110th Annual Meeting Highlights

Nearly 400 members and guests attended Garden Valley Telephone Company’s 110th annual membership meeting on Tuesday, June 2, in Erskine.

After registering and receiving a copy of our 2014 annual report and an attendance gift, which was a Second Edition GV Cookbook, members were treated to coffee, donuts and musical entertainment provided by The WoodPicks.

The meeting began with an invocation by Pastor Tim Lundeen of Grace Lutheran Church, Erskine, followed by the Pledge of Allegiance.

The business session opened with confirmation by Corporate Secretary Byron Ness that a quorum was present. Mr. Ness also reviewed the Official Notice of Meeting, and presented the minutes of last year’s annual meeting for approval by the voting members.

The business meeting included reports from the President and Treasurer.

Corporate Counsel Fitzgerald reviewed By-Law information relating to Director qualifications and voting; and the election of Directors for Districts 3, 6 and 9 was held.

Prizes were awarded (see page 5 for the list of prize winners) and upon adjournment, a hot lunch provided by Quality Catering was served.

Garden Valley employees were also on hand during the day to answer questions about the cooperative’s products and services.

Directors Engelstad, Novak and Hamnes Re-Elected

Shown here are (left to right) Directors Ronald Engelstad, Arlene Novak and Vernon Hamnes who were re-elected to serve on the cooperative’s Board of Directors for the next three years. Ms. Novak, St. Hilaire, represents District 3 (Red Lake Falls & St. Hilaire exchanges); Vernon Hamnes, Gonvick, represents District 6 (Clearbrook, Gonvick & Leonard exchanges); and Ronald Engelstad, Grygla, represents District 9 (Gatzke, Goodridge & Grygla exchanges).

New General Manager Introduced at Annual Meeting

Tim Brinkman was introduced at the Annual Meeting as Garden Valley’s seventh general manager. With a Bachelor of Science degree in Mass Communications-Public Relations and a minor in Economics, Tim has spent numerous years working in telecommunications, including the last seven years at Park Region Companies with headquarters in Underwood, Minnesota.

Tim, his wife Christine and their 14-year old twin sons look forward to settling in and becoming active in the area communities.
Last year at this time, we were reporting that margins had increased substantially, but that we were uncertain as to what to expect for 2014. In order to meet the minimum local service rate requirements mandated by the FCC and continue to receive high cost loop funds, we had to raise our local service rates in November. Meeting the FCC minimum rate requirements and receiving the high cost loop support helped our 2014 margins remain strong. The Board also offered a rate decrease in high speed Internet service of 1 Mbps and higher at the time the local service rates increased.

Work in 2014 on our fiber to the home project included the installation of over 600 miles of fiber optic cable to finish the rural areas in our service territory. In 2015, we will place the cables installed last year into service and then start on replacing the cables in our towns with fiber. The cooperative has just finalized loan documents to borrow $12.6-million from RUS to assist with this fiber work in our towns, starting this summer in Fosston.

As has been reported in the past, dealing with GVTV programmers continues to be a challenge. Programmers won’t allow us to select just a few popular channels so we can keep our costs down, but require us to purchase quite a number of channels with the few popular ones, then charge us exorbitant amounts for those packages with channels we have no interest in. This past year, we did find it necessary to increase our video rates due in large part to what the off-air channels are now charging us. All in all, we’ve tried to do our best to offer you programming packages with rates to meet everyone’s needs.

It was with regret that the Board of Directors accepted the retirement announcement from General Manager George Fish in December. George’s leadership and great work ethic have made this member-owned cooperative very strong and successful. He left in May with the cooperative in great shape, both financially and infrastructure, allowing our access to the latest technology available. We extend our best wishes to George on his retirement and thank him for his years of service.

We appreciate our members’ continued support and encourage you to contact us for all your technology needs.

Vernon Hamnes, President &
Director, District 6
2014 was a positive year for Garden Valley with margins of $3,579,366. As we have been reporting, the recent FCC activity has left us in a state of uncertainty as to the affect their rulings will have on our bottom line going forward. Where Garden Valley has tried to keep local service rates affordable, the FCC has mandated rate increases to our phone subscribers and rate decreases to long distance providers. Significant increases in programming costs have required increases in TV rates. Garden Valley has attempted to mitigate some of these increases by rate decreases in Internet services and by cutting expenses in other areas under our control.

The graph below illustrates the sources and distribution of Garden Valley’s $23.5-million of operating revenue and other income in 2014. As shown by the bar on the left, 47 percent of the Company’s income—$11.1-million—was derived from members’ long distance and related toll network access revenues. This figure has increased from last year due to the amount of money Garden Valley has invested in fiber to the home in our service area. This increase has been offset by the 5% decrease in the amount Garden Valley is allowed to charge other carriers for the use of our network, as mandated by federal regulators. Because this 5% decrease will be required annually for the foreseeable future, Garden Valley continues to look for ways to increase other sources of revenue.

Local service revenues provided $2.9-million of Garden Valley’s income in 2014. Video, Internet and equipment sales generated $8.5-million in revenues. The remaining $.9-million of income was from sources, such as directory advertising, interest on investments, and other services.

The middle bar summarizes Garden Valley’s 2014 expenses, which totaled more than $19.9-million. $4.8-million was used for customer and corporate expenses; including administration, legal, directory, billing and accounting functions. We used $9.9-million to operate and maintain our plant facilities. This figure also includes video programming and Internet access charges. In addition, $4.7-million was allocated in 2014 for depreciation of our plant facilities. Garden Valley had over $87-million of telecommunications plant in service as of December 31, which is a $13-million increase since 2005. Finally, $470,000 was used for the payment of interest on RUS loans; and federal, state and local taxes.

Garden Valley Telephone Company’s 2014 net income, or margins after expenses, as shown in the bar on the right, totaled $3,579,366. Margins are allocated to members as capital credits each year and are based on each member’s patronage with the Company.

In 2014, Garden Valley paid out more than $450,000 in capital credits to members who had service with the cooperative in 2000 and 2013.

On behalf of the Board of Directors, I want to thank you for your continued support.

Joe O. Sandberg, Treasurer & Director, District 2
Capital credit checks issued totaling $471,000

More than 15,600 capital credit checks, totaling more than $471,000 were issued on May 14 to Garden Valley members who had service with the cooperative in 2000 and/or 2014.

In the last ten years, Garden Valley members have received payments for their capital credits in the cooperative totaling more than $14-million.

These payments are not dividends for tax purposes because they are a return of contributed capital.

Unclaimed Capital Credits

If you are wondering if you have any capital credits that we’ve been unable to get to you, go to our Internet website at www.gvtel.com ... click on “About Us” ... then click on “Capital Patronage.” Under the heading Unclaimed Patronage, you can “Click here for a list of unclaimed checks.” If your name is on the list, call us at (800) 448-8260.

Unclaimed Capital Credits

Linda Berhow retires after 37 years

With more than 37 years with Garden Valley, Administrative Assistant Linda Berhow retired in June.

Linda began temporary work in the general office in September 1977. She became a full-time Administrative Secretary in January 1978 and her title changed to Administrative Assistant the end of 2003.

Linda and her husband, Dale, and family reside in rural Erskine at Union Lake. Congratulations, Linda, on your retirement!

Estate Settlements

The cooperative’s present policy provides that authorized representatives for the estates of deceased Garden Valley patrons may apply for the retirement and payment of capital credits.

Reminder: Make a Landline Phone Part of Your Storm Plan

It’s storm season! Is your family prepared? One item to be sure to have on hand is a corded, or what we call landline, telephone. It doesn’t require electricity and could be your backup method of communication during and after a storm, providing you with security in an emergency with reliable 911.

FTTH Project Update

During the 2015 summer construction season, you will see Garden Valley construction equipment and crews throughout our service area working on retiring old copper cable pedestals and digital carrier cabinets. Our contractor, North Central Service, Inc., of Bemidji, will be doing work for us in the city of Fosston.

If you have any questions about our 2015 projects, please don’t hesitate to contact us at (800) 448-8260.

Personnel News

Installer-Repairman Dan Uhlir was recently selected to fill a warehouse position. Temporary construction employees working on our 2015 summer construction projects are: Mitch Berntson, Tahlor Ose, Chad Parsley, and Travis Plante.

Service Milestones

In June, District Representative Al Salverson completed 40 years of service with Garden Valley, Construction Lineman Marc Plante completed 15 years, and Central Office Equipment employee Jason Breckel and Construction Lineman Ron Hanson both completed 5 years of service with the Company. This month, Facilities Supervisor Keith Leines completed 30 years, and Service & Operations Manager Steve Olson completed 25 years.

Construction Lineman

Garrett Rock, of McIntosh, was hired June 1 as a full-time Construction Lineman. Garrett has worked for Garden Valley on a temporary basis as a summer construction lineman since 2007.

Garden Valley Telephone Company Financial Reports

A limited supply of the 2014 annual report, presented at the cooperative’s annual meeting on June 2, is available to members upon request. Simply contact Garden Valley’s office in Erskine for a copy.

SALE OF USED VEHICLES & MISCELLANEOUS ITEMS

Watch area newspapers this fall for information concerning Garden Valley’s sale of used vehicles and miscellaneous items.
Other prize winners include:

- **Portable Power Bank**.......................... George Larson, Shevlin
- ...................................................... Mary Jo Olson, Fosston
- .................................................. Dione Rasmussen, Fertile
- .................................................. Gail St. George, Bagley
- **25’ Extension Cord**............................ Roger Janssen, Mentor
- **Flexible Power Strip** ....................... Genevie Aslakson, Mentor
- **Mini Flashlight/Lantern** .................. Carol Burslie, McIntosh
- **Atomic Clock**.................................. Ray Neil, Mentor
- **LED Flashlight**................................ Judy Hagen, McIntosh
- **Set of GV Insulated Tumblers**......... Karla Netland, Bagley
- ....................................................... Carrie L. Bahr, Erskine
- ..................................................... Ken Bittner, Fosston
- ..................................................... Veral Mosbeck, Red Lake Falls
- **$25 GV Bill Credits**.......................... Omar Helgeson, Fertile
- .......................................................... Paul Grevig, Fertile
- .......................................................... Penny Magnell, McIntosh
- .......................................................... Mavis Werner, Fertile
- **Rolling Cooler** donated by CNS:...Ellsworth Sulerud, Fertile
- **$30** donated by Moss & Barnett:...
  - .................................................. Alice Plante, Brooks
  - .................................................. Gerri Balstad, Erskine
  - .................................................. Florence Martine, Bagley
  - .................................................. Blanchard Krogstad, Winger
  - .................................................. Edward Pettit, Red Lake Falls
- **Golf Balls** donated by Unitel Insurance:
  - .................................................. Lillian Rux, Erskine
  - .................................................. Maynard Johnson, Maple Bay
- **$25 Amazon Gift Cards** donated by Olsen, Thielen & Co.:
  - .................................................. Dawn Rivera, Leonard
  - .................................................. Mae Gjerstad, Red Lake Falls
  - .................................................. Marie St. Germain, Fosston
  - .................................................. Karen Bittner, Fosston
- **Floral Arrangement** ........................ Cheri Lerfeld, Erskine

**Call Before Digging!**

Toll-Free ‘Gopher State One Call’

811

CitiLites, from Pequot Lakes, will be doing many of our cable locates, but you must first call Gopher State One Call for cable locates.
WARNING -- BURN WITH CAUTION

Extra caution needs to be taken when burning around Garden Valley’s electronics cabinets and pedestals. The cabinets and pedestals contain the wiring and electronics that provide your telecommunications, Internet, and video services. Burning around them can easily damage their contents resulting in costly repairs, which are the responsibility of the person doing the burning.

So...please use caution!

CPNI -- WHAT IS IT AND HOW DOES IT AFFECT ME?

CPNI, or Customer Proprietary Network Information, is the information associated with your telephone service, and includes your calling charges, the optional services you subscribe to, and your usage data and calling patterns. In short, it is the private information about your telephone service; however, it does not include directory listing information, such as your name, address or telephone number. The most protected type of CPNI, referred to as Call Detail Records (CDRs), is information about calls received, and includes time, date, duration and the number called.

The Federal Communications Commission requires that we protect your CPNI and we want to assure every cooperative member that we do not share your CPNI, or any other personal information, with anyone who is not authorized. The FCC rules are designed to further safeguard your information from “pretexters” who are unscrupulous, dishonest people who impersonate you in an effort to gain access to your account information.

To comply with CPNI rules, this is what you will experience when you call or stop in to Garden Valley Telephone Company to inquire about your account.

* If you contact Garden Valley to make CPNI account inquiries, you will be required to verify that you are the account holder or authorized contact before we can discuss or release CPNI account information.
* If the information you are requesting includes call detail records, you will also need to provide a password.
* If you would like other people to be authorized to make inquiries or changes to your account, you may wish to add authorized contacts to your account. Inquiries or requests from other parties, who are not on your account, including those of a spouse, cannot be honored if you have not listed them as an authorized contact.

Garden Valley is required to notify all customers when certain types of changes or verifications are made to an account, such as password changes or mailing address changes; therefore, you will receive a notice by mail from Garden Valley when such activity occurs.

Although these steps may seem cumbersome, the FCC guidelines have been established for your security and protection. Garden Valley is required to follow these FCC guidelines. If we don’t, we are subject to penalty.

We appreciate your cooperation and will work with you to make these CPNI rules as “user friendly” as possible. Please contact us if you wish to set up a password or establish a list of authorized contacts for your account. We can be reached at (800) 448-8260, at gvtc@gvtel.com, or you may stop by our office in Erskine at 201 Ross Avenue.

IMPROVED BILL FORMAT

We hope you will notice and appreciate the improved bill format on your July bill. We have gone to a 2-column format, so where you may have seen a lot of white space on previous bills, you now will see bill messages and/or billing details. The new format is easier to read and will save on paper and postage.

CHANGE IN FEDERAL UNIVERSAL SERVICE FUND CHARGE

Effective July, 2015, the amount of the Federal USF Charge (FUSC), appearing on your bill each month, may change as a result of an expected decrease in the Federal Communications Commission’s (FCC’s) universal service fund contribution factor from 17.4% to 17.1% and an increase in the Access Recovery Charge.

The FUSC amount is calculated by multiplying the FCC’s universal service contribution factor against your interstate access service charges. Most residential and single-line business customers will see the FUSC charges increase from $1.39 to $1.45.

Most multi-line business customers will see this charge decrease from $2.12 to $2.09 per line. The Federal Universal Service Fund Program is designed to help keep local telephone service rates affordable for all customers, in all areas of the United States.

Also effective July 1, 2015, those with cellular service will see a lower Federal Universal Service Charge (FUSC) as a result of the USF contribution factor decreasing from 6.4554% to 6.3441%.

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July 2015
Directory Update

Garden Valley Telephone Company - Erskine - 800-448-8260

This Directory Update includes changes, additions and corrections since the last issue of the Voice of the Valley was printed in May. Garden Valley recommends that members keep this update with their directories to avoid charges for local area directory assistance calls.

Dial 911 for EMERGENCIES

BAGLEY
Amry Solutions Inc ............ 694-2169
Fax Line .................. 694-2157
Boutwell, Leigha ............ 694-2028
Dahlke Red Angus .......... 694-6727
Gaunsing, Ginelle .......... 694-2402
Haugen, Mike ............. 694-2843
Fax Line .................. 694-4001
Mathison, Lyle .......... 694-2431
Nelson, Kyle ............ 694-3241
Okeson, Caitlyn .......... 694-2427
Reeder, Ralph ............ 694-2666
Robinson, Jayson ........ 694-2318
Thompson, Patrick M .... 694-2307

BROOKS
Carol’s Cozy Bar & Grill ............ 698-4608
Fax Line .................. 698-4606
Malm, Bernadette ........ 698-4241

CLEARBROOK
Croy, Carol ............ 776-2152
Frandsen, Samantha ...... 776-2058
Ingalls, Yvonne ........ 776-3776
Langseth, Marlin ........ 776-2057
Molden, Mike ............ 776-2073
Nord, Elias V ............ 776-2251
Pond, Mary ............. 776-3390
Vorderbruggen, Joshua .. 776-2204
Walchuk, Paul & Patricia ............ 776-3465

ERSKINE
Goulet, Colleen ............ 687-2014
Hamre, Wayne ............ 687-3234
 McIntosh Hardware ...... 687-3555
Molstad, Drew O ........... 687-2351
Omundson, Jon & Tiffany .......... 687-2015
Thorfinson, Kristi ........ 687-2050
Wingo, Jawon ........... 687-2145

FERTILE
Dalby, Kelsey .............. 945-3233
Farley, John & Mary .... 945-6821
Hitche, Lana .............. 945-3540
Kerian, Jim ............... 945-3822
North Side Express ...... 945-6161
Fax Line .................. 945-6126
Saga, Leland & Carol .... 945-3286
Thrifty Sisters Interiors 945-6500
Todahl, Pat ............... 945-6426
Van Erem, Laura .......... 945-3092

FOSTON
A K Designs .............. 435-2222
Fax Line .................. 435-2144
Abby Falstad Massage .... 435-1455
Altepeter, Justin ........ 435-1297
Balstad, Beatrice .......... 435-1550
Ben-Sons Cleaning
Service .................. 435-1646
Brovold, Lucia ............ 435-6041
Fax Line .................. 435-6040
Christianson, Leroy .... 435-1462
Djernes, Kyle ............. 435-1114
Friedrich, Eden .......... 435-1880
Garrison, Brandy R ...... 435-1439
Gudvangen, Mahry ....... 435-1078
Hagel, Brittny ............ 435-1060
Jackson, Daniel P ........ 435-1046
Johnson, Doug & Nanci 435-1348
Koenig, DiAnn ............ 435-2751

GREEN LAKE
Lenes, Aaron & Holly .. 435-6296
Olson, Kevin ............ 435-1740
Schmit, Matthew ......... 435-1707
Tronnes, Amber .......... 435-1572

GONVICK
Erickson, Mark .......... 487-6213
Hickory Backroads Boutique & Photography .. 487-5700
Skadsem, Mike ........... 487-5278
TJ Underground .......... 487-5230
Fax Line .................. 487-5232

GOODRIDGE
Byrd, Manuel ............ 378-4677
Frahm, John .............. 378-4194
Murphy, Richard J ....... 378-4169

GYGLA
Hanson, Chad ............ 294-6047
Olson, Amanda M ....... 294-6070

HONEYDALE
Bohland, Bob & Brittany .. 268-3051
Wishard, I ............... 268-4414

LENGTHBROOK
Lyman, Kelly L ........... 668-2003
Vig, Kyle & Michelle ..... 668-2004
Zink, Wayne ............. 668-2038

MAPLE BAY
Berthold, John M ........ 574-2211
Bock, Tom & Beth ...... 574-2013
Grove, Wayne & Toni ... 574-2042
Hagen Realty .......... 574-2040
Salem, T ................. 574-2984
Sheeving, John R ....... 574-2359
Solberg, Rick & Cindy .. 574-2040

MCINTOSH
Gray, Nathan ............. 563-2092
Klade, Bob ............... 563-2232
Mathison, Julie .......... 563-2781
Soltvedt, Ken & Kaitlyn .. 563-2074

MENTOR
Carlin, William .......... 637-3330
Thibert, Jerry & Darlene .. 637-2107

MINERVIA
Elgin, Tom & Lois ...... 657-3088
Haney, D ................. 657-2227
Knutson, Rod .......... 657-2244
Shackelford, Rick & Kerri .......... 657-2390

OKLEE
Keeler, Paul J ............ 796-4566
Stauffacher, Wendy ... 796-4681

PLUMMER
Caswell, Dale ............ 465-4333
Frizzle, Marcellous ...... 465-4043
Lomainteaw, Anissah .. 465-4031
Olson, Clara J ........... 465-4600
Williams, Neil .......... 465-4047
Zimpel, A B ............. 465-4237

RED LAKE FALLS
Bravo, Irving ............... 253-2078
Ellingboe, James E ....... 253-2530
Weiss, Kristen .......... 253-2003

ST. HILAIRE
Epeseth, Jason ........... 964-5024
Ste Marie, Chad .......... 964-5207
Wambgsanss, Gena ....... 964-5064
Wojciechowski, Cody J ............ 964-5119

SHEVLIN
Foldoe, K C ............... 785-2303
Hedtke, Robert ......... 785-2220
Helgeson, Wayne & Connie ............ 785-2013
Nelson, Cory ............ 785-2363
Ronning, Terry & Rebecca .......... 785-2805
Or .................. 785-2034
Sonnek, Todd & Kim .... 785-2093
Wilson, Wade G .......... 785-2080
Zack, Edward .......... 785-2344

WINGER
Dahl Farms ............... 938-4213
Hitchen, Kari .......... 938-4048
Liquor Pigs ............... 938-4044
Matson, Debra .......... 938-4014
2016 Directory Cover Contest Photos are due before August 1

Hurry...The $25 cash prize could be yours!!

Call (800) 448-8260 or go to www.gvtel.com for official contest rules.

Complete and return this with photograph(s) for directory contest to Garden Valley Telephone Company; 201 Ross Ave., P.O. Box 259, Erskine, MN 56535 — Before August 1, 2015

Print Name ____________________________________________

Sign Here certifying you are the photographer who has taken the submitted photo(s) in accordance with the contest rules ________________________________

Address _______________________________________________ Tel. No. ________________________________

Describe in Detail Location of Scene (must be within GV area) ____________________________________________________________

Call (800) 448-8260 or go to www.gvtel.com for official contest rules.