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To Whom It May Concern:

Utah Code Ann. §63H-7a-205(9) requires that I, Quin Stephens, as the Executive Director of the Utah Communications Authority (“UCA”), “make available to the public a report ... to the board, the Executive Offices and Criminal Justice Appropriations Subcommittee, and the Legislative Management Committee that includes” information relating to UCA's operations for fiscal year 2022, which ended June 30, 2022 (“FY2022”). A report of this information is included below:

A. The Total Aggregate Surcharge Collected by the State in the Last Fiscal Year Under Title 69, Chapter 2, Part 4, 911 Emergency Service Charges.

Based on reports provided to UCA from the Utah State Tax Commission during FY2022, the total aggregate surcharge collected by the State in FY2022 was \$32,267,277 comprised of \$14,315,262 for P25 upgrade purposes, \$7,578,692 for UCA's ongoing operations and maintenance, and \$10,373,323 for 911 purposes.¹

B. The Amount of Each Disbursement from the Restricted Accounts Described in Utah Code Ann. §§ 63H-7a-303, -304, and -403.

Utah Code Ann. § 63H-7a-303 creates the Computer Aided Dispatch Restricted Account. There were no disbursements from that account for FY2022.

Utah Code Ann. § 63H-7a-304 creates the Unified Statewide 911 Emergency Service Account. Disbursements from that account for FY2022 were as follows:

- \$15,466 was paid to the Rich County for maintenance of its 911 call taking equipment.

Distributions from this account were also made to UCA’s operating accounts for permissible expenses under Utah Code Ann. § 63H-7a-304, including expenses in accordance with UCA’s strategic plan, as well as to cover administrative costs. UCA’s utilization of these funds was as follows:

Administration Costs	\$ 14,481
Insurance	\$ 4,776
Payroll Expenses	\$ 440,492
Professional Fees	\$ 24,826

¹ It is important to note that UCA’s appropriations regarding the 911, P25 and Radio funds were less than the amounts collected from the surcharge.

911 Network Maintenance (Legacy Equipment, Text-to-911, Website, etc.)	\$ 681,837
NG911 Contract Costs and Consulting	\$ 4,105,824
Rents and Lease Amortization	\$ 7,991
Interest Expense	\$ 402

In addition, distributions from this account were made to qualifying PSAPs for meeting specific requirements under Utah Code Ann. § 63H-7a-304.5. UCA's utilization of these funds are as follows:

• St. George Police	\$223,066
• Grand County Sheriff	\$ 20,842
• Provo City Police	\$117,243
• DPS Price Communications	\$ 26,299
• DPS Box Elder Communications	\$ 66,997
• Sanpete County Sheriff	\$ 23,277
• Logan City Communications	\$102,690
• Davis County Sheriff	\$148,121
• Clearfield City Police	\$ 46,277
• Bountiful Police Department	\$ 87,602
• Springville City Police	\$ 34,611
• Weber Area Dispatch 911	\$247,500
• San Juan County Sheriff	\$ 27,401
• Tooele County Sheriff	\$ 91,958
• Kane County Sheriff	\$ 19,509
• DPS Uintah Basin Communications	\$ 66,461
• DPS Richfield Communications	\$ 32,825
• Layton City Police	\$ 75,252
• Beaver County Sheriff	\$ 13,315
• DPS Cedar Communications	\$ 68,477

Utah Code Ann. § 63H-7a-403 creates the Utah Statewide Radio System Restricted Account. Distributions from this account were made to UCA's operating accounts for two statutory purposes. First, \$22,063,570 was distributed for purposes related to the upgrade of the statewide radio network from its current analog technology to the P25 technology which is digital and provides an open architecture for greater end user competition. UCA's utilization of these funds was as follows:

Administration Costs	\$ 13,188
Insurance	\$ 7,148
Radio Network Maintenance and Upgrade	\$21,353,722
Payroll Expenses	\$ 663,398
Professional Fees	\$ 11,187
Non-Network Rents & Leases	\$ 14,927

Second, \$6,087,002 was utilized for UCA's ongoing operations, maintenance, and expansion of its existing network, as well as UCA's statutory interoperability functions, in the following budget categories:²

² UCA also recognized \$2,128,540 in depreciation and amortization for the year.

Administrative Costs	\$ 249,743
Insurance	\$ 154,218
Radio Network Maintenance	\$ 1,480,087
Radio Network Expansion	\$ 743,725
Payroll Expenses	\$ 2,684,539
Professional Fees	\$ 247,787
Non-Network Utilities	\$ 12,597
Non-Network Rents & Leases	\$ (19,931)
Other Capital Expenditures	\$ 467,795
Interest Expense	\$ 66,442

C. The Recipient of Each Disbursement, the Goods and Services Received, and a Description of the Project Funded by the Disbursement.

See above, as this information is provided in response to part B. Other than as listed above, disbursements from UCA's restricted accounts are only made to UCA's operating accounts held at Wells Fargo Bank and Zion's Bank. From there, UCA pays numerous vendors, landowners, parts suppliers, service providers, employees, etc.

UCA does have some notable projects, however, which warrant a discussion. UCA is currently upgrading the entirety of the State's 700-800 MHz public safety radio system to the non-proprietary, digital, Project 25 standard. This project is expected to last several years and FY2022 saw a significant amount of planning as well as remediation of numerous UCA sites to prepare for the towers and shelters for the new P25 equipment. UCA also saw the installation of equipment on sites remediated last year, a meaningful step toward the completion of this project. During FY2022, UCA paid L3Harris Technologies a total of \$14,031,625. UCA is also consulting with Federal Engineering on this project and UCA paid Federal Engineering a total of \$65,361 for this work.³

In addition, UCA is in the process of upgrading Utah's 911 emergency network and Utah's PSAPs' call-handling equipment to provide Next Generation 911, or NG911. The contract for this work was awarded to Vesta Solutions, a subsidiary of Motorola Solutions, and in FY2022, UCA paid Vesta a total of \$3,954,431. UCA is also consulting with Federal Engineering on this project and UCA paid Federal Engineering a total of \$138,893 for this work.⁴

D. Any Conditions Placed by the Authority on the Disbursements from a Restricted Account.

No conditions were placed on the above disbursement outside of those required by Utah law and those found in UCA's strategic plans located and available at www.uca911.org.

E. The Anticipated Expenditures from the Restricted Accounts Described in this Chapter for the Next Fiscal Year.

With respect to the funds left in the Computer Aided Dispatch Restricted Account, during FY2020 the Valley Emergency Communications Center ("VECC") requested to have their CAD grant reaffirmed and UCA's Governing Board did so. Accordingly, at present, all of these remaining funds are committed to VECC. With the expectation that VECC may return some of these funds, UCA has adopted administrative rules to address the distribution of such CAD funds for other projects. At present, UCA is aware of no other claims to such funds, however, we have budgeted for the possible expenditure of \$658,000 out of this account for PSAPs that qualify pursuant to the administrative rules, and assuming VECC releases claims to the funds.

³ These amounts are included in the calculations above in Part B and are noted here by way of information only.

⁴ These amounts are included in the calculations above in Part B and are noted here by way of information only.

It is anticipated that in FY2023, disbursements will be made from the Unified Statewide 911 Emergency Service Account up to the amounts existing in that account and/or appropriated by the Legislature:

- \$1,152,504 for the 911 Division's Administrative Costs, Operations, Insurance, Professional and Consulting Services, Maintenance, etc. including expenses related with the maintenance of the legacy statewide 911 network and statewide call counting services;
- \$7,240,680 for the statewide, NG911, ESInet, Next Generation Core Services, Call-Handling solution, etc. for all PSAPs in Utah; and
- \$1,733,167 has already been distributed to PSAPs pursuant to Utah Code Ann. § 63H-7a-304.5, and UCA expects to distribute no additional funds for this purpose in FY 2023.

With respect to the Utah Statewide Radio System Restricted Account, UCA utilizes these funds, as well as other sources of income, to maintain the public safety communications network in accordance with the following categories and approximate amounts:

- Administrative Expenses - \$626,631
- Depreciation & Amortization - \$3,372,428
- Insurance - \$214,940
- Interest Expense - \$158,000
- Non-Capital Radio Network Upgrade - \$26,210,495
- Radio Network Maintenance - \$1,334,120
- Non-Capital Radio Network Expansion - \$97,000
- Professional Services - \$430,200
- Personnel Costs - \$6,445,202
- Non-Network Rents and Leases - \$204,063
- Non-Network Utilities - \$45,200
- P25 Upgrade Contract - \$24,343,705
- Other P25 Upgrade Related Capital Expenses - \$2,315,544
- Capital Radio Network Expansion - \$2,610,960
- Other Capital Equipment - \$2,457,789

F. The amount of any unexpended funds carried forward.

The Utah Division of Finance has not provided UCA with access to FINET and/or a report showing the amounts in the 911 Fund, the Radio Fund, or the CAD fund in order for UCA to report on the amounts of unexpended funds carried forward.

G. The Goals for Implementation of the Authority Strategic Plan and the Progress Report of Accomplishments and Updates to the Plan.

During FY2022, UCA made significant advancements on the multi-year migration of the statewide, public safety radio network from its legacy state to the new P25 compliant equipment. Likewise, in FY2022, UCA made significant progress on the migration of Utah's 911 network and equipment to the NG911 standard. UCA continues to maintain the legacy radio network, expand this network, promote interoperability across the state, provide public safety communications trainings, and provide support to Utah's PSAPs. This is all in keeping with UCA's strategic plans.

H. Other Relevant Justification for Ongoing Support from the Restricted Accounts Created by Sections 63H-7a-303, 63H-7a-304, and 63H-7a-403.

At present, there is no ongoing appropriation to the Computer Aided Dispatch Restricted Account. Through SB198, the Utah Legislature shifted the funds that had previously been deposited into the Computer Aided Dispatch Restricted Account to go directly to PSAPs around the state.

Utah Code Ann. § 63H-7a-304(2)(a) provides that UCA may disburse funds in the Unified Statewide 911 Emergency Service Account “for the purpose of enhancing the statewide public safety communications network in order to rapidly and efficiently deliver 911 services in the state.” As discussed above, UCA executed a contract with Vesta Solutions, a subsidiary of Motorola Solutions, to upgrade Utah’s 911 system. Specifically, UCA is replacing the emergency network (sometimes referred to as the ESInet), the routing and call services that manages the calls on that network (called core services), and all of the call handling equipment at all of Utah’s PSAPs. In addition, legislation requires UCA to provide a certain amount of funding annually to PSAPs that meet certain performance measures, which began in FY2022. Furthermore, UCA still has all of the anticipated 911 costs such as training and public awareness of NG911 that utilize these funds as well. UCA intends to utilize the funds in the 911 Restricted Account to the best of its ability for these purposes and does not believe there will be any material excess this year.

Utah Code Ann. § 63H-7a-403(2)(a) provides that UCA may “expend funds in the Utah Statewide Radio System Restricted Account for the purpose of acquiring, constructing, operating, maintaining, and repairing a statewide radio system public safety communications network.” Following SB198, \$.18 per line per month is meant to permit UCA to maintain and, where appropriate, to expand its statewide radio system public safety communications network. The current network is beyond “end of life” from its manufacturer, which means it is no longer supported by the manufacturer and takes a significant amount of maintenance by UCA. Furthermore, by necessity, to optimize service areas, the location of many of UCA's towers subjects them to numerous weather events, all of which require prompt attention to ensure Utah's emergency communications network remains operable and available for first responders. In addition, UCA is expanding its network by approximately 20% to provide greater coverage in rural Utah. Following SB198, \$.34 per line per month is intended to permit UCA to upgrade the state's 800MHz radio network to the latest P25 technology, which provides a digital signal, an open architecture (allowing multiple manufacturers equipment to be utilized), and, with the appropriate end user equipment, greater network capacity. As detailed above, this upgrade is well underway. UCA does not anticipate any material surplus of these funds this year.

For these reasons, it is UCA's professional opinion that there is significant justification for ongoing support for these restricted accounts.

I hope this report complies with the requirements of Utah Code Ann. § 63H-7a-205(9) and provides you with the relevant information to assist in future decisions about UCA. Of course, I am happy to answer questions you may have about this information. Thank you for your consideration.

Sincerely,

Quinton Stephens
Executive Director
Utah Communications Authority