

MINUTES OF THE ANNUAL MEETING OF THE MEMBERS OF EASTERN SLOPE RURAL  
TELEPHONE ASSOCIATION, INC.  
HELD JUNE 14, 2022

The Annual Meeting of the Members of Eastern Slope Rural Telephone Association, Inc. was held Tuesday, June 14, 2022, 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 President, Thomas Sauter who welcomed all present to the 70<sup>th</sup> Annual Meeting of the membership of the cooperative. The Pledge of Allegiance was led by President Sauter. Board Treasurer John Higgins gave the Invocation. 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 FORVIS, LLP, the corporate independent auditing firm. 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 126 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 President called for a reading of the Minutes of the 2021 annual meeting and upon motion duly made, seconded and unanimously carried, the members dispensed with a reading of the Minutes of the 2021 Annual Meetings of the Members held June 22, 2021 and the minutes were approved.

**FINANCIAL REVIEW** President Sauter introduced the cooperative's auditor, Tammy Totzke of FORVIS, 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 seen a 73% increase in internet revenues since 2017 and a significant increase in margins for the same time period. She went on to explain that the cooperative was able to make investments in fiber upgrades of approximately \$2.4 million, and pay off over \$1.3 million in debt while maintaining a strong cash flow statement.

**GENERAL MANAGER'S REPORT** Manager White began her presentation by welcoming the membership and congratulated them on 70 years of business. She explained the types of membership, as outlined in the By Laws, and the guidelines surrounding voting on cooperative business matters and capital credit retirements.

Manager White showed a map of Eastern Slope's service territory. She 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 by the year 2028. As of the end of 2021, Eastern Slope has reached over 2484 locations which satisfies the obligation of accepting the ACAM II offer.

Manager White then explained the fiber upgrades that are completed or in progress, including the Town of Eads, the Flagler Exchange, and the Hugo Exchange. These projects are being built using cash reserves and USF funding. White then informed the membership that the cooperative has applied for a Reconnect 3 grant that could provide the funds to build fiber to the home in the remaining areas

(excluding Bennett) that are currently served with aging copper plant. If we are not awarded the grant, White explained that there are federal dollars available to improve broadband and that the cooperative would make every effort to secure funding.

To demonstrate the need for fiber, Manager White 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. She then highlighted the new GIG speed offering, VoIP business phones, managed wi-fi app, and digital signage.

Manager White then emphasized the advantages of being a cooperative member. Those advantages include capital credit allocations and refunds, scholarships for graduating seniors, and community donations. She congratulated the Country Living Learning Center in Hugo on their national grant award for technology for their day care center. This grant was sponsored by Eastern Slope Rural Telephone.

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

**PRESENTATION OF SERVICE AWARDS AND SCHOLARSHIPS** President Sauter presented plaques to the following employees for years of service: Chris Stone – 15 Years and Shalena Fox – 10 Years. Sauter then recognized Larry Haller’s years of service on the Board of Directors. Finally, President Sauter presented the 2022 Scholarship Award Winners: Tailyn Thompson, Rhealie Rittgers, and Connor Kahn.

**ELECTION OF DIRECTORS** The President asked Edward Zorn, the corporate attorney, to report nominations for the office of Director. Zorn reported that to fill the vacancies in the offices of Director occurring with this Annual Meeting, legally sufficient Nominating Petitions have been filed to nominate Rick Chenoweth to serve as Director for the Woodrow exchange; John Higgins, for the Genoa exchange; Roger Saffer, for the Eads exchange; and Thomas Sauter, for the Bennett exchange. He then announced that there had been no other nominations made in accordance with the by-laws of the cooperative, and therefore, a motion would be in order to elect the four nominees to the office of Director by a unanimous ballot. The necessary motion was made, seconded and was duly adopted by voice vote of the members assembled. Rick Chenoweth, John Higgins, Roger Saffer, and Thomas Sauter, were, thus, duly elected to serve three-year terms as members of the Board of Directors of the cooperative.

**OLD AND NEW BUSINESS; ADJOURNMENT** When the drawing for door prizes had been completed, President Sauter then called for any old or any new business to come before the meeting. There was none. After all questions from the membership were answered, 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,  
William Bledsoe III, Secretary