

**MINUTES OF THE ANNUAL MEETING OF THE MEMBERS OF
EASTERN SLOPE RURAL TELEPHONE ASSOCIATION, INC.
HELD JUNE 22, 2021**

The Annual Meeting of the Members of Eastern Slope Rural Telephone Association, Inc. was held Tuesday, June 22, 2021, at the Lincoln County Fair Building in Hugo, Colorado.

CALL TO ORDER, WELCOME AND INTRODUCTIONS Following the complimentary dinner served between 6:00 and 7:00 p.m., the Annual Meeting of the Members of the cooperative corporation was officially called to order at 7:00 p.m. by the corporate Acting President, Thomas Sauter who welcomed all present to the 69th Annual Meeting of the membership of the cooperative. The Pledge of Allegiance was led by Acting President Sauter. Acting President Sauter then introduced the members of the Board of Directors. He then introduced Edward Zorn the corporate attorney; Wendy Moris of TCA, Inc., the corporate consulting firm; and Tammy Totzke of BKD, LLP, the corporate independent auditing firm. Acting President Sauter then called upon General Manager Patricia L. White who thanked All of It Catering, LLC out of Vona, Colorado who provided the meal for the members and guests, and introduced the employees of Eastern Slope.

NOTICE OF MEETING - QUORUM DETERMINATION Attorney Edward Zorn was called upon to assure the members that proper legal notice of this year's Annual Meeting of the Members had been provided in accordance with the by-laws of the cooperative. Zorn announced he had reviewed a sworn publisher's affidavit verifying proper and timely publication of the Notice of this Annual Meeting in the *Eastern Colorado Plainsman*, published at Hugo, Colorado, and stated he had also examined an affidavit of General Manager Patricia White, verifying that a copy of the official notice of this Annual Meeting was timely mailed to each member.

The Attorney then reminded those present that the corporate by-laws specify fifty members, present in person at the meeting constitutes a legal quorum and announced 146 members had registered and were present. Zorn then declared that it was evident from the documents prepared and presented, the Members' Annual Meeting was regularly scheduled and called; the prescribed notices had been given; and a quorum was present for the transaction of business, including the election of Directors.

PAST MINUTES The Acting President called for a reading of the Minutes of the 2019 and 2020 meetings and upon motion duly made, seconded, and unanimously carried, the members dispensed with a reading of the Minutes of the 2019 and 2020 Annual Meetings of the Members held June 18, 2019, and June 23, 2020, and the minutes were approved.

FINAL CALL FOR BALLOTS AND APPOINT ELECTION TELLER COMMITTEE: At this time, the Acting President called for all ballots to be placed in the ballot box. He then appointed the following persons to a Teller Committee to count the ballots and report the results: Tina Waite, Deb Ward, Linda Blevins, Vernon Stone, Rick Chenoweth, Damian Duran, Cody Jolly, Loretta Siebel, Terry Graham, Clinton Clark, James Martin, Lance Grothe, and J.D. Schier. When all the ballots were collected, the Teller Committee withdrew to count ballots.

FINANCIAL REVIEW Acting President Sauter introduced the cooperative's auditor, Tammy Totzke of BKD, LLP in Colorado Springs, to review and comment upon the significant figures in the income statement and balance sheet printed in the Annual Meeting program. Tammy explained Eastern Slope is very strong financially and has a strong liquid cash balance on the balance sheet. She went on to explain that the cooperative was able to make additional long-term investments, investments in a network upgrade, and pay off over \$1.5 million in debt while maintaining a strong cash flow statement. She moved on to the Income Statement explaining that there was a \$200,000 increase in revenues with expenses staying flat. Finally, she explained that CCT, LLC, the fiber ring company that Eastern Slope invested in, did very well again last year. Eastern Slope's share of the net income from CCT, LLC was \$54,000.

GENERAL MANAGER'S REPORT Manager White began her presentation by thanking all attendees and explaining that there were three By-law changes this year. The first change was to allow for an annual meeting via teleconference. This change was made to allow for a virtual annual meeting during COVID. The second change was to update the word telephone to communication services. Members are no longer required to subscribe to telephone service to be a member of the cooperative, so this update in language was necessary. Finally, Manager White explained that when a capital credit check is not cashed, we make every attempt to locate the member. However, sometimes the member is not able to be located and these funds are placed on the books in a voided check account. This by-law change will allow for these funds to be used for the benefit of the membership by Board of Directors approval.

Manager White showed a map of Eastern Slope's service territory and explained how the COVID Pandemic made us all realize that broadband was absolutely necessary. She went on to show a graph of the broadband subscribers from January 2020 to June 2021, which showed a 16 percent increase. She also showed a graph of the number of customers taking the lower speed packages versus the upper speed packages and how more and more customers are needing those higher speeds. This also explained the increase in our backhaul usage over the last 12 months from just under 4 gig to

almost 7 gig.

Manager White provided a brief description of the ACAM support that Eastern Slope receives and the requirement to serve at least 2168 locations in our serving territory with at least 25mbps download and 3mbps upload speed. As of the end of 2020, Eastern Slope has reached over 1980 locations. This leaves approximately 188 locations that we are required to build to by the end of 2028.

Manager White informed the membership that we are actively placing Fiber-to-the-Home to some rural areas of Hugo, Boyero, Arriba, and Genoa. This Fiber-to-the-Home is being placed in areas where we are experiencing problems with the old copper cable. She also explained that the entire Flagler exchange and the Town of Eads are being engineered for Fiber-to-the-Home. Members in the Flagler exchange will begin being cutover to this new fiber network in the spring of 2022 and members in the Town of Eads and select rural locations will begin being cutover in the fall of 2022.

Manager White asked the membership to reference back to the diagram she showed depicting the increase in the backhaul usage. Due to this increase in usage, it was necessary to upgrade our network. This upgrade will allow us to increase the backhaul to 100gig and is expandable to 200gig.

Manager White briefly touched on the new offerings by Eastern Slope. This includes business VoIP phone systems and managed wifi. She also explained that we are now offering internet service without requiring members to subscribe to a phone line. She explained that Colorado is opening up the 983-area code and that the creation of a three-digit suicide hotline, is going to require 10-digit dialing in all areas. She reminded members to make sure and update their contacts and speed dials, both on their home phones and cell phones, to include all 10 digits prior to the October deadline.

Manager White informed the membership that over the last 5 years, the cooperative was able to give back to the members more than \$2.2 million in capital credits.

In closing, Manager White thanked all those that attended and provided her contact information for questions or concerns.

PRESENTATION OF SERVICE AWARDS AND SCHOLARSHIPS Acting President Sauter thanked Gary Borns for his 35 years of service and congratulated him on his retirement in April. Acting President Sauter congratulated Virgil Lessenden and James Collie on their retirements from the Board of Directors and presented them both with a clock and a plaque. Virgil Lessenden served for 25 years on the Board of Directors and James Collie served for 35 years on the Board of Directors. Acting President Sauter also presented a special award to Ardith James, the wife of late Keith James, for his 23 years of Dedicated Service and Leadership on the Board of Directors. Acting President Sauter presented plaques to the following Board of Directors for years of service to the cooperative: Jerry Smith 25 years of service and William Bledsoe III 10 years of service. He also presented plaques to the following employees for years of service: Renae Koch and Jarred Demoret 10 years of service and Gary Yowell and Tina Waite 20 years of service. Finally, Acting President Sauter presented the 2021 Scholarship Award Winners: Dixi Lockhart, Tieler Randel, Tessa Smith, and Shae Withington.

ELECTION OF DIRECTORS Acting President Sauter called upon the Attorney to report the results of the balloting. Zorn reported Curtis Dutro was elected Director from the Karval exchange; there being 98 votes for Curtis Dutro and 40 votes for Kenny Yoder. Then he reported that the Members of the Committee did not count the exact number of votes cast for Colleen McCormick and Wade Hollowell as they were unopposed and it was obvious that there were enough votes cast to properly declare them elected. Zorn advised Acting President Sauter that a motion to elect Colleen McCormick from the Arriba exchange, Curtis Dutro of the Karval exchange, and Wade Hollowell from the Hugo Exchange would be appropriate. Acting President Sauter called for a motion to elect the three directors and upon motion made, seconded, and unanimously carried, the following directors were elected to serve a three-year term: Colleen McCormick to represent the Arriba Exchange, Curtis Dutro to represent the Karval exchange, and Wade Hollowell to represent the Hugo exchange.

OLD AND NEW BUSINESS; ADJOURNMENT When the drawing for door prizes had been completed, Acting President Sauter then called for any old or any new business to come before the meeting. There was none. He complimented and thanked the members for their interest and for attending their Annual Meeting and declared the meeting adjourned at approximately 8:20 p.m.

Respectfully submitted,
Jerry Smith, Secretary