

**Iowa Telecommunications & Technology Commission  
Grimes State Office Building, 1st Floor  
400 E. 14th Street, Des Moines, IA 50319**

**FINAL**

**May 17, 2012**

To ensure the most efficient use of State resources, the May 17, 2012, ITTC meeting was held via a conference call pursuant to Iowa Code section 21.8. A video conference call also ensured 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.

**Commissioners Present**

Richard Bruner, Chair (on-site)  
Kathleen Kohorst, Member (on-site)  
Shannon Cofield, Member (via teleconference)  
Robert R. Hardman, Member (via videoconference)  
Tim Lapointe, Member (via videoconference)  
David A. Vaudt, Ex-Officio Member (on-site)

**Absent Commissioners - None**

**Iowa Communications Network Staff Present:**

Dave Lingren, Executive Director  
Mark Johnson, Administration Director  
Will Walling, Network Operations and Engineering Director  
Deb Evans, Finance Manager  
David Marley, Network Operations and Engineering Manager  
John Case, Network Ops and Engineering personnel  
Mike Cruise, Finance personnel  
Tami Fujinaka, Government Relations Officer  
Jontell Harris, Executive Liaison  
Lori Larsen, Public Information Officer  
Jerry Romine, Fiberutilities Group  
Alexis Slade, Executive Secretary (Recorder/Minutes)  
Patricia Townsend, Finance personnel

**Guests:**

Meghan Gavin, Attorney General's Office  
Marcia Tannin, Legislative Services Agency  
Joe Hrdlicka, Iowa Telecommunications Association  
Ken Caldwell, Education Telecommunications Council (ETC) Chair

**Call to Order**

Chair Bruner called the meeting to order at 10:06 am. It was noted that a quorum of members was present for the meeting.

**Approval of the 3/15/12 and 4/25/12 Meeting Minutes**

It was noted that there was a typo in the April minutes; the Commission requested the minutes to be amended.

Commissioner Hardman moved to approve the March 15, 2012, and April 25, 2012, meeting minutes as amended; Commissioner Cofield seconded the motion: A roll call vote was taken. Minutes approved unanimously.

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes

Commissioner Cofield – Yes  
Commissioner Kohorst – Yes  
Commissioner Bruner – Yes

## **Introductions**

### **Membership Changes to ITTC – Commissioners**

Kathleen Kohorst is the newest commission member to serve on the Iowa Telecommunications and Technology Commission (ITTC). Commissioner Kohorst's membership became effective on May 1, 2012. She graduated from Harlan High School and St. Mary's College in Notre Dame, Indiana with a Bachelor of Arts degree. She received her Juris Doctorate degree from Creighton University in 1981, was admitted to the Iowa State Bar Association, and is currently in private practice in Harlan, IA. Kohorst previously served as a Trustee and President of the Harlan Municipal Utilities Board. She served on the Iowa Association of Municipal Utilities Board, and was on the American Public Power Association (APPA) Policy Board.

Commissioner Richard Bruner is the new chair of the ITTC. This appointment became effective on May 1, 2012. Commissioner Bruner was appointed as a member of the ITTC in 2011.

## **Old Business**

### **RFP Update – Dave Lingren**

The team is currently in the data gathering mode and is on target for the release of the RFP by February 2013, if not sooner. Jerry Romine from Fiberutilities Group will be writing the RFP.

### **BTOP Grant Update – Dave Lingren**

The Broadband Technology and Opportunities Program (BTOP) is a grant that was received by the ICN with a three-year expenditure window that began at the end of June 2010. The first part of the project was spent primarily conducting an environmental assessment; the actual implementation work began during the past year. The network core has been switched over to Ethernet optronics which will improve the robustness of ICN's network by providing greater bandwidth that will enable the network to meet the ever-increasing bandwidth demands of our customers. The ICN is entering into Indefeasible Right of Use (IRU) agreements where the agency will pre-pay for services for 15 years. The advantage to the ICN is the State will own the optronics on the fiber and can increase the bandwidth to customers. ICN is on target to turn up 35 sites per month. The team is currently ahead of schedule.

### **Value Proposition of ICN Update (ICN 2.0) – Dave Lingren**

The communications team held a meeting to strategize on ICN 2.0 and discuss how to present the value proposition of ICN to different target audiences. ICN had a meeting with IPTV to discuss other possibilities. During that meeting IPTV provided ICN with good ideas, such as creating a DVD with a message that goes into detail describing ICN's benefits. ICN is a different organization than what it was 20 years ago. In the next 60-90 days, it is anticipated that another milestone will be completed and an update will be provided to the Commission.

### **Strategic Planning Status Report – Tami Fujinaka**

The following revisions have been made to the 2011-2014 strategic plan:

- Maintaining a qualified workforce goal - Personnel changes due to the retirement of one of the human resources staff members.

- Optimal utilization of Network facilities goal -
  - The due date to implement a network monitoring solution was revised. Although the implementation is in progress, the team encountered a limitation in the number of virtual connections some equipment can process. The strategy is also in the process of being modified.
  - A change to the development of a solution for the universal configuration management database (UCMDB). The RFP has been released so the change to service desk and service manager will be made to update the UCMDB. There's also a change on the tactic to implement a solution for UCMDB; the date was changed and the tactic will be addressed with the implementation of HP Service Manager.
- Communications Goal - Changes within the communications goal were made due to a reduction in resources. One of the biggest changes is that the newsletter will be published bi-monthly instead of monthly and the online training that was being provided for video schedulers has been placed on hold.

Q. For strategic planning in the past, the Commission would have a facilitated discussion about the plan with ICN staff. The Commission was able to bring forth goals and objectives that were discussed as a group. This did not occur every year, but when it did the meeting was useful. For the next strategic plan that's created, can the Commission meet so that the Commission may have input in the process?

A. We can do that.

#### **IWD Update – Dave Lingren**

Iowa Workforce Development's (IWD) budget has been significantly reduced. To make up for a portion of the reduction, IWD has proposed delivering their services through an Interactive Voice Response system (IVR), through another vendor. ICN provides an IVR for IWD today, but the platform needs updating to meet IWD's requirements. ICN provided IWD with a price for an upgrade and has conducted a demo for them. IWD came back with a counter offer, but their proposal would require the ICN to interact with Cisco's system and equipment. A move by IWD to Cisco would be contrary to the ICN's statutorily defined mission. The ICN recently updated the IWD phones, and this switch would jeopardize the fully redundant capitol complex system needed for sustaining the State's COOP/COG requirements.

#### **New Business:**

#### **Organizational Changes – Dave Lingren**

Several organizational changes have been made recently. All of the organizational changes that have been made allow ICN to conduct business in the most cost effective manner. Every position we have in the ICN should be essential, meaningful and justifiable. ICN's FY 13 budget will have less personnel costs than FY 12, which is essential for the ICN to meet budgetary requirements.

#### **Financial Updates – Deb Evans**

Note: Appropriations and BTOP numbers are not included in the budget.

#### **DATA REVENUES**

One of the reasons data revenues did not increase at a higher level is because ICN no longer provides Iowa Public Television's (IPTV) transmitters which were about \$800,000 a year in revenue. It has been replaced with 50 megabit, so ICN didn't lose the service, it was changed.

### **VOICE SERVICES**

State agencies like IWD continue to want to manage their own telecommunications services. Long distance is becoming a commodity that ICN doesn't make revenue on, it continues to trend down.

### **INSTALLATION COSTS**

These costs vary from year-to-year based on customer requests, so as the requests go down so does installation.

### **MAINTENANCE**

ICN has new equipment for BTOP and the maintenance is under a three-year contract so there shouldn't be maintenance costs associated with FY 13.

### **OUTSIDE PLANT COSTS**

Major fiber installation projects are ending so there should be a decrease in outside plant costs.

### **OPERATING EXPENSES**

Finance has projected expenses to be a little bit higher because of constantly increasing contractor rates.

### **PERSONNEL COSTS**

There will be two cost of living increases this year. There's one in July 2012, and one in January 2013, and then most of the employees will have their 4.5 merit increases. To offset these increases, ICN has reorganized and will not be backfilling several vacant positions.

### **PROFESSIONAL FEES**

One of ICN's biggest expenses is professional fees. FY 13 is going to be one of the harder years. ICN has a contractor that will continue to work on the Iowa Rural Health Telecommunications Project (IRHTP), we have Fiberutilities Group who's working on the RFP, and they're also contracted to help with BTOP. \$300,000 has also been included for consulting services related to the service manager. Most of our professional fees will go away at the end of FY13 and FY14 will hopefully be better.

Commissioner Lapointe moved to adopt the FY 13 budget as presented; Commissioner Hardman seconded the motion: A roll call vote was taken. The FY 13 budget was approved unanimously.

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes  
Commissioner Cofield – Yes  
Commissioner Kohorst – Yes  
Commissioner Bruner – Yes

Q. What responsibility does the Commission have in terms of the BTOP budget?

A. The only reason that's not presented in the budget report is because budgeting for BTOP falls under the federal government. The BTOP budget does not have to be presented as part of ICN's budget to the Department of Management.

### **Legislative Session Update – Dave Lingren/Mark Johnson**

The Legislature has adjourned for the year. ICN has been tracking three appropriations that will impact the agency. All of the following are all in bills awaiting the Governor's signature.

- The equipment appropriation for \$2.1 million was reduced from the Governor's recommended amount by \$50,000 which has been included in the budget.

- The RTC appropriation to fund video support for K-12, AEA and Community College classrooms was approved at just under a million dollars.
- The \$2.7 million that goes to the Department of Education (DOE) for the Part III leases was also approved.

Legislation also included funding for an audit that would identify and determine the value of equipment ICN owns and has purchased since being created. Neither ICN nor any vendor ICN is utilizing can write an RFP for the audit. We'll be providing some background information to the Governor's office to consider with respect to that language. ICN is concerned with whether or not the \$500,000 appropriated funds are sufficient for the task that's identified within the language. If approved, ICN will have language included in the RFP that if bids to perform the audit exceed the appropriation that the ICN will not have to move forward with the project.

### **RTC Appropriation Allocation Process – Lori Larsen/Tami Fujinaka**

RTC function was included in the bill that created the ICN in 1994. It soon became clear that there were some functions that needed to be provided for the classrooms, that there needed to be regional support for the classrooms to ensure the video equipment worked well, support for video scheduling out in the regions and support for Local Area Network (LAN)/Wide Area Network (WAN) as Internet grows. So an appropriation has been provided since 1995 to provide that support. Up to this point in time the funding has gone through IPTV.

Long term goals for the funding were provided in the Business Plan Concept provided to the Commission in November. The approach will be phased in, so not all of the changes proposed in November will be included in the FY 2013 plan.

- Implementing tracking for all three functions to show extensiveness of RTC support
- Transparency and accountability focus
- The guidelines that will be provided to the community colleges and RTC are expanded
- Allocation will be provided in two different parts throughout the year
- Sign off by CFOs for both plans and reports by the community colleges and area education agencies
- Monthly RTC tracking submission to ICN
- Shorter report completion time frames
- The Des Moines School District in the past has been allocated funds. Since the District is the only school district in the state receiving funding from this appropriation and currently has only one video classroom, it was recommended to remove the allocation from the district and distribute a portion of the allocation to each region
- Allocations not released until documents/tracking are received
- Random spot reviews for RTCs

The role of the Commission will be to:

- Approve RTC plans
- Acknowledge/Approve RTC tracking components
- Approve RTC reports

It was recommended to have a subcommittee under the ITTC reviewing the plans, tracking, and reports. We're proposing a five member subcommittee made up of one ITTC member; two ETC members; one community college member; and one ICN staff member.

The next steps for the ICN are:

- Present process to ETC on June 7, 2012

- Present training and tracking processes to personnel providing each RTC support function
- Receive and evaluate Regional Support Services Plans
- Begin tracking on July 2; and receive monthly tracking documentation from RTCs.
- Receive documentation that community college and area education agency CFO's are aware of the transition, new guidelines for random spot reviews

Q. What is the logistics of the warning process? It says a representative from the ITTC would respond, I'm thinking how you perceive the process. I foresee that maybe Commissioner Bruner would write a letter at the first step and then the Commission would be informed. It was also stated that we'd approve the process periodically, but wondering what else our involvement would be.

A. For the most part the subcommittee will be doing all of this. The written response will come from the RTC's explaining why they aren't complying with the tracking element.

Q. Would the reports that are coming back eventually impact allocations or services provided? I would hope that the ultimate goal is that we're making sure they're using the allocation in the wisest ways and if not allocate those funds to other areas where the real needs are.

A. Yes, and that's why we wanted to be able to collect the information in a tracking document because as we went through the previous reports we were having difficulty comparing what was happening in RTC X and RTC Y because the consistency was not there.

Commissioner Kohorst motioned to adopt the RTC Appropriation Allocation Process; Commissioner Lapointe seconded the motion: A roll call vote was taken. The process was unanimously approved as presented.

Commissioner Hardman – Yes

Commissioner Lapointe – Yes

Commissioner Cofield – Yes

Commissioner Kohorst – Yes

Commissioner Bruner – Yes

### **Customer Surveys Status – Tami Fujinaka**

ICN sent out customer surveys on May 1, 2012, to over 3,000 people and the survey process closed on May 15, 2012. ICN received 312 responses. ICN has begun analyzing the results.

### **Video Service Project Updates – Will Walling**

The Video Service Project (VSP) team is still in the process of getting the video core stable for service roll out. The team has had some technical issues, and will be having meetings with the supplier which is scheduled the week of June 5<sup>th</sup>.

### **Action Waiver Approval – Dave Lingren**

ICN has one Internet waiver request.

1. Mississippi Bend Area Education Agency (AEA) 9 for three years

For some time now ICN has been providing the Ethernet solution to AEA 9 and Century Link and now Windstream is the reseller. The pricing that has been provided is considerably less than ICN's Internet service so what they've done is they've selected ICN to provide the Ethernet and Windstream/Century Link will provide the Internet. The price that AEA 9 has received very competitive, and at a good cost and with their costs and budgets being what they are ICN recommends approval for the waiver.

- Q. Can you give background on our timeframe for granting waivers? Traditionally it has been for one year?  
A. The legislature passed a law during the 2011 legislative session that directed the ITTC to grant three year waivers. The issue is the lower cost structure is in a multi-year agreement, and users wanted to make sure that as the Commission grant waivers that the members understand the telecommunications environment, and better contract prices will be received at a multi-year term.

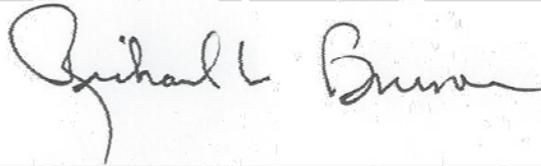
Commissioner Hardman moved to approve the waiver request; Commissioner Kohorst seconded the motion: A roll call vote was taken. The waiver request was approved unanimously.

Commissioner Hardman – Yes  
Commissioner Lapointe – Yes  
Commissioner Cofield – Yes  
Commissioner Kohorst – Yes  
Commissioner Bruner – Yes

### **Adjournment**

Commissioner Lapointe moved that the meeting be adjourned. With there being no further business, the ITTC meeting adjourned at 11:29 am.

ATTESTED TO:



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Richard Bruner, Chair, Iowa Telecommunications and Technology Commission