To ensure the most efficient use of State resources, the August 16, 2018 ITTC meeting was held via video conference pursuant to Iowa Code section 21.8. A video conference also ensured that more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

● Roll Call:

○ Commissioners Present:
  Richard Bruner, Chair (on-site)
  Kelly Dolan Lange, Member (Zoom Video)
  Bob Holz, Member (on-site)
  Timothy Lapointe, Member (Zoom Video)
  Mary Mosiman, Ex-Officio Member (on-site)

○ Commissioners Absent:
  Robert von Wolffradt, Ex-Officio Member

○ Iowa Communications Network Staff Present:
  Phil Groner, Acting Executive Director
  Deb Evans, Agency Division Administrator, Chief Financial Officer (CFO)
  Mark Johnson, Carrier Services Division Administrator, Chief Operating Officer (COO)
  Randy Goddard, Business Services Bureau Manager
  Mike Cruise, Finance Bureau Manager
  Scott Pappan, Engineering/Operations Bureau Manager
  Ryan Mulhall, Network Services Manager
  Dave Marley, Field Services Officer
  Lori Larsen, Executive Officer 2
  Jontell Harris, Executive Officer 2 (Recorder)
  Karen Alessio, Secretary 2

○ Guest Attendees:
  Alan Nagel, Attorney General’s Office (Zoom Phone)
  Robert Bird, Iowa Senate Republican Caucus
  Caitlin Jarzen, Iowa Communications Alliance (ICA)

● Call to Order:

○ Chair Bruner called the meeting to order at 10:31 AM. It was noted that a quorum of members were present for the meeting.
Approval of the July 19, 2018 Meeting Minutes:

Chair Bruner requested a motion to approve the July 19, 2018 meeting minutes. Commissioner Lapointe moved to approve the minutes. Commissioner Lange seconded the motion. The motion passed unanimously.

Commissioner Holz – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

New Business:

Agency Updates

Agency Division Update – Deb Evans

Universal Service Administrative Company (USAC):

- During the July Schools and Libraries Committee meeting, USAC indicated that it would set specific E-Rate cycle dates that applicants could rely on for advanced planning purposes. USAC is expected to publicly announce the following E-Rate dates:
  - January 10 – Opening of the Form 471 application window
  - February 20 – Last day to file Form 470
  - March 20 – Form 471 application window deadline
- The dates are fixed and will be unaffected by weekends.
- ICN is sending notices to customers to inform them that voice services are no longer E-Rate eligible next year.

Managed Voice Services (MVS):

- Over 70 percent of ICN customers have been migrated to the new MVS platform.
- Ten (10) buildings remain for engineering design.
- December 31, 2018 is the target date for completion of moving to the new service and retiring the legacy equipment.

Sales Security Campaign:

- The Sales Security Campaign is scheduled to begin in September highlighting the services ICN offers along with managed service providers.
Potential services include Distributed Denial of Service (DDoS), Firewall, Advanced Threat Protection, Forensics and Penetration Testing (Pen Testing).

The service focus will be on Healthcare and Education.

- Contracting:
  - The 911 Request for Proposals (RFP) for aggregation of Centralized Automatic Message Accounting (CAMA) Trunks to ICN’s Points of Interconnect (POIs) is to be released by the start of September.
  - The agreement to utilize ICN Co-Location spaces at Joint Forces Headquarters (JFHQ) and SP43 in connection with 911 is close to being completed.
  - An Intent to Bid (ITB) has been released for West Des Moines to provide connection to the Homeland Security and Emergency Management (HSEMD) data center.

- Finance Bureau
  - Finance completed 85% of testing of the new finance system, Calero.
  - Issues found are currently being resolved with the vendor.
  - Internal Audits continue with good results.

COMMENTS:

Chair Bruner: So they are going to set the USAC dates in stone?

Deb Evans: The dates are supposed to be set in stone but may be changed if necessary.

Chair Bruner: At least they have made that commitment.

Chair Bruner: What are our two points of connection for 911?

Deb Evans: West Des Moines and Davenport are HSEMD’s data centers.

- Financial Report – Mike Cruise

- July Fiscal Year (FY) 2019 Budget-to-Actual Report
  - Operating margin for the month of July is -$509,481.68 or -20.3%. Favorable to budgeted amount of -$587,216.56.
  - Revenue is slightly above budget by $222,000 and direct expenses are below budget by $63,000.
  - General Administrative expenses are $57,000 below budget and payroll is $9,000 below budget.
  - An above budget equipment expense was incurred for $339,000 due to the Tiffin hut for SP 43. The expense was booked in July.

- July 2018 Comparison to FY 2018
Operating margin is -$554,000 unfavorable to the July FY 18 amount. Revenue is down $67,000 primarily due to transport revenue being down $85,000 due to business lost in the USAC season.

Direct expenses have increased $168,000 primarily due to increased outside plant expenses. The ICN had a number of fiber cuts in July.

Operating expenses have increased by $65,000. Payroll has decreased $51,000.

Equipment has increased in comparison to FY 18 budget.

No unusual events occurred in July.

COMMENTS:

Commissioner Holz: Is there an ability to recuperate any of the expenses for the cable cuts?

Mike Cruise: Yes, I believe most were cable cuts or due to weather so they have been filed with the Executive Council.

Auditor Mosiman: [inaudible]

Mike Cruise: We will normally offset the expense in the later months once I have the final bill complete.

Chair Bruner: So the $300,000 for Tiffin could have come in last year?

Mike Cruise: Yes. When we did the budget at the end of April we didn’t really know when we would be able to book the expense. It probably should have been moved forward in the budget for this FY.

Chair Bruner: So it is about where it probably should have been?

Mike Cruise: Yes.

FY 2020 Video Rates – Randy Goddard

- At one time the Commission set all product rates for services. Commissioners now only approve video rates to allow ICN leadership to establish pricing for new products along with the pricing for existing services.
- MPEG services were sunset June 30th 2018. The video scheduling system was also sunset since it was associated to the MPEG classroom. The ICN met with the community colleges and regional schedulers who did not feel they were ready to take on a change in how they are addressing video scheduling. The Community Colleges and regional schedulers requested that we work with our vendor to provide advance scheduling to allow them set up all of their schedules for classes. Classes would automatically begin in those video classrooms versus a teacher needing to join the site, log-in, then connect themselves with the host site.
- The ICN took the feedback and worked with the vendor on cost. The Community Colleges and schedulers were willing to accept the cost to extend the scheduling software.
- With the recommendation of keeping the video rates the same, there have been changes. The past platform has been sunset and movement to the new PEXIP platform has begun to adhere
to IT connectivity. This allows the users an enhanced experience because each subscriber would have a virtual meeting room. The virtual meeting room allows for up to five ad hoc users. Previously, users were required to be scheduled in a session. Now streaming can be used and users can connect to a streaming platform to allow course content to be shared. This also allows for the connectivity to smart devices. In the past it was essentially just ICN video classrooms. Now when provided with the link, individuals can join sessions with a smart device giving more flexibility to the users.

- There are currently 113 subscribers at the proposed pricing of $116.25, which is approximately 20 percent margin.
- This year the ICN is also taking into account personnel time to have a better idea of what the product actually costs to provide.
- The proposal is to maintain the $116.25 for all users for LightSpeed Plus with added features. The cost for all five video scheduling customers would be $233.34 with a two year commitment.

COMMENTS:

Chairman Bruner: It sounds like PEXIP provides a lot more flexibility for students to join on their smart phones?

Randy Goddard: It does. Or maybe a student who had been sick or unable to attend class. It gives the instructor the ability to accommodate as well. One other feature is, in the past you could not just dial into the platform. Now that feature is available.

Chairman Bruner: So the instructor can bring in streaming video?

Scott Pappan: Yes. They can also record directly to YouTube. The back-office of Business Skype is also PEXIP and Google Hangouts is currently considering it as well so it’s very successful. We are using it today.

Chairman Bruner: This is our first actual experience with it?

Scott Pappan: Yes.

Chairman Bruner: That sounds like it really adds more features and flexibility.

○ ICN Carrier Updates

■ Carrier Division Update and ICN Major Initiatives Update – Mark Johnson

- SP 43, the Tiffin project:
  - SP 43 is currently on schedule to complete the migration of traffic to the new location on August 26. The project continues to be a complicated effort involving ICN, Fiber Network Services (FNS), Department of Transportation (DOT) and DOT vendors requiring significant cooperation and coordination among all the parties. As an example, staff worked into the early morning hours on August 16 to complete temporary circuits to maintain critical service to specific customers such as hospitals. Once the transition is complete, there will be additional clean up activity in September and October to finalize the project.
• **Network Power Upgrade:**
  - The Network Power Upgrade is currently moving ahead more quickly than anticipated which has created both challenges as well as opportunities. The project speed provides opportunities for greater planning flexibility with the core upgrade overall. As well as opportunities to move other projects along more quickly resulting in the creation of financial challenges in terms of managing the timing of spending and the commitment of resources or staffing for those other projects.

• **ServiceNow:**
  - ServiceNow implementation continues to move forward. The ICN is continuing to see the benefits and is expanding upon the capabilities of the system. Staff is also becoming more integrated in the process.
  - For the recent upgrade, IntegRhythm predicted 1,064 hours of work with an estimate of $122,000 for assistance with the upgrade as well as quarterly updates. Due to the internal efforts of our staff, that Statement of Work (SOW) was reduced to 52 hours total with an estimate at just over $6,000. There was significant financial benefit because of the internal efforts made by the staff to work with the implementation. While there may be a need for some additional assistance in the near term associated with this effort, the vast majority of that $122,000 expense has been avoided by ICN staff efforts.

**COMMENTS:**

*Chairman Bruner:* Sounds like the staff has really stepped up.

*Mark Johnson:* We have staff that have really been involved in the project. Ryan Mulhall has been managing the project with Vicki Wallis.

*Chairman Bruner:* That is a significant savings.

*Ryan Mulhall:* We have talented people at the ICN who are willing to learn new things. We have developers in particular, Jeff Barske and Ed Parker, who are willing to go above and beyond.

*Auditor Mosiman:* This is the vendor that replaced Aeritae?

*Ryan Mulhall:* Yes, IntegRhythm.

*Chairman Bruner:* So ICN staff looked at the proposal and found a way to do quite a bit of it on their own?

*Ryan Mulhall:* When we first started with ServiceNow, we didn’t know much about it but we had a team that became embedded and learned the system. We became more familiar with the product over about
six months to one year then staff started identifying areas where they could assist and had success in learning those areas.

Chairman Bruner: Excellent. Please pass along our congratulations.

- **Other Business:**

  - **FY 19 Regulatory Plan Update – Mark Johnson**

    Under an Executive Order issued by Tom Vilsack, agencies are supposed to organize a Regulatory Plan on a regular basis. A draft Regulatory Plan will come before the commission at the next meeting. It identifies any potential rule makings that the ICN would have, then there are impact questions related to financial and other implications on the operations of the agency. At this point, no rule changings have been identified however, it does not preclude the ICN from trying to identify changes in terms of the State Auditor's report released in January or anything else that may come up during the year.

    As Legislative session draws near, the ICN will need to determine if legislative proposals will be necessary. Proposals need to be completed by early October as well as submitted and finalized with the Governor's office in November.

    **COMMENTS:**

    *No comments.*

  - **Contract Limitation Amount Adjustment Notice – Deb Evans**

    ICN has received notice of the Contract Limitation Amount adjustment for the period of September 1, 2018 – August 31, 2019. According to the Federal Department of Labor, the consumer price index increased 2.9 percent from June 2017 to June 2018. The official contract limitation amount for the upcoming period will be $2,423,070.50.

    **COMMENTS:**

    Chairman Bruner: So this happens every year?

    Deb Evans: Yes.

  - **Executive Director Search Update – Chair Bruner**

    A total of 37 applications were received for the ICN Executive Director position. Commissioners Bruner and Lapointe met using a scoring sheet developed by staff and the Department of Administrative Services (DAS). Candidates have been narrowed down to five (5). Commissioners Bruner and Lapointe plan to meet with Mark Johnson, Jontell Harris and DAS to organize the next steps. The Commissioners plan to conduct five (5) interviews by phone and approximately 2-3 interviews before the full Commission to receive input on the qualifications of the candidates.
COMMENTS:

Commissioner Lapointe: There was a break after the top five candidates. We paid close attention to the top 10 candidates and then there was a natural break. Commissioner Bruner and I didn’t score candidates the same yet the rankings were consistent in the top 10. We thought it natural to interview the top five. My preference would be to invite two candidates for in-person interviews before the full Commission. Certainly, if the Commission decides they want to interview more, I would have no objection to that. It may become more clear after we interview the top five by phone whether or not we want to bring 2-3 before the commission.

Chairman Bruner: Correct. If anyone has any further thoughts, just let us know.

Commissioner Lange: Are we still on the same timeline for the Director search? When will the five candidates be interviewed?

Chairman Bruner: We plan to discuss that timeline following this meeting. There are so many moving parts to this process and we want to make sure we are doing everything correctly. DAS has rules that we have to follow. We will try to conduct the interviews as quickly as possible.

Auditor Mosiman: If we did background checks, when would that take place? Before the two candidates are interviewed or after?

Alan Nagel: I think you could do either. I can double check but I believe background checks can be performed after interviewing although I think it would typically be done prior to interviewing before the Commission. I will look into that.

Auditor Mosiman: Were you thinking about that? I'm not sure if that was even on the table?

Chairman Bruner: It wasn’t on the table. That is something that we are new at. Alan can check into it. I know that was an issue in the audit. We will discuss this more.

Commissioner Lapointe: My preference would be to complete background checks on all five candidates that we before we interview them.

Alan Nagel: I will start looking into this.

- Employee Recognition Committee (ERC) Event – Karen Alessio

The Annual ERC Fall Event will be held after the ITTC Meeting on Thursday, September 20 from 11:30 am – 3:00 pm. The event will be held at Bob Mahaffey Shelter at Grandview located at 3230 Easton Boulevard. Lunch will begin promptly at 12:30 pm with barbeque and side dishes, salads, and desserts as well as a variety of covered dishes provided by the employees of the ICN. The afternoon will include Years of Service Awards, Co-Worker Shout Outs and Team Building activities. The Commissioners will be provided with time to speak should they choose.

- Marshalltown Tornado Recovery – Phil Groner
Damage was sustained to the ICN network due to the Marshalltown tornado. The ICN backbone was not affected. However, the leased dark fiber connection to all of the downtown Marshalltown customers was taken down by the tornado. As the provider of the dark fiber lease, Windstream did a phenomenal job. Windstream had to wait on the utility company to repair the poles and restore power but once completed, several thousands of feet of fiber needed replaced and it was repaired very quickly.

The ICN operations staff who kept the leadership team informed, worked on the issues day and night. FNS technicians also did a wonderful job assessing damage and working with partners.

The Business Services team worked with customers on potential alternate locations.

The Finance Team issued credits to customers while their services were unavailable. Services were unavailable for approximately three weeks.

Customers remained very patient. Some customers endured damage to their own businesses to where they were unable to move back into them.

Various efforts were put into repairing the significant damage and restoral of telecommunications services for ICN customers and authorized users.

COMMENTS:

Chair Bruner: For those of us who have been around for a long time, that’s called the “spirit of service.” When something like that happens, everyone pitches in. Everyone met their commitments in terms of repairing the fiber. Alliant Energy is the electric company there so they had to put the poles back up before anything else could be done.

Dave Marley: Approximately 500 poles had to be put back up.

Scott Pappan: Approximately 500 poles and 5,000 feet of fiber total. There was a curfew. All work had to be completed by 9:00 p.m. and could not be resumed until the following morning. It was well organized.

Chairman Bruner: On behalf of the Commission, I know there were a lot of individuals involved, maybe there is a more formal way to show our appreciation to ICN and all of the partners.

Auditor Mosiman: Well done ICN.

Chair Bruner: It’s those kinds of things, where people really step up and go above and beyond, that I believe we really need to recognize. Thank you Phil.

ADDITIONAL COMMENTS:

Commissioner Lapointe: I would like to also thank Jontell Harris as well as Steve Zimmerman for their assistance and guidance with the Executive Director search process. Mark on the regulatory Plan, you gave us a timetable, but is there a hard and fast deadline for submission of that plan or is it just before the end of the calendar year?

Mark Johnson: The date is August 1. We will be running late this year.

Commissioner Lapointe: But you are on it and will report in the next Commission meeting?
Mark Johnson: Yes, a draft has been put together. Phil Groner has reviewed and made edits. It is close to being ready but there was no way to get it ready to be distributed for action for this meeting.

- Public Comment:
  None.

- Adjournment:
  Commissioner Lange moved that the meeting be adjourned. The ITTC meeting adjourned at 11:05 a.m.

ATTESTED TO:

Richard Bruner - Chair, Iowa Telecommunications and Technology Commission