

General Manager
334 Front Street
Ketchikan, AK 99901

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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: August 23, 2019

RE: **Ordinance No. 19-1900 – Amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an Effective Date**

The attached ordinance was prepared by Telecommunications Division Manager Ed Cushing, who requested that it be placed before the City Council for consideration at its meeting of September 5, 2019. If adopted, Ordinance No. 19-1900 formalizes rates for enhanced hosted data services and increased data transfer allowances, which were previously authorized by my office through interim tariffs. The details of and the rationale for the modifications are detailed in Mr. Cushing's transmittal memorandum and require no elaboration on the part of my office. I concur with the Telecommunications Division Manager's recommendation.

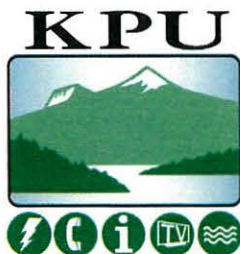
Mr. Cushing will be attending the City Council meeting of September 5, 2019, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion approving in first reading Ordinance No. 19-1900 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Recommended Motion: I move the City Council approve in first reading Ordinance No. 19-1900 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.



KPU Telecommunications

2970 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 225-1000

FAX (907) 225-1788

Memorandum

To: Karl R. Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: August 23, 2019

Subject: **Ordinance No. 19-1900 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an Effective Date**

This memorandum introduces Ordinance number 19-1900 amending Chapter 11.12 Telecommunications Service and Rates - for consideration by the City Council at the September 5, 2019 City Council meeting.

Ordinance number 19-1900 incorporates Interim Tariffs IT 19-0726 and IT 19-0411 into the Ketchikan Municipal Code (KMC).

Background

IT 19-0411 updates our Hosted Data and Managed Devices descriptions, services and rates. We have made significant upgrades to our Data Center, allowing us to offer better products and services. We have acquired new customers to the data center as a result. This IT moves most of the rates to ICB – individual contract basis - so that we may respond competitively to individual business customer's needs.

IT 19-0726 increases the data transfer usage amounts for most of our Internet plans. This IT was necessary to ensure our Internet plans remain competitive in the marketplace.

Approval of Ordinance No. 19-1900 will ensure that all rates, charges, modifications, changes and additions noted above are formally codified in the Ketchikan Municipal Code. Copies of Interim Tariff IT 19-0411 and IT 19-0726 are attached for City Council review.

Recommendation

It is recommended that the City Council approve in first reading, Ordinance No. 19-1900 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an effective date.

Recommended Motion: I move that the City Council approve in first reading, Ordinance No. 19-1900 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an effective date.

THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 19-1900

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; AMENDING CHAPTER 11.12 TELECOMMUNICATIONS SERVICE AND RATES OF THE KETCHIKAN MUNICIPAL CODE; PROVIDING FOR A PUBLIC HEARING; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1: Amendment: Section 11.12.070(m)(1) of the Ketchikan Municipal Code entitled “Hosted Data and Managed Device Services.” is amended as follows:

(m) Hosted Data and Managed Device Services. Hosted data and managed device services are offered as tarified rates as well as on an individual contract basis (ICB).

(1) Hosted data services include secure IT infrastructure with cabinet and rack space for storage, cross-connect service, blade server application, provision of Virtual Machine (VM) with options for storage and memory, ~~an ESXi virtual server, one-terabyte usable SAN storage, hosted camera service (requires additional purchase of SAN storage)~~ Managed Devices, setup and installation, power redundancy, environmental monitoring, and scheduled access.

(A) Cabinet/Rack space is a secured physical enclosure to house electronic equipment. Rack space is available in quarter, half and full rack sizes.

(B) Cross-connect service is the attachment of wires to connect circuits and allow them to speak to each other.

(C) A Blade Server is a physical, centrally managed computer which is housed on a smaller footprint and shares resources such as network cards and power in a central chassis. Several “blades” can be installed in a chassis thus reducing power consumption costs.

(D) A Virtual Machine is an operating system running in a shared environment on a server. The physical server manages the distribution of shared resources amongst the servers contained within it.

(2) Managed device services are offered based on the unique needs of business customers in the Ketchikan serving area. Wi-Fi includes three types of service: basic, advanced, and premium.

(A) KPU reserves the right to allocate excess bandwidth and provision the kpunet SSID out of the deployed access point.

(i) Basic Wi-Fi service delivers support for up to three SSIDs, to include a guest network, basic content filtering, and a basic “splash page” for the guest network.

(ii) Advanced Wi-Fi service provides support, with or without firewall, for up to eight SSIDs, to include a guest network, advanced content filtering, an advanced “splash page” for the guest network, radius integration, implementation of a “paid” SSID (customers can use their credit card for service), and a web portal for 24/7 visibility and network statistics.

(iii) Premium Wi-Fi service provides support for up to eight SSIDs, to include a guest network, advanced content filtering, an advanced “splash page” for the guest network, radius integration, implementation of a “paid” SSID (customers can use their credit card for service), and a web portal for 24/7 visibility and network statistics. Advanced security includes firewall protection, intrusion protection with antivirus and antiphishing filtering.

Section 3: Amendment: Section 11.12.090(b)(1) of the Ketchikan Municipal Code entitled “IP Network Service rates.” is amended as follows:

(b) Internet Service.

(1) Internet Service Rates.

Description (Recurring Charges)					
Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
3M	3M	8	25GB	\$34.95	
5M	5M	8	50GB	\$49.95	
10M	10M	8	100 150GB	\$59.95	
30M	30M	8	150 200GB	\$74.95	
100M	100M	8	250	\$89.95	

Description (Recurring Charges)

Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
			<u>400GB</u>		
250M	250M	8	500	\$129.95	Includes 1 static IP
			<u>600GB</u>		
500M	500M	8	1 TB	\$199.95	Includes: 1 static IP and managed WiFi
0M	0M	0	0	\$18.95	Line access for KPU TV customers who do not require Internet

Add-on Features (Recurring Charges)

Additional email address.	\$1.00
Additional 1 MB server storage.	\$3.00
Additional 2 GB email storage space.	\$3.00
Static IP address – no service order charge for residential customer.	\$10.00
Additional each 10 GB over max. transfer.	\$1.00
Internet vacation rate.	\$12.00
Each 5 additional LAN stations above 8.	\$35.00
Static IP option (plus \$25.00 one-time setup fee).	\$10.00
Managed router service.	\$8.95
Managed router repeater, each.	\$4.95
Cloud firewall service.	\$1.95
Unlimited data transfer.	\$30.00
Consumer broadband loop.	\$15.13

Description (Nonrecurring Charges)

Internet install	\$99.00
Internet premises move	\$99.00
Internet reconnect (field visit not required)	\$20.00
Internet trip charge	\$17.75
Jack installation fee	\$55.00
Managed router service installation	\$49.95
Nonreturned equipment fee, managed router service	\$150.00

Section 4: Amendment: Section 11.12.090(f) of the Ketchikan Municipal Code entitled “Hosted Data and Wi-Fi Services.” is amended as follows:

(f) Hosted Data and ~~Wi-Fi~~ **Managed Device** Services.

Description (Monthly Recurring Charges)	Rate
Blade Server	\$225.00 <u>ICB*</u>
Virtual Server	\$56.25 <u>ICB*</u>
Hosted Data Services	ICB*
Useable SAN Storage	\$57.69 <u>ICB*</u>
<u>Managed Camera Service</u>	<u>ICB*</u>
<u>Managed Devices</u>	<u>ICB*</u>
Managed Router – Basic	\$23.33
Managed Wi-Fi – Basic	\$34.72
Managed Wi-Fi – Advanced	\$48.89
Managed Wi-Fi Router – Premium	\$84.67

* Hosted data services not listed ~~below~~ will be available under individual contract basis to accommodate pricing based on the customer’s unique needs, conditions and volume.

Description (Nonrecurring Charges)	Rate
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Description (Nonrecurring Charges)	Rate
Blade Server	\$2,925.00 ICB*
Virtual Server	\$776.25 ICB*
<u>Hosted Data Services</u>	<u>ICB*</u>
Useable SAN Storage	\$738.46 ICB*
Camera Management and Storage <u>Managed</u>	
<u>Camera Service</u>	ICB*
<u>Managed Devices</u>	<u>ICB*</u>
Managed Router – Basic	\$150.00
Managed Wi-Fi – Basic	\$273.50
Managed Wi-Fi – Advanced (indoor)	\$410.00
Managed Wi-Fi – Advanced (outdoor)	\$695.00
Managed Wi-Fi Router – Premium	\$795.00
Managed Router Vacation Rate	\$5.00
Managed Wi-Fi Vacation Rate	\$5.00

* Hosted data services not listed will be available under individual contract basis to accommodate pricing based on the customer's unique needs, conditions and volume.

Section 6: Public Hearing. A public hearing on the aforesaid amendments shall be held at the Council Chambers on September 19, 2019.

Section 7: Effective Date. This ordinance is effective one (1) month after its final passage and publication.

PASSED ON FIRST READING:_____

FINAL PASSAGE_____.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker
City Clerk



KPU Telecommunications

2900 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 225-1000

Fax (907) 225-1788

Memorandum

To: Karl Amylon, KPU General Manager

From: Ed Cushing, Telecommunications Division Manager
Kim Simpson, Division Manager of Sales, Marketing, & Customer Service

Date: 4/11/19

Subject: Request for an Interim Tariff for changes to the Hosted Datacenter Offerings and pricing.

IT 19-0411

Under 11.12.070(m)(1) Hosted Data and Managed Device Services.

(m) Hosted Data and Managed Device Services. Hosted data and managed device services are offered as tariffed rates as well as on an individual contract basis (ICB).

(1) Hosted data services include secure IT infrastructure with cabinet and rack space for storage, cross-connect service, blade server application, provision of Virtual Machine (VM) with options for storage and memory, an ESXi-virtual server, one-terabyte usable SAN-storage, hosted camera service (requires additional purchase of SAN storage) **Managed Devices**, setup and installation, power redundancy, environmental monitoring, and scheduled access.

(A) Cabinet/Rack space is a secured physical enclosure to house electronic equipment. Rack space is available in quarter, half and full rack sizes.

(B) Cross-connect service is the attachment of wires to connect circuits and allow them to speak to each other.

(C) A Blade Server is a physical, centrally managed computer which is housed on a smaller footprint and shares resources such as network cards and power in a central chassis. Several "blades" can be installed in a chassis thus reducing power consumption costs.

(D) A Virtual Machine is an operating system running in a shared environment on a server. The physical server manages the distribution of shared resources amongst the servers contained within it.

(2) Managed device services are offered based on the unique needs of business customers in the Ketchikan serving area. Wi-Fi includes three types of service: basic, advanced, and premium.

(A) KPU reserves the right to allocate excess bandwidth and provision the kpunet SSID out of the deployed access point.

(i) Basic Wi-Fi service delivers support for up to three SSIDs, to include a guest network, basic content filtering, and a basic "splash page" for the guest network.

(ii) Advanced Wi-Fi service provides support, with or without firewall, for up to eight SSIDs, to include a guest network, advanced content filtering, an advanced "splash page" for the guest network, radius integration, implementation of a "paid" SSID (customers can use their credit card for service), and a web portal for 24/7 visibility and network statistics.

(iii) Premium Wi-Fi service provides support for up to eight SSIDs, to include a guest network, advanced content filtering, an advanced "splash page" for the guest network, radius integration, implementation of a "paid" SSID (customers can use their credit card for service), and a web portal for 24/7 visibility and network statistics. Advanced security includes firewall protection, intrusion protection with antivirus and antiphishing filtering.

Under 11.12.090(a)(1) IP Network Services.

(a) IP Network Services.

(1) Direct Connect Internet Access Services and Competitive Internet Access Services.

<u>Description (Recurring Charges)</u>	<u>Rate</u>
Internet Service	ICB* **

* Internet service will be available under individual contract basis (ICB) to accommodate pricing based on various data transfer rates and bandwidth needs. KPU will provide premium guaranteed committed data bit rate service (quality of service) weekdays from 8:00 a.m. – 4:30 p.m. not including holidays.

** In order to qualify for ICB Internet access services, the customer needs to meet the following qualifiers: (1) must be a business customer; (2) must spend a minimum of \$2,500 per year for KPU Telecommunications products and services; (3) must sign a multiyear bundle contract; and (4) the Internet service must be used primarily between the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.

Under 11.12.090(f) Hosted Data and Wi-Fi Services.

(f) Hosted Data and **Wi-Fi Managed Device** Services.

Description (Monthly Recurring Charges)	Rate
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Blade Server	\$225.00 <u>ICB*</u>
Virtual Server	\$56.25 <u>ICB*</u>
Hosted Data Services	ICB*
Useable SAN Storage	\$57.69 <u>ICB*</u>
<u>Managed Camera Service</u>	<u>ICB*</u>
<u>Managed Devices</u>	<u>ICB*</u>
Managed Router – Basic	\$23.33
Managed Wi-Fi – Basic	\$34.72
Managed Wi-Fi – Advanced	\$48.89
Managed Wi-Fi Router – Premium	\$84.67

* Hosted data services not listed ~~below~~ will be available under individual contract basis to accommodate pricing based on the customer's unique needs, conditions and volume.

Description (Nonrecurring Charges)	Rate
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Blade Server	\$2,925.00 <u>ICB*</u>
Virtual Server	\$776.25 <u>ICB*</u>
<u>Hosted Data Services</u>	<u>ICB*</u>
Useable SAN Storage	\$738.46 <u>ICB*</u>
Camera Management and Storage	
<u>Managed Camera Service</u>	ICB*
<u>Managed Devices</u>	<u>ICB*</u>
Managed Router – Basic	\$150.00
Managed Wi-Fi – Basic	\$273.50
Managed Wi-Fi – Advanced (indoor)	\$410.00
Managed Wi-Fi – Advanced (outdoor)	\$695.00
Managed Wi-Fi Router – Premium	\$795.00
Managed Router Vacation Rate	\$5.00
Managed Wi-Fi Vacation Rate	\$5.00

* Hosted data services not listed will be available under individual contract basis to accommodate pricing based on the customer's unique needs, conditions and volume.

This interim tariff will be submitted to the Ketchikan City Council for approval within 90 days. Customers will be advised of "pending approval" and that the rates could change.

The effective date of this Interim Tariff will be June 1, 2019.

Approved:  Date: 5/22/19

Karl R. Amylon, KPU General Manager

cc: Lacey Simpson, Assistant KPU Manager
Dan Lindgren, Assistant KPU Telecommunications Manager
Chastine Lynch, Plant Manager
Marketing Managers

**KPU Telecommunications**

2900 Tongass Avenue
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Fax (907) 225-1788

Memorandum

To: Karl Amylon, KPU General Manager

From: Ed Cushing, Telecommunications Division Manager
Kim Simpson, Division Manager of Sales, Marketing & Customer Service

Date: 7/26/19

Subject: Request for an Interim Tariff to amend data transfer allowances for Internet packages.

IT 19-0726**Under 11.12.090(b)(1) IP network service rates.**

(b) Internet Service.

(1) Internet Service Rates.

Description (Recurring Charges)

Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
3M	3M	8	25GB	\$34.95	
5M	5M	8	50GB	\$49.95	
10M	10M	8	100 <u>150</u> GB	\$59.95	
30M	30M	8	150 <u>200</u> GB	\$74.95	
100M	100M	8	250 <u>400</u> GB	\$89.95	

Description (Recurring Charges)

Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
250M	250M	8	500 <u>600</u> GB	\$129.95	Includes 1 static IP
500M	500M	8	1 TB	\$199.95	Includes: 1 static IP and managed WiFi
0M	0M	0	0	\$18.95	Line access for KPU TV customers who do not require Internet

Add-on Features (Recurring Charges)

Additional email address.	\$1.00
Additional 1 MB server storage.	\$3.00
Additional 2 GB email storage space.	\$3.00
Static IP address – no service order charge for residential customer.	\$10.00
Additional each 10 GB over max. transfer.	\$1.00
Internet vacation rate.	\$12.00
Each 5 additional LAN stations above 8.	\$35.00
Static IP option (plus \$25.00 one-time setup fee).	\$10.00
Managed router service.	\$8.95
Managed router repeater, each.	\$4.95
Cloud firewall service.	\$1.95
Unlimited data transfer.	\$30.00
Consumer broadband loop.	\$15.13

Description (Nonrecurring Charges)

Internet install	\$99.00
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Internet premises move	\$99.00
Internet reconnect (field visit not required)	\$20.00
Internet trip charge	\$17.75
Jack installation fee	\$55.00
Managed router service installation	\$49.95
Nonreturned equipment fee, managed router service	\$150.00

This interim tariff will be submitted to the Ketchikan City Council for approval within 90 days. Customers will be advised of "pending approval" and that the rates could change.

The effective date of this Interim Tariff will be August 1, 2019.

Approved:  Date: 7.30.19

Karl R. Amylon, KPU General Manager

cc: Lacey Simpson, Assistant KPU Manager
 Dan Lindgren, Assistant KPU Telecommunications Manager
 Jason Hudlin, Plant Manager
 Marketing Managers