 With a longstanding history in Phillips County, PC Telcom continues to provide high quality, cost-effective communications services as a progressive, member-owned cooperative.
 Members were given the opportunity to interact with and give feedback to PC Telcom's board of directors and employees at its 2009 annual meeting held Monday, April 13 in the HHS auditorium.
 As a cooperative, PC Telcom is a living example of democracy in action. Members are not only customers, but part-owners of the company. As owners, they have the opportunity to vote for the board of directors who help guide and oversee the company.
 Company CEO/General Manager Vince Kropp reviewed projects and activities from 2008. He reported PC Telcom continued the ongoing replacement of outdated copper cable when it kicked off a major Fiber to the Premise (FTTP) upgrade. Fiber optic cables were installed to businesses and homes on the west side of Holyoke.
 In 2008, PC Telcom installed new central office switching equipment across the alley from the building located at 240 S. Interocean Ave.
 According to Kropp, "PC Telcom has made much headway over the last several years in an industry that is undergoing tremendous change." The company is now very close to having 100 percent access to hi-speed internet connectivity to customers through either a wireless or DSL connection within the certificated exchange area.
 Kropp presented members with a drawing reflecting PC Telcom's evolving network and connectivity to the outside world. The drawing represented original boundaries and routes as well as facilities that were either installed or leased in 2007. These hi-speed facilities accommodate distance learning for the Northeast Colorado Board of Cooperative Education (NE BOCES) and associated schools.
 PC Telcom continues to seek a good solution for a good mobile wireless product. Since the late 1980s, PC Telcom has held a partnership with Platte River Cellular, which was most recently managed and operated by Verizon Wireless. While PC Telcom has negotiated and sold its Platte River Cellular shares, effective in January 2009, it will continue to be an agent for Verizon Wireless products.

Company continues to grow

 Board of directors president Dennis Herman and Kropp explained PC Telcom's 2008 financial report.
 A 10-year (1998-2008) assets comparison for the company shows in the past decade, assets have increased by over $5.3 million. Total assets have climbed over $1.4 million in the past year from $9,708,320.
 Total members' equity for 2008 was $11,116,301. At PC Telcom's December meeting, the board of directors authorized payment of 35 percent of 1999's capital credit allocations or approximately $110,000.
 The financial report reflects growth of the company over the last 10 years. Net property plant and equipment increased from approximately $3.285 million in 1999 to $8.3 million today while net operating revenue grew from around $1.376 in 1999 to $3.727 today. An increase from approximately $1.056 million in 1999 to $3.461 million today was seen in net operating expenses, and net operating income dropped from approximately $320,000 in 1999 to $266,000 today.
 Kropp pointed out the company's access lines have decreased from 2,136 in 1999 to 1,839 today. Knowing access lines were going to decrease, PC Telcom used strategic planning to

branch out into nontraditional telephone company services shortly after 2000.Services such as cable television and hi-speed internet have allowed the company to diversify and more fully utilize its network.
 Kropp noted financial results are presented on a consolidated basis. PC Telcom consists of the parent company Phillips County Telephone Company and its subsidiaries Phillips County Communication, LLC and PC Telcorp, Inc.

2009 projects outlined
 With another full schedule designed for 2009, Kropp highlighted the projects planned for PC Telcom.
 Later this year, they intend to replace a number of rural electronics units to improve hi-speed options.
 PC Telcom is also planning a move. Customer service personnel and Radio Shack will relocate to PC Telcom's former business office downtown at 240 S. Interocean Ave., while the administration and technicians will relocate to the former medical clinic located at 520 S. Interocean Ave.
 Kropp noted the main focus for 2009 will be the completion of the FTTP project started last year. They will be completing the east half of town as well as an area that extends approximately two miles beyond the city limits in each direction.
 A new Optical Network Termination unit will replace the current terminal on the outside of homes or businesses as PC Telcom replaces current facilities with new fiber cables. A power source will also be required at each premise because the fiber optic cable is not capable of delivering power.
 Residents and business on the east side of town will be contacted in the coming months to determine where to place the new fiber optic cable and where best to install the power source.
 Kropp highlighted the benefits of the fiber optic facilities. Nearly all new service lines will be fiber optic cable instead of the traditional copper cables that have been the standard. Fiber optic cables now cost less than copper cable, and fiber has much higher capacity which allows PC Telcom to offer much higher internet speeds and new services such as Ethernet.
 PC Telcom is excited to offer new service bundles that will include greater discounts when customers purchase additional services.
 Additionally, Kropp discussed PC Telcom's current rate structure. Phillips County Telephone Company is regulated by the Colorado Public Utilities Commission which requires a detailed rate making process.
 Last year, PC Telcom successfully filed for increased funding from the Colorado High Cost Support Mechanism (CHCSM), a pooled funding mechanism designed to offset some of the high costs associated with serving rural areas.
 After receiving the funding, both the Colorado Public Utilities Commission and primarily the Office of Consumer Council have filed comments regarding our filings. They noted the local rates of Local Exchange Carriers, such as PC Telcom, need to be set at a rate that equals or exceeds the statewide average in order to receive additional funding from the CHCSM.
 A similar set of circumstances will exist when the State of Colorado begins adjusting access rates towards the national level. PC Telcom is compensated for originating and terminating traffic from other carriers which is typically referred to as access charges. While many states have already gone through this access rate reform process, Colorado has not.
 Kropp said PC Telcom's upgrades and increased operating costs will necessitate a future rate

adjustment which is a long, costly and narrowly defined process. The process could take approximately one year, and Kropp estimates that PC Telcom will begin the process around April 2010.

 Another mandate PC Telcom will be undertaking soon is a review of local calling areas. The calling area currently encompasses Paoli, Haxtun, Fleming and Sterling, and it is required to review calling patterns biannually to see if sufficient call volume exists to warrant a possible expansion.

 In regards to hi-speed internet, PC Telcom is currently exploring options to partner with neighboring telephone companies and other entities to aggregate bandwidth needs, primarily for access to the Internet backbone in an attempt to reduce costs to transport traffic from and to the backbone provider in Denver. Approximately 50 percent of hi-speed internet costs are associated with this backhaul transport.

 PC Telcom also provided information to members about the switch to digital television, a transition required when the FCC mandated all analog over-the-air programming be converted to digital by the extended date of June 2009.

Martin, Brandt elected

 Members had the opportunity to vote for the two open seats on PC Telcom's board of directors. Incumbent Randy Martin will serve another term as the rural director, and Jerold Brandt was elected to the urban seat.

 Before concluding his report, Kropp recognized and thanked the board of directors and all PC Telcom's employees for their dedication and efforts over the past year towards the betterment of PC Telcom.

 Equally Delinquent, a local barbershop quartet, provided the evening's entertainment. Maury Kramer, Dan Kafka, Chris Garcia and Steve Schwartzkopf delighted members with intricate harmonies and a humorous performance.

 Prior to the business meeting, members enjoyed a meal catered by Bill and Kristie Pelle. Members also had the chance to win a variety of door prizes given away in a drawing at the conclusion of the meeting.