

## NOTICE OF ANNUAL MEETING OF MEMBERS OF WEST RIVER COOPERATIVE TELEPHONE COMPANY

NOTICE IS HEREBY GIVEN that the Annual Meeting of the members of West River Cooperative Telephone Co. will be held at the West River Cooperative Telephone Company warehouse in Bison, Perkins County, South Dakota, on Monday, October 5, 2015, beginning at 6:00 p.m. for the following purposes:

1. Determination of Quorum
2. Reading of Notice of Meeting
3. Reading of Minutes of Last Annual Meeting
4. Election of Three (3) Directors
5. Bylaw Changes

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #1**

(Article IV Directors, Section 4 Nominations)

The proposed Amendment removes the option of making nominations for a director from the floor at the annual meeting, but leaves in place the option to be nominated by the nominating committee and the option to be nominated by petition.

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #2**

(Article IV Directors, Section 6 Vacancies)

The proposed Amendment removes a reference to wording that does not exist in the preceding bylaws and clarifies that all director vacancies are filled in the same manner.

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #3**

(Article V Meeting of Directors, Sections 2 and 4)

The proposed Amendment removes the language regarding electronic attendance at special meetings from Section 2 and adds it to Section 4. A further provision in Section 4 allows Directors to establish policies for telephonic or electronic attendance at regular meetings.

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #4**

(Article VI Officers, Section 12)

The proposed Amendment removes the requirement that the Company indemnify agents and attempts to avoid future interpretation as to whom may be considered an agent.

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #5**

(Article VIII Disposition of Property)

The proposed Amendment permits the Company to secure indebtedness from lenders other than the United States of America without member approval, eliminating a potential misinterpretation as to whether a prospective lender is an instrumentality or agency of the United States of America.

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #6**

(Article X Financial Transactions, Section 4 Change in Rates)

The proposed Amendment reflects that the Rural Electrification Administration (REA) has been replaced by Rural Utilities Service (RUS).

**EXPLANATION OF PROPOSED BYLAW AMENDMENT #7**

(Article XII Amendments)

The proposed Amendment clarifies that before being placed before the Members, any proposed bylaw amendments must first be proposed by the Board of Directors.

6. New Business
7. Presentation and Consideration of Reports of Officers, Directors and Committees
8. Unfinished Business
9. Adjournment

Date 17th day of September 2015.

/s/ Judy Gano

Judy Gano, Secretary, West River Cooperative Telephone Co.

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# Notice of Nominations

## WEST RIVER COOPERATIVE TELEPHONE COMPANY 2015 ANNUAL MEETING

NOTICE IS HEREBY given by the Nominating Committee of West River Cooperative Telephone Company of Bison, South Dakota, that the meeting of said Nominating Committee was held on August 25, 2015, and that the following persons will be nominated for directorships at the Annual Meeting of West River Cooperative Telephone Company to be held at the West River Cooperative Telephone Warehouse, Bison, South Dakota on October 5, 2015:

**Directorship Presently Held by DeJon Bakken**

DeJon Bakken, Lemmon, South Dakota

**Directorship Presently Held by Sandi Helms**

Sandi Helms, Reva, South Dakota

**Directorship Presently Held by John Johnson (retiring)**

Kacie Turbiville, Camp Crook, South Dakota

Ron Turbiville, Camp Crook, South Dakota

## Corporation Voting Delegates

### 2015 Voting Delegate Certificate

This is to certify that \_\_\_\_\_  
(print name of delegate)  
of \_\_\_\_\_, or \_\_\_\_\_  
(address) (print name of delegate)  
of \_\_\_\_\_, is authorized to represent  
(address)  
\_\_\_\_\_ at the Annual Meeting of  
West River Cooperative Telephone Company to be held Monday,  
October 5, 2015, in Bison, South Dakota.  
\_\_\_\_\_  
(President) or \_\_\_\_\_  
(Secretary)  
Date \_\_\_\_\_

The West River Cooperative Telephone Company (WRCTC) Annual Meeting Voting Delegate Certificate for Corporations is printed to the left. We are asking you to please fill out this Certificate at your next regular meeting and either mail it to WRCTC or present it at the registration table prior to the meeting.

These Certificates are for all corporations, churches, townships, halls and schools who are members of WRCTC and want to be represented at WRCTC's Annual Meeting in Bison on October 5, 2015.

Please have an authorized officer of the corporation or organization sign the Certificate.

# Statement of Revenue and Expense

	2013	2014
<b>Where Our Revenue Comes From</b>		
Local Revenue	\$ 587,395	\$ 515,583
Access Service Revenue	7,607,926	7,395,338
Toll Revenue	913,722	914,428
Other Revenue	580,053	611,842
<b>Total Income</b>	<b>\$9,689,096</b>	<b>\$9,437,191</b>

## What it Costs to Operate Our System

Plant Specific Expense	\$1,362,929	\$1,525,788
Plant Non-Specific Expense	652,587	643,685
Customer Operations Expense	513,540	504,023
Corporate Operations Expense	1,181,237	1,171,359
Depreciation Expense	3,080,749	2,839,352
Taxes	397,369	393,684
Interest	1,162,639	1,022,915
<b>Total Expense</b>	<b>\$8,351,050</b>	<b>\$8,100,806</b>
Operating Margin	\$1,338,046	\$1,336,385
Non-operating and Non-regulated Margin	1,183,202	737,268
<b>Total Margin</b>	<b>\$2,521,248</b>	<b>\$2,073,653</b>

## Management Report

By General Manager, Reed Metzger & Board President, DeJon Bakken

It is my pleasure to report on the 2014 operations of West River Cooperative Telephone Company and its subsidiaries: West River Cable Television, Inc., and Northern Hills Transport, LLC, owned in part by West River Cooperative Telephone Company.

We had a very strong year financially in 2014. The year ended with net margins of \$2,073,653. Of these margins, \$737,268 comes from non-operating and non-regulated activities. Compared to 2013, the non-operating margin was down roughly \$450,000. The main reason for the decrease in non-operating is because we reclassified how we account for some of our revenue. Those revenues were just moved to other accounts. Total expense for 2014 came in at \$8,100,806 compared to the 2013 expenses of 8,351,050 for a decrease in expense of \$250,244.

In 2014, we decreased our long-term debt by \$1,009,227. All things considered, we had a great year.

Operationally, it was a very busy year for West River Cooperative Telephone Company. Over the past eight years, we have been replacing old copper with fiber throughout our service territory. Of the 2,284 miles of total plant in service, we have 1,841 miles of fiber in place, which leaves us with about 429 miles of copper to replace. We will end up replacing more than 429 miles because in some areas we will have to extend or change routes. As we install new fiber, we decommission the old copper plant, which reduces our total cable plant in service. I am very pleased with the construction that the WRCTC crews have achieved in 2014 and in 2015.

# Balance Sheet

## Assets

	2013	2014
Plant in Service	\$55,911,617	\$56,139,600
Plant under Construction	782,800	1,378,028
Plant Adjustment	0	0
Total Plant Investment	56,694,417	57,517,628
Less Depreciation	(31,644,522)	(33,280,666)
Depreciated Value of Our System	25,049,895	24,236,962
Cash and Investments for Current Operations	6,431,736	6,960,062
Investments in Other Organizations	7,684,464	7,811,553
Current Accounts Receivable	585,803	633,352
Material and Supplies	275,320	324,462
Prepayments	15,227	15,227
<b>Total Assets</b>	<b>\$40,042,445</b>	<b>\$39,981,618</b>

## Liabilities and Members' Equity

Balance of Loans	\$20,506,557	\$19,497,330
Current Accounts Payable	703,033	471,009
Accrued Taxes	439,474	482,696
Other Current Liabilities	38,702	41,990
Other Long Term Liabilities	2,740,679	2,508,000
Deferred Income Taxes	0	0
<b>Total Liabilities</b>	<b>\$24,428,445</b>	<b>\$23,001,025</b>
Patronage Capital	\$13,296,719	\$14,549,550
Other Equities	2,317,281	2,431,043
<b>Total Members' Equity</b>	<b>\$15,614,000</b>	<b>\$16,980,593</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$40,042,445</b>	<b>\$39,981,618</b>

Looking back at last year's report, we talked about the Federal Communications Commission's (FCC) November 2011 order. This order was thrown out and a new proposal has been developed. Preliminary models show the newly proposed rules will still have negative effects on West River Cooperative Telephone Company; however, they seem to be better than the 2011 order. There are about seven different scenarios being proposed, but the one the FCC seems to be determined to implement will decrease our funding by approximately \$350,000. The new ruling is expected to be implemented in early 2016.

The FCC also implemented a new local service rate benchmark of \$16/month, which we are required to charge. In December 2014, you saw an increase in

your local service, and over the next few years, the FCC will require WRCTC to increase your local service rate to reach that benchmark. We know keeping our rates low is extremely important to all of you as member-owners. As we move forward, we will explore options to help offset this increase to you.

On behalf of the Board of Directors, Managers and Employees, we thank you for your continued support and look forward to serving you in the future.

# Unapproved Minutes of 2014 Annual Meeting

## WEST RIVER COOPERATIVE TELEPHONE COMPANY • OCTOBER 6, 2014

The Annual Meeting of the members of West River Cooperative Telephone Company was held at the Cooperative warehouse in Bison, Perkins County, South Dakota on Monday, October 6, 2014.

The meeting was called to order by DeJon Bakken, President. Alice Holcomb, Secretary, kept the minutes of the meeting. It was determined there was a quorum with 200 members present. President DeJon Bakken announced the meeting would be conducted according to Robert's Rules of Order.

The invocation was given by Lay Pastor Florence Hoff, First Presbyterian Church, Bison, South Dakota.

Manager Metzger introduced the Board of Directors.

A motion was duly made, seconded and carried to dispense with the reading of the Notice of the Meeting.

A motion was duly made, seconded and carried to dispense with the reading of the last Annual Meeting minutes and to approve them as presented in the "Calling On You."

Gary Jorgensen reported for the Nominating Committee. The Nominating Committee Meeting was held on August 21, 2014, at 1:00 p.m. at the West River Cooperative Telephone Company headquarters building in Bison, South Dakota. The following members of the Nominating Committee were present: Reva Cox, Vale; Gary Jorgensen, Meadow; Orville Edwards, Vale; Jody Richter, Buffalo and Judy Larson, Lemmon. The Committee selected Gary Jorgensen to chair the meeting and Orville Edwards to act as secretary of the meeting. Don Trohkimoinen, Vale was nominated by the Committee for the directorship now held by Don Trohkimoinen.

Judy Gano, Meadow was nominated by the Committee for the directorship now held by Judy Gano.

Matt DeBow, Camp Crook and Peggy Humbracht, Camp Crook were nominated by the Committee for the directorship now held by Alice Holcomb.

Attorney Miller then called for nominations from the floor for all director positions. There being no nominations

from the floor, a motion was made and seconded that nominations cease and a unanimous ballot be cast for Don Trohkimoinen and Judy Gano. The motion carried.

President Bakken introduced the candidates for directorships.

President Bakken announced the voting would be by ballot and appointed Michelle Stockert, Delores Chapman and Deb Vetter as tellers for the Director election.

Drawings for door prizes were held.

A motion was duly made, seconded and carried to dispense with the reading of the annual Treasurer's Report, and to approve the Treasurer's Report as presented in the Annual Report Book.

Manager Metzger gave a power point presentation on the financial condition and accomplishments of the Cooperative for the past year.

Directors and employees were recognized for their years of service as follows:

Director:	Greg Fried	10 years
Employees:	Terry Bohnet	15 years
	Trevor Fisher	15 years

The following were declared elected for three-year terms as directors: Don Trohkimoinen, Judy Gano and Matt DeBow.

The winner of the Grand Prize drawing for an Apple iPad Air was Willy Tenold, Reva.

There being no further business to come before the members, the meeting was adjourned upon motion duly made, seconded and carried.

APPROVED:

\_\_\_\_\_  
DeJon Bakken, President

\_\_\_\_\_  
Alice Holcomb, Secretary

## THREE TAILGATE PARTIES LEFT!

- **September 25 – Harding Co. vs. Hill City**

Grilling starts at 6:00 p.m. at the Harding Co. Football Field. Game starts at 6:30 p.m.

- **October 9 – Lemmon/McIntosh vs. Faith**

Grilling starts at 6:00 p.m. at the Lemmon Football Field. Game starts at 7:00 p.m.

- **October 16 – Bison vs. Lemmon/McIntosh**

Grilling starts at 6:00 p.m. at the Bison Football Field. Game starts at 7:00 p.m.



West River Cooperative Telephone Co.  
PO Box 39  
Bison, SD 57620

Mark your calendars to attend your Annual Meeting, October 5, 2015!

# *West River Cooperative Telephone Company's Annual Meeting Agenda*

October 5, 2015 • WRCTC Warehouse

4:30 pm - 6:00 pm

Registration

5:00 pm - 6:00 pm

FREE Pancake & Sausage Supper

6:00 pm - 7:00 pm

Business Meeting

**ENTERTAINMENT PROVIDED BY BUTCH SAMUELSON**

**Grand Prize - 128 GB Apple® iPad Air 2**

**Kid's Grand Prize - 16 GB Apple® iPad Mini**

*Capital Credit Checks will be Mailed.*

