Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 East 14th Street, Des Moines, IA 50319
Meeting Minutes: September 17, 2026

FINAL

The Iowa Telecommunications and Technology Commission's meeting occurred on Thursday, September 17, at 11:00 a.m. in the Grimes State Office Building, ICN Thompson Conference Room, 400 East 14th Street, Des Moines, IA. To ensure the most efficient use of State resources, the ITTC meeting also included a video conference connection pursuant to Iowa Code section 21.8. A video conference ensured that more Commissioners, staff, and the public were able to participate in the meeting. The meeting was accessible to members of the public.

Roll Call

Commissioners Present

Steve Olson, Chair
Brett Mason, Member
Denise Sturm, Member
Carmine Boal, Member
Bob Holz, Member

Commissioners Absent

Matt Behrens, Representing the Chief Information Officer, Ex-Officio Member
John McCormally, Representing the State of Iowa Auditor, Ex-Officio Member

Iowa Communications Network Staff

Ryan Mulhall, Executive Director
Connor Kuehl, Director of Network
Patrick Kazeze, Director of Operations
Stephanie DeVault, Director of Business Services
Brian Clayton, Executive Officer 2
Debra Carl, Accountant 3
Lori Larsen, Executive Officer 2 (Recorder)

Guest Attendees

Sammie Leo, AAG
Joey Lovan, LSA
David Merchan, AAG

Call to Order

Commissioner Holz called the meeting to order at 11:00 a.m. It was noted that a quorum was present.

Approval of the August 20, 2026, Meeting Minutes

Commissioner Holz requested a motion to approve the August 20, 2026, meeting minutes. Commissioner Sturm moved to approve the August 20, 2026, minutes. Chair Olson seconded the motion.

A Roll Call vote was taken.

Commissioner Boal, Yes
Commissioner Holz, Yes
Commissioner Mason, Yes
Commissioner Sturm, Yes
Chair Olson, Yes

The motion passed unanimously.

Old Business

Administrative Rules – Director Mulhall

On September 14, the administrative rules package submitted to modernize IAC 751 was presented to the Administrative Rules Review Committee (ARRC) at the Capitol. Tyler Smith, ICN's Legislative Liaison, spoke before the committee to address questions regarding authorized users and video classrooms. Two public meetings remain, with finalization expected in November.

New Business

Agency Updates

Contracting Update – Director Mulhall

- **Outside Plant Pre-Qualification**: An RFP has been released with bids due back on November 6. This is to select up to three prequalified vendors for five regional areas within Iowa for future projects.
- **Managed Voice Services**: The Master Service Agreement for MVS with Lumen expires in March 2027. Current customer contracts will run out their agreed upon service term and not be renewed as the service is being sunset. Contracting has sent out preliminary request to identify alternative options to continue services.

COMMENTS

None.

Finance Update – Director Mulhall

Financial Ratios

- Quick Ratio is at 1.52. This is unchanged from last month. Still below our target of 1.75, but above our historical target of 1.50.
- Days Cash on Hand trended positive 2 days up to 37.16, as we continue to true up the end of FY26 and front load maintenance and equipment costs in FY27.
- Days Sales Outstanding sits at 48.75, moving favorably about 7 days for the month. We continue to do a good job getting our money from Accounts Receivable.

Monthly Revenues & Expenses vs. Budget (August 2026)

- Total revenue came in at $2,452,647 against a budget of $2,388,084, resulting in a favorable variance of $64,563.
- Total direct expenses were managed at $713,185, beating the $721,275 budget. Total allocated expenses increased to $1,944,619 against a budget of $1,692,117, creating an unfavorable variance of $252,502.
- This overhead allocation pulled our operating margin into the red, resulting in a deficit of $204,797 against a budgeted surplus of $24,079.
- Director Mulhall highlighted each service area.

Year-to-Date (YTD) Revenues & Expenses vs. Budget

Tracks our cumulative performance for the first two months of the fiscal year against our targets.

- **YTD Revenue:** Total revenue of $4,793,160 edged out the $4,776,397 budget for a favorable variance of $16,763.
- **YTD Direct Expenses:** We are maintaining excellent cost control here, spending $1,468,826 against a budget of $1,495,358.
- **YTD Allocated Expenses:** This remains our primary pain point. We hit $3,961,873 against a $3,554,314 budget, creating an unfavorable variance of $407,559.

Monthly Revenues & Expenses vs. Prior Year

Compares our performance this August to our actuals from August of last year.

- Total revenue for August 2026 was $2,452,647, down $86,192 compared to the $2,538,839 generated in August of last year.
- Our operational efficiency improved significantly. Direct expenses fell to $713,185 this August, compared to $944,986 last year, a favorable reduction of $231,801.
- Our Gross Margin grew to $1,739,462 (up $145,609 year-over-year). This lifted our overall Gross Margin percentage from 62.78% to 70.92%.

Year-to-Date Revenues & Expenses vs. Prior Year

Looks at the cumulative two-month trend compared to the same two months last fiscal year.

- Total YTD revenue is $4,793,160, compared to the $4,999,639 generated during the same period last year.
- YTD Direct Expenses dropped significantly to $1,468,826, compared to $1,899,853 last year (a favorable reduction of $431,027).
- YTD Gross Margin **c**urrently sits at $3,324,334, up $224,548 compared to last year's $3,099,786.

Director Mulhall added that Mike Cruise has been out due to an extended absence. Debra Carl has done a great job taking over these tasks.

COMMENTS

Commissioner Holz asked why the variance was so large in outside plant and general administrative.

Director Mulhall explained that variances fluctuate depending on major projects. We are going to see an increase in relocations, and fiber cuts pick up in the summertime. We changed how we

recover that money. Historically, when we would have a fiber cut and we would get reimbursed for that cut, we saw that as revenue. We don't want to see it like that anymore. This is likely a lag, which could take anywhere from three months to over a year.

Commissioner Sturm asked, "Will you move those expenses to the outside plant column?"

Debra Carl said we can look at the allocations to see where they go.

Commissioner Sturm clarified specific budgeted line items from the provided reports.

Business Services Update – Stephanie DeVault

For the month of August, we generated $29,994.74 in revenue and 18 opportunities. The Business Services team is over 122% of its monthly goal. As of September 14, 2026, the team has closed $65,384.00 YTD. We are currently 142% YTD. The target goal is $27,000.

DMS Update: Conducted an audit of numbers transitioning from Lumen to Aureon.

SONET/GEOMAX Disconnect: We are starting to disconnect off of Geomax and we are starting to invoice customers.

Lumen Announcement: We are currently reaching out to customers that are asking questions about the change or service.

Erate 2027: Working on new rate sheets, new trackers, and waiting on a list of approved products.

Other things the team is working on:

- DDoS Mitigation service audit
- TRS/USF Audits for 2024 and 2025 to verify the savings are correct.

Project Managers Update: In August, 95 new orders were received; 50 of these closed within the same month. The PMs still have 129 orders in flight.

Marketing and Communications

- Released a Poster Contest for students in grades K-8: Be Cyber Safe!
- SYBAC started its first session on Sept. 8 with introductions, an overview of the program, and a presentation about our Network from Director Mulhall.
- Peer to Career held its session on Sept. 14, where Patrick Kazeze presented on outside plant and structured cabling/TAC.
- Released an article about relocating the 911 dispatch center in Page County.

COMMENTS

Commissioner Mason asked what is the lingering work at the Lottery?

Stephanie DeVault said we have been waiting. Pending equipment. Equipment is being stacked this week. Circuits are live and active. We were asked to do some firewall provisions. Additional discussion was made about the Lottery move.

Operations Updates – Patrick Kazeze

Outside Plant Operations

Outside Plant Services (OSP) experienced a notable uptick in fiber damage during the month. The incidents were attributable to a combination of vendors striking ICN fiber facilities and weather-related

impacts, particularly heavy rains. The severity and complexity of repairs increased because of saturated ground conditions and steep right-of-way slopes.

Reduced buffer zones have also created friction with USIC, the utility-location contractor. ICN's concerns and feedback have clearly reached USIC field staff. ICN is actively engaging USIC leadership.

Engineering recently identified instances in which an entity has been using ICN fiber without authorization. Business Services has converted the discovery into a revenue opportunity by identifying, documenting, and billing for connected and lit fiber services that had not previously been captured. To prevent further unauthorized physical access, we have procured locks for Fiber Distribution Panels at colocation sites. The locks are on order, and installation will begin as soon as they are delivered.

NOC
The NOC also continued refining its support model for Zoom customers. As organizations transition toward Zoom, the NOC is adapting its processes and operational responsibilities to support the new service model.

TAC
TAC continues delivering a substantial portfolio of installed copper and fiber cabling projects in support of agency relocations, public-safety systems, building upgrades, and statewide service needs. Notable work for this month included two projects for the Department of Health and Human Services/Child Support Services: one for an office relocation in Ottumwa and another in Independence, Iowa.

COMMENTS
None

Network Updates – Connor Kuehl

Decreasing Expense

- We continued several projects to renew or reengineer legacy connections before they become expensive. We outlined the work ahead as Lumen has sunset its voice business, which impacts between 6 and 10 thousand seats for our customers depending on how they are counted.
- We are divesting in premium products in favor of higher quality vs. cost options, and bridging small gaps in features ourselves.
- The team found equipment to replace the transponders in our core infrastructure which will represent a savings of two million dollars. We replaced the first link successfully.

Increasing Revenue

- Based on our strategic brainstorm, assigned resources continued developing the most promising ideas.

Transition to Managed Service Provider

- We are developing two managed services leveraging a new manufacturer partnership. We have developed the technical solution for both and are now working on pricing and positioning.
- The Lumen change does impact 6-10,000 seats.

Modernize Our Tools and Systems

- We continued our BSS/OSS project. We are above 80% complete for Incident, Change, and Billing. September 17, we kicked off our Service Request phase in earnest, and then we will transition to CRM. This project presents a crucial opportunity to reshape our collective understanding and ability to see the common operating picture. Build workflow into the system.

COMMENTS

Commissioner Sturm asked if the invoices look a lot different?

Connor Kuehl said he doesn't think they are that different.

Other Business

ITTC Committee Updates – Staff

Finance Committee

Meeting Date: September 14, 2026.
Attendance: Commissioner Holz, Commissioner Sturm, Brian Clayton, and Director Mulhall.

Topics Covered:

- A deeper dive into contracts from Brian Clayton.
- Reviewed financials that were presented today.

Customer and Services Committee and Operations Committee

Meeting Date: September 16, 2026.
Attendance: Commissioner Mason, Commissioner Boal, Stephanie DeVault, Patrick Kazeze, Connor Kuehl, Scott Pappan, and Lori Larsen

Topics Covered:

- Discussed what was presented today.
- Sales growth and additional audits.
- Top priorities that we have with projects and challenges we are facing.
- Challenges we are facing when working with vendors.

Personnel Committee

The Personnel Committee did not meet in Sept. Debra Tritch after 30+ years will be retiring on Nov 30.

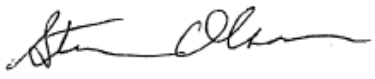
Public Comment

None

Adjournment

The ITTC meeting adjourned at 11:37 a.m.

ATTESTED TO:



Steve Olson – Chair, Iowa Telecommunications and Technology Commission