

MINUTES OF THE ANNUAL MEETING OF THE MEMBERS OF EASTERN SLOPE RURAL
TELEPHONE ASSOCIATION, INC.
HELD JUNE 13, 2023

The Annual Meeting of the Members of Eastern Slope Rural Telephone Association, Inc. was held Tuesday, June 13, 2023, 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 71st Annual Meeting of the membership of the cooperative. The Pledge of Allegiance was led by President Sauter. The Invocation was given. President Sauter then introduced the members of the Board of Directors. He then introduced Edward Zorn, the corporate attorney; Ryan Palermo of TCA, Inc., from the corporate consulting firm; and Tammy Totzke of FORVIS, LLP, the corporate independent auditing firm. President Sauter then called upon General Manager Bradley Welp 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 Bradley Welp, 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 109 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 2022 annual meeting and upon motion duly made, seconded and unanimously carried, the members dispensed with a reading of the Minutes of the 2022 Annual Meetings of the Members held June 14, 2022 and the minutes were approved.

FINAL CALL FOR BALLOTS AND APPOINT ELECTION TELLER COMMITTEE At this time, The President called for all ballots to be turned in and placed in the ballot box. He then appointed the following people to a Teller Committee to count the ballot and report the results: Travis Miller, Doug Stone, Renita Thelen, Sharla Book, Ardith James and Lance Grothe. When all ballots were collected, the Teller Committee withdrew to count ballots.

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 87% increase in internet revenues since 2017. Operating Revenues were \$9.5 million while Operating Expenses were \$7.1 million. She went on to explain that the cooperative was able to make investments in fiber upgrades of approximately \$4.9 million and pay off over \$1.35 million in debt while maintaining a strong cash flow statement.

GENERAL MANAGER'S REPORT Manager Welp began his presentation by welcoming the membership. He discussed the year of transition, with the change in management and new employees. He recognized the retirement of Patrica White and complimented her on all the dedicated years of service to the Cooperative.

Manager Welp introduced himself and gave a brief summary of his background in the industry and why he looked forward to the challenges in the coming years. He gave an update on and showed the new

logo and signs for the business office. He presented the updated website and discussed the member portal available on the website.

Manager Welp showed a map of Eastern Slope's service territory. He provided a brief description of the ACAMII support that Eastern Slope receives and how it is being invested to provide fiber-to-the-home technology to the members and showed how the Cooperative invested several million dollars over the last year in this upgrade.

Manager Welp then presented the ReConnect 3 Grant information showing the process to get to the point of beginning the engineering in the Phase 1 areas. He then discussed the proposed timeline to finish the three phases of the project over the next 4 years.

Manager Welp then discussed additional changes that will happen over the next few years with the funding for the Cooperative as the ACAMII funds end in 2028 and the FCC will need to come up with a replacement to help fund the high-cost area such as Eastern Slope Rural Telephone.

Manager Welp then emphasized the advantages of being a cooperative member. Those advantages include capital credit allocations and refunds, scholarships for graduating seniors, and community donations.

In closing, Manager Welp thanked the members for coming and participating in the cooperative process.

PRESENTATION OF SERVICE AWARDS AND SCHOLARSHIPS Manager Welp and President Sauter presented plaques to the following employees for years of service: Royce Pindell – 35 Years, Deb Ward – 25 Years, Brian Miller – 20 Years and Collin Simmons – 20 Years. Manager Welp presented a plaque to Tom Sauter for 10 Years on the Board. Manager Welp then recognized Jerry Smith and William Bledsoe III for their years of service on the Board of Directors. Finally, President Sauter presented the 2023 Scholarship Award Winners: \$1,000 winners Camden Bledsoe, Brynlyn Owens, and \$500 winners Allison Daly, Baylee Kelly.

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 Shane Lessenden to serve as Director for the Haswell exchange; Gary Elrick Jr. and Jon Smithburg, for the Flagler exchange; and No nomination, for the Kit Carson exchange. He then announced the result of the balloting. Zorn reported that Gary Elrick Jr. was elected Director from the Flagler exchange; there being 59 votes cast for Gary Elrick Jr. and 34 votes for Jon Smithburg. Then he reported that the Members of the Committee did not count the exact number of votes cast for Shane Lessenden as she was unopposed and it was obvious that there were enough votes to properly declare her elected. Zorn advised the President 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 Gary Elrick Jr. from the Flagler exchange and Shane Lessenden from the Haswell exchange would be appropriate. President Sauter called for a motion to elect the two directors and upon motion made, seconded and carried, the following directors were elected to serve a three-year term: Gary Elrick Jr. to represent the Flagler exchange and Shane Lessenden to represent the Haswell exchange.

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,
Curtis Dutro, Secretary