

Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 East 14th Street, Des Moines, IA 50319
Meeting Minutes: May 21, 2026

FINAL

The Iowa Telecommunications and Technology Commission's meeting occurred on Thursday, May 21, 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
Bob Holz, Member
Carmine Boal, 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
Scott Pappan, Deputy Director
Patrick Kazeze, Director of Operations
Connor Kuehl, Director of Network
Stephanie DeVault, Director of Business Services
Mike Cruise, Director of Finance
Tyler Smith, Legislative Liaison
Brian Clayton, Executive Officer 2
Lori Larsen, Executive Officer 2 (Recorder)

Guest Attendees

Scott Golberg, FNS
Joel Lovan, LSA
David Merchan, Iowa AAG
Sammie Leo, Iowa AAG
Matthew Dinwiddie, Iowa AAG

Call to Order:

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

Approval of the April 16, 2026, Meeting Minutes

Chair Olson requested a motion to approve the April 16, 2026, meeting minutes. Commissioner Holz moved to approve the April 16, 2026 minutes. Commissioner Sturm seconded the motion.

The motion passed unanimously.

Old Business

None.

New Business

Agency Updates

Contracting Update – Mike Cruise

- NG911 SIP: Staff was working with vendors on the four Points of Interface.
- City of Ames: Master shared use agreement – fiber swap - countersigned.
- Cedar Falls Utilities, changed agreement to leased fiber.
- Many other renewals and projects.

COMMENTS

None.

Finance Update – Mike Cruise

Financial Ratios

- Quick ratio is 1.65. This is down .05 from last month. This is about the same as the increase from February to March.
- Days Cash on Hand (*Current*) is at 46.4, which is up 2.94 days from last month.
- Days of Sales Outstanding is at 42.45 days. This dropped 2.23 days from March.

Budget-to-Actual

Overall operating margin for the month was negative \$82,634 which was \$42,000 unfavorable to the budget of negative \$40,000. Recurring revenue was unfavorable to the budget for the month by \$130,000.

Voice services are down \$125,000. We believe there are about 3 million minutes YTD that are not being billed to ICN. These are minutes that are considered local calls on Aureon's network, but in fact are long distance calls. They are working to get us those soon. This affects inmate calling also.

Internet is down \$40,000, which has been the yearly trend.

Outside Plant (OSP) revenue for both new builds and cost recovery was down.

Direct expenses were \$18,000 favorable. Indirect expenses were \$134,000 favorable.

Year to Date (YTD) Operating Margin

Our YTD operating margin is negative \$674,000 which is \$673,000 unfavorable to budget of \$768. Recurring revenue is unfavorable by \$54,000. NRC is favorable by \$157,000. Total revenue is \$94,000 unfavorable. Direct expenses are \$1.1M unfavorable. Indirect expenses are \$487,000 favorable.

Comparison to last April and the operating margin is \$344,000 unfavorable.

YTD comparison through April last year and the operating margin is \$1.9M favorable.

Other

Continuing to work on both the OSS/BSS and cleaning up data to prepare to load into the new system.

We did get our form 499 for calendar year (CY) 2024 entered and certified. CY25 is being finalized for submission within the next 7-10 days. Reminder these filings will provide significant cost saving moving forward.

COMMENTS

Commissioner Mason asked if we have an ETA on when the Aureon minutes issue will be resolved? Mike Cruise responded yes, we need it before the fiscal year.

Commissioner Sturm added that the minutes may be higher since it includes inmate calling.

Commissioner Mason asked we are sitting favorable to our budget? Mike Cruise said no we are still unfavorable.

Commissioner Sturm highlighted the progress through the year to control expenses and review revenue.

ACTION: FY 2027 Budget Approval – Mike Cruise

Highlighted two big changes on how we are showing the data.

- Moved FNS expense to the general and administrative section from the System & Maintenance section. This will help with allocating these costs a little differently.
- Moved the OSP cost recovery revenue from the operating revenues down to the operating expense section as a negative number to display that as an expense offset instead of operating revenue.

The budget included the most recent information we have. The proposals of revenue and expenses were calculated by starting with currently billing and expenses and increases and decreases were applied to those amounts and extrapolated those numbers into FY27.

Most monthly billed revenues were kept flat with the exception of Ethernet and internet revenues. For those we used a 1% increase which is the industry trend and then we applied the results of the 470 filings for ERate.

- Voice LD is down about 15% from FY25 when looking at the first 6 months of FY26, which is prior to the switch conversion.
- Non-recurring revenue was mostly trending but accounted for large projects that we cannot predict for FY27.
- Operating expenses with maintenance and support we used renewed contracts that cross into FY27. For all others we applied between a 2-10% increase dependent on yearly trends.

- Other operating expenses we used the same 2-10% increase and based proposals on a combination of trending and those increases.
- For personnel we included a 2% across-the-board raise in effect at the end of June then 1% additional for any merit raises over the year.
- Overall, to look at the positive is that we can project enough additional operating cash to invest \$900,000 back into the network for needed upgrades.

Commissioner Sturm thanked the team and leadership for their hard work. It is nice to see that we are able to invest some capital.

Director Mulhall said we have taken a different approach to be more collaborative. Trying to get more of a true sense of where our money is going to have a forward-looking budget. We need about \$1.5 annually to be able to invest. We have caught up, and everything is starting to show. It has been a lot of work and tradeoffs, but a lot of buy-in across the leadership team to realize where we were to where we are now.

Chair Olson requested a motion to approve the FY 2027 budget. Commissioner Mason moved to approve the FY 2027 budget. Commissioner Holz seconded the motion.

Roll Call vote was taken.

Commissioner Boal, yes
Commissioner Holz, yes
Commissioner Mason, yes
Commissioner Sturm, yes
Steve Olson, Chair, yes

The FY 2027 budget was approved.

COMMENTS

None.

Business Services Update – Stephanie DeVault

In April, Business Services closed with \$20,424 in new revenue and 48 opportunities. We were 51% exceeding our goal for revenue.

E-Rate Update: We lost a handful of customers, while also maintaining customers. We are looking at other products and services that we can bring in.

DMS Update: Finalizing more of the DMS audit and making sure billing is good.

Project Managers Update: They had 128 new orders came in, with 73 closed tasks for the month. The PMs still have 175 orders that are currently in flight.

Marketing and Communications

- ICN finishes physical teardown of legacy voice equipment, Broadband Communities.
- Peer to Career met on May 11 with Harlan Municipal Utilities.
- Currently taking SYBAC applications for next school year.
- Continue working on website accessibility, social media, and other customer notifications.

COMMENTS

Scott Pappan provided overview of circuit information.

Network Services Updates

Outside Plant, Inside Plant/TAC, and NOC Update – Patrick Kazeze

Outside Plant (OSP): We have a road segment expected to face sustained construction for the next five to ten years. We have assessed this as too high-risk to keep investing in. There is a high likelihood of repeated strike exposure to our fiber, in addition to recurring relocation conflicts, high relocation costs, and signal degradation from additional splices. We've decided that abandonment in place is the most prudent choice for now. The team quickly designed an alternative circuit that preserves redundancy without building a new buried fiber path, which in itself would have cost upwards of \$500,000 for the 7-mile span. The approach the team is taking relies on targeted optics purchases and configuration changes, which will deliver a similar outcome at a fraction of full construction cost.

Buffer zone: This is a given distance from the edge of a road in to the right of way and beyond indicating that ICN cable or other utilities may be buried in the area. Up until now we have had a fairly generous buffer zone and while this has helped ensure that we get hit less by vendors it has increased the number of locate tickets, which has resulted in a larger expense. By shrinking our buffers, we will realize sizeable savings, but assuming more risk to be cut. This will be an effort in the months and year to come and we will adjust as needed.

- Scott Pappan added that the current buffer extends 200 feet each way. Patrick Kazeze confirmed this, noting that it is being reduced to roughly 50 feet, which aligns with the industry standard.

Network Operations Center (NOC): They are embarking on a customer contact refresh. With multiple agencies having moved from Google back to Microsoft, their email addresses have changed. DAS recently migrated and has a new naming convention, so we're starting with them. This will also help ensure that information is fresh as we move to our new BSS/ OSS platform.

TAC: They received and completed 17 structured cabling requests and resolved under a dozen trouble tickets or incidents. The team also installed infrastructure in the Historical Building to support new workstations and cameras, with final portion now paused until prerequisite construction is completed.

- The TAC team completed additional work including grooming our lab, support for BOREAS, work for HHS in the Hoover Building, critical connectivity improvements, and a major relocation effort at Jessie Parker is underway as DOM prepares to move from 200 E Grand.
- At JFHQ, TAC replaced an older CradlePoint with a new outdoor unit that improved signal quality by nearly tenfold, a meaningful gain especially considering that this supports 911-related communications.

COMMENTS

None.

Network Operations, Engineering, and Facilities – Connor Kuehl

Decrease Expense

- We continued to work with Business Services to decommission the legacy voice switch and all cabinets are turned off, and are being loaded onto the trucks today.
- We continued several projects to renew or reengineer legacy connections before they become expensive.

- We provided plans in support of the FY27 Operating and Capital Budgets.

Increase Revenue

- We are helping develop an opportunity to provide additional services at a regent university.

Transition to Managed Service Provider

- We are assisting in the development of managed services, and we continued exploring several opportunities to provide our solutions as managed services.

Modernize Our Tools & Systems

- With finance, we continued to refine our future Chart of Accounts and are holding several cross-team meetings to review coding, plans, and how to increase financial awareness to drive performance and improve position.
- We continued our BSS/OSS project. We are wrapping up our deep dive & rebuild of our Foundational Data Model, and we are pivoting to our end-to-end Business Processes.

COMMENTS

Scott Pappan highlighted the ICN is establishing processes.

Other Business

Administrative Rules Review – Director Mulhall

In compliance with Executive Order 10 issued by Governor Reynolds in January 2023, the ICN is submitting our comprehensive modernization of Iowa Administrative Code (IAC) Agency 751. The ICN is scheduled to complete all action on this before the end of the calendar year. The agency aims to eliminate obsolete 1990s technology mandates, align the rules with modern state government structures, and create an agile, highly secure operational framework.

Quantitative examples of this include reducing the total individual rules from 100 to 43, a 60% reduction.

- Total word count is projected to go from ~33,000 to ~4,000, an 88% reduction.
- Restrictive terms are removed at an 82% clip going from 258 to 46.

A large part of the total reduction involves complete rescission of Chapters 13 (Site Charges) and 15 (Advisory Councils) alongside previously inactive Chapters 6 and 8. The last big impact comes from Uniform Adoptions: Chapters 3, 4, 16, and 18 have been successfully compressed into streamlined adoptions of the Uniform Rules on Agency Procedure, eliminating dozens of pages of repetitive legalese.

Another piece of the Uniform Rules adoption also includes Chapter 2, but at the State's request we added back in specific framework definitions for Personally Identifiable Information (PII).

We're also using this to define Customer Proprietary Network Information (CPNI). By explicitly shielding CPNI under 47 U.S.C. § 222(h)(1), the agency successfully protects sensitive customer telecommunications routing and usage data from public open records exposure.

We've updated our purchasing rules to match current State best practices aligned with the major procurement authorities, DAS and DOM. This allows for direct purchases up to \$15,000, Tier 2 informal competition up to \$50,000, and Tier 3 formal competitive bidding for purchases exceeding \$50,000.

One of the most impactful changes to the Commission is in regards to Chapter 9 and waivers. We have highly streamlined the rule. This maintains the Commission’s statutory authority to review network waivers while entirely eliminating outdated evidentiary and discovery burdens.

There is no need for official action from the Commission as the rule-making authority was shifted to the Executive Director during the state government realignment process. The proposed rules are available at icn.iowa.gov.

There is time for feedback as we go through the process with public meetings and reviews over the next few months.

As big of a lift as this has been, there is a more impactful exercise of doing the same thing with our Code Chapter 8D. It is our intention to submit a legislative proposal to do that next legislative session to better reflect who we are and what we do today, not 35 years ago and will welcome your feedback as we lead up to that as well.

COMMENTS

None

Legislative Update – Tyler Smith

The Regular Session of the 91st General Assembly adjourned sine die on Sunday, May 3.

This session had a few impactful bills pass, including:

- HF 2500, strengthens State contracts with vendors.
- SF 2484, secures funding for federal E-rate.

And of course, the re-appointment of Commissioner Sturm.

HF 2590, the ICN Sale/Expansion bill, did not make it to a floor vote. Its companion Senate bill, SF 2385 did pass the upper chamber vote.

COMMENTS

None

ITTC Committee Updates – Staff

Finance Committee

Meeting Date: May 18, 2026.

Attendance: Commissioner Holz, Commissioner Sturm, Mike Cruise, Brian Clayton, and Director Mulhall.

Topics Covered:

- Brian gave the update from contracting.
- The FY26 budget-to-actual as presented today.
- Presented and discussed the FY27 budget proposal.

Customer and Services Committee & Operations Committee

Meeting Date: May 20, 2026.

Attendance: Commissioner Mason, Commissioner Boal, Patrick Kazeze, Connor Kuehl, Scott Pappan, and Lori Larsen.

Topics Covered:

- Discussed what was presented today.
- Fiber audit discussion.
- Managed service provider and credit approval process.
- BSS/OSS Update.

Personnel Committee

The Personnel Committee did not meet in May.

Public Comment

None

Adjournment

The ITTC meeting adjourned at 11:59 a.m.

ATTESTED TO:



Steve Olson – Chair, Iowa Telecommunications and Technology Commission