

A JOINT MEETING OF THE BOARDS OF DIRECTORS OF  
SURRY TELEPHONE MEMBERSHIP CORPORATION AND  
PIEDMONT COMMUNICATIONS SERVICES, INC.

A joint meeting of the Board of Directors of Surry Telephone Membership Corporation and the Board of Directors of Piedmont Communications Services, Inc. was held on Thursday, August 15, 2024, at 9:00 AM in the boardroom of the Surry Telephone office building, Dobson, NC.

Present in person were Directors Chris Younger, Joe Atkins, Ronnie Griggs, Joe Riddle, Imogene Hardy, Gene Rees, Chad Bullington, Bud Snyder, Renee Martin, CEO Richie Parker, and General Counsel Raymond A. Parker.

Chris Younger, President of Surry Telephone, presided.

CONSENT AGENDA

- The Minutes of the July 11, 2024, joint Board Meeting of Surry Telephone and Piedmont Communications Services.
- Capital Credits proposed for refund to Estates of deceased members discounted to present value of \$22,987.59.
- Uncollectible Accounts for Surry Telephone in the amount of \$5,006.11 and PCSI accounts in the amount of \$3,603.80 were proposed for write-off.

No items in the Consent Agenda were requested to be removed and discussed separately. A motion to approve the Consent Agenda items was made, seconded, and unanimously approved. Full reports of items on the Consent Agenda were available to the Board Members at the meeting and are on-file in the Company Office.

OPERATING REPORTS

CEO Richie Parker reviewed with the Board the list of port-outs and port-ins during the previous month.

The unaudited financials for June 2024 were reviewed.

The Board received a Subscriber Report based upon the consolidated figures for Surry Telephone and PCSI through the August 1, 2024, billing.

The Boards reviewed investments, check registers, call analysis, top customer reports and trouble calls for both Surry Telephone and PCSI.

The operating reports were in the Board packets and are on file in the company offices.

## CEO UPDATES

Construction Update: CEO Parker reviewed the construction and splicing projects that are underway.

Building Update: The new Currytown building is progressing. Commercial power has been installed and painting has been completed. Flooring is underway. The new Tyro remote parcel has been acquired and the old house is in process of being removed. Repairs to the Creed property have been completed. Painting and lighting upgrades remain to be done.

Network Update: The boards reviewed the several network operations projects underway and being planned. We are almost complete with the removal of customers from pole mounted DSLAMS.

Service Level Update: No outages since last meeting.

Cyber Update: The Board received the monthly update on company cyber security efforts.

CATV/Video Update: No updates.

Accounting Update:

- Discussed the 5<sup>th</sup> circuit court of appeals decision declaring USF unconstitutional. If this stands, it will be a budget threat for the next several years.
- Discussion of BEAD and the requirement for a "low cost" service. This "low cost" requirement (\$30/mo.) is preventing companies for applying for BEAD.
- Company has been having discussions with our USDA representative about an Infrastructure Loan to complete our fiber buildout in the area. This is a cost-of-money loan for network use only. Currently the cost of money is about 3-4%. We estimate our need for at least \$6.2 million to complete our fiber buildout. The loan is similar to a line of credit. The fiber plant is our collateral. We will need a consulting engineering firm to assist us with application and implementing the plan. CEO Parker recommends the board adopt a resolution requesting the cost-of-money loan from USDA in the amount of \$6.5 million. This is not a loan approval but a request for approval to submit the application. After discussion, the following Resolution was made, seconded and unanimously passed:

BOARD RESOLUTION  
REQUESTING COST-OF-MONEY LOANS  
FROM USDA RURAL UTILITIES SERVICE  
RURAL TELECOMMUNICATIONS INFRASTRUCTURE LOAN PROGRAM

WHEREAS it has been determined that financing is needed for overbuilding of FTTP (Fiber to the Premise) facilities in the ILEC (Incumbent Local Exchange Carrier) areas of Surry Telephone Membership Corporation to provide advanced internet availability, as follows:

RUS Cost-of-Money Loan Requested for FTTP Facilities: \$6,500,000

NOW THEREFORE BE IT RESOLVED that Surry Telephone Membership Corporation makes application to the Rural Utilities Services pursuant to 7 CFR Part 1735 and 7 CFR Part 1737 for a Cost-of Money loan in the amount of \$6,500,000 to be used in accordance with the provisions of 7 CFR Part 1735 and 7 CFR part 1737 to finance the above-mentioned facilities.

BE IT ALSO RESOLVED that the RUS Cost-of-Money loan shall bear a maturity date to be determined.

BE IT ALSO RESOLVED, that Richard "Richie" C. Parker, the Chief Executive Officer, and Amy R. Hanson, the Chief Operating Officer, and Sunny B. Chrismon, the Accounting Manager, and Andy Hull, the Engineering Manager of the Corporation are authorized to act in such corporate position(s) and to perform the functions of such position(s) as are authorized on behalf of the Borrower in making the application for the cost-of money loan.

BE IT ALSO RESOLVED that Surry Telephone Membership Corporation hereby authorizes the RUS to release appropriate information and data relating to the application of the Cost-of-Money loan.

Marketing Update: A marketing update was given. We are still working on the customer internet upgrades. This will be completed before the October required "Broadband Label" date. The board reviewed the Broadband Label that we will publish.

Personnel Update: CEO Parker gave a Personnel Report. Mr. Parker recommended an update in Personnel Policy 107, "Employee Transfer in Position" for both Surry Communications and Visions West. These changes address internal job postings being classified as either STMC or Visions West positions. It allows the company classification to be made when the position is filled. After discussion this proposed change was tabled until additional information can be obtained.

Mr. Parker also informed the board that NTCA has given the new Benefit Formula numbers for the R&S Program. Our current Benefit Formula number is 1.8. At this rate an employer contribution increases from 17.4% to 19% would be required for 2025. Our contribution would increase by \$59,671 or 5.9% for 2025. This would result in no changes in future benefits for employees. We can reduce the Benefit Formula, but this would reduce future employee retirement benefits. We must select our Benefit Formula by September 30.

Subsidiary Updates:

- Carolina West-The board met on August 8, 2024, and reviewed financials, subscriber metrics and other matters. It was noted that CWW is working with Surry and Skyline to provide Skyline and Surry customers with a cellular phone option.
- AccessOn- No update. Next meeting will be at the Fall CVBMA Meeting.
- Visions West-second quarter financials have been sent out.
- Other Business-The Board was reminded that next month the 2025 Nominating Committee will be appointed. Directors from Levels Cross (Joe Riddle), Reeds (Bud Snyder) and Westfield (Renee Martin) will be elected in 2025. The Pay and Compensation Committee will meet on October 15, 2024.

Detailed CEO updates are on file in the Company office.

ADJOURNMENT

The next regular joint meeting of the boards is scheduled for Thursday, September 19, 2024, at 9:00 AM.

President Younger asked if there was any further business to come before the meeting. There was none.

Mr. Younger declared the meeting adjourned at 11:00 AM.

SUBMITTED:

  
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Secretary

APPROVED:

Surry Telephone Membership Corporation

  
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President

Piedmont Communications Services, Inc.

  
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President