fiber-Optic Network Infrastructure Cost:	\$ 33,766,521.00
Bond Term (Years):	30
Bond Interest Rate:	4.00%
Estimated Monthly Bond Payment for Infrastructure (Year 4):	\$ 162,989.71
Estimated Monthly Utility Fee Revenue (Year 4):	\$ -
Minimum # of Subscribers for Estimated Monthly Bond Payment:	5927
Minimum Take Rate for Estimated Monthly Bond Payment	40%

Under the City-owned scenarios outlined in this model, the City would be required to pay the initial capital cost of the network. The City may choose to bond to cover this entire upfront expense or utilize some variation of existing cash reserves and bonding. The City may also consider participating in an interlocal that would expand bonding options for the City. STRATA welcomes a conversation about the merit of using an interlocal for bonding if it is of interest to the City.

Based on the assumptions within the models provided, it is anticipated that the ongoing bond payment and estimated operational costs will be covered by subscriber revenues, however, ultimately the City will be responsible for these expenses.

Financial risks for the City are outlined in the *Project Obstacles* section on the following page.

VII. Project Obstacles

Current supply chain conditions introduce significant obstacles for both labor costs (available labor market) and materials costs. Currently, suppliers are unable to guarantee pricing for more than 7 days for many of the materials necessary for the project.

- Due to current challenges with supply chain and workforce availability, actual costs for the network can be difficult to predict. STRATA is proposing to work in partnership with American Fork City to solicit, on behalf of the contract, estimates and bids to construct the fiber network. STRATA will review the estimates and select contractor(s) and/or sub-contractor(s) to build the network. STRATA may choose to leverage its own contracting and/or sub-contracting services as part of this solution. Additionally, this proposal assumes that STRATA will acquire all materials for the project, leveraging STRATA's existing vendor and manufacturer relationships and pricing agreements for the City's benefit, and request reimbursement for those materials at STRATA's actual cost, plus the management fee outlined below. In this scenario, STRATA will provide a turnkey service to the City which will include engineering and consultation, purchasing and logistics, project and construction management, inspection, and other services to ensure that the City will take ownership of a world-class fiber network that meets all minimum requirements as defined and finalized by both parties during the engineering and consulting period(s). The City will pay for services rendered for the project. STRATA proposes to charge an applicable management fee, aligned with STRATA's direct costs for such services, to American Fork City, for engineering and consultation, purchasing and logistics, project and construction management, construction services, inspection, and other services rendered to the city as part of the project.

Insufficient subscription of internet service to provide a profitable model. In this regard, the City and STRATA share in the risk of network adoption and subscription. If the actual subscription rate is less than forecasted, both the City and STRATA will receive less revenue than anticipated.

- The selection of a Utility Model, and the decision relative to the fee structure, may greatly relieve or eliminate this risk. The subscription rate is far more critical when considering the Subscription Model.
- To further offset this risk, the City (with help from STRATA) can conduct market surveys in advance of contract execution to determine likely subscription thresholds.

The City may select a partner who is unable to perform.

- It is recommended that the City select a partner with a proven track record of experience and expertise who can successfully complete the network buildout and act as a trusted long-term partner in the ongoing maintenance and operation of that network. We believe STRATA represents the kind of partner that minimizes the City's risk in this regard.

The City may select a model that does not lead to the best long-term outcome(s) for the City.

- The City may be inclined to select a model wherein the City is required to be responsible for the bonding debt up to a certain subscription level but not retain any ownership of the network. This option leaves the City with financial risk, but no potential reward for taking the risk. After 25-30 years of bond payment obligation the City is left with no tangible asset. With STRATA's models, the City will own the network which will allow the City to take advantage of net revenues that are derived from long-term ownership of the network, and own the asset once it is paid for.

STRATA with over 70 years of industry experience is aware and in compliance with both federal law and applicable state laws. The information provided in this proposal is for reference and not for the purpose of providing legal advice. STRATA encourages the City to evaluate the proposal and consult the City's legal counsel.

VIII. Innovation

Many municipalities have shown recent interest in smart city applications to prepare for the future. These applications use technology to support reliable, secure, and efficient management of resources and services administered by the City. The following is a list of smart city applications that could be deployed in American Fork City:

1. **Water Management:** This application will help manage and protect American Fork City's most valuable resource – clean, accessible water. It is designed to help control water flow for extended distances while driving down operational costs. This management system allows the City to optimize pump stations, tanks, irrigation systems and treatment plant controls. The system offers custom alarms and remote video surveillance allowing early awareness of contamination and flood warnings.
2. **Public Safety:** This application provides police, fire, and medical first-responders with a solution to guide efficient use of resources. Broadband voice, data, and video to moving vehicles offers greater situational awareness without the limitations of only one form of real-time communication. Video surveillance networks provide an accurate real-time view of emergency situations that keep first responders and citizens safer. Police can use remote video surveillance to monitor events at a safe distance, identify license plates and examine evidence later.
3. **Wi-Fi Hot Zones:** Wi-Fi Hot Zones can be placed within the community, offering complimentary internet access to residents, public employees, and visitors in strategic and revenue-driving public areas. The City could also use the City-wide network to collect and analyze data throughout the City and even act on that data in real time. For example:
 - Air quality monitors to inform citizens of potential environmental issues.
 - Street/parking congestion information to direct citizens to available parking during festivals, etc.
 - Security cameras/motion detection in parks and other locations to help prevent vandalism.
 - Electric/water metering to efficiently view and manage utility services.
 - Property management – enable access to buildings/properties by remote for self-guided tours, etc.
 - Marketing and advertising – the City could provide smart screens throughout the City and sell targeted ads to marketers.
4. **Traffic Control:** Street-level amenities including remote video monitoring, security video and wireless access for Internet of Things devices can be provided to help organize data collected for early awareness and to anticipate future needs.

STRATA is open to discuss in further detail any of these smart city applications or other innovative ideas that the City might be interested in. STRATA can work with the City to build this network and implement these services utilizing its subsidiary companies which include services like: content creation and management, SCADA/telemetry services, enterprise IT services, etc.

Included in this proposal is 150 hours of consultation and engineering towards evaluating strategic smart city initiatives in American Fork City. Spectra, LLC, a wholly owned subsidiary of STRATA Networks will act as the

consultant to provide guidance on how smart city initiatives can bring enhanced value to the City's fiber network. Spectra will deliver a vendor agnostic plan to integrate with the City's master planning document.

IX. Responding to Critics of Government Ran Networks

Across America municipal leaders are understanding the need for fiber-based internet infrastructure and broadband availability to promote economic prosperity and improve quality of life and thus compete with other communities for the citizens who demand these systems.

STRATA suggests that broadband connectivity should be considered a basic need for every residence and business in the community. Similar to the way electricity is a utility, and its status as an essential service for every American, broadband has become essential for business, economic growth, education, entertainment, and staying connected to friends and family.

Current events have continued to solidify the significance of properly designed and built fiber networks as critical infrastructure among Utah municipal leaders. Recent municipal broadband efforts in Utah have confirmed that municipalities can deploy successful open-access fiber optic networks, however, current network ownership and revenue share models limit some of the long-term financial benefits. STRATA's proposal addresses these issues and seeks to provide a more mutually beneficial model for all parties involved while allowing the municipality to retain ownership of the network itself, if the municipality chooses to do so.

Municipalities are well positioned and accustomed to owning infrastructure, as evidenced by city-owned road systems, culinary and secondary water systems, sewer systems, and, at times, municipal power infrastructure. However, often, municipalities realize that they may not possess all required core-competencies to run fiber networks while still understanding the critical need for a solution.

There are several municipal owned networks that have proven to be successful such as Fairlawn, OH; Longmont, CO; and Wilson, NC. These networks are directly accountable to the community and when managed correctly often return value back several times over. Municipalities can ensure that every location has access to high-speed internet, bringing value and competitiveness to all residents and businesses. Fewer municipal owned networks have failed, such as Provo, UT; Davidson, NC; and Burlington, VT. These instances were the cause of a lack of understanding and disregard, higher-than-expected costs, and mismanagement.

Each municipality must evaluate their structure and management availability to see which model fits best. In the models that STRATA has provided, American Fork City has the ability to ensure that every resident and business who desires fiber infrastructure receives the service. American Fork City has the flexibility to own the network and leverage an experienced and trusted partner such as STRATA Networks to operate and maintain the network.