



# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

**July 27, 2021**

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

**In-person at: KL Megla Building  
2495 280<sup>th</sup> St, Montrose, IA**

**And Via Zoom**

**Call-In: (312) 626-6799 Meeting ID: 837 1674 7529**

<https://us02web.zoom.us/j/83716747529>

## **Agenda**

I. Call to Order, Chair (Boyer):

Roll Call:

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

II. Approval of Agenda of July 27, 2021 Meeting (Board Action)

III. Approval of Minutes of June 16, 2021 Meeting (Board Action)

IV. Public Hearing, Danville Telco Lee County Broadband Proposal to Serve Tier 1 Underserved Areas (Board Action)

V. Resolution No. 2-2021 in support of Danville Telco Lee County Broadband Proposal to Serve Tier 1 Underserved Areas (Board Action)

VI. Pre-Lease Letter of Understanding with LCEDG (Board Action)

VII. Matters from the Floor

VIII. Adjourn (Board Action)





# SIREPA

## SOUTHEAST IOWA REGIONAL ECONOMIC & PORT AUTHORITY

Minutes of the SIREPA Board of Directors  
Wednesday, June 16, 2021, 2:00pm  
Via Zoom or in Person at KL Megla Building  
2495 280<sup>th</sup> St, Montrose, IA

### I. Call to Order at 2:00 p.m. by Denise Boyer

Roll Call:

Members Present: Director Denise Boyer (*Chair*); Director Mike Hickey (*Vice Chair*); Director Michael Dunn (*Treasurer*) via Zoom; Director Jack Smith via Zoom; Director Bob Dodds; Director Bruce Hardy

Ex-Officio's Present: Garry Seyb, Rick Larkin, Matt Larson

SEIRPC Staff Present: Mike Norris

Guest(s) Present: Chuck Vandenberg, Pen City Current, via Zoom; Dennis Fraise

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

Smith made a motion to approve the June 16, 2021 meeting agenda, second by Hickey. All ayes, motion carried.

### III. Consider Approval of Meeting Minutes (Board Action):

Hickey made a motion to approve the April 16, 2021 and April 22, 2021 Meeting Minutes, second by Dodds. All ayes, motion carried.

### IV. Approve Finance RFP Response (Board Action):

Norris said SIREPA released Requests for Proposals (RFP) to finance the purchase of the KL Megla Building on May 7, 2021. Two RFP's, MidWestOne Bank and Connections Bank were received by the May 28, 2021 due date. Although both proposals met the RFP stipulations, Connections Bank offered the most advantageous terms for financing. Dodds made a motion to approve Connections Bank RFP with the following terms: 36-month interest only; 0.90% interest; Open to other bank participation at same terms; \$1,000,000 principal plus closing costs, second by Hardy. All ayes, motion carried. Director Hickey abstained and did not participate in discussion.

### V. Closed Session (Board Action):

Dunn made a motion to go into Closed Session at 2:14 p.m. for the purpose of: To discuss the purchase of particular real estate only where premature disclosure could be reasonably

expected to increase the price the governmental body would have to pay for that property as per State Code, Chapter 21.5.1(j), second by Smith. A roll call vote was taken. All ayes, motion carried.

**VI. To go back into regular meeting (Board Action):**

Dunn made a motion to go back into regular meeting at 2:36 p.m., second by Boyer. A roll call vote was taken. All ayes, motion carried.

**VII. Approve LCEDG Put Option and Escrow Agreement (Board Action):**

Smith made a motion to approve both the LCEDG Put Option and Escrow Agreement, second by Hardy. All Ayes, motion carried. Director Hickey abstained.

**VIII. Approve Resolution No. 1-2021: A Resolution to Purchase KL Megla Building, Montrose (Board Action):**

Smith made a motion to approve Resolution No. 1-2021: A Resolution to Purchase KL Megla Building, Montrose, second by Dodds. A roll call vote was taken. All ayes, motion carried. Director Hickey abstained and did not participate in discussion.

**IX. Matters from the Floor:**

Dunn, on behalf of the board, thanked Smith, Dodds, and Norris for the time and hard work they invested on this project.

**X. Consider Adjournment (Board Action):**

Hardy made a motion to adjourn at 2:45 p.m., second by Hickey. All ayes, motion carried.



**SIREPA**  
SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

# Memo

To: SIREPA Board

From: Mike Norris, SEIRPC

Date: July 26, 2021

Re: Lee County Broadband Expansion

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## PROJECT BACKGROUND

Lee County has multiple areas underserved by broadband providers. The underservice is not uncommon in rural areas due to the cost of developing infrastructure is much more than the potential for cost recovery and return because of low population density.

SIREPA members and stakeholders identified broadband expansion in Lee County as a top priority in the SIREPA 5-year Strategic Plan and process. There is an opportunity to partner with a local telecommunications company to make a dramatic broadband investment and future improvement.

The Office of the Chief Information Officer (OCIO) of Iowa offers broadband expansion grants through the office as appropriated by the Iowa Legislature. Currently there is a Notice of Funding Opportunity Round 6 (NOFO 6) that offers grants for expanding service to areas organized by the highest grant rate to the lowest served areas.

The opportunity developed began with Lee County Economic Development Group (LCEDG) paying to have an telecommunications engineering firm, Vantage Point Solutions of Mitchell, SD, develop a plan to serve the unserved areas of Lee County designated as Tier 1 areas.

Tier 1 areas are defined as geographies, in this case census blocks, that do not have a provider offering service of at least 25 mbps download and 3 mbps upload or 25x3 service. The maps are developed based on broadband provider surveys which can be misleading and oftentimes incorrect. Therefore it is more likely there are multiple other underserved areas of the county than are represented on official maps.

The Proposed Lee County Broadband Service Map is included as Attachment A.

The LCEDG-sponsored plan to serve Tier 1 areas also included Danville Mutual Telephone Co. based out of Danville, IA. Danville has already invested over \$6 million into fiberoptic expansion into Lee County, which is in Danville's service area.

#### PROJECT COST ESTIMATE

The total plan cost estimate to serve Tier 1 areas in Lee County is \$5,462,000. The cost estimate is included in Attachment B. Plan elements include:

- 60 miles of fiber backbone
- 55 miles of other fiber service to customers
- 121 individual customers in the mapped Tier 1 area

Additional broadband service is crucial in the present and future. More service will be available in the present time upon project completion directly to Tier 1 residents and businesses. The fiber backbone can also be leveraged into the future because it is built with additional capacity. Over 2/3 of the cost of fiber development is labor and the incremental cost of laying more fiber inside the same conduit is very small in comparison. This means there is a large incentive to place more fiber strands in a conduit.

#### PROJECT FUNDING AND IMPLEMENTATION

The OCIO NOFO 6 is due on July 28, 2021 and was released about a month before that. The Tier 1 funding proposals are funded at 75 percent with a required 25 percent local match.

SIREPA is involved as a project partner (project partners in addition to broadband providers score more points in the grant evaluation) and potential project funder via potential funds from the Lee County ARPA Fiscal Recovery package. Proposed funding split:

Total Cost:	\$5,465,000
OCIO Grant 65%	\$3,552,250
SIREPA/ARPA 35%	\$1,912,750

RE: Lee Co Broadband  
July 26, 2021  
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The structure of the package would be as follows:

- Danville applies for OCIO funds and serves as recipient.
- SIREPA applies for Lee Co ARPA funds and provides as local match to Danville OCIO funds.
- Danville owns service lines and other equipment upon completion.
- SIREPA owns fiber backbone and enters into lease to own agreement with Danville for 10-year duration.
  - Danville makes equal bi-annual payments over 10 years equal to half of the backbone cost to SIREPA.
    - SIREPA uses lease revenues for more broadband projects in Lee Co.

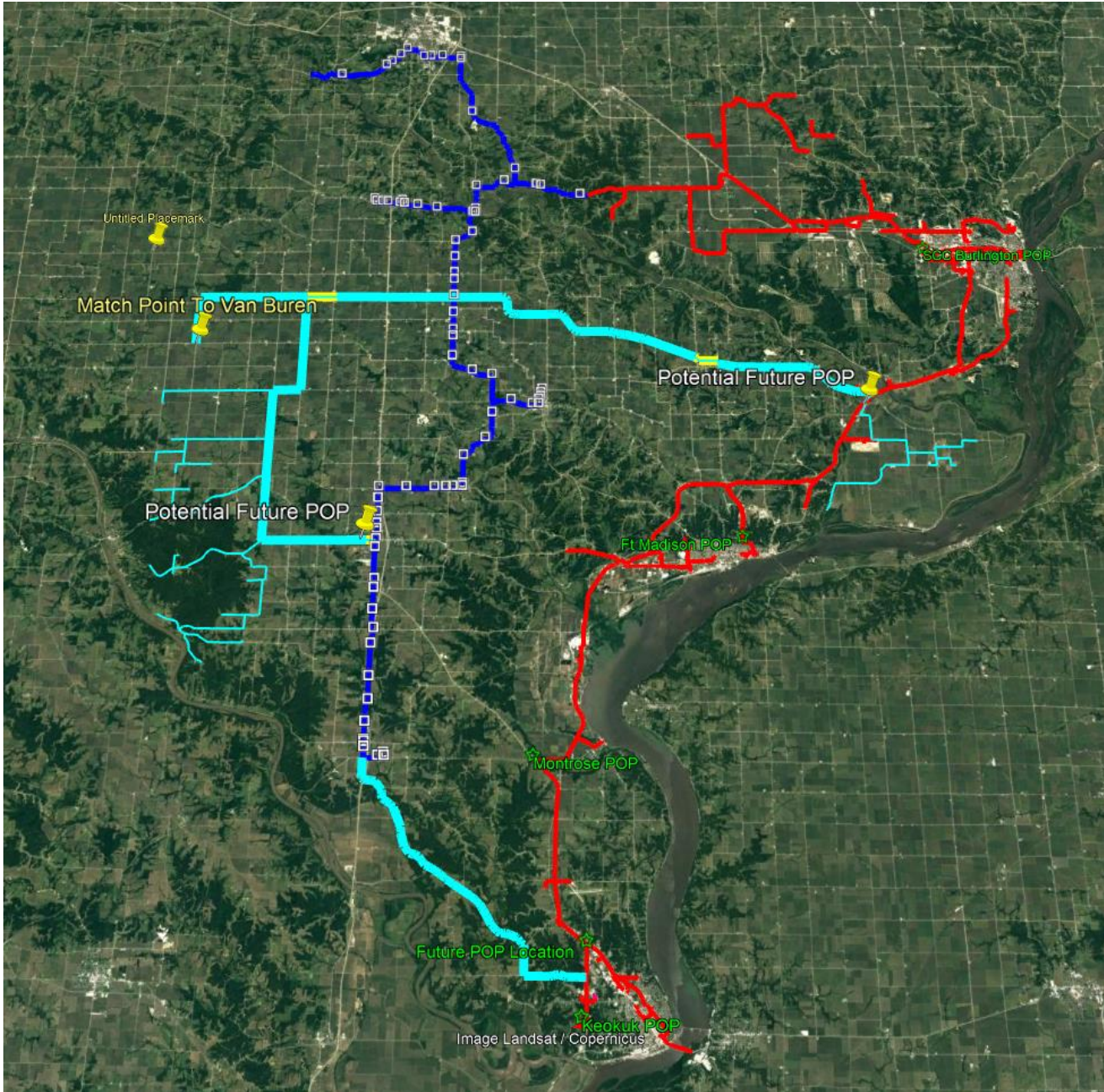
#### NEXT STEPS

A resolution will be needed for the application due July 28 then to work with Lee County Board of Supervisors to request ARPA funds roughly a 4-6 weeks after. Project timing for NOFO 6 is very tight; therefore if something doesn't work out partners will plan for NOFO 7 which would come out in July, 2022.

If funding is awarded, there will be other steps to take with agreements with Danville Telco and Lee County.

ATTACHMENT A  
Project Map





LEE COUNTY BROADBAND EXPANSION MAP:  
EXISTING AND PROPOSED FIBER TRANSMISSION

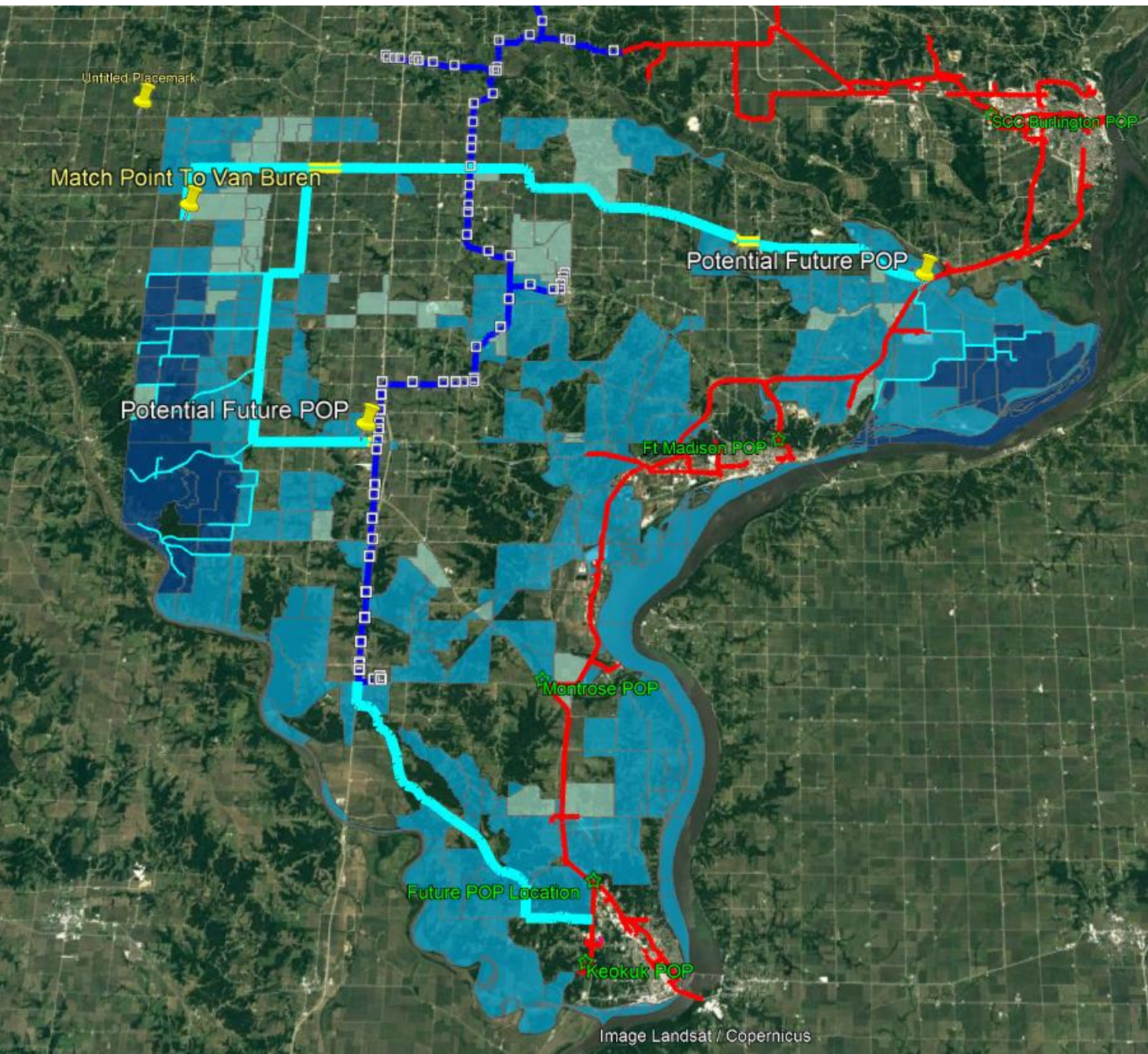
July 26, 2021

RED = Existing Danville Fiber

Thick Light Blue = SIREPA/Danville fiber backbone

Dark Blue = Existing Aureon fiber





# LEE COUNTY BROADBAND EXPANSION MAP: EXISTING AND PROPOSED FIBER TRANSMISSION

July 26, 2021

RED lines = Existing Danville Fiber

Thick Light Blue lines = SIREPA/Danville fiber backbone

Thin Light Blue lines = Fiber Routes to Tier 1 Areas

Dark Blue Line = Existing Aureon fiber

Dark Blue Areas = Tier 1 block groups of Lee County

ATTACHMENT B  
Cost Estimate

## Lee County - Tier 1 OCIO and Backbone - High-Level FTTP Estimate

Project Area	Total Locations	Take Rate	Take Rate Locations	OSP Cable Mileage		OSP Costs			FTTP Electronics Costs		Engineering	Total
				Town Buried	Rural Buried	Electronics Enclosure Costs	Mainline	Drops	OLT Electronics	ONT		
Lee County	90	100%	90	0.0	55.6	\$ -	\$ 1,798,000	\$ 156,000	\$ 38,000	\$ 57,000	\$ 308,000	\$ 2,357,000
Backbone	0	100%	0	3.2	57.5	\$ 460,000	\$ 2,240,000	\$ -	\$ -	\$ -	\$ 405,000	\$ 3,105,000
<b>Totals</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>3.2</b>	<b>113.1</b>	<b>\$ 460,000</b>	<b>\$ 4,038,000</b>	<b>\$ 156,000</b>	<b>\$ 38,000</b>	<b>\$ 57,000</b>	<b>\$ 713,000</b>	<b>\$ 5,462,000</b>

### Assumptions

- Project area defined by Lee County as the rural backbone for Lee County and OCIO Tier 1 Census Blocks.
- Subscribers not within the defined project area that were passed by proposed routing were not included in the mapped locations.
- Estimate includes a 15% inflation rate across the board.
- Estimate includes budgetary numbers for engineering, 15%.
- Electronics includes 10% installation costs.
- Electronics costs assume GPON.
- Subscriber counts and proposed fiber routes determined via aerial imagery and county address data.
- OSP construction costs assume buried mainline construction and buried drop construction.
- Estimate assumes the placement of new fiber huts in Donnellson, IA and Wever, IA.
- VPS did not include any costs for dedicated transport electronics.
- VPS did not include any costs for rocky conditions.
- VPS did not include any costs for right-of-way acquisitions or permitting.
- VPS did not include any costs for extensive fiber boring.
- OSP costs based on recent contract prices from various projects that are similar in size, scope, and geography.

VPS makes every attempt to have our estimates be within +/- 10% of the actual project cost, which is normally the case. However, it is still an estimate, there are many factors outside of our control that could result in the actual cost differing by more than 10%, such as material or labor shortages, design changes since estimate, inflation, construction delays, etc. Please keep this in mind when budgeting for this project.

Henry County	Buried Miles		Rural Route Percentage Mainline
	Rural Buried	Town Buried	
Lee County	51.5	0.0	100%
	51.5	0.0	

51.5

Rural	Town
4.940251992	
1.103368011	
1.010747484	
0.557808502	
4.542305704	
4.601129646	
0.128127829	
1.700273407	
0.57456116	
8.977777548	
1.100506157	
2.162511202	
0.810834803	
0.548292605	
3.784483175	
0.114050253	
0.902213334	
9.117522391	
3.073603862	
1.208544011	
0.56582959	

51.52474267

0

	<b>Buried Miles</b>			
<b>Town Route Percentage Mainline</b>	<b>Rural Buried</b>	<b>Town Buried</b>		<b>Total Subs</b>
100%	51.5	0.0		90
	51.5	0.0		90.0

51.5
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		Buried Miles	
Henry County		Rural Buried	Town Buried
Backbone		53.2	2.6
		53.2	2.6
			55.8

Rural	Town
20.79805914	0.366373946
14.56758492	1.121747144
6.044512354	1.062852728
11.82130355	

53.23145996

2.550973818

		Buried Miles		
Rural Route Percentage Mainline	Town Route Percentage Mainline	Rural Buried	Town Buried	
100%	100%	53.2	2.6	
		53.2	2.6	

55.8



**Total Subs**

0

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0.0

		ONT ELEC
Cencus Block Group	Subscribers	ONT
Lee County	90	\$ 27,000
<b>Totals</b>	<b>90</b>	<b>\$ 27,000</b>

		ONT ELEC
Cencus Block Group	Subscribers	ONT
Backbone	0	\$ -
<b>Totals</b>	<b>0</b>	<b>\$ -</b>

ELECTRONICS						
ITEM QUANTITY						
Install	1x 32 Splitter	GPON-8 Cards	E7-2 Chassis	GPON Optics	Uplink Optics	
\$ 22,500	3	2	2	3	4	
\$ 22,500	3	2	2	3	4	0

ELECTRONICS						
ITEM QUANTITY						
Install	1x 32 Splitter	GPON-8 Cards	E7-2 Chassis	GPON Optics	Uplink Optics	
\$ -	0	0	0	0	0	
\$ -	0	0	0	0	0	0





TOTAL	
ONT Cost	Total
\$ 49,500	\$ 81,730
<b>\$ 49,500</b>	<b>\$ 81,730</b>

GPON Electronics	
FTTP Electronics	Unit Cost
ONT	\$ 300.00
Install	\$ 250.00
1x32 Splitter	\$ 1,200.00
GPON-8 Cards	\$ 9,400.00
E7-2 Chassis	\$ 700.00
GPON Optics	\$ 500.00
Uplink optics	\$ 1,000.00

TOTAL	
ONT Cost	Total
\$ -	\$ -
<b>\$ -</b>	<b>\$ -</b>





102 S MAIN ST • P.O. BOX 158 • DANVILLE, IOWA 52623 • 319/392-4251 FAX 319/392-4949

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Southeast Iowa Regional Economic & Port Authority (SIREPA)

Dear SIREPA representative,

Danville Mutual Telephone Company (Danville) submits this proposal to SIREPA with the intent of partnering with SIREPA to build fiber optic broadband connectivity in Lee County serving Tier 1 mapped areas, or areas with less than 25 Mbps download and 3 Mbps upload.

The proposed system is estimated at a cost of \$5,462,000, of which \$2,600,000 is allocated to the proposed backbone. The total project mileage is approximately 115 mainline miles, with 60 miles attributed to the backbone route. The system has been designed to provide broadband to the 121 underserved Tier 1 TSA locations, as determined by census data and the Iowa Broadband Availability Map, in Lee County. The fiberoptic backbone is key to the project because no fiber optic lines exist to leverage data to Tier 1 areas. The consulting engineer has confirmed the entire project is required to serve Tier 1 areas in Lee County.

Danville proposes applying for State of Iowa OCIO broadband access grant with 75 percent cost coverage and the matching contribution provided via Lee County American Rescue Plan (ARP) funding which SIREPA would apply for and deploy to the project. SIREPA would own the fiber backbone and allow Danville to bid and construct the project within budget constraints.

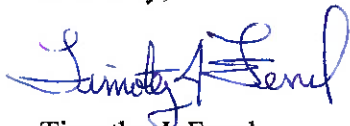
Danville proposes to lease the backbone from SIREPA. The lease will buy back the fiber at 50 percent of the depreciated value over 10 years through equal bi-annual payments and at lease-end Danville will take ownership of the backbone. SIREPA can then allocate lease revenues to additional broadband grants serving Lee County.

Iowa OCIO NOFA 6 grants are due July 28. Danville will require a signed resolution of support for the project and commitment to request and attempt to secure Lee County ARPA funds as local match. Match would have to be secured by September 15. Danville does not guarantee it will be awarded OCIO funds.

Danville is an experienced broadband provider that offers many different services to their customers. Danville was first incorporated on December 15, 1901 to provide a telephone service in Des Moines County and surrounding counties. Throughout the years Danville has continued to grow and make advancements in the telecommunications field. Danville is currently nearing the completion of a 125 mile fiber optic construction project to offer High Speed Internet service to every location within Danville's service area. With the growth, there has always been the utmost of cooperation between the Danville Mutual Telephone Company and its neighboring companies in providing services.

In addition to the facilities within the Danville ILEC service area, Danville also has fiber infrastructure offering connectivity in Lee County that spans from Wever, IA to Fort Madison, IA and finally to Keokuk, IA. This approximately \$6million fiber project facilitates economic development in Lee County. Several of Lee County's core businesses and larger employers already are connected to Danville's fiber service such as the Iowa Fertilizer Plant, Connection Bank, Pilot Grove Savings Bank, Lee County Bank, Keokuk Police Department, Baxter Construction, and Henniges Automotive. Danville is committed to the continued economic development and success of Lee County. The partnership proposed in this letter affords Danville the fiscal ability to continue to expand and grow the network in Lee County. We look forward to a long and successful endeavor with SIREPA.

Sincerely,

A handwritten signature in blue ink that reads "Timothy J. Fencil". The signature is fluid and cursive, with the first name being the most prominent.

Timothy J. Fencil  
General Manager & CEO  
Danville Mutual Telephone Company



# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

**Resolution No. 2-2021**

**To Support Lee Co Tier 1 Broadband Project with Danville Mutual Telephone Co.**

WHEREAS, The Southeast Iowa Regional and Economic Port Authority (hereinafter SIREPA) is a recognized Municipality of the State of Iowa under Chamber 28J, Code of Iowa;

WHEREAS, SIREPA has an interest and purpose to further economic development and vitality, quality of life and general resiliency of Lee County, Keokuk and Fort Madison; and

WHEREAS, SIREPA believes additional broadband capacity and availability in Lee County to serve underserved and unserved areas (in this case Tier 1 or areas under 25 mbps download and 3 mbps upload) fulfills the purpose and interest of SIREPA; and

WHEREAS, SIREPA can partner with Danville Mutual Telephone Co. of Danville, IA and leverage available resources for local match to apply for State of Iowa OCIO NOFO 6 funds to serve Tier 1 areas of Lee County with a fiber backbone and service to the resident or business; and

WHEREAS, Should the grant application be successful, SIREPA intends to own the fiber backbone upon completion and enter into agreement with Danville Mutual Telephone Co. to lease back the fiber backbone over 10 years, ending in ownership by Danville Mutual Telephone Co., with a starting value of 50 percent of the initial cost, amortized through equal bi-annual payments over 10-year (120 months) duration totaling 20 equal payments; and

THEREFORE BE IT RESOLVED this 26th day of July, 2021,

The SIREPA Board of Directors fully supports the application from Danville Mutual Telephone Co. to the State of Iowa OCIO NOFO 6 grant round to serve Tier 1 underserved areas in Lee Co. and fully intends and will endeavor to apply to Lee Co. for ARPA Fiscal Recovery Funds in the amount of \$1,912,750 to match to the State of Iowa OCIO grant funds and should funds be awarded proceed as described herein this document.

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Denise Boyer, Chair





# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

LETTER OF UNDERSTANDING WITH LEE COUNTY ECONOMIC DEVELOPMENT  
GROUP REGARDING PRE-LEASE OCCUPATION OF KL MEGLA BUILDING

July 26, 2021

SIREPA hereby recognizes the outstanding partnership with Lee County Economic Development Group (LCEDG) in purchasing the KL Megla building near Montrose, IA, in efforts to establish a Joint Education Center or Career Exploration Center (hereinafter Center).

LCEDG intended to make the facility its Headquarters throughout discussions with SIREPA to aid development of the Center and to leverage economic development activity in the county.

As such the occupation of LCEDG in the facility will be of immense help to SIREPA and a signal of the progression of economic development structure and ability in Lee County for the following reasons:

- A more professional atmosphere centrally located in the county to welcome visitors and prospects;
- A way to concierge businesses and participants in the Center for more advantageous outcomes for both;
- As an on-site presence and coordinator for routine and emergent maintenance and operational needs before the Center is completed.

Let this letter act as official communication for LCEDG to occupy the facility in advance of a formal lease agreement as one is imminently forthcoming in the month to come.

LCEDG Agrees to:

1. Add SIREPA as additional insured and hold harmless SIREPA for any claims related to their occupation of the facility as a de facto tenant.
2. Occupy the facility and use as its Headquarters, and act as a de facto facility manager and to undertake certain routine and emergent maintenance and operational needs.
3. Open and satisfy accounts for building utility services necessary for the daily and ongoing operation of the facility.
4. Act in a true and responsible manner as an occupant and partner in the facility with intent to develop into a Center.

LETTER OF UNDERSTANDING WITH LEE COUNTY ECONOMIC DEVELOPMENT  
GROUP REGARDING PRE-LEASE OCCUPATION OF KL MEGLA BUILDING

Page 2

SIREPA agrees to:

1. Insure the building for liability and replacement cost through a provider of its choice.
2. Give LCEDG full access to the building regardless of time or date.
3. Receive nominal consideration from LCEDG of \$1 annually for LCEDG's agreed-upon items listed herein.
4. Draft a formal lease agreement with LCEDG in an expedient manner.
5. Act in a true and responsible manner as the owner and partner of the facility with intent to develop facility into a Center.

Agreed upon by the parties below on this \_\_\_\_ day of July, 2021:

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Denise Boyer, SIREPA Chair

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Jenny Steffensmeier, LCEDG Chair