



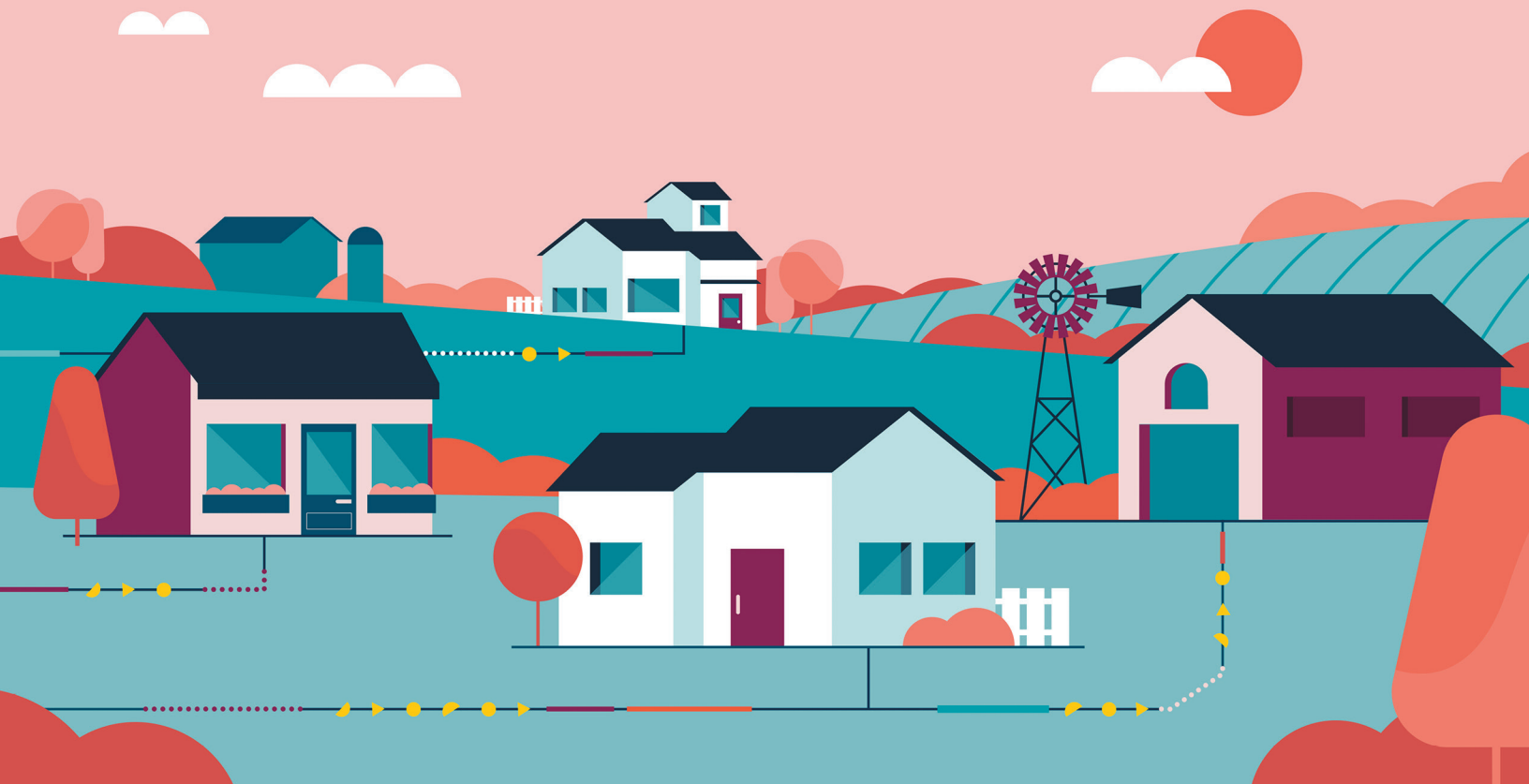
# Bell Ringer

Volume 57, No 5 Clear Lake, South Dakota 57226

September 2023

# Connecting COMMUNITIES

*Bridging the Digital Divide*





# IT'S ANNUAL MEETING TIME

*The CEO's Report by Tracy Bandemer*

It's September, so it's time to celebrate your Cooperative! You are all invited to the 36th Annual Meeting of your Cooperative in Clear Lake on September 30, 2023. The meeting will again be at the Clear Lake Community Center starting at 10:00 AM.

Last year, we discussed all the different things we CAN do with fiber-optics. With a Fiber-Fast Internet connection, you can easily game, stream, and work from home. This year's theme is "Connecting Communities – Bridging the Digital Divide."

First, let's talk about bridging the divide for all ITC customers. During the Annual Meeting, ITC will present a by-law change to incorporate all the Minnesota CLEC areas into our Cooperative. A CLEC is an area where ITC has competition. As a reminder, all other areas of ITC are already Cooperative members. While incorporating MN areas was always the plan, I feel this is the perfect time to bring them in. By voting yes to change the by-laws, all of ITC's MN territory would benefit from capital credits and having a voice in ITC, which they currently do not have. With ITC receiving a MN Border-to-Border Broadband Grant to expand into Yellow Medicine County, voting these customers into the Cooperative would give ITC a tax break and make it easier for ITC to gain customers. We ask all the current Cooperative members to join us on September 30 and vote "Yes" on this by-law change. If this vote passes, all areas of ITC will be a part of the Cooperative.

In more expansion news, ITC is currently finishing up areas in rural Codington County and the City of Ivanhoe. We have also started working in rural East Madison, South Dakota. The coverage map on the back displays ITC's expansions in the last several years. Along with ITC's investment in the fiber-optic expansions, ITC received funding from the Connect SD Broadband Grant Program and the FCC's Rural Digital Opportunity Fund (RDOF).

Join us at the Annual Meeting on September 30 and help us pass the vote to bring our Minnesota CLEC into the Cooperative. Registration starts at 9:30 AM. A free gift for members and a lunch following the meeting will be provided. Cash prize drawings will be held for the attendees, and the first 25 kids will also receive a gift. Remember to bring your registration card printed on page seven of this newsletter. I hope to see you there!

The ITC offices will be closed for business on Monday, September 4, for Labor Day.

# VOTE

*Yes!*

VOTE Yes... to avoid more than a one million dollar tax consequence on the grant dollars.

VOTE Yes... to give the MN CLEC customers all the benefits of being in a Cooperative.

## ANNUAL MEETING Program

9:30-10:00 AM Registration  
10:00 AM Call To Order.....Warren Brandlee  
Invocation.....Susan Robbins

### ANNOUNCE DRAWING WINNERS

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  
Bylaw Update/Vote.....Todd Boyd  
Treasurer's Report.....Susan Robbins  
CEO's Report.....Tracy Bandemer  
Unfinished Business.....Warren Brandlee  
New Business.....Warren Brandlee

### ANNOUNCE DRAWING WINNERS

Adjournment.....Warren Brandlee  
Lunch

# CONNECTING COMMUNITIES

*The President's Report by Warren Brandlee*



Welcome to the 36th 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.

The theme of today's Annual Meeting captures our activities over the past year very well. We have been focusing on connecting communities by working to complete our fiber expansion areas of rural Codington County and the City of Ivanhoe in Minnesota. We also started the expansion project for rural east Madison. ITC continues to expand our state-of-the-art technology to these areas to allow rural residents to work efficiently from home, stream video on multiple devices, or game with little to no buffering.

This brings me to one of the major topics we will cover today. As ITC works in our region to bridge the digital divide to unserved and underserved areas, we were fortunate to be awarded a 4.9-million-dollar Border-to-Border Broadband Grant from the Minnesota Department of Employment and Economic Development. This grant will allow ITC to expand its fiber-optic network to areas of rural western Yellow Medicine County to approximately 483 locations.

With the expansion into western Yellow Medicine County, we are presenting a by-law change today that would incorporate the customers in our Minnesota CLEC areas as members of the Cooperative. I ask that you vote "Yes" today to extend cooperative member status and benefits to these customers. This by-law change would allow ITC to avoid more than a one million-dollar tax consequence on the grant dollars and would give ITC a competitive advantage as we work to gain customers in these areas.

Just as our founders once worked to bring telephone services to remote areas, today's challenge of bridging the digital divide bears a striking resemblance. With the growing reliance on a dependable broadband connection, your Cooperative can expand and be the solution for those that need a reliable connection. We have heard from those without reliable Internet in our expansion areas that installing ITC fiber-optics has been life-changing. Voting yes will allow us to continue connecting communities in our region.

ITC is fortunate to have a committed Board of Directors, guiding us in the right direction and helping us meet the evolving needs of our members. Your dedication to ITC is truly appreciated. A heartfelt thank you goes out to our hardworking employees who have contributed their expertise and unwavering commitment to the Cooperative, bringing us to where we stand today. Lastly, we thank our members for supporting ITC, your Cooperative. You are the driving force behind our efforts, making everything we do possible.

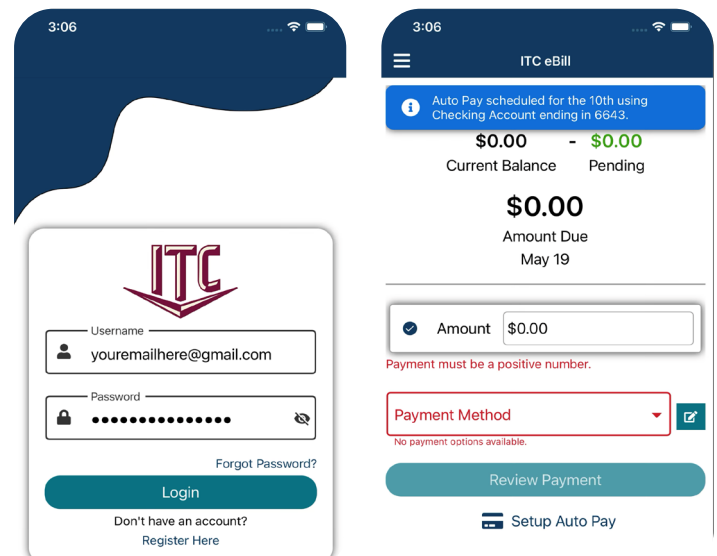
**This report will be presented at the Annual Meeting on September 30, 2023.**

## 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.

With this new app, you can view and pay your ITC bill. When viewing and downloading your bill, you will receive an email stating that the bill was viewed. This is a part of our privacy rules put in place to keep your personal information safe. If you didn't recently view your bill but received an email, please change your password for the app.

The eBill mobile app even has a phone directory, so you can easily find a number. Review your invoices and payment history, and pay your bill anytime with the ITC eBill app!





# YOUR COOPERATIVE

*The Secretary's Report by Joel Brandt*

Good morning! I want to express my gratitude to each one of you for being a part of this year's Annual Meeting. We love to see you all in the audience, and I look forward to chatting 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.

We kicked off 2023 with an Internet speed upgrade for no additional charge to our members; we hope you are enjoying the upgrade! We continued to focus efforts on bridging the digital divide in underserved areas throughout the year with our expansion projects.

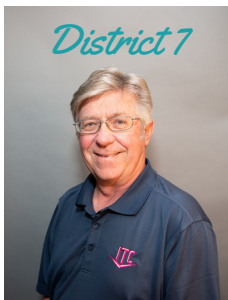
As President Brandlee discussed, after my report, our Corporate Attorney, Todd Boyd, will be reviewing the proposed by-law change to add the CLEC areas in Minnesota into the Cooperative. Following Todd's explanation, we will hold a vote. The ITC management, employees, and Board of Directors have reviewed and analyzed the benefits of extending cooperative benefits to these areas. I encourage you to vote "Yes." Your Cooperative is financially strong and in a good position to expand membership benefits to these areas. The upcoming Treasurer and Manager's report will provide additional details.

As your secretary, I am responsible for reporting on the Board of Directors' elections. Three directors were up for election this year, and all ran unopposed. The three directors that will be staying on the Board include Penny Krause of District Three (Hendricks and Lake Benton), Tom Main of District Five (Chester, Nunda, Sinai, and Wentworth), and Stephanie Sauder of District Six (Bryant, Hayti, Lake Norden, and Willow Lake). Congratulations to all of those directors! I'm happy to continue to serve on the Board with you.

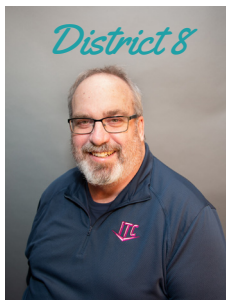
If you have questions or concerns about your Cooperative, please get in touch with your area director or call the ITC office. Thank you again for attending this Annual Meeting. It's great to see all of you.

**This report will be presented at the Annual Meeting on September 30, 2023.**

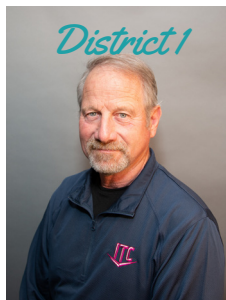
## 2023 ITC BOARD OF DIRECTORS



Warren Brandlee  
Board President



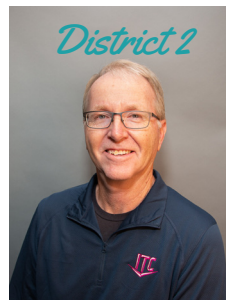
G. Todd Garry  
Board Vice President



Joel Brandt  
Board Secretary



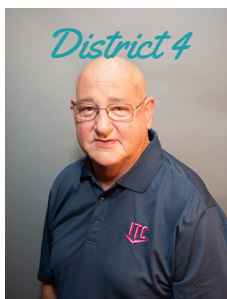
Susan Robbins  
Board Treasurer



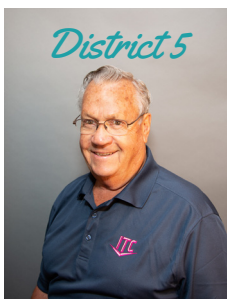
Todd Johnson



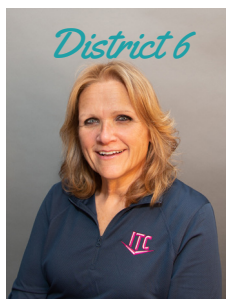
Penny Krause



Joel Ripley



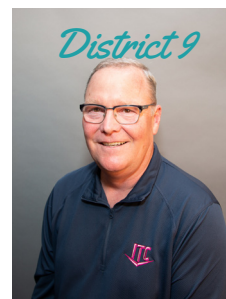
Tom Main



Stephanie Sauder



Connie Sawinsky



Mark DeFea



# BY-LAW CHANGES

*The proposed by-law changes are below in orange.*

Scan to  
read  
all the  
by-laws.



## ARTICLE I - MEMBERSHIP

**SECTION 1.** Requirements for Membership. Any person, association, corporation, firm, partnership or body politic or subdivision thereof will become a member of Interstate Telecommunications Cooperative, Inc. (hereinafter called the “Cooperative”), upon purchasing telecommunications services, informational services, or cable television services (each a “Service” and collectively, the “Services”) from the Cooperative provided first that such person, association, corporation, firm, partnership or body politic or subdivision thereof:

- a. submits a written application for membership which has been received and approved by the Board of Directors; and
- b. purchases at least one Service from the Cooperative in accordance with established tariffs and as hereinafter specified; and
- c. is not significantly involved in the management or administrative affairs of a direct competitor of the Cooperative as determined by the Board of Directors in its sole discretion; and
- d. complies with and is bound by the Articles of Incorporation and By-Laws of the Cooperative and any regulations and rules adopted by the Board of Directors; and
- e. receives such Service or Services from the Cooperative within the Incumbent Local Exchange Carrier (“ILEC”) certificated service territory of the Cooperative, as such certificated service territory is defined by the applicable state regulatory authorities from time to time, or from the Cooperative within the CLEC Area (as defined hereinafter).

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable except as provided in these By-Laws. The sale of the Cooperative’s Services at wholesale or otherwise for resale shall not cause any party to be eligible for membership.

For purposes of these By-Laws, the term “CLEC Area” shall mean those areas of South Dakota **and Minnesota** which are outside of the Cooperative’s ILEC service area, but in which the Cooperative owns facilities for the provision of retail telecommunications services and in which the Cooperative has received authority to operate as a Competitive Local Exchange Carrier (“CLEC”).

## ARTICLE IV - DIRECTORS

### SECTION 5. Voting Districts.

There shall be nine districts described as follows:

District One (1) shall be the Castlewood, Clear Lake, Estelline and Goodwin exchanges;

District Two (2) shall be the Astoria, Brandt, Gary, Toronto and White exchanges;

District Three (3) shall be the Hendricks and Lake Benton exchanges **and those portions of the CLEC Area lying in the State of Minnesota;**

District Four (4) shall be the Brookings and Elkton exchanges;

District Five (5) shall be the Chester, Nunda, Sinai and Wentworth exchanges;

District Six (6) shall be the Bryant, Hayti, Lake Norden and Willow Lake exchanges;

District Seven (7) shall be the Clark exchange;

District Eight (8) shall be the Bradley, Florence, Waubay and Webster exchanges; and

District Nine (9) shall be the Revillo, South Shore and Stockholm-Strandburg exchanges and those portions of the CLEC Area lying in Grant and Roberts Counties, South Dakota.

The number of directors in each district shall be one director in Districts One, Two, Three, Five, Six, Seven and Nine and two directors in Districts Four and Eight.

Any member residing in a CLEC Area **in the State of South Dakota but** outside of Grant or Roberts Counties, South Dakota shall be deemed to be a member of the district which is geographically closest to such member’s residence or place of business where service is received from the Cooperative. In the event two or more districts are of approximately equal proximity to the member’s residence or place of business, the Cooperative shall determine which district the member shall be deemed to be a part of in its discretion.

To read the entire ITC by-laws, go to [www.itc-web.com/bylaws](http://www.itc-web.com/bylaws)

**MINUTES OF THE THIRTY-FIFTH ANNUAL MEETING**  
**INTERSTATE TELECOMMUNICATIONS COOPERATIVE, INC.**  
**SEPTEMBER 17, 2022 - CLEAR LAKE, SOUTH DAKOTA**

Warren Brandlee, President of the ITC Board of Directors, called the 2022 Annual Meeting to order on Saturday, September 17, 2022, at 10:00 a.m. in Clear Lake, South Dakota. There were a total of 142 registration cards turned in, with an estimated attendance of 192.

The Pledge of Allegiance was recited, and Director Susan Robbins gave the invocation.

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

Secretary Joel Brandt announced that a quorum was found to exist for the annual meeting, and therefore, the Thirty-fifth Annual ITC Meeting may proceed.

A motion was made by Cliff Ruesink, Castlewood, SD, and seconded by G. Todd Garry, Webster, SD, to waive the reading of the Notice of Meeting. Secretary Brandt took a voice vote of those attending the Annual Meeting, and the motion carried.

President Brandlee sought approval of the 2021 Annual Meeting minutes. A motion was made by Penny Krause of Lake Benton, MN, and seconded by Stephanie Sauder of Bryant, SD, to waive the reading of the previous Annual Meeting minutes. President Brandlee took a voice vote of those attending the Annual Meeting, and the motion carried.

President Brandlee gave his report regarding the 2021-2022 year for the Cooperative. The President expressed his thanks to those attending. He advised that ITC is focusing on completing its expansion projects in rural Grant County, parts of Lake Poinsett and Lake Albert, plus rural Codington County. ITC will also expand into rural Lake County and the City of Ivanhoe, Minnesota. The state-of-the-art technology provided by fiber allows rural residents to work efficiently from home and stream video on multiple devices. President Brandlee referred to the many parades and community activities in which ITC staff has participated. President Brandlee thanked the Board of Directors for its commitment and guidance and the Coop's valued employees. Furthermore, this dedication and experience have caused ITC to move forward successfully. Finally, he expressed many thanks to the ITC members and their patronage.

Director Brandt gave the Secretary's Report and thanked all those for attending. Secretary Brandt referred to ITC's expansion areas and the details in the Manager's Report. Also, he advised that the four incumbent directors, including Director Susan Robbins of District 4, Director Warren Brandlee of District 7, Director G. Todd Garry of District 8, and Director Mark DeFea of District 9, were elected to another term. Secretary Brandt congratulated each director for being re-elected to the Board. Furthermore, Secretary Brandt encouraged members of the Coop to express their concerns or questions to their area director, or in the alternative, the members may call the ITC office.

The Treasurer's Report was given by Director Susan Robbins and included Interstate Satellite Services, Inc., ITC Wireless, LLC, but not the non-profit ITC REDI. The Operating Revenues increased over the past year, as well as a 2% increase in

Operating Expenses. It should be noted that the depreciation has been consistently high, but much of that amount is due to the purchase and installation of equipment and fiber. The Coop's earnings increased this past year, and the interest expense decreased. The previous reflects another great year for ITC with a significant Net Margin. The system's total assets show an increase over the past year, and the majority of the Coop's liabilities are long-term debt. The members' equity reflects 78% ownership of the Coop's total assets. The members' patronage capital will result in capital credits being paid again this year to the members. G. Todd Garry made a motion, Webster, SD, to approve the Treasurer's Report and seconded by Mark DeFea, Milbank, SD. Motion carried.

General Manager Tracy Bandemer gave her report regarding "With Fiber, We Can!" ITC's 100% Fiber network provides a superior position for its members regarding education, working from home, and growing and establishing businesses. ITC is a well-known and trusted Internet provider continuing its commitment to broadband by expanding the system's fiber-optic network to the underserved. Broadband is vital to the economic development in our rural areas and has allowed for expansion projects in the Lake Poinsett/Lake Albert areas, plus rural Codington County. ITC is also expanding in rural Lake County and the City of Ivanhoe, Minnesota. ITC has received funding for the expansion areas from the Connect SD Broadband Grant Program, Lincoln County, MN and the City of Ivanhoe. The staff at ITC continues to monitor the many new programs announced for broadband development to serve the underserved better and expand into other areas in the future. Manager Bandemer thanked all those attending the annual meeting and gave thanks for the work completed so efficiently by the staff.

President Brandlee introduced Attorney Todd Boyd. Attorney Boyd advised the members that the Board of Directors did amend Article IV, Section 2(g) to reflect that a person is eligible to become a director as long as the person is not related within two degrees of kinship to an employee. Furthermore, this amendment goes on to define the two degrees of kinship. There were no questions from the members regarding this change made by the Board of Directors pursuant to Article XII, Section 3.

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

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

General Manager Bandemer also announced that Joel Larson of Estelline, SD, won the iPad, and Rachel Pfaffendorf of Clear Lake, SD, won the 55" Smart TV.

A motion was made by Cliff Ruesink of Castlewood, SD, and seconded by Darlene Audus of Clark, SD, to adjourn at 10:42 a.m. The motion carried.

**REGISTRATION CARD****Annual MEETING**

Interstate Telecommunications Cooperative, Inc.

*Saturday, September 30, 2023*

10:00 AM - Meeting

Lunch to Follow

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 30th day of September 2023, beginning at 10:00 AM 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. Vote on proposed by-law amendment.
6. Transact and act upon new business as may be properly brought before the meeting.

Dated this 1st day of September 2023.

Joel Brandt, Secretary

**ITC & SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET****MARCH 31, 2023 and 2022****ASSETS**

|  | <b>2023</b>          | <b>2022</b>          |
|--|----------------------|----------------------|
| <b>CURRENT ASSETS:</b>                           |                      |                      |
| Cash & Cash Equivalents                          | \$24,144,335         | \$29,635,472         |
| Invest in Held-to-Maturity Securities            | 15,793,737           | 15,322,580           |
| Accounts Receivable, Net                         | 5,403,831            | 2,555,858            |
| Other Current Assets                             | 791,586              | 888,911              |
| <b>Total Current Assets</b>                      | <b>46,133,489</b>    | <b>48,402,821</b>    |
| <b>INVESTMENTS &amp; NONCURRENT ASSETS:</b>      |                      |                      |
| Invest in Held-to-Maturity Securities            | 664,989              | 404,792              |
| Other Investments                                | 13,117,516           | 11,910,489           |
| Intangibles                                      | -                    | 9,656                |
| Other Assets                                     | 998,810              | 1,291,936            |
| <b>Total Investments &amp; Noncurrent Assets</b> | <b>14,781,315</b>    | <b>13,616,873</b>    |
| <b>COMMUNICATIONS PLANT, NET</b>                 | <b>69,158,452</b>    | <b>69,012,971</b>    |
| <b>TOTAL ASSETS</b>                              | <b>\$130,073,256</b> | <b>\$131,032,665</b> |

**LIABILITIES & EQUITIES**

|  |                      |                      |
|--|----------------------|----------------------|
| <b>CURRENT LIABILITIES:</b>                |                      |                      |
| Current Maturities of Long-Term Debt       | \$2,450,000          | \$3,754,000          |
| Accounts Payable                           | 797,091              | 973,754              |
| Accounts Payable-Construction              | 1,000,502            | 33,856               |
| Accrued Income Taxes                       | 183,891              | 132,637              |
| Accrued Taxes-Other                        | 1,254,799            | 1,264,372            |
| Other Current Liabilities                  | 727,982              | 753,078              |
| <b>Total Current Liabilities</b>           | <b>6,414,265</b>     | <b>6,911,697</b>     |
| <b>LONG-TERM DEBT (Less Current)</b>       | <b>11,406,351</b>    | <b>19,837,799</b>    |
| <b>OTHER NON-CURRENT LIABILITIES</b>       |                      |                      |
| Deferred Income Taxes                      | 375,767              | 392,716              |
| Other Noncurrent Liabilities               | 1,789,817            | 1,479,207            |
| <b>TOTAL OTHER NON-CURRENT LIABILITIES</b> | <b>2,165,584</b>     | <b>1,871,923</b>     |
| <b>EQUITIES</b>                            |                      |                      |
| Patronage Capital                          | 78,618,878           | 72,606,802           |
| Other Equities                             | 31,468,178           | 29,804,444           |
| <b>TOTAL EQUITIES</b>                      | <b>110,087,056</b>   | <b>102,411,246</b>   |
| <b>TOTAL LIABILITIES &amp; EQUITIES</b>    | <b>\$130,073,256</b> | <b>\$131,032,665</b> |

**CONSOLIDATED STATEMENT OF OPERATIONS FOR ITC & SUBSIDIARIES****Years Ended March 31, 2023 and 2022**

|                                       | <b>2023</b>         | <b>2022</b>         |
|---------------------------------------|---------------------|---------------------|
| <b>OPERATING REVENUES:</b>            |                     |                     |
| Local Network                         | \$3,040,396         | \$3,233,003         |
| Network Access                        | 16,944,028          | 17,169,581          |
| Internet                              | 10,550,036          | 9,247,973           |
| Video                                 | 5,732,214           | 5,546,886           |
| Facility Rent                         | 2,730,855           | 2,746,618           |
| Miscellaneous                         | 479,683             | 437,393             |
| Uncollectible                         | 2,584               | 354                 |
| <b>Total Operating Revenues</b>       | <b>39,479,796</b>   | <b>38,381,808</b>   |
| <b>OPERATING EXPENSES:</b>            |                     |                     |
| Plant Specific Operations             | 6,655,765           | 5,834,420           |
| Plant Nonspecific Operations          | 2,716,508           | 2,557,147           |
| Video Programming                     | 4,953,399           | 4,660,446           |
| Depreciation & Amortization           | 7,405,324           | 7,605,024           |
| Customer Operations                   | 2,195,143           | 2,135,960           |
| Corporate Operations                  | 2,193,061           | 2,045,414           |
| Other Taxes                           | 993,563             | 996,673             |
| <b>Total Operating Expenses</b>       | <b>27,112,763</b>   | <b>25,835,084</b>   |
| <b>NET OPERATING MARGIN</b>           | <b>12,367,033</b>   | <b>12,546,724</b>   |
| <b>OTHER INCOME (Loss):</b>           |                     |                     |
| Investment Income                     | 455,616             | 97,046              |
| Earnings From Equity Investments      | 1,499,815           | 1,595,953           |
| Interest Expense                      | (514,938)           | (777,530)           |
| Other Nonoperating                    | (80,802)            | (69,124)            |
| <b>Total Other Income (loss)</b>      | <b>1,359,691</b>    | <b>846,345</b>      |
| <b>NET MARGIN BEFORE INCOME TAXES</b> | <b>13,726,724</b>   | <b>13,393,069</b>   |
| <b>INCOME TAX (EXPENSE)</b>           | <b>(471,054)</b>    | <b>(402,355)</b>    |
| <b>NET MARGIN</b>                     | <b>\$13,255,670</b> | <b>\$12,990,714</b> |

Tracy Bandemer, CEO *Tracy Bandemer*

# 2023 ITC AREA MAP

ITC is a progressive telecommunications company that offers big-city Internet speeds with personalized, small-town customer service. We provide voice, video, and data services over a 100% fiber-optic infrastructure to nearly 15,000 customers located in northeastern SD and western MN.

Check out the map to see how ITC has expanded its territory since 2020. We are currently working on the Codington County, City of Ivanhoe, and Lake County expansion areas, with the Yellow Medicine County expansion starting next year.

## REGISTRATION CARD

Bring This Card To the Annual Meeting

