

**Eastern Slope Rural Telephone Association, Inc.**

**2020 Annual Meeting Highlights**

**June 23, 2020**

**Forum: Telephone Town Hall**

**\*Legal Determination** – 58 members were on the call so a quorum was declared by Attorney Ed Zorn

**\*Proof of Legal Meeting Notice** – Affidavits were presented proving publication and delivery of appropriate notification of the annual meeting of members

**\*Financial Review by Tammy Totzke of BKD Accounting and CPA firm**

- *2019 Operating Revenue of \$9,207,620 includes the new funding mechanism known as Alternative Connect America Cost Model II (ACAMII)*
- *2019 Expenses increase is primarily due to Depreciation Expense as a result of plant additions in the last few years*
- *Operating Income is \$2,097,560, nearly a 62% increase over last year*
- *Cash and Investments increased over last year, due to the strong market and ACAMII monies received*
- *Eastern Slope, as a cooperative, supports our communities through donations (\$18,000), property tax (\$220,000), and capital credit refunds (\$419,000).*

*The Cooperative is in a strong financial position*

**\*Manager's Report – Patricia White, General Manager/CEO**

*Eastern Slope has a strong commitment to community, our members, and our mission to bring quality communications services to Eastern Colorado. During this **Covid-19 pandemic**, we realized how valued our services are to our members as the crucial link to those we love, and the things that we need. We have connected **140 new broadband connections since March**, and our **network usage has increased 38% in the last 3 months!** Eastern Slope took the **Keep America Connected Pledge**, offering upgrades and special pricing during the pandemic. Our employees performed installs and repairs, and kept our business running smoothly, despite the fact that our lobby was closed for 2 ½ months.*

*The regulatory decision to accept **ACAMII funding**, provides consistent support for 10 years. However, it comes with an **obligation to bring 25/3 broadband to certain hard to serve locations** in our cooperative area. To meet these milestones, we will be upgrading our facilities and expanding the fiber that was placed a few years ago. Once our location obligations are met, we will budget our funds to satisfy our debt, continue to reinvest in our facilities, pay capital credits to our members, and invest for the future.*

*The members were reminded that the cooperative **office hours are now Monday-Thursday, 7:30 a.m. to 5:00 p.m.***

*In addition to the **\$18,000 given in goodwill throughout our communities**, Eastern Slope also **awarded technology grants to each school** in our serving areas. These grants were used to purchase video equipment, iPads or Chromebooks, and software for specialty programs. **Scholarship winners (\$1,000 each)** were Lauren Brown from Eads, and Mahalie Owens and Brylie Thompson from Genoa.*

*Impressive growth of our services was highlighted. Access lines, or telephone lines, increased 6% since 2018. Since receiving our Rural Utilities Service loan in 2011, our broadband subscribers have increased nearly 60%. These numbers support our fiber investment decision and marks our transition from a telephone provider to a broadband provider.*

*Jerry Smith, Director from the Flagler Exchange, was recognized for 25 years of service to the cooperative. Members were reminded that door prize drawing winners would be announced on our website. **Capital credit checks totaling over \$512,000** will be mailed to members who had service in 2006 and 2018.*

**\*Director Elections**

Jerry Smith (Flagler), Virgil Lessenden (Haswell), and William Bledsoe III (Kit Carson) were elected by unanimous ballot to serve a three-year term on the board of directors.