



SIREPA

**SOUTHEAST IOWA REGIONAL
ECONOMIC & PORT AUTHORITY**

July 26, 2023

**Meeting of the Board of Directors
1:00pm – 2:00pm**

**In-person at: SIREPA Building
2495 280th St, Montrose, IA**

And Via Zoom

Call-In: (312) 626-6799 Meeting ID: 822 6427 0560

<https://us02web.zoom.us/j/83465333857>

Agenda

I. Call to Order, Chair (Boyer):

Roll Call:

- a. Director Denise Boyer, Chair
- b. Director Mike Hickey, Vice-Chair
- c. Director Michael Dunn, Secretary/Treasurer
- d. Director Jack Smith
- e. Director, Bob Dodds
- f. Director, Bruce Hardy
- g. Ex-Officio, Garry Seyb, Lee County Supervisor
- h. Ex-Officio, Tom Schultz, Lee County Supervisor
- i. Ex-Officio, Matt Larson, State Treasurer's Office

II. Agenda of July 26, 2023 Meeting (Board Action)

III. Election of Officers (Board Action)

IV. Consent Agenda (Minutes of December 1, 2022 Meeting and receive Financials) (Board Action)

V. Lee County Broadband Expansion Project Modification (Board Action)

VI. SEIRPC Payable and Administration Contract Amendment (Board Action)

VII. SIREPA Building/Career Advantage Center Update (Board Information)

VIII. Matters from the Floor

IX. Adjourn (Board Action)



SIREPA

SOUTHEAST IOWA REGIONAL ECONOMIC & PORT AUTHORITY

Minutes of the SIREPA Board of Directors
Thursday, December 1, 2022, 1:30 p.m.
In-Person at KL Megla Building or via Zoom
2495 280th St, Montrose, IA

I. **Call to Order** at 1:32 p.m. by Denise Boyer, Chair

Roll Call:

Members Present: Director Denise Boyer (Chair); Director Mike Hickey (Vice Chair); Director Michael Dunn (Secretary/Treasurer); Director Bob Dodds; Director Bruce Hardy; Garry Seyb, Ex-Officio; Rick Larkin, Ex-Officio; Matt Larson, Ex-Officio via Zoom

Members Absent: Director Jack Smith

SEIRPC Staff Present: Mike Norris; Zach James and Sherri Jones via Zoom

Guest(s) Present: Chuck Vandenberg, Pen City Current; Tim Fencl, Danville Mutual Telephone Company; Kay Sackville, Alliant Energy, via Zoom

II. **Consider Approval of Agenda (Board Action):**

Hardy made a motion to approve the December 1, 2022, meeting agenda, second by Dunn. All ayes, motion carried.

III. **Consider Approval of Meeting Minutes and Financials (Board Action):**

Dunn made a motion to approve the April 21, 2022 meeting minutes and receive financials, second by Hickey. All ayes, motion carried.

IV. **Lee County Broadband Expansion Update (Board Information):**

Norris said the Lee County Broadband Expansion Project is in progress and working towards a March, 2023 construction start date. Tim Fencil, Danville Mutual Telephone Company, gave an expansion map explanation.

V. USDA BEAD Broadband Opportunity (Board Information):

Norris made board members aware of the federal BEAD funding which will go to all 50 states. To apply for BEAD funding, an Intent to Qualify (ITQ) needs to be submitted to the Iowa Office of Chief Information Officer (OCIO). Timelines aren't known yet and SIREPA staff is keeping up with changes. The funding will be used to bring broadband to unserved or underserved areas. The Lee County Broadband Project is serving all currently known unserved areas, so any future service to unserved areas will be done through new information provided by the Iowa OCIO.

VI. SIREPA Building/Career Advantage Center Update (Board Information):

Norris said the building partnership with Lee County Economic Development Group is going well. All 8th and 9th grade students from Keokuk, Fort Madison, and Central Lee school districts are welcome at The Career Advantage Center (CAC). The CAC uses Lee County businesses and industries to lead short educational sessions featuring their individual technology and processes. In turn, the sessions expose businesses' technologies and related jobs. Norris reviewed businesses in the building and said SIREPA should consider how to promote PV Pallet growth on the building campus. SIREPA staff have had informal conversations with LCEDG staff about potential project ideas.

VII. Matters from the Floor (Board Information):

VIII. Adjourn (Board Action):

Hickey made a motion to adjourn at 2:29 p.m., second by Boyer. All ayes, motion carried.



SIREPA

SOUTHEAST IOWA REGIONAL
ECONOMIC & PORT AUTHORITY

Memo

To: SIREPA Board
From: Mike Norris, Administrator
Date: July 26, 2023
Re: Finance Update

SIREPA's updated financial report is attached.

Bank Balance: \$27,857 as of 7/24/2023.

Accounts payable: ICAP building insurance \$13,512 (transferred funds from joint LCEDG account)

\$8,241.50 to SEIRPC for services between September 25, 2021 and June 30, 2023.

Accounts receivable: \$4,000 (to Lee County and Fort Madison)

Other: SEIRPC and SIREPA remain under contract no. 2013-416, which is an annually renewing contract. Services are payable at \$53/hour under this contract. Yes, this contract was made over 10 years ago. SIREPA has been getting the benefit of the lower rate to help it start its services and not burden it with fees – in addition to billing every year and a half or so.

SEIRPC is now at a \$65/hr charge rate for administrative services on hourly, not lump-sum contracts. Recommend executing a contract amendment recognizing the new rate later on in the agenda.

There is built into the broadband project description with Lee County additional funds to continue work to implement and plan broadband for the county, in the amount of \$37,500, of which about \$31,091.50 is left based on hours billed so far. Broadband activities have taken the bulk of administration time since 2021 and likely for the next 2 years.

SEIRPC plans to present future financials as balance sheet/income statement/check register once the broadband project begins construction. As a reminder, the summary SIREPA financial sheet is published with SEIRPC financials in each SEIRPC board packet and is available online.

Southeast Iowa Regional Economic and Port Authority
Financial Summary
July 25, 2023

PROFIT & LOSS ALL CLASSES

	7/25/2023
TOTAL REVENUES :	21,012
TOTAL EXPENSES :	21,754
Excess of revenues over expenditures- note this is accrual basis	(742)

BALANCE SHEET

Connection Bank as of 6/30/2023	27,857
Building	1,000,000
Note Payable	(1,001,534)

ACCOUNTS RECEIVABLE BALANCE

	1-45	46-90	>90	TOTAL
City of Fort Madison	2,000	-	-	2,000
Lee County Auditor	2,000	-	-	2,000
	4,000	-	-	4,000

ACCOUNTS PAYABLE BALANCE

	1-45	46-90	>90	TOTAL
SEIRPC	8,242	-	-	8,242

CASH RECEIPTS - life to date (accrual basis)

Alliant Energy	12/2/2013	FY14	5,000
State of Iowa	7/24/2014	FY15	2,500
Lee County Auditor	4/25/2016	FY16	1,000
City of Keokuk	8/29/2016	FY16	1,000
Connection Bank -refund service fees	10/31/2017	FY18	39
Lee County Auditor	9/26/2019	FY19	2,000
City of Fort Madison	9/26/2019	FY19	2,000
City of Fort Madison	10/24/2019	FY13/FY16	3,000
City of Keokuk	10/10/2019	FY19	2,000
Alliant Energy	10/28/2019	FY20	2,000
Lee County Auditor	2/21/2020	FY20	2,000
City of Keokuk	6/19/2020	FY20	2,000
City of Fort Madison	8/13/2020	FY20	2,000
City of Keokuk	10/30/2020	FY21	2,000
City of Fort Madison	10/30/2020	FY21	2,000
Lee County Auditor	10/22/2020	FY21	2,000
Connections Bank	8/2/2021	FY22	24,701
Lee County Economic Group	8/4/2021	FY22	9,984
City of Fort Madison	8/31/2021	FY22	2,000
City of Keokuk	9/22/2021	FY22	2,000
Lee County Auditor	9/29/2021	FY22	2,000
Lee County Auditor	6/22/2022	FY22	704,013
Transfer In	7/13/2022	FY23	11,775
Lee County Auditor	12/14/2022	FY23	2,000
City of Keokuk	12/21/2022	FY23	2,000
City of Fort Madison	12/30/2022	FY23	2,000
Transfer In	7/20/2023	FY24	13,512
City of Keokuk	7/12/2023	FY24	3,500
City of Fort Madison	receivable	FY24	2,000
Lee County Auditor	receivable	FY24	2,000

CASH DISBURSEMENTS - life to date (accrual basis)

SEIRPC	7/25/2014	#1001	5,000
University of Iowa	7/25/2014	#1002	2,500
Deluxe	8/6/2014	electronic	131
SEIRPC	6/30/2015	#1003	2,694
service fee	10/31/2016	electronic	4
service fee	11/30/2016	electronic	4
service fee	12/31/2016	electronic	4
SEIRPC	4/12/2017	#1004	5,080
service fees	Jan - June 2017	electronic	26
service fees	July - Sept 2017	electronic	12
SEIRPC	12/4/2019	#1005	7,662
Closing costs	8/2/2021	-	1,534
ICAP	8/4/2021	#1006	9,984
Lee County Treasurer	11/1/2021	#1007	11,601
SEIRPC - admin (net of expenses)	12/17/2021	#1100	5,790
Lee County Treasurer	3/24/2022	#1101	11,601
Brown Winick Law	5/5/2022	#1102	1,425
James F. Dennis Law Firm	5/19/2022	#1103	1,075
Danville Telephone Company	6/29/2022	#1104	700,000
ICAP	7/18/2022	#1105	11,775
void		#1106	-
ICAP	7/19/2023	#1107	13,512
SEIRPC - admin	payable		8,242

Southeast Iowa Regional Planning Commission

211 N Gear Avenue, Suite 100
 West Burlington, IA 52655

Invoice

Date	Invoice #
6/30/2023	2023-427

Bill To
SIREPA

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			6/30/2023			

Quantity	Item Code	Description	Price Each	Amount
	Other Contracts	SIREPA administrative work transportation and non-transportation; contract 13-416; Staff time Sept 25, 2021 to June 30, 2023 Note: Will bill back to Lee Co ARPA for broadband work 94.50 hours on next draw. That money stays in SIREPA.	8,241.50	8,241.50

Thank you

Total			\$8,241.50
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SIREPA

SOUTHEAST IOWA REGIONAL
ECONOMIC & PORT AUTHORITY

Memo

To: SIREPA Board
From: Mike Norris, Administrator
Date: July 26, 2023
Re: Broadband Grant (NOFA 6) Project Revision

BACKGROUND

In July, 2021, a broadband grant application was submitted to the Iowa Office of the Chief Information Officer (OCIO) by Danville Mutual Telephone Co. (Danville) under a partnership with SIREPA. SIREPA presented local match for the grant sourced from Lee County ARPA funds. The grant setup is below:

PROJECT:

		ORIGINAL PROJECT
UNDERSERVED ADDRESSES		0
UNSERVED ADDRESSES		125
TOTAL ADDRESSES		125
FIBER BACKBONE		57 MILES
COST	\$	5,461,000
REDUNDANT FIBER LOOP		YES
ARPA For Match	\$	1,912,750
ARPA Direct Spend		0
NOFA 6 Grant	\$	3,549,250
Annual backbone lease	\$	95,637
Total backbone lease	\$	956,370
\$/mile backbone lease	\$	16,778

RE: NOFA 6 Project Revision
From: Mike Norris
Date: July 26, 2023
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The funds were awarded to Danville and a contract was signed between the state and Danville in October, 2021. SIREPA and Danville entered into formal agreement in April, 2022.

Danville commenced to deploy engineering services to build a bid package and the first contracted payment of \$700,000 was made in June, 2022. The project was let in December, 2022, and bids came back in January, 2023, at \$6.7 million, \$1.3 million over available resources. The original cost estimate had a built-in 15% inflation factor and bids came in 24% over, so total inflation was about 39% from July, 2021 to January 2023.

Danville contacted OCIO in February, 2023, to inform them of the cost overrun and requested options to modify its NOFA 6 grant award. OCIO responded back in April 2023 that Danville could scale back its grant and also receive a higher grant rate than previously applied for (75% grant rate versus 65% as originally applied for).

Danville and SIREPA staff met several times to lay out alternatives to scale the project back to affordability. The cost overrun of the original proposal was due to the high number of backbone miles that were necessary to serve the Shimek area.

The best alternative appeared to be using the NOFA 6 grant to serve unserved areas around Wever and build 14 miles of backbone between Keokuk and Argyle to create the redundant fiber loop for Lee County (allowing data to travel either direction – increasing capacity and ensuring service if one fiber leg is down).

Wever addresses still need the redundant fiber loop for service resiliency but not as many miles of additional fiber backbone as the Shimek area did. Then, using available ARPA funds, underserved addresses could be served with fiber to the home, spending only ARPA funds around Wever. Doing this takes advantage of the rural density in that area and uses economies of scale to maximize the funds available.

In April, 2023, a SIREPA small group met with Danville to preview and discuss the scaled down proposal, and supported continuing the effort of the alternative described above towards formal approval by the SIREPA board and Lee County Board of Supervisors. Staff delayed those meetings until OCIO approval for the scaled back project was received.

Meanwhile, Danville initiated the 14-mile section of the fiber backbone project between Argyle and Wever due to its consequential role in the future of Lee County broadband and to any part of the NOFA 6 project. SIREPA will still ultimately own this backbone for 10 years if ARPA funds are used on it, with Danville leasing and operating it. Initiation means purchase of shelters, fiberoptic material, other equipment, and bidding out the boring and connection work. Approximately \$1 million has been spent to date on the backbone project.

RE: NOFA 6 Project Revision
 From: Mike Norris
 Date: July 26, 2023
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In May, 2023, OCIO requested new and updated engineering documents showing how and where improvements would be made. Engineering was completed in July, 2023, and has been forwarded to OCIO. There is confidence OCIO will approve the scaled back plan.

ORIGINAL PROJECT COMPARED TO NEW PROJECT

	ORIGINAL PROJECT	UPDATED PROJECT
UNDERSERVED ADDRESSES	0	119
UNSERVED ADDRESSES	125	15
TOTAL ADDRESSES	125	134
FIBER BACKBONE	57 MILES	14 MILES
COST	\$ 5,461,000	\$ 4,010,000
REDUNDANT FIBER LOOP	YES	YES
ARPA For Match	\$ 1,912,750	\$ 717,000
ARPA Direct Spend	0	\$ 1,194,538
NOFA 6 Grant	\$ 3,549,250	\$ 2,100,000
Annual backbone lease	\$ 95,637	\$ 35,850
Total backbone lease	\$ 956,370	\$ 358,500
\$/mile backbone lease	\$ 16,778	\$ 25,607

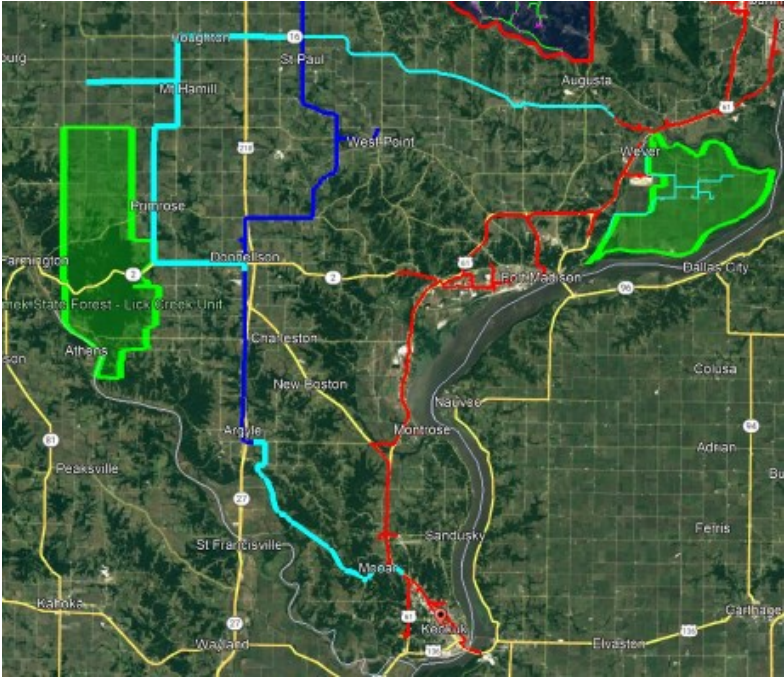
The scaled back project will do the following:

- Serve 134 total addresses
- Build 14 miles of fiber backbone between Argyle and Keokuk
- Create redundant fiber loop connection for Lee County
- Use NOFA 6 grant to build fiber backbone and fiber to the address for unserved around Wever area.
- Use rest of ARPA funds to build fiber to the address for underserved around Wever
- Use less restrictive ARPA funds to drive costs down (No Davis Bacon/prevailing wage, no restrictions on pre-project equipment purchases, flexible timing on use of ARPA funds instead of backloaded at end of project, easier bidding requirements.

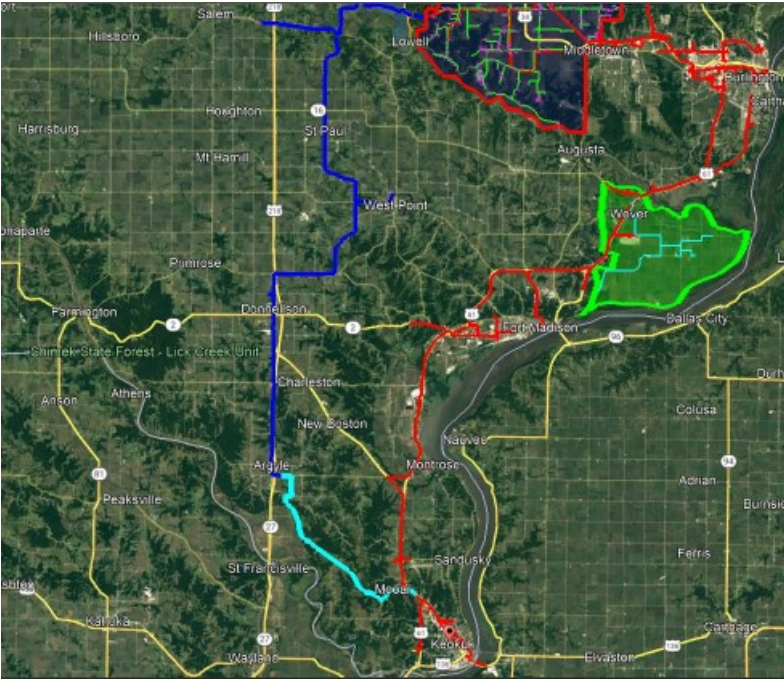
RE: NOFA 6 Project Revision
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Original NOFA 6 Project Map Compared to New Project Map (Green = Unserved areas, Thick Light Blue = Fiber backbone)

ORIGINAL NOFA 6



UPDATED NOFA 6



RE: NOFA 6 Project Revision
From: Mike Norris
Date: July 26, 2023
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A logical question to ask at this point is “Will the lower miles of backbone hamper future broadband expansion?” The quick answer is no. Construction of a redundant loop first is most important for multiple data paths which help with data backhaul capacity and resiliency if one leg ever goes down. Ultimately, more backbone will be needed, but will need to be built incrementally as more services are able to be constructed.

GROWING LEE COUNTY BROADBAND INTO THE FUTURE

It has been the intent of SIREPA and Danville to grow broadband in Lee County going back many years. Each organization has come to work together by different paths. The 2019 SIREPA Strategic Plan listed broadband as a priority which gave staff and board the path to pursue the strategy. Danville has invested in Lee County over many years, beginning with its fiber optic investments beginning 10 years ago.

The organizations can assist to grow broadband in two ways: Deploying earned income and lease revenue to new fiber to the address and leveraging new grant funds from federal and state sources.

Federal grant funds are becoming hard to secure based on the increase of requirements for equipment purchase, bidding and wage requirements, and other items that increase the cost of deployment. Scale is also a challenge – federal grants will reimburse construction after the total project is complete, making project cashflow a potential obstacle.

Lee County has approximately 2,747 unserved and underserved address (predominately underserved). Serving all addresses directly with fiber under today’s price environment would cost over \$40 million at approximately \$15,000 per address including all necessary costs. Local entities like SIREPA and Danville will remain committed to increasing service but will likely take a more incremental approach.

Larger providers may also enter the county based on available 80% grant fund rates. The larger providers can apply scale to the project based on cashflow, engineering, and local match. Iowa has prioritized grants based on the Broadband Intervention Zones (Zones) submitted by SEIRPC during the Zone ITQ in May, 2023. The Lee County Zones are included in Attachment A.

Lee County has three zones presently that cover 90 percent of the county – the Northeast, South, and Northwest. The Northeast is ranked #8/96 in the state, the South is ranked 18/96, and Northwest ranked #84/96. It is a good thing to have two Zones ranked in the top 20.

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Smaller providers may also provide some scale by partnering together, which is a possibility SIREPA and Lee County should encourage if the providers have a demonstrated local interest and commitment.

NEXT STEPS

The SIREPA board needs to discuss and ultimately forward a recommendation to the Lee County Board of Supervisors on a broadband project modification since the first NOFA 6 project scope is unaffordable. Then the Supervisors will consider a project description amendment to the original grant contract from 2021-2022 to continue use of ARPA funds for broadband expansion.

SIREPA staff and Danville leadership are confident, but not certain of, Iowa OCIO agreement and approval of the project changes.

What agreements will need amendment?

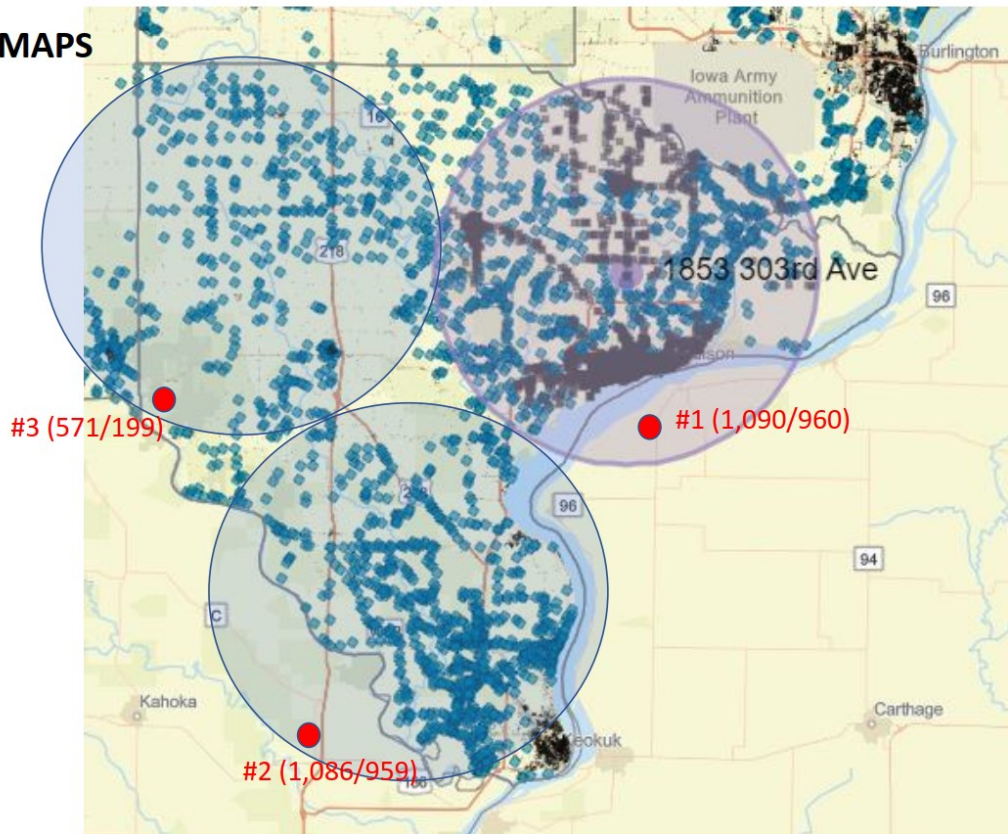
There are three agreements governing the Lee County Broadband Expansion project, listed below. Each agreement will need the specific project construction description amended, along with any other work (like broadband development).

1. Lee County to SIREPA: Governs ARPA grant made to SIREPA for a specific use of expanding broadband (local match for NOFA 6, which contains a detailed project construction description along with broadband development work).
2. State of Iowa OCIO to Danville: Governs NOFA 6 grant award with a detailed project construction description that is also included in Agreement #1 above).
3. SIREPA to Danville: Governs local match contribution to Danville's NOFA 6 grant award from State of Iowa, with detailed project construction description (same as in Agreement #1 and #2) and fiber backbone lease agreement and terms.

ATTACHMENT A

Lee Co Broadband Intervention Zones

LEE CO ITQ MAPS



TOTAL ELIGIBLE
ADDRESSES: 2,747

TOTAL ADDRESSES
UNDER 25/3: 2,118

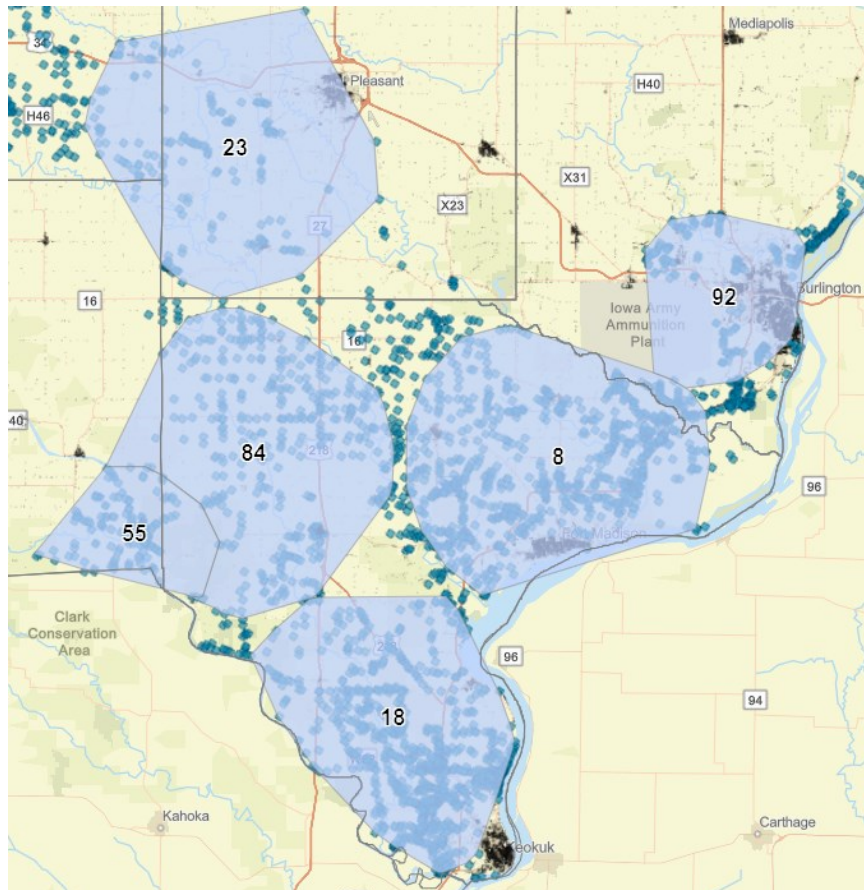
Zone 1 state rank: 8/96

Zone 2 state rank: 18/96

Zone 3 state rank: 85/96

Regional rankings are shown on next page.

LEE COUNTY ITQ INTERVENTION ZONE RANKS



*Intervention zones shown above are taken directly from Iowa OCIO website and are not perfect circles based on Iowa OCIO modifications to original application. Any address not in a zone is still underserved and can be eligible for future grant funding.



SIREPA
SOUTHEAST IOWA REGIONAL
ECONOMIC & PORT AUTHORITY

Memo

To: SIREPA Board of Directors
From: Mike Norris, Administrator
Date: July 26, 2023
Re: SEIRPC Administration Contract Amendment

Contract 2013-416 was executed 2/25/13 by SIREPA and SEIRPC to govern SEIRPC administrative services to SIREPA. The contract was setup as annually renewing, and pays SEIRPC \$53/hour for services rendered.

Expenses have increased since this time. SEIRPC's current charge rate is \$65/hour for administrative services under hourly contracts. Please consider Contract Amendment #1 on the following page to recognize the cost increase since 2013.

AMENDMENT #1 TO CONTRACT NO. 2013-416

WHEREAS, The Southeast Iowa Regional Planning Commission (SEIRPC) and the Southeast Iowa Regional and Economic Port Authority (SIREPA) have jointly entered into agreement dated February 25, 2013; and

WHEREAS, The Contract secures administrative services rendered to SIREPA by SEIRPC for the general operation, implementation, and administration of SIREPA and its activities; and

WHEREAS, The cost of administrative services has increased from the original contract amount of \$53/hour to \$65/hour since the contract was made to the present date; and

WHEREAS, SEIRPC may from time to time spent more than \$5,000 on administrative services for the general operation, implementation, and administration of SIREPA and its activities; and

WHEREAS, SEIRPC has done its utmost to keep SIREPA expenses and exposure low by making its work efficient and billing only periodically as SIREPA can afford; and

THEREFORE BE IT RESOLVED, on this 26th day of July, 2023:

Contract No. 2013-416 Section 3 Method of Payment is hereby amended to \$65/hour and the \$5,000 annual limit on administrative expenses is removed.

Signed:

_____, SIREPA Chair

Mike Norris, SEIRPC Executive Director