



Paul Bunyan Telephone

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notice of annual meeting

54TH ANNUAL MEETING OF
PAUL BUNYAN RURAL
TELEPHONE COOPERATIVE

Wednesday, May 26th, 2010

Paul Bunyan Telephone Headquarters
Bemidji, Minnesota

BUSINESS MEETING

3:30 pm

COOPERATIVE CELEBRATION

4:30 - 7:30 pm

annual report 2010

2009 annual meeting minutes

Minutes from The 53rd Annual Meeting of the members of Paul Bunyan Rural Telephone Cooperative.

The meeting was called to order at 3:30 pm on May 27th, 2009 by President Kathy Peterson who presided as Chairman throughout the meeting. President Peterson announced that a quorum was present with 70 members in attendance.

Reverend Randy Reimer, of Kabekona Community Church, gave the invocation.

Gary Eklund acted as Secretary throughout the meeting.

A motion was made, seconded and carried to dispense with the reading of the minutes of the last annual meeting.

A motion was made, seconded and carried to dispense with the reading of the official notice and proof of mailing.

President Peterson presented the report of the President.

The President introduced the directors.

The Annual Financial Report was given by Chief Financial Officer Dave Schultz. A motion was made, seconded and carried to accept the financial report.

The Manager's Report was given by Paul Freude.

President Peterson called for unfinished business, there was none.

The President called for new business, there was none.

Attorney Sheldon McRae announced the results of the Director election, as follows:

DISTRICT 4:

Jim Tarbell	2,037 votes
Other	0 votes

DISTRICT 5:

Bruce Blanchard	1,258 votes
Randy Frisk	1,564 votes

There being no further business to come before the meeting, on motion made, seconded, and carried the meeting adjourned.



Paul Freude
CEO/General Manager

2009: a year in review

It was a year of change and progress in 2009 for your cooperative. We made amazing strides towards becoming one of the first regions in the country to have an all fiber optic network and thousands of more members gained access to our new advanced television services. It also saw the end of an era as the Deer River Office was sold.

The fiber to the home project is the single largest that our cooperative has ever undertaken. The task is to replace the copper cable remaining in the rural areas of our original service territory with fiber optics. This will enable us to deliver higher broadband Internet speeds along with television services like Digital Video Recorder (DVR), On-Demand, and High-Definition (HD). I am pleased to report we are making great progress. Over 75% of our members already have access to these services. In 2009, members in Becida, Northome, and Kelliher saw fiber to the home construction. 2010 construction will be done in Deer River, Squaw Lake, and Laporte and then in 2011 it will reach Puposky, Solway, and Turtle River. If all goes according to plan, 100% of the work in our original service territory will be completed within the next 2-3 years.

While more members gained access to PBTv HD and PBTv On Demand, the services were also improved in 2009. PBTv HD now includes over 25 HD channels and PBTv On Demand has added more movies to the library along with free content from the Outdoor Channel, A&E, and the History Channel. You can expect even more additions to these service offerings in 2010!

“ we made amazing strides towards becoming one of the first regions in the country to have an all fiber-optic network ”

Another major accomplishment that was achieved was the transition from high speed to Broadband Internet service. Thanks to the upgrades mentioned above, we were able to increase the Internet speeds you can receive. Speeds up to 25 Mbps are available and our base service now starts at speeds up to 10 Mbps which is 10 times faster than the previous high-speed Internet service provided.

The year was very rewarding but it also saw the end of an era. The cooperative accepted an offer from the Deer River Cooperative Credit Union to purchase our Deer River office. As a result, the office was closed on November 13 and the staff was transferred to our office in Grand Rapids. While the office may be closed, the history of the telephone office in Deer River will live on through our web site www.paulbunyan.net. You can see pictures and the chronological timeline of the office in the cooperative section.

In closing, I would like to personally thank you for your patronage and support. It is what drives your cooperative and makes all of our progress possible. Thank you!

updates to HD, DVR, and On-Demand continue

The work to bring Digital Video Recorder (DVR), On Demand, and a more robust, affordable high-definition (HD) service to customers continues.

As we have explained in previous articles, we are in the conversion process to deliver PBTv services using Internet Protocol (IP) technology. Due to the size of our service area (over 4,500 square miles) and the time it takes to convert each location, we cannot provide these services to all locations immediately. Like high-speed Internet service and regular PBTv service before, we will have to rollout these advanced services over the course of a few years.

While over 75% of PBTv subscribers can now get access to these advanced television services, it is difficult to state in a single article who can receive them because their availability is specific to each location. If you are interested in finding out if PBTv HD, DVR, and/or On Demand services are available to your location, please contact one of our offices.

Most rural areas do not have access to even a basic cable television option, satellite TV is the only option. The plan is in place have all PBTv subscribers gaining access to IPTv services by 2012, making our region one of the first in the nation to accomplish such a feat.

For the vast majority of those locations that do not have access to the services today our cooperative will need to replace the current copper network in your neighborhood and up to your house with a fiber optic network. As you can imagine, this construction work takes time. Here are our current construction plans:

2010 CONSTRUCTION SEASON

Laporte, Deer River, Squaw Lake/Inger/Wirt exchanges will see fiber optic network replacement and IPTv services available by the summer of 2011.

2011 CONSTRUCTION SEASON

Solway, Puposky and Turtle River exchanges will see fiber optic network replacement with IPTv services available by the summer of 2012.

It is important to note there are many factors involved with construction that are beyond our control. Every effort will be made to complete the construction as planned but we cannot guarantee that these plans won't be altered or delayed.

Your cooperative is committed to providing the latest in telephone, Internet, and television services. We will continue to upgrade our network to make HD, DVR, and On Demand available to as many locations as possible, as quickly as possible. We appreciate your patience as this work continues.

employees

MANAGEMENT

**Chief Executive Officer
& General Manager**
Paul Freude

Chief Operating Officer
Gary Johnson

Chief Financial Officer
Dave Schultz

**Outside Plant Engineering
& Construction Manager**
Greg Carlson

Plant Operations Manager
Rob St. Clair

**Outside Plant
Operations Manager**
Bryan Marsh

Administrative Assistant
Elaine Iverson

CENTRAL OFFICE

Daryl Bjerke
James Novak
Cheryl Pauly
Derek Willis

MAINTENANCE

Pat Dockendorf
Bruce Simenson

TEMP STAFF

Drew Gauwitz
Ryan Jensen
Mackenzie Kaplan
Hanna Lord

CUSTOMER SERVICE

Pat Berglund
Wendy Britton
Loni Casper
Margaret Charles
Dawn Drotts
Karen Gaasvig
Tia Graham
Melinda Hall
Becky Haskell
Charles Hildebrandt
Mary Jane Knapp
Liz Meade
Jenny Miller
Lisa Neary
Michael Negron
Stacey Nelson
Jeanne Noehring
Kelly Okerlund
Gail Pederson
Jennifer Pochardt
Shawn Sauer
Terri Schaubhut
Bernie Schwindt
Jacky Severts
Jolene Silk
Micha Smith
Tiffany Spoons
Roni Sturk
Jen Tomlinson
Christie Turn
Kalsie Vanasse

ENGINEERING

Chris Battista
Patti Church
Andy Fisher
Brian Mustonen
Matt Proulx
Sharon Swanson
Ron "Jr." Vold

OUTSIDE PLANT

Kent Aker
Tog Anderson
Jeremy Arlt
Darren Bock
Duane Bode
Kyle Christianson
Dwight Crandall
George Daigle
Tiffany Falk
Casey Fering
Brett Folland
Randy Garrigan
Mike Gregg
Thane Jansen
Tim Karas
Dale Kriske
Trent Larson
Nate Lien
Ryan Maher
Tadd McFarren
Patrick Mullan
John Nistler
Chris Oelrich
Ryan Otting
Ted Rutherford
Danny Samson
Gary Storlie
Wayne Vredenburg

ACCOUNTING & HUMAN RESOURCES

Jackie Bergerson
Terri Crews
Jon Danker
Julie Geerdes
Sharon Larson
Rob Noren
Crystal Peterson
Amanda Sande-Smith
Bonnie Wichern

DATA & VIDEO SERVICES

Leo Anderson
Angie Berg
Lisa Geerdes
Heather Hanson
John Hartly
Grant Hicok
Steve Howard
Keith Hunt
Maria Kuechle
Crystal Mattfield
Nate Nolting
Brandon Odegard
Carly Page
Josh Quint
Andy Ramberg
Beau Seeger
Loren Scramstad
Stacy Trask
Daniel Walden
Kevin Warne
Justin Whirley

MARKETING

Brian Bissonette
Don Dale
Kari Gregg
Jen Johnson
Bob Lindberg
Derek Rolle
Lorie Sathre

DISPATCH

Tammy Eidenschink
Deanna Heuer
Corina Pafko
Mike Plotts
Meggen Solheim
Alison Voss

scholarships

Paul Bunyan Telephone reinforces the importance of education by donating \$1000 scholarships to area high schools.

We would like to congratulate all the students who were awarded scholarships during the 2008-2009 school year. In addition, the cooperative contributes to scholarships at Bemidji State University, Northwest Technical College, Itasca Community College, Oak Hills Christian College and Red Lake Nation College.

BEMIDJI

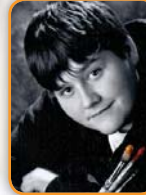
LUCAS FELTS



KADIE KERN



DANIEL SWENSON



BIGFORK

JOSEPH JACOBSON



SARAH ROOKS



BRANDON KLUG



BLACKDUCK

DEER RIVER

PATRICK EVANS



NIKKI JONES



GRAND RAPIDS

CHLOE PITTS



PATRICK RICHIE



INT'L FALLS

BREANNE FRIEND



LAPORTE

JENNA SEEGMILLER



TIMOTHY DAGGET



KELLIHER

CODY LOSSING



KAYLA VOLLHABER



RED LAKE

LISA BUTCHER



ROB PEMBERTON JR.

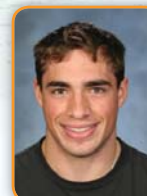


WALKER

LEXI BARBER



TAYLOR KNIGHT



CASS LAKE/BENA

ELIZABETH MCKENZIE (no photo)

NORTHOME

JENNIFER LINDER (no photo)

DONALD MAGGERT (no photo)

TANNER PINK (no photo)

statement of nondiscrimination

Paul Bunyan Rural Telephone Cooperative is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provision of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Paul Freude, CEO & General Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice or TDD). Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Paul Bunyan Rural Telephone Cooperative, an Equal Opportunity Employer.



mission statement

Paul Bunyan Rural Telephone Cooperative is committed to meeting the needs and expectations of our members and other customers by providing quality innovative communications services.

We commit ourselves to caring, cooperation and respect in our relations with members, customers, employees and our communities.

We strive to enhance the quality of life in our service area by accepting a leadership role in rural communications and economic development projects.

We operate in the highest tradition of the cooperative philosophy, as stated in our by-laws, while providing for the financial well-being of the cooperative and its members.

service area and directors



GARY EKLUND
SECRETARY

DISTRICT 1
Kelliher
Northome



KATHY PETERSON
PRESIDENT

DISTRICT 3
Inger-Wirt
Squaw Lake



JIM TARBELL
VICE PRESIDENT

DISTRICT 4
Deer River
Cohasset
Grand Rapids



RANDY FRISK

DISTRICT 5
Bemidji
Laporte
Lake George



VERNON CLARK

DISTRICT 6
Ponemah
Redby
Red Lake



BRUCE CAMPBELL

DISTRICT 7
Bemidji
Solway



JIM SUTTON

DISTRICT 8
City of Bemidji



TIM HINS
TREASURER

DISTRICT 9
Puposky
Turtle River
Cass Lake