



Bell Ringer

Volume 58, No 5 Clear Lake, South Dakota 57226

September 2024



Celebrating 70 Years *Under the Cooperative Umbrella*





IT'S ANNUAL MEETING TIME

The CEO's Report by Tracy Bandemer

It's September, so it's time to celebrate! You are all invited to the 37th Annual Meeting of your Cooperative in Clear Lake on Wednesday, September 11, 2024. The meeting will again be at the Clear Lake Community Center, starting at 4:00 PM. Please note the change to a weeknight.

Last year, we reviewed how ITC connected communities and bridged the digital divide through expansions. This year, we will be celebrating ITC's 70th year of operation. The theme of "Celebrating 70 Years Under the Cooperative Umbrella" will highlight advancements over the past seven decades.

In addition to reflecting on our past, we're excited to share some upcoming projects. From expanding our fiber network to new areas to upgrading our network to enhance your digital experience, the future of our Cooperative is bright.

As we celebrate 70 years under the Cooperative umbrella, it's incredible to reflect on how far we've come. From our humble beginnings providing essential telephone services to now offering cutting-edge fiber-optic technology, our Cooperative has always been driven by the needs of our members. This journey wouldn't have been possible without your continued support.

Come and join us at the Annual Meeting on September 11! The true strength of our Cooperative lies in our collective commitment to each other. As we celebrate 70 years, remember that our most outstanding achievements have always come from working together under the Cooperative umbrella. Registration and Bingo start at 4:00 PM. There will be a gift for members, and dinner will be provided, with the meeting following. We will draw from the attendees, and 70 lucky members will win a \$50 bill. There will also be two grand prizes of \$250 cash. Remember to bring your registration card printed on page seven of this newsletter. I hope to see you there!

START USING ITC'S EBILL MOBILE APP



ITC has an eBill mobile app to make paying your bill much easier! To get started, search "ITC eBill" in the App Store for Apple devices or Google Play for Android devices. Once you have it downloaded on your device, you can log in using your existing bill pay website credentials.

Review your invoices and payment history, and pay your bill anytime with the ITC eBill app!

The ITC offices will be closed for business on Monday, September 2, for Labor Day.

ANNUAL MEETING Program

4:00 PM	Registration & Bingo
5:00-6:00 PM	Meal
6:00 PM	Meeting & Prizes
SEVENTY \$50 DRAWINGS THROUGHOUT THE MEETING	
Call To Order.....	Warren Brandlee
Invocation.....	Susan Robbins
Determination of Quorum.....	Joel Brandt
Reading of Notice of Meeting.....	Joel Brandt
Approval of Previous Meeting Minutes.....	Warren Brandlee
President's Report.....	Warren Brandlee
Secretary's Report.....	Joel Brandt
Treasurer's Report.....	Susan Robbins
CEO's Report.....	Tracy Bandemer
Unfinished Business.....	Warren Brandlee
New Business.....	Warren Brandlee
ANNOUNCE GRAND PRIZE WINNERS	
Adjournment.....	Warren Brandlee

UNDER THE COOP UMBRELLA

The President's Report by Warren Brandlee



Welcome to the 37th Annual Meeting of ITC! I am Warren Brandlee, the President of the Board of Directors and the representative of District Seven, the Clark exchange. The Board and I are pleased to see you all. Thank you for attending.

As we mark 70 years under the Cooperative umbrella, we want to take a moment to talk about our journey and achievements. Over the past year, we've made significant strides in connecting our communities by expanding our state-of-the-art fiber technology to rural areas of Lake County, South Dakota, and western Yellow Medicine County in Minnesota. Our commitment to bringing top-tier technology to these regions allows rural residents to thrive—whether working efficiently from home, streaming video on multiple devices, or gaming.

In our continuous efforts to bring more members under the Coop umbrella, we have also submitted grant applications for further expansion in Minnesota. We hope to hear about those grant applications very soon.

Our founders laid the groundwork 70 years ago, bringing essential telephone services to remote areas. Today, we face a similar challenge: ensuring reliable broadband access for all. Your Cooperative has the opportunity to be the solution for those in need of a dependable Internet connection.

As we celebrate this milestone anniversary, we recognize the unwavering support and guidance from our dedicated Board of Directors. Their leadership has been instrumental in steering us toward success. We also extend our deepest gratitude to our hardworking employees, whose expertise and commitment have brought us to where we are today. Finally, a heartfelt thank you to our members. You are the heart of this Cooperative, and your support makes everything we do possible.

Here's to 70 years of progress, connection, and community under the Cooperative umbrella—and to many more ahead.

This report will be presented at the Annual Meeting on September 11, 2024.

CALLING ALL GAMERS...

Sodak Circuit is just the event for you! SDN Communications and its 17 member companies are holding a free esports event on Saturday, September 21, at the Sioux Falls Convention Center. ITC is one of the member companies and is excited about this upcoming event.

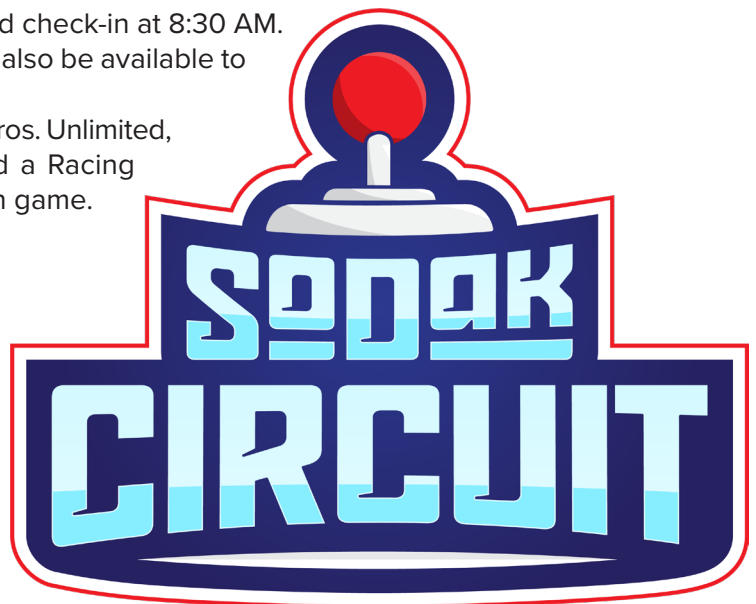
Registration is required and open for SoDak Circuit. The event runs from 9:30 AM to 5:00 PM on September 21, with doors opening at 7:30 AM and check-in at 8:30 AM. All ages are welcome to participate in the games. Seating will also be available to watch the matches, which will be shown on large screens.

The games being played at Sodak Circuit are Super Smash Bros. Unlimited, Mario Kart 8 Deluxe, Fortnite, Rocket League, Valorant, and a Racing Simulator. Prizes will be given for the top three scores in each game.

What are the benefits of being involved in esports?

- Esports can boost teamwork and strategic thinking.
- Esports improves communication skills and social interactions through chat and team play.
- Esports athletes show improved hand-eye coordination and teamwork.
- Esports is another way for kids to be involved. 80% of students participating in school esports have never been involved in any extracurricular activity in the past.

Find out more about this great event on September 21 by going to www.sodakcircuit.com. Register today!





YOUR COOPERATIVE

The Secretary's Report by Joel Brandt

Good evening! I want to thank each of you for attending this year's Annual Meeting. It's wonderful to see you all in the audience, and I look forward to speaking with you after the meeting.

I'm Joel Brandt, the Secretary of your ITC Board of Directors. I represent the District One members from Castlewood, Clear Lake, Estelline, and Goodwin. I represent a portion of the Codington County exchange as well.

As our Cooperative has grown, the district map has also changed. If you look at the map (on the right-hand page), you can see which director represents each area. For Codington, that exchange is broken down into four pieces in four different exchanges. We did this to ensure all the directors represent approximately the same number of members. If you are in the Codington exchange and need clarification on your district, please visit with us after the meeting or call ITC at 1.800.417.8667.

As your secretary, I am responsible for reporting on the Board of Directors' elections. Four directors were up for election this year, and all ran unopposed. The four directors that will be staying on the Board include myself, Joel Brandt, of District One (Castlewood, Clear Lake, Estelline, and Goodwin), Todd Johnson of District Two (Astoria, Brandt, Gary, Toronto, and White), Joel Ripley of District Four (Brookings and Elkton) and Connie Sawinsky of District Eight (Bradley, Florence, Waubay, and Webster). Congratulations to all of those directors! I'm happy to continue to serve on the Board with you.

If you have any questions or concerns about your Cooperative, please reach out to your area director or contact the ITC office. Thank you again for attending this Annual Meeting.

This report will be presented at the Annual Meeting on September 11, 2024.

UPCOMING SPAM FILTER CHANGE

ITC is excited to announce an upgrade to our email filtering platform. These enhancements will boost filter capacity and performance, incorporating the latest updates recommended by our vendor. On average, the spam filtering system ITC uses processes 1.6 million messages per day, with seasonal peaks reaching over 3 million messages daily. Between 50% and 75% of these are flagged as spam or junk. We aim to provide you with a better spam filter experience, as the increased capacity should process messages faster than the current setup.

What Does This Mean for You?

- Your Inbox and Settings: Rest assured, the emails in your inbox and other folders will not be affected. All your current spam filter settings, including friends lists and blocked addresses, will be seamlessly migrated to the new platform.
- Quarantine and Historical Message in Spam Filter: Migrating this data would be too costly due to the large volume of quarantine and historical messages. However, to ensure you have access to this information during the transition, we will provide links to both the old and new spam filters. We will also publish more information about these links as the date approaches.

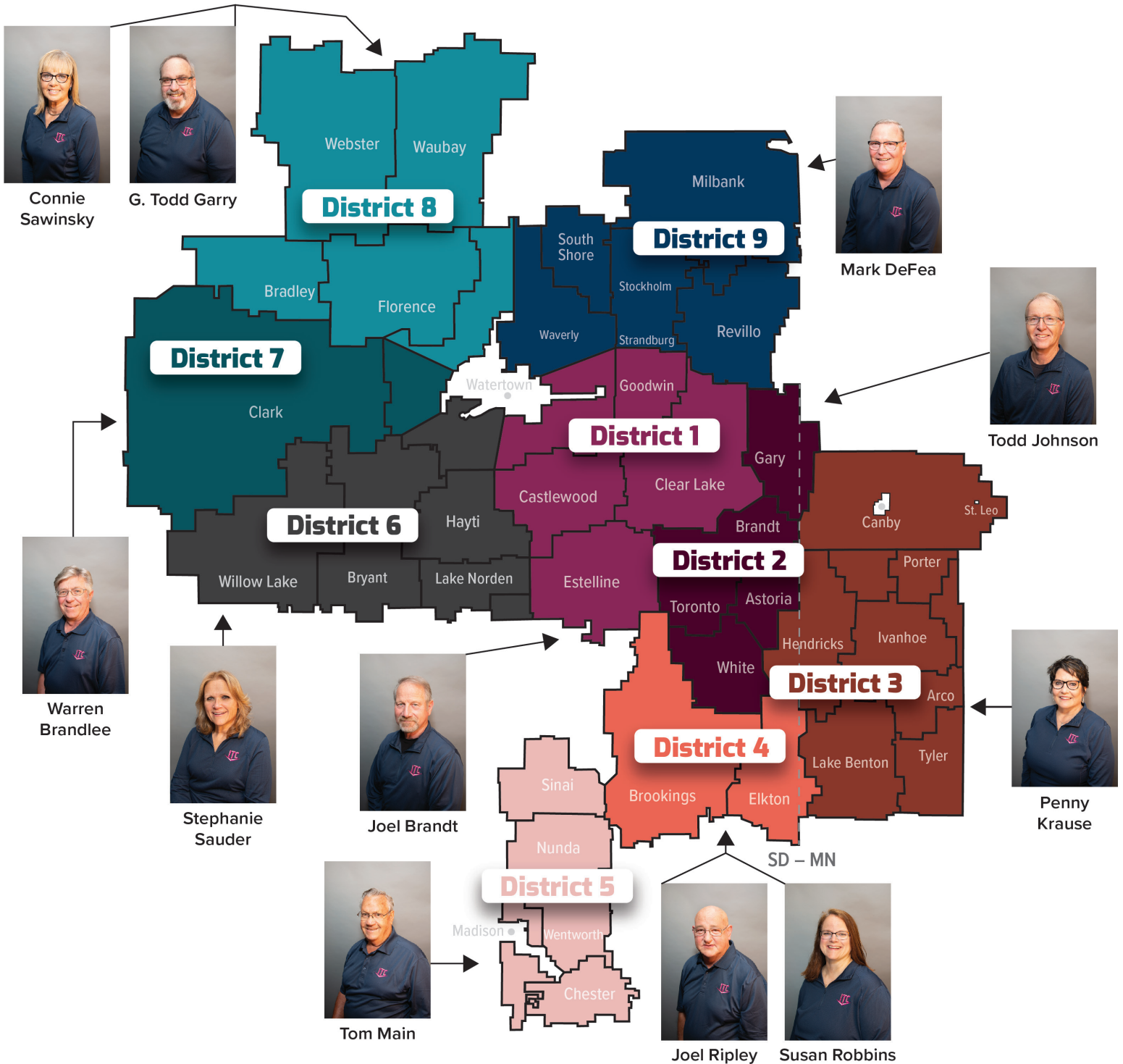
We appreciate your understanding and cooperation as we work to improve your email experience. As the upgrade date approaches, we will provide more updates and detailed instructions.

A Quick Reminder

As always, remember the importance of changing your passwords regularly and never responding to emails that claim to be from ITC requesting your username or password. In our ongoing effort to fight spam, ITC will never send emails asking for your personal login information.

If you have any questions about the new spam filter, please call ITC at 1.800.417.8667.

MAP OF BOARD OF DIRECTORS AND THEIR DISTRICTS



**MINUTES OF THE THIRTY-SIXTH ANNUAL MEETING
INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.
SEPTEMBER 30, 2023 - CLEAR LAKE, SOUTH DAKOTA**

Warren Brandlee, President of ITC Board of Directors, called the 2023 Annual Meeting to order on Saturday, September 30, 2023, at 10:00 a.m. in Clear Lake, South Dakota. There were a total of 135 registration cards turned in with an estimated attendance of 169.

Those in attendance recited the Pledge of Allegiance, and the invocation was given by Director Susan Robbins.

General Manager Tracy Bandemer announced ten \$50 cash prize winners.

Secretary Joel Brandt announced that a quorum existed for the annual meeting, and therefore, the 36th Annual ITC Meeting may proceed. A motion was made by G. Todd Garry of Webster, SD, and seconded by Clifford Ruesink of Castlewood, SD, to waive the reading of the Notice of Meeting and approve the same. Secretary Brandt took a voice vote of those attending the Annual Meeting, and the motion carried.

President Brandlee sought approval of the 2022 Annual Meeting minutes. A motion was made by Clifford Ruesink of Castlewood, SD, and seconded by Richard Berreth of White, SD, to waive the reading of the previous Annual Meeting minutes and approve the same. President Brandlee took a voice vote of those attending the Annual Meeting, and the motion carried.

President Brandlee gave his report regarding the 2023 year for the cooperative. The President expressed his thanks to the directors and employees of the cooperative, together with the dedicated management and staff that provide high-quality services to each member on a daily basis. President Brandlee advised the members of the system's projects to complete fiber expansion in rural Codington County and the City of Ivanhoe, Minnesota. ITC has also started its expansion project for rural east Madison, South Dakota. ITC continues expanding its state-of-the-art technology to these rural areas so residents can work efficiently from home. Also, ITC has been working in the region to bridge the digital divide to unserved and underserved areas as a result of being awarded a \$4.9 million Border-to-Border Broadband Grant from the Minnesota Department of Employment and Economic Development. This grant allows ITC to expand its fiber-optic network to rural western Yellow Medicine County, Minnesota, which includes approximately 483 locations. This expansion into western Yellow Medicine County results in a proposed by-law change to be voted on today by the members. This by-law change allows ITC to avoid a significant tax consequence due to the grant dollars received. Today's challenge to bridge the digital divide is similar to the original work needed to bring telephone services to remote areas. ITC's expansion is the solution for rural areas needing a reliable connection. Indeed, it has been life-changing for those residing in rural areas. President Brandlee gave his thanks again to the employees of the cooperative who have contributed their expertise and commitment to the cooperative and the members of the cooperative for supporting the cooperative.

Director Brandt gave the Secretary's Report and thanked all those for attending. Secretary Brandt noted that 2023 began with an Internet speed upgrade for no additional charge to the members. The expansion projects are intended to bridge the digital divide in underserved areas. He also explained the need to vote on the proposed by-law change to add a Competitive Local Exchange Carrier (CLEC) in Minnesota to become a part of the cooperative. The cooperative is financially strong and in a good position to expand its membership benefits to these underserved areas. Secretary Brandt advised that the three incumbent directors, including Penny Krause of District 3, Tom Main of District 5, and Stephanie Sauder of District 6, ran unopposed and, therefore, will serve another 3-year term. Congratulations to each of these board members!

Attorney Todd Boyd, general counsel for ITC, thanked the members for coming to the Annual Meeting and referred to the ballot each member received upon registering. A membership vote is required to see if the ITC members are willing to extend cooperative benefits to the Minnesota

CLEC expansion areas. As already noted, ITC received grants to expand its services to other areas. However, if these new customers are not brought into the cooperative at this time, then ITC will be liable for taxes to be paid on the grant funds received for the expansion. Therefore, Article I, Section 1 regarding Membership, and Article IV, Section 5 regarding Directors in the by-laws will need to be amended to include these new areas as a part of the cooperative hereafter. Attorney Boyd felt this was a Win/Win situation because ITC would be saving a significant amount of taxes, and the new members would begin earning capital credits for services they purchase. The members had no questions for Attorney Boyd, and he subsequently asked each member to mark their ballot and deliver it to a member of the Credentials Committee.

The Treasurer's Report was given by Director Susan Robbins and reflected the increase in Operating Revenues and an increase in Operating Expenses. It was noted that the coop's investment income increased from the year before, but there was less interest expense. The report also reflected an increase in the net margin, and the members were advised of how the cooperative's assets are broken down into different subsections. Director Robbins' chart also reflected the significant decrease in debt owed by the cooperative. A motion was made by Mike McCann of Gary, SD, to approve the Treasurer's Report and seconded by John Hall of Clear Lake, SD. Motion carried.

Manager Tracy Bandemer gave her report, which reflected that there are 68 employees, with two retiring at the end of October. Manager Bandemer's report included a map of the areas currently served by ITC, together with those areas in which the cooperative is expanding. The Connect SD Program brings sustainable high-speed Internet to every home and business in South Dakota. This expansion was broadcast in a program called Market to Market and included sections of Codington and Grant Counties. Manager Bandemer's report also had a chart reflecting the core services provided by the cooperative to its customers, which reflects significant growth in the expansion. Manager Bandemer also explained the ACAM program, which provides significant support dollars for ITC. She also explained the significant increases whenever it is necessary to negotiate new retransmission agreements. The increase in these fees is significant and results in the need for the cooperative to increase its charges to the members. Also, ITC will be making available a streaming service next spring, and her report showed devices that will work with the streaming product. Manager Bandemer's report also included a video regarding the importance of a cooperative.

Furthermore, her report reflected the significant amount of capital credits the cooperative paid out over the past five years to its members. This December, there will be another capital credit payout. If any member has any questions, please call the Clear Lake office or contact your district representative. Thank you again for attending.

President Brandlee asked Attorney Todd Boyd to report the results of the voting as part of the Unfinished Business. Attorney Boyd advised the members that the Credentials Committee had counted the votes, and there were 129 yes votes and 0 no votes. This results in the customers in those expansion areas becoming members of the cooperative. Attorney Boyd also advised the members that the board of directors, pursuant to Article XII, Section 3 of the by-laws, amended Article I, Section 3 regarding Membership and Article IV, Section 4(c) and Section 7 regarding Directors to reflect that the legal definition of a "joint membership" will now refer to "a legally married couple" rather than "husband and wife." These changes in the by-laws will not materially diminish or impair the rights and privileges of the members and, therefore, may be amended by the Board of Directors without a vote of the members being necessary.

President Brandlee asked if there was any new business to come before the Annual Meeting, and there was none.

General Manager Tracy Bandemer announced ten more \$50 cash prize winners. Manager Tracy Bandemer also announced the two winners of the \$500 cash prizes.

A motion was made by Melvin Johnson of Astoria, SD, and seconded by Mel Ries of Watertown, SD, to adjourn. Motion carried.

- ITC Board Secretary, Joel Brandt

REGISTRATION CARD

Annual MEETING

Interstate Telecommunications Cooperative, Inc.

Wednesday, September 11, 2024

4:00 PM - Registration & Bingo

5:00 PM - Meal

6:00 PM - Meeting

Clear Lake, South Dakota

Clear Lake Community Center

Bring this card to the Annual Meeting.

(Member Signature)

-DO NOT SIGN CARD IN ADVANCE-

NOTICE OF ANNUAL MEETING OF MEMBERS OF INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC

NOTICE IS HEREBY GIVEN that the Annual Meeting of the members of Interstate Telecommunications Cooperative, Inc. will be held at the Community Center in Clear Lake, SD, on the 11th day of September 2024, beginning at 4:00 PM for the following purposes:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication of mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Approve minutes of the previous meeting.
4. Presentation and consideration of the reports of officers.
5. Unfinished business.
6. Transact and act upon new business as may be properly brought before the meeting.

Dated this 1st day of September 2024.

Joel Brandt, Secretary

ITC & SUBSIDIARIES CONSOLIDATED BALANCE SHEET

MARCH 31, 2024 and 2023

ASSETS

CURRENT ASSETS:	2024	2023
Cash & Cash Equivalents	\$25,602,952	\$24,144,335
Invest in Held-to-Maturity Securities	16,608,772	15,793,737
Accounts Receivable, Net	1,893,883	5,403,831
Prepaid Income Taxes	10,381	-
Other Current Assets	782,619	791,586
Total Current Assets	<u>44,898,607</u>	<u>46,133,489</u>

INVESTMENTS & NONCURRENT ASSETS:	2024	2023
Invest in Held-to-Maturity Securities	237,148	664,989
Other Investments	13,494,198	13,117,516
Other Assets	683,903	998,810
Total Investments & Noncurrent Assets	<u>14,415,249</u>	<u>14,781,315</u>
COMMUNICATIONS PLANT, NET	<u>67,408,927</u>	<u>69,158,452</u>

TOTAL ASSETS \$126,722,783 \$130,073,256

LIABILITIES & EQUITIES

CURRENT LIABILITIES:	2024	2023
Current Maturities of Long-Term Debt	\$1,110,000	\$2,450,000
Accounts Payable	706,644	797,091
Accounts Payable-Construction	185,798	1,000,502
Accrued Income Taxes	-	183,891
Accrued Taxes-Other	1,236,800	1,254,799
Other Current Liabilities	729,402	727,982
Total Current Liabilities	<u>3,968,644</u>	<u>6,414,265</u>

LONG-TERM DEBT (Less Current)	<u>1,941,936</u>	<u>11,406,351</u>
OTHER NON-CURRENT LIABILITIES		
Deferred Income Taxes	464,395	375,767
Other Noncurrent Liabilities	2,210,104	1,789,817
TOTAL OTHER NON-CURRENT LIABILITIES	<u>2,674,499</u>	<u>2,165,584</u>

EQUITIES	2024	2023
Patronage Capital	85,005,164	78,618,878
Other Equities	33,132,540	31,468,178
TOTAL EQUITIES	<u>118,137,704</u>	<u>110,087,056</u>

TOTAL LIABILITIES & EQUITIES \$126,722,783 \$130,073,256

CONSOLIDATED STATEMENT OF OPERATIONS FOR ITC & SUBSIDIARIES

Years Ended March 31, 2024 and 2023

OPERATING REVENUES:	2024	2023
Local Network	\$2,860,700	\$3,040,396
Network Access	16,495,950	16,944,028
Internet	11,752,973	10,550,036
Video	5,813,801	5,732,214
Facility Rent	2,709,584	2,730,855
Miscellaneous	534,195	479,683
Uncollectible	(1,249)	2,584
Total Operating Revenues	<u>40,165,954</u>	<u>39,479,796</u>

OPERATING EXPENSES:	2024	2023
Plant Specific Operations	6,441,732	6,655,765
Plant Nonspecific Operations	2,457,020	2,716,508
Video Programming	5,149,627	4,953,399
Depreciation & Amortization	7,826,047	7,405,324
Customer Operations	2,441,121	2,195,143
Corporate Operations	2,195,855	2,193,061
Other Taxes	979,534	993,563
Total Operating Expenses	<u>27,490,936</u>	<u>27,112,763</u>

NET OPERATING MARGIN 12,675,018 12,367,033

OTHER INCOME (Loss):	2024	2023
Investment Income	1,071,802	455,616
Earnings From Equity Investments	952,292	1,499,815
Interest Expense	(233,474)	(514,938)
Other Nonoperating	(54,305)	(80,802)
Total Other Income (loss)	<u>1,736,315</u>	<u>1,359,691</u>

NET MARGIN BEFORE INCOME TAXES 14,411,333 13,726,724

INCOME TAX (EXPENSE) (390,804) (471,054)
NET MARGIN \$14,020,529 \$13,255,670

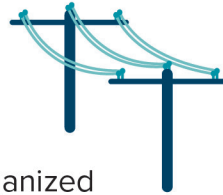
Tracy Bandemer, CEO *Tracy Bandemer*

70 Years of



1950's

- » Deuel Telephone Cooperative and Brookings Lake Telephone were organized
- » Efforts were made to secure funding and upgrade facilities to get dial tone to rural locations



1960's

- » Deuel Telephone's newsletter became the Bell Ringer
- » Local calling between exchanges or Extended Area Service (EAS) was introduced



1970's

- » Deuel Telephone replaced their manual switchboards with an automatic analog dialing system
- » Deuel Telephone buried their telephone system, helping prevent outages



1980's

- » Cordless phones became available
- » Deuel Telephone and Brookings Lake consolidated to form Interstate Telecommunications Cooperative, Inc. (ITC) with a new 18-member board



1990's

- » ITC became the first commercial company in South Dakota to offer dial-up Internet services
- » ITC's membership grew to 14,850 with the purchase of the US West Exchanges



Periodical Postage Paid At Clear Lake, South Dakota 57226

REGISTRATION CARD

Bring This Card To the Annual Meeting

2000's

- » ITC began upgrading to fiber-optics
- » ITC introduced a new video service and expanded their high-speed Internet services



2010's

- » ITC University was launched
- » ITC had multiple Internet speed upgrades and introduced a Broadband Only Internet package
- » Expansion into underserved areas began



2020's

- » ITC completed upgrading their network to be 100% fiber-optics
- » ITC Stream was introduced to transition out of traditional TV service
- » A major website upgrade took place, which included a new way to contact ITC through LiveChat
- » ITC reached 15,000 Internet customers and continues to grow

