

## 2022 ready or not!

Dear Members,

Spring finally arrived and summer is approaching. The winter work seemed slower than normal this year, but when March finally arrived, new drops to homes started getting done. We have had many new services installed in both the regulated company and Phynx, but the growth is obviously in Phynx areas. Our technicians installed 28 in the regulated and 129 new Phynx services in March after things began to move. Montgomery City had something to do with that but Mexico and Moberly are still adding to the count every month. In April, Phynx surpassed the regulated company's internet customer count, in essence doubling our subscriber base. This is great news for our members; all net profits are allocated to only the members each year. Phynx customers are not members, so they share nothing. Our goal with Phynx has always been and continues to be to replace universal service revenues that are scheduled to expire. At this point we have replaced 98% of a historical nineteen year average of USF revenues. We look at this average because those nineteen years are during a period whereby there was little or no construction going on as construction has a direct effect on recovery dollars. Since all planned fiber construction has been completed in the regulated company we have to compare to a similar time in history.



Renee' Reeter  
Chief Executive Officer

We are still waiting to get the Environmental release from USDA on the Reconnect 2 grant that we were awarded last year. The citizens in that area are dying for service and we can't do anything to help or even tell them a timeline. DC boasts about all the broadband money being released, but as usual, there is so much government red tape, it takes a lot of time to make it happen. We applied for another grant through USDA called Reconnect 3. This application should not have to go through the same Environmental scrutiny as the last, but we don't know. The first award covers approximately 81 square miles. This application covers about 465 square miles. With the supply chain issues, we have already ordered materials in hopes of having them by the time we are building. In June 2021, we ordered fiber for the application we submitted in March 2022. That fiber order will not be available until early 2023. The fiber for the grant awarded last year is sitting in inventory. Equipment and electronics have also been ordered, for deliveries starting this fall. You might wonder what happens if we do not get awarded the new grant, well, no worries, orders can be cancelled. Someone out there will be more than willing to buy the items so the suppliers won't penalize us for a cancellation. With that said, I have a lot of faith in our new application being awarded, but we have to wait to see as there were a lot of applications and only so much money to go around.

Last quarter we had our second virtual Annual Meeting and electronic vote. I was extremely happy with how everything worked. Voting electronically has certainly fixed the problem of getting a quorum. I am happy to report that we had 536 ballots cast. This gives all of our members the opportunity to have a say in the election and bylaws changes if any. The major voting spikes were centered on the day's right after emails were sent to our members with their voting credentials. The opening day of voting, Sunday, February 20 we had 57% of our quorum met because members with valid emails on file received the information via email. The hard copy letters didn't start reaching people until the next day. On March 4, another email reminder went out which caused another spike. In recent years we have really struggled to get our required 5% quorum. We exceeded the quorum on day three of our three week voting window. We will continue to ask members to update their email addresses throughout the upcoming year so more efficiencies can be achieved. The virtual meeting was held Saturday, March 12. Our experience with the first two virtual meetings and electronic voting has set the stage for future years. The savings to the company is about \$19,000 having it virtually vs. face to face. Definitely a win win for shareholders as this cost savings will go to the bottom line which is then allocated to our member's patronage accounts. The meeting was live streamed and recorded for later playback. We had one grand prize winner who won a year of free internet credit and we gave away 100- \$20 bill credits. The incumbent directors were uncontested so each will serve an additional three years. The directors who were up for re-election were: Bennie Young, Hatton Exchange, Doug Lensing, Rhineland Exchange, and Scott Whalen, At-Large Northern Exchanges.

In April each year, we normally travel to Washington DC to meet with our congressional leaders. In 2020, that trip was cancelled due to Covid. In 2021, the face to face meetings were still not allowed due to Covid, but we were able to meet with congressional leaders and staff virtually. In 2022, hill visits were scheduled, but our biggest fight this year is at the State level. In February, I and several other small company representatives went to our state capitol to meet with as many congressional members as possible. Our message focused on Broadband in the state and how the new monies coming down from the federal government should be handled. There is so much money allocated for Broadband and we are starting to see a lot of fraud. If you recall Kingdom participated in a Federal Auction called RDOF. In that auction we were bidding in a reverse auction. A reverse auction means the lowest bidder gets the money to build internet.

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We lost to a wireless carrier who had never provided more than a 25/3 mbps service and won in a gigabit (1,000 mbps) auction. It was bad enough that this company had absolutely no experience providing that level of service, but they were allowed to apply for a USDA Reconnect 3 grant this year for the exact same area they have already won money to build. That is so unfair to companies like Kingdom who bid in the auction based on our anticipated costs and were willing to build the area for the dollars won. This is just one example of fraud in these awards, so our focus with the state is to make sure duplication of awards cannot happen with the grant dollars they will be awarding. We also are fighting for experience and accountability to be part of the rules. Where there is money there will be bad players, we have to fight to try to disqualify those bad players before they get the chance to cheat. I have been in the industry for 23 years. When I started the journey, I would never have imagined how much I would have to lobby for our company's interests. As much as I hate politics, it is a big part of our world in this industry. In politics, most of the time, the people writing the rules don't understand how to achieve their desired goals. If we don't get involved to help educate them on the ideas and potential issues associated, it would be total chaos.

In other news, Kingdom awarded two college scholarships this year. These students had to submit an application, a 500-800 word essay on *"How your life would be affected if you didn't have access to the Internet?"* In addition, they collected two letters of recommendations, and submitted 7 semesters of transcripts to the selection committee. We had six submissions and awarded \$1,000 scholarships to Hiram Poehlman, son of Burt and Keri Poehlman in the Big Spring exchange and Payton Olsson, grandson of Kenny and Janet Hudson, in the Auxvasse exchange. Hiram plans to attend college at East Central College and Payton has been accepted to Westminster College. Congratulations to both and we hope they keep up the hard work!

In addition, we try to send two students to Washington DC each year on the FRS Washington Youth Tour. For over twenty years, Kingdom has joined the FRS in providing a forum for teens to interact with their peers from other rural communities as well as key legislative, regulatory and government figures. Visits to famous historical sites, including the Lincoln Memorial, the U.S. Capitol, Mount Vernon and Arlington National Cemetery, will round out the tour. This year with Covid, there were vaccination requirements for students attending, which seemed to have an effect on our applications. We only had one student apply and he definitely is a well deserving young man. We were happy to award Aidan Heaney, son of Matthew and Katie Heaney, in the Rhineland exchange, the trip to Washington DC in June.

One last thing before I go, in mid-April we hired a new employee, Sarah Sims, who will be our Public Relations Associate for our company. Sarah will be finding and attending as many community events as possible as well as making up a few of her own. When you meet her, please help us to welcome her to our family. Hopefully we will be seeing you out and about at these community events too, but until then: enjoy your summer and keep your families safe and healthy!

## Lifeline Assistance

### LOW INCOME OR DISABLED? STRETCH YOUR COMMUNICATION DOLLARS WITH LIFELINE

#### The Lifeline Program

Eligible low-income and disabled consumers can receive up to \$24.00 in reductions on their bill as a credit against monthly charges. The disabled service program is only available for voice subscribers. The lifeline service program discount is based on both voice and broadband subscribers.

There is a federal lifeline discount available in the amount of \$9.25 for broadband only lines with a speed of 25 Mbps (down)/3 Mbps (up) or higher.

#### Eligibility

To qualify for Low-Income Lifeline in Missouri, you must participate in one of the following programs: MO HealthNet (f/k/a Medicaid), Supplemental Nutrition Assistance (SNAP), Supplemental Security Income (SSI), Federal Public Housing Assistance (FPHA), Veterans Pension and Survivors Benefit Program or have household income at or below 135% of the Federal Poverty Guidelines.

To qualify for the Disabled Lifeline in Missouri, you must participate in one of the following programs: Federal Social Security Disability Benefits, Veterans Administration Disability Benefits, State Blind Pension, and State Aid to Blind Persons or State Supplemental Disability Assistance.

#### The Benefits

Qualifying consumers will receive a discount on home phone service, which includes voice grade access to the public switched network, single-party service, access to emergency services, access to operator services, access to inter-exchange service, access to directory assistance, and voluntary total toll blocking, which prevents the placement of any long distance calls OR a service bundle of home phone service and broadband internet.

For further details, call to speak with a Customer Service Representative or visit our website at [kingdomtelco.com](http://kingdomtelco.com)