

Eastern Slope Rural Telephone Association, Inc.

2024 Annual Meeting Highlights

June 18, 2024

We had a great turnout for our 72nd Annual Meeting of the Members. 216 meals were served by All of It Catering, LLC.

***Legal Determination** – 116 members were registered and present. 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.

*** Annual Meeting Minutes Approved** – Minutes from the 2023 Annual Meeting were approved by the membership.

***Financial Review** – Lauren Young of BOLLINGER, SEGARS, GILBERT & MOSS, LLP - Ms. Young explained Eastern Slope is very strong financially. She reviewed the financials that were included in the materials received by the members at the meeting. She explained that part of the increase in expenses for the year were related to the increase in depreciation as the older plant is replaced by the new FTTH plant. The cooperative reported over \$1.7 Million in margins for 2023.

***Manager's Report** – Bradley Welp, General Manager/CEO

- **Opening Remarks**

Manager Welp discussed the history of the Cooperative and how the Electric Cooperative in Limon set the original formation of the Telephone Cooperative in motion in the 1950's and how the growth happened over the few decades. The philosophy of Cooperatives was also reviewed.

- **Capital Credits**

Manager Welp reported that \$1.3M in Capital Credits was allocated for 2023 and that almost \$352,000 was of capital credits was being returned to the members. Over \$10M in Capital Credits has been allocated in the last 5 years and more than \$4.4M in Capital Credits has been returned to members in the last 10 years.

- **Plant Upgrades**

Fiber-to-the-Home in the Town of Eads and Flagler – Additional drops added

Fiber-to-the-Home in the Town of Hugo – Completed in 2023

Fiber-to-the-Home continuing in the Rural Flagler Exchange – 95% of the rural area is complete with the remainder to be finished in 2024

Fiber-to-the-Home continued expansion in the Bennett exchange keeping the outside plant crews very busy.

- **ReConnect 3 Grant Funding**

Manager Welp provided an update on the progress with the ReConnect 3 grant. Phase 1 is nearing completion of the plant and the cutover process has started with several customers already connected to the new service. The construction is ahead of schedule and under budget. Phase 2 contracts have been approved and construction will start in July with expected completion in the Summer of 2025.

- **New Service Offerings**

Business VoIP Phone Systems continues to be popular and more systems have been installed for member businesses.

Providing IT services to members has been well received and the IT department has been busy expanding this business service.

- **Director District Change**

Manager Welp updated the members on the decision of the Board to reduce from 10 to 7 directors over the next few years. The process to change has been under review by the board for the last year and it was determined that changing from exchanges to districts was the best method. Manager Welp showed the district layout and how the 7 director seats will be divided by districts and an at-large seat.

- **Member Discounts**

Manager Welp updated on the potential discounts that are available to members and told the members that the ACP program has expired.

***Service Awards and Scholarships**

Service Awards:

15 Years – Roger Saffer

15 Years – John Higgins

10 Years – Tammy Simmons

Scholarships (\$1,500 Each):

KaCee Jo Saffer – Flagler Exchange

Jaylenn Stone – Flagler Exchange

Scholarships (\$1,000 Each):

Lexi Sondburg – Bennett Exchange

Scholarships (\$ 750 Each):

Gunner Nestor – Hugo Exchange

Logan Sitzman – Hugo Exchange

Tyler Hill – Bennett Exchange

***Director Elections**

Colleen McCormick (Arriba), Wade Hollowell (Hugo) and Curtis Dutro (Karval) were re-elected to serve a three-year term on the Board of Directors.