

Official Notice

89th Annual Meeting

of Callaway Electric Cooperative Members



Saturday, February 1, 2025
at Callaway Electric Cooperative
1313 Cooperative Dr | Fulton

A Look Back and a Vision Forward: Celebrating 2024 and Preparing for the Future

As we prepare to host another annual meeting and begin a new year, we want to express our gratitude for your membership and support of Callaway Electric Cooperative. Our cooperative's strength lies in our members' commitment and engagement, and 2024 has been a testament to what we can accomplish together. From enhancing reliability and fostering growth to navigating challenges and embracing new opportunities, it's been a year of progress and resilience.

Prioritizing Reliable Power

One of the standout achievements this year has been our reliability. Thanks to targeted investments and operational improvements, our outage time for 2024 averaged just 79.3 minutes per member. This marks a significant improvement over our five-year average of 122.2 minutes and highlights the effectiveness of our right-of-way clearing and pole testing programs.

By combining mechanical clearing with low-volume spraying, we've reduced labor costs and extended the benefits of these efforts, ensuring a more reliable system for years to come. Our biennial survey results showed that members rank reliability as their No. 1 priority for electric service, and we're proud to maintain and exceed the level of service you expect from your locally owned electric cooperative.

We experienced peak energy demand in January 2024 during extreme weather. It was the second all-time peak on record for our system – and we were able to serve our members with reliable power.

The cornerstone of providing reliable power during all types of weather and seasons is having always-available power generation to effectively serve members. In 2024, the Environmental Protection Agency (EPA) announced proposed power plant rules that would shut down always-available affordable and reliable generation, make it harder to build new plants,

put a strain on the electric grid, and increase the risk of rolling blackouts. We worked with electric cooperatives in Missouri and across the country to send letters to Congress urging them to stop the EPA's proposed rules, which would have detrimental impacts on families and communities. We thank our members who also took the time this summer to

contact their elected officials on this critical issue.

Celebrating Growth and Innovation

Callaway Electric Cooperative's commitment to reliability ensures we have the power our members need today and into the future. In 2024, we supported commercial expansion within our service area, helping businesses manage increased electric loads. A new substation, set to come on line this year, will enhance efficiency and support future growth. These efforts reflect our focus on being prepared to successfully navigate future challenges and opportunities.

On the technology front, we've continued to invest in software enhancements that improve operational efficiency and member services. These upgrades streamline everything from outage response to billing, ensuring we remain at the forefront of innovation.

Adapting to Challenges

As a not-for-profit cooperative, we're committed to providing safe, reliable and affordable electricity. We take pride in mitigating rate increases through efficient resource management and solutions that take upward pressure off rates. However, rising costs – from materials and labor to fuel and insurance – have posed challenges this year.

Our power supplier, Associated Electric Cooperative Inc., is implementing a 4% increase in wholesale power costs for 2025 and forecasts rates will likely continue to increase. These rising costs led Callaway Electric Cooperative's board to approve a 7% revenue increase for 2025, which will affect all member classes, including residential and commercial. However, this does not mean a flat 7% rate hike. For the average residential member using 1,200 kilowatt-hours per month, this translates to a 4.6% increase – right at \$10 per month. We're not in business to make a profit, so we only pass along rate changes when they are absolutely necessary.

We understand rate changes are never easy, and we're here to help with energy efficiency programs, budget billing and personalized advice to reduce energy usage.

Supporting Members Through Technology

One way we can reduce pressure on rates is through the continued growth of our broadband subsidiary, Callabyte Technology. The revenue generated by Callabyte helps to offset and potentially reduce the impacts of any necessary rate increases. In 2023, we celebrated surpassing 10,000 subscribers. This year, we've added 12% more services, expanding our service area into Southern Boone County and



DAVID J. MEANS,
President



THOMAS W. HOWARD,
CEO/General Manager

PRIORITIZING RELIABLE POWER

Thanks to targeted investments and operational improvements, our outage time for 2024 averaged just **79.3 minutes per member.**

 **99.98%**
Reliability Rate

bringing us to more than 11,000 subscribers. These numbers reflect the strong support and trust you – our members – have placed in us. It’s also a reminder of the tangible benefits that Callabyte brings to the cooperative. We are grateful for the immediate value Callabyte provides to all co-op members.

This year, we also hosted “Streaming 101” classes to help members transition as Callabyte’s TV service winds down in February. More than 200 individuals attended these sessions, gaining insight into the vast array of streaming options available through our high-speed internet service. While saying goodbye to our TV service is bittersweet, the shift underscores the versatility and power of the broadband connectivity we’re proud to offer. And with the launch of 4 Gbps internet service across all areas, we’re positioned to meet your family’s diverse broadband needs.

We will celebrate Callabyte’s 10th anniversary this year, and we’re reminded of how far we’ve come. From connecting our first fiber subscriber in 2015 to serving more than 11,000 subscribers today, Callabyte has transformed how members can connect, communicate and leverage technology.

The Power of Mutual Aid

One of the most inspiring moments of 2024 was our participation in mutual aid efforts following Hurricane Helene. Our crew’s dedication to helping other cooperatives restore power embodies the cooperative spirit. These efforts highlight the strength of the cooperative network and demonstrate our unwavering commitment to reliability – both at home and beyond.

Looking Ahead

Our vision for the future remains rooted in the cooperative principles that guide us. We’ll continue to prioritize reliability, affordability and service while embracing new opportunities to enhance the value we provide. Whether investing in infrastructure or finding innovative ways to manage costs, we’re committed to building a brighter future for all members.

Thank you for being a part of Callaway Electric Cooperative. Your engagement and support fuel our mission and inspire us to do better every day. Here’s to another year of progress and partnership – together, we’ll power the future.



DAVID J. MEANS
President



THOMAS W. HOWARD
CEO/General Manager

Official Notice

Callaway Electric Cooperative’s

89th Annual Membership Meeting

Saturday, February 1, 2025

at Callaway Electric Cooperative,
1313 Cooperative Dr, Fulton

The 89th Annual Membership Meeting of Callaway Electric Cooperative, hereinafter referred to as “Cooperative”, will be held at the Cooperative’s office located at 1313 Cooperative Drive in Fulton, Missouri, on February 1, 2025, beginning at 12:30 p.m., for the purpose of acting upon the following:

- 1 The determination of a quorum and reports of officers, directors, and management.
- 2 The approval of minutes of 2024 Membership Meeting and acceptance of Treasurer’s report.
- 3 The election of three (3) directors for a term of three (3) years each.

In accordance with the bylaws of the Cooperative, a duly appointed committee has nominated the following members as candidates for directors to be voted upon at the February 1, 2025 Annual Membership Meeting as stated above:

District 1 - Wesley Zerr | Travis Graves

District 2 - David Guerrant | Steven Moak

District 3 - Anita Ruga | Jamie Barton

The official report of the nominating committee is posted at the office of the Cooperative, as directed by the Cooperative’s bylaws.

- 4 Consideration of three (3) proposed bylaw amendments.
- 5 Any other business which may properly come before the meeting.

Members must attend the meeting in person to register, cast their vote, and be eligible for the registration gift and attendance awards.



GARNETT G. GARRETT,
Secretary



join us
FEB 1

Meeting Registration

opens at 10:30 a.m.

Voting for Director Election

open from 10:30 a.m.-12:25 p.m.

Lunch of Lee’s Fried Chicken

served from 11 a.m.-12:15 p.m.

Business Meeting

convenes at 12:30 p.m.

★★★ SECOND COOPERATIVE PRINCIPLE ★★★

DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

224 MILLION
total kWhs of energy used by CEC members

13,530
Meters Served



6.1
meters per mile of line



2,175 MILES
of electric lines on the CEC system

\$1.5 MILLION
capital credits returned to CEC members in 2024



1,243
avg monthly residential kWh usage



53
full time employees



201 THOUSAND
Hours of No Lost Time Accidents



\$11.7 THOUSAND
donated by CEC members/ Callabyte Subs to Operation Roundup in 2024



Consolidated Financial Report

OPERATING REPORT

	AUDITED 2022	AUDITED 2023	UNAUDITED 2024
Operating Revenue			
Electric Sales Revenue	\$ 31,503,762	\$ 32,685,868	\$ 34,057,937
Subsidiary Revenue	\$ 10,117,789	\$ 11,230,550	\$ 11,916,255
Other Revenue	\$ 31,449	\$ 38,161	\$ 28,150
Total Operating Revenue	\$ 41,653,000	\$ 43,954,579	\$ 46,002,342
Operating Expenses			
Cost of Purchased Power	\$ 14,137,581	\$ 14,430,815	\$ 15,704,240
Cost of Subsidiary Revenue	\$ 5,237,796	\$ 5,203,442	\$ 2,407,736
Operating, Maintenance, & Other Expenses	\$ 12,044,562	\$ 13,428,509	\$ 14,073,975
Depreciation of Plant	\$ 3,959,540	\$ 4,114,839	\$ 6,597,229
Interest on LT Debt (CoBank & CFC)	\$ 4,296,724	\$ 4,813,895	\$ 5,277,568
Total Operating Expenses	\$ 39,676,203	\$ 41,991,500	\$ 44,060,748
Operating Margins	\$ 1,976,797	\$ 1,963,079	\$ 1,941,594
Non-Operating Margins			
Interest and Dividend Income	\$ 96,429	\$ 399,681	\$ 831,455
Patronage Capital Allocations (Central Electric Power Coop, CoBank, CFC, etc.)	\$ 696,108	\$ 1,343,401	\$ 1,025,315
Gain on Sale of Subsidiary	\$ -	\$ -	\$ -
Total Net Operating Margins	\$ 2,769,334	\$ 3,706,161	\$ 3,798,364
Total Taxable Allocation	\$ 1,856,903	\$ 1,044,094	

BALANCE SHEET

	AUDITED 2022	AUDITED 2023	UNAUDITED 2024
Assets (What We Own)			
Current Assets			
Cash	\$ 6,238,199	\$ 3,910,015	\$ 9,030,387
Accounts Receivable	\$ 4,609,653	\$ 4,451,312	\$ 3,328,169
Note Receivable	\$ -	\$ -	\$ -
Materials on Hand	\$ 183,933	\$ 1,642,305	\$ 1,924,265
Prepayments	\$ 209,552	\$ 338,780	\$ 204,121
Total Current Assets	\$ 11,241,337	\$ 10,342,412	\$ 14,486,943
Other Assets			
Total Plant in Service	\$ 169,516,007	\$ 181,386,006	\$ 196,503,205
Less Accumulated Depreciation	\$ (35,693,353)	\$ (40,745,977)	\$ (46,441,725)
Investments in Associated Companies (Central Electric Power Coop, CoBank, CFC, etc.)	\$ 15,103,736	\$ 15,854,215	\$ 16,919,027
Deferred Expenses	\$ 440,105	\$ 1,216,495	\$ 937,601
Other Assets	\$ 2,000,000	\$ 1,275,778	\$ -
Total Assets	\$ 162,607,832	\$ 169,328,929	\$ 182,405,051
Liabilities (What We Owe)			
Current Liabilities			
Current Portion of Long-Term Debt	\$ 3,719,194	\$ 8,245,469	\$ 4,137,084
Accounts Payable	\$ 2,412,361	\$ 3,032,533	\$ 3,408,691
Customer Deposits	\$ 870,580	\$ 903,211	\$ 920,925
Other Current Liabilities	\$ 2,745,377	\$ 4,267,000	\$ 5,021,877
Total Current Liabilities	\$ 9,747,512	\$ 16,448,213	\$ 13,488,577
Other Liabilities			
Long Term Debt	\$ 105,021,317	\$ 102,526,818	\$ 117,944,801
Deferred Revenues & Other Liabilities	\$ 3,360,260	\$ 3,437,495	\$ 2,186,312
Total Liabilities	\$ 118,129,089	\$ 122,412,526	\$ 133,619,690
Member's Equity (Our Net Worth)			
Memberships	\$ 56,315	\$ 56,885	\$ 57,235
Patronage Capital	\$ 43,466,050	\$ 46,015,393	\$ 48,409,255
Other Equities	\$ 956,378	\$ 844,125	\$ 318,870
Total Liabilities & Member's Equity	\$ 162,607,832	\$ 169,328,929	\$ 182,405,051

Financial Report cont'd

As we look back on 2024, Callaway Electric Cooperative, and its subsidiaries, continued to face the same inflationary pressures. Material costs continued rising and interest rates remain higher.

Financially, we saw continued progress at all levels of the cooperative in 2024. Electric revenues increased \$1,372,069 or 4.1% from 2023. Our subsidiaries continued to grow in 2024, with increased revenues of \$685,705, up 6.1% from 2023. Callabyte is still driving this growth, as the need for in-home broadband internet service remains essential. Management continues to work hard to minimize overhead costs in the challenging supply chain and labor environment. For 2024, consolidated Net Operating Margins are projected to be \$3,798,364. This is an increase of \$92,203 over 2023. Additional details can be seen in the financials presented.

The cooperative continues to invest in capital improvements to 1) enhance the quality and reliable electric service to the membership and 2) expand our fiber optic network

to our members and into areas which provide an economic benefit to the membership. In 2024, these investments originated from a combination of margins, federal & state grants, and long-term debt financing. During 2024, total debt increased \$11,300,000. This includes new debt of approximately \$15,100,000 with \$3,800,000 of outstanding debt retired in 2024. Electric system improvements account for \$5,200,000 of the new debt total, with Callabyte projects accounting for the balance.

Please review the Consolidated Financial Report. This is our opportunity to share the Cooperative's financial information with our members as we move into 2025.



LISE M. FULLER,
Manager of Finance & Accounting



Independent Auditor's Report

Board of Directors
Callaway Electric Cooperative and Subsidiary
Fulton, Missouri

Opinion

We have audited the consolidated financial statements of Callaway Electric Cooperative (the Cooperative) and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Cooperative and its subsidiary as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Cooperative and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cooperative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information (Not Subjected to Audit Procedures)

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS, LLP | Kansas City, Missouri | May 1, 2024

Proposed Bylaw Amendments

Amendment #1 would require director candidates to have resided within the CEC service area for no less than 24 months.

In accordance with Article XII of the Callaway Electric Cooperative Bylaws, the following Amendments to the Bylaws are being submitted by the Board of Directors for consideration and action at the Annual Meeting of Members to be held on February 1, 2025. Additions to current language in the Bylaws appears as underlined text.

Proposed bylaw amendment #1: ARTICLE IV. SECTION 3. QUALIFICATIONS. (*EXPLANATION: This proposed amendment will require a director candidate to have resided within the Cooperative's service area for no less than 24 months.*)

To be eligible to become or remain a Director of the Cooperative any such person must:

(a) not have had their membership in the Cooperative terminated, be a bona fide resident of the geographical area served by the Cooperative for at least twenty-four (24) months prior to becoming a director; and currently use the Cooperative's electric service at his principal place of abode;

(b) not be in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative.

(c) have the capacity to enter into legally binding contracts;

(d) not have had their electric service disconnected for non-payment of a debt owed to the Cooperative during such director's term of office and within thirty-six months prior to becoming a director;

(e) not be a close relative of an employee of the Cooperative or any subsidiary thereof;

(f) not be an applicant for employment with the Cooperative;

(g) not have been convicted of, pled guilty to or entered a plea of no contest to a felony crime;

(h) not be an employee of the Cooperative or any subsidiary thereof or have been employed by the Cooperative or any subsidiary thereof during a period of thirty-six months prior to becoming a director;

(i) not be engaged in a personal relationship with a fellow director or an employee of the Cooperative or any subsidiary thereof that could, in the sole judgment of the Board of Directors, interfere with the Director's independent judgment, disrupt or negatively impact the workplace, undermine members' confidence in the operations of the Cooperative, or reasonably create the appearance of a conflict of interest;

(j) disclose all monetary and in-kind contributions and direct or indirect expenditures by the director candidate, from third-parties or other outside sources in support of, the member's campaign for election or re-election to the Board.

The Board of Directors shall establish a policy setting forth rules and deadlines for reporting campaign contributions and expenditures consistent with this provision; and

(k) once elected, not receive any money, financial benefits or contributions of any kind from any third-party or outside source related to their service as a director of the Cooperative.

The term "close relative" as used in these bylaws shall mean a spouse, child, stepchild, father, stepfather, father-in-law, mother, stepmother, mother-in-law, brother, stepbrother, half-brother, brother-in-law, sister, stepsister, half-sister, sister-in-law, son-in-law, daughter-in-law and any persons cohabitating within the same household. An individual qualified and elected, designated, or appointed to a position does not become a close relative as defined herein while serving in the position because of a marriage or legal action to which the individual was not a party. This bylaw section will not apply to close relatives as defined above of any employee employed full-time by the Cooperative as of February 2, 2013.

Upon establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, the Board of Directors shall, by a majority vote of the remaining Directors, disqualify the non-compliant Director who shall thereafter no longer be a Director. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meetings of the Board of Directors.

Proposed bylaw amendment #2: ARTICLE IV. SECTION 4. NOMINATIONS. (*EXPLANATION: This proposed amendment will require a director candidate by petition to provide the same information to the Cooperative and membership as candidates selected by the Nominating Committee.*)

It shall be the duty of the Board of Directors to appoint, not less than forty-five days nor more than one hundred twenty days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different sections so as to insure equitable representation. No member of the Board of Directors may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principle office of the Cooperative at least fifty days before the meeting a list of nominations for

Amendment #2 would require director candidates by petition to provide the same information as candidates selected by the Nominating Committee.

directors which shall include a greater number of candidates than are to be elected. Any fifteen or more members acting together may make other nominations by petition not less than forty-five days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by Committee is posted. **Any candidate by petition must timely provide the same information to the Cooperative as required of candidates selected by the committee on nominations.** The notice of the meeting shall contain a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and the nominations made by petition, if any. No member may nominate more than one candidate.

Proposed bylaw amendment #3: ARTICLE VII. SECTION 3. DISPOSITION OF CAPITAL CREDIT. (EXPLANATION: The proposed amending language would allow the Cooperative to recover, by early retirement of capital credits on a discounted basis, all debts owed to the Cooperative by a terminated membership.)

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative, shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part; provided, however, no such capital shall be retired in violation of any agreement, note or deed of trust made by Cooperative or in violation of any law. The Board of Directors shall determine the method, basis, priority, an order of retirement, if any, for all amounts heretofore furnished as capital. The Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year; (b) provide for separate identification in the Cooperative's financial records of such portions of capital credited to the Cooperative's patrons; and (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts. Capital credited to the account of each patron shall be assignable only on the books

Amendment #3 would allow CEC to recover all debts owed to CEC by a terminated membership by early retirement of that membership's capital credits on a discounted basis.

of the Cooperative pursuant to written instruction from the assignor unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Any patron, who is a natural person, may prior to death, and acting under policies of general application set by the Board of Directors, execute a non-probate Transfer on Death designation for retirement of all unretired capital credited to the account of such patron as of the date of death prior to the time such capital would otherwise be retired and payment of such capital to the designated beneficiary or beneficiaries upon such terms and conditions as the Board of Directors and the patron shall agree upon.

Notwithstanding any other provisions of these bylaws, the Board of Directors, in the absence of an effective non-probate Transfer on Death designation, shall at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Notwithstanding any other provisions of these bylaws, upon the occurrence of a terminated membership owing to the Cooperative an uncollectable debt subject to write-off, the Board of Directors may in its discretion, in addition to all other legal remedies available at law or equity, satisfy such debt or a portion thereof by retiring the capital credited to any such membership prior to the time such capital would otherwise be retired under the provisions of these bylaws, on a discounted present value basis, using as a ratio multiplier such percentage as shall be determined by the Board of Directors and acting under policies of general application; provided however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Minutes of the 2024 Annual Meeting

The 88th Annual Meeting of Callaway Electric Cooperative, hereinafter referred to as “Cooperative”, was held at the Cooperative’s headquarter facilities in Fulton, Missouri on Saturday, February 3, 2023.

Registration of members began at 10:00 a.m. Starting at 11:00 a.m. lunch was served by Lee’s Famous Recipe Chicken.

David J. Means, President of the Cooperative called the meeting to order at 12:30 p.m.

The invocation was given by Bruce Williamson. At this time, the members said in unison the Pledge of Allegiance followed by a presentation of the National Anthem.

President Means introduced the Board of Directors, which were all present. He also introduced CEO/General Manager Thomas Howard and Cooperative Attorney Andrew Sporleder.

The Cooperative has a total of 11,377 members and 134 members are required to meet a quorum. President Means reported that 414 members were present in person, there were no proxies, and that a quorum was present for the transaction of business.

President Means appointed Cooperative Attorney Andrew Sporleder as Parliamentarian over the meeting.

President Means noted that the members’ presence indicated receipt of the Annual Meeting notice and proof of due publication thereof.

President Means then asked Secretary Garnett Garrett to come forward and review the unapproved minutes of the 2023 Annual Meeting.

Secretary Garrett called for the reading of the unapproved minutes of the meeting held February 4, 2023. A motion was made and seconded to dispense with the reading of the minutes and to approve them as mailed. Motion carried.

President Means asked Treasurer Patrick McKenna to come forward and give the Treasurer’s Report. Treasurer McKenna called for the reading of the unapproved Treasurer’s report. A motion was made and seconded to accept the Treasurer’s report as mailed in the official notice of the meeting. Motion carried.

President Means then asked Cooperative Attorney Sporleder to conduct the election of directors.

Attorney Sporleder explained that in accordance with the bylaws, a committee on nominations had been selected, had met and made its report. Attorney Sporleder read the nominating committee report, which indicated the following had been nominated for a term of three years:

District 1 - Patrick J. McKenna | Mona M. Prater
District 2 - David J. Means | Lane Tiffany
District 3 - Garnett G. Garrett | Jason Gleeson

Attorney Sporleder announced the Secretary had informed him that no nominations by written petition had been submitted.

Attorney Sporleder directed the members to cast their votes for directors via electronic ballot facilitated by personnel from the Association of Missouri Electric Cooperatives (AMEC).

Attorney Sporleder then conducted the voting on the proposed bylaw amendment. Attorney Sporleder read the proposed bylaw amendment along with an explanation. Attorney Sporleder called for any questions regarding the proposed bylaw amendment. After a question and answer session, Attorney Sporleder directed the members to cast their vote for or against the proposed bylaw amendment via electronic ballot.

The following persons were appointed to serve as inspectors of the election: Robert Maddox, Cindy Harris and Loretta McKeller.

Attorney Andrew Sporleder along with the election judges retired to count the ballots.

CEO/General Manager Thomas Howard introduced special guests which included 10th District State Senator Travis Fitzwater; 49th District State Representative Jim Schulte; from the Callaway County Sheriff’s Deputy Sermano; Callaway County Treasurer Debbie Zerr; Public Administrator Karen Digh Allen, Callaway County Chamber of Commerce Director Tamara Tateosian; and Holts Summit Mayor Landon Oxley. Guests from cooperative related organizations included Associated Electric Cooperative’s Harrison Waters and Skyler Easterling; Association of Missouri Electric Cooperative’s CEO Caleb Jones and Manager of Member Services Nikki Roach; Boone Electric Cooperative’s CEO/General Manager Todd Culley; Central Missouri Electric Cooperative’s Manager Brian Jacobi; Consolidated Electric Cooperative’s Manager Lynn Thompson and Three Rivers Electric Cooperative’s Communications Specialist Lorie Kiso. Retired board member Linus Rothermich and retired employee Danny Rose were also introduced, and current employees of the Cooperative were recognized.

CEO/General Manager Thomas Howard then introduced Lieutenant Governor Mike Kehoe who came forward and addressed the crowd.

President Means then gave a brief President’s Report which included challenges with proposed regulations in Washington D.C., a safety achievement one year of no loss time accidents by Callaway Electric employees and Callabyte Technology surpassing 10,000 subscribers.

President Means then introduced CEO/General Manager Thomas Howard and asked him to give the CEO/General Manager’s Report.

CEO/General Manager Howard thanked the members for attending a gave a recap of 2023 weather related events as well as, 2024 Winter Storm Gerri and AECI’s efforts to keep the lights on. A 2024 rate increase was discussed along with the success of Callabyte Technology.

Cooperative Attorney Sporleder returned and announced the election results as certified by the election judges and AMEC:

Patrick McKenna, David J. Means and Garnett G. Garrett had been duly elected to serve as directors for a term of three years each or until their successors were duly elected and qualified, with the report of judges of election as follows:

District 1 - Patrick McKenna	256	Mona M. Prater	107
District 2 - David J. Means	309	Lane Tiffany	57
District 3 - Garnett G. Garrett	284	Jason Gleeson	73

Attorney Sporleder also announced that the proposed bylaw amendment was passed by the membership, with the report of the inspector of election being as follows:

Bylaw Amendment -		
Change to Article IV. Section 3.	YES 323	NO 26

Attorney Sporleder called for unfinished business. There was none.

Attorney Sporleder called for new business. There was none.

After receiving a motion and a second to adjourn the meeting, and an affirmative majority vote on such motion, Attorney Sporleder adjourned the meeting at 1:25 p.m.

Manager of Member Services Clay Carroll then held a drawing of registered members to award fourteen certificates for free electricity.