

FAQs

Updated 6/27/2023

What is Bountiful Fiber?

- It's a Bountiful City-owned fiber optic network for internet services. Bountiful has partnered with Utopia Fiber to build and operate the network. Subscribers will be able to choose an Internet Service Provider (ISP) and connection speed (between 250Mbps and 10Gbps) to meet their household needs.

Is Bountiful Fiber a Bountiful City project or a UTOPIA project?

- Through a one-of-a-kind agreement with UTOPIA Fiber (itself a collection of city-owned fiber networks), Bountiful City will own the infrastructure and UTOPIA will build and operate the system. In the future the City can choose to operate the system ourselves if it's in the best interest of residents. In the meantime, Bountiful Fiber is a highspeed fiber optic network owned by residents and operated with UTOPIA's unmatched speed, reliability, and competitive pricing.

Who pays for Bountiful Fiber?

- Only subscribers. Participation in Bountiful Fiber is voluntary, and subscriber revenue will pay for the cost of the service.

Will my taxes be used to pay for the fiber project?

- No. 100% of the costs will be paid with subscriber fees, in the same way that water fees pay for water infrastructure, or sanitation fees pay for garbage collection.

Will the City issue debt for this project?

-Yes. Bountiful intends to issue approximately \$42 million in bonds to pay for the construction of the fiber infrastructure. Sales tax will be pledged as security for the bonds to ensure a lowest possible interest rate, but user (subscriber) revenues will pay for the debt.

Why is the City pledging sales tax as security for the bond when subscriber revenue will actually pay for the debt?

- Bond purchasers will give a much lower interest rate for a sales tax bond than for a subscriber revenue bond. The savings result in lower fees for customers. It's estimated that a subscriber-backed bond would cost Bountiful Fiber customers approximately \$27 million more over the life of the bonds than for debt backed by the City's sales tax.

Does a sales tax bond require voter approval?

- No. State law allows city councils and other elected bodies to issues sales tax debt

without an election. This is largely because **it does not raise taxes**. Other types of debt, like a general obligation bond that pledge property tax revenue and a city's "full faith and credit" do require approval by voters.

A resolution recently passed by the City Council said the City plans to issue \$47 million. Which number is correct?

- The City needs \$47 million to construct the project, but that amount can be obtained by issuing approximately \$42 million in bonds. Because of the City's high credit rating combined with the security of municipal bonds generally, purchasers will pay a premium to purchase the bonds. Thus \$42 million in debt will generate \$47 million in bond proceeds to be used for construction. This is another reason that pledging sales tax as security for the bonds makes good financial sense.

When will I be able to get Bountiful Fiber?

-Construction will start this summer. It's expected that the project will be complete in 24 to 36 months, with individual neighborhoods able to sign up as they are completed.

How much will a connection cost me?

- Prices will vary depending upon the connection speed and ISP selected by the customer, but we anticipate **monthly** residential pricing in the following ranges:

250 Mbps: \$70 - \$78

1 Gbps: \$80 - \$90

10 Gbps: \$220 - \$250

There are no connection fees and no contracts. Customers participate on a month-to-month basis.