

Pemiscot Dunklin Electric Cooperative Edition

— RURAL —
MISSOURI

86th Annual Meeting July 25, 2024



Get Involved! Join us at the Annual Meeting.

By Jamie Vaughn, PDEC General Manager



One of my favorite events is coming up on July 25, 2024, when Pemiscot-Dunklin Electric Cooperative will host our annual meeting for you, the members we proudly serve. I always look forward to this event because it's a great opportunity for me and our employees to talk with our members and hear what's on their minds.

We hope you'll join us for the annual meeting, which will take place at the new Co-operative Headquarters at 1240 Riggs Street in Kennett which is just off of the North By-Pass. The business meeting will also be live streamed via our Facebook page. <https://www.facebook.com/PemiscotDunklinElectricCooperative>. Whether you attend in person or online, we thank you in advance for getting involved because your participation means so much to us.

During the annual meeting, we'll share a few brief business updates on the status of the Cooperative, and we're also going to spend time catching up and talking with our members. There will also be a few bill credits given away to voting members. One \$250 bill credit and twenty \$50 bill credits will be given away. Be sure to pick up a goodie bag when you vote.

Spending time with you and hearing your take on our community's energy future is so important to us. In fact, it's essential because everything we do is shaped by the members of our community. As I'm sure you know, the energy industry is in the midst of massive change. Consumer needs and changing technology impact nearly every aspect of how we manage and deliver energy to local homes, schools and businesses.

As we navigate major changes in the coming years, we need to hear from you and your neighbors to inform our planning as we strive to meet the long-term needs of all Pemiscot-Dunklin Electric Cooperative members.

You have a say.

You may be wondering if your opinion really makes a difference, and yes, it does! Gaining guidance and perspective from our members and board helps set priorities for the co-op and guide future decisions. At our annual meeting, we raise issues for voting consideration by the general membership (that's everyone who pays for electric service from Pemiscot-Dunklin Electric Cooperative). Annual meeting is also a time for members to vote on the co-op's board of directors.

Our board of directors is comprised of nine members who live and work right here in our local service area, so they are in the best position to know where community investments are most needed. And by the way, we hope you'll consider running for the board in the future – we're always looking for folks who care about our community who would be willing to serve.

Your electric bill is an investment in our community.

This local input means those closest to the community know its needs and priorities and help direct where co-ops dollars are spent. Every year, we invest funds to make updates to our local system, which helps maintain reliability and grid resilience. Think of it this way: every time you pay your electric bill, you're actually investing in your community because all the money we take in stays here in the local community. By making these investments in our local system, we can ensure you have reliable power for everyday life.

Most consumers likely don't equate active involvement with their electric company with helping their community. But Pemiscot-Dunklin Electric Cooperative is not an ordinary utility company. We're a co-op, and our business model is meant to serve the members and the community in which it operates.

Our core purpose and mission are to provide safe, reliable and affordable power. But as a co-op, we're also motivated by service to our community, rather than profits. We hope you'll exercise the benefits of your co-op membership and join us for the annual meeting on July 25, 2024. We look forward to seeing you!

**ANNUAL MEETING NOTICE
2024 ANNUAL MEMBERSHIP MEETING**

Pemiscot-Dunklin Electric Cooperative will conduct its **Annual Membership Meeting on July 25, 2024, at the Cooperative Headquarters Building at 1240 Riggs Street in Kennett, Missouri**, for the following purposes:

1. To hear the reports of the Cooperative for the previous year, and to approve the notices of the meeting and the minutes from the 2023 meeting.
2. To elect three directors, one from each district, to serve for a term of three years. The candidates are:

Candidates nominated by the Nominating Committee:

CANDIDATES NAME	DISTRICT
Justin Rone	One
Steve Worrell	Two
Steve Droke	Three

Candidates nominated by Petition:

CANDIDATES NAME	DISTRICT
Justin Rone	One
Steve Worrell	Two
Steve Droke	Three

3. To approve by-law changes to Article VII titled Non-Profit Operation related to Patronage Capital.
4. Any other business that may come before the meeting.

The reports and by-law changes are published in the July special edition of the Rural Missouri magazine and on the website at www.pdec.coop/annualmeeting. Print copies will also be available at the Cooperative Headquarters at 1240 Riggs Street in Kennett, Missouri during normal business hours.

Members may vote at the Cooperative Headquarters via drive-thru from 7 am until 1 pm. Members may also vote inside the Cooperative Headquarters Building from 10 am until 1 pm. Directions to voting locations will be provided upon arrival. All voting closes at 1 pm and election results will be posted afterward on the Cooperative's website and Facebook page.

The business meeting will begin at 11 am in the Cooperative Headquarters building and will be broadcast on the Cooperative's Facebook page, YouTube channel, and PD Fiber's Local 95 channel.

Bill Cunningham, Secretary-Treasurer

**86th Annual Membership Meeting Agenda
July 25, 2024, at 11 am
ORDER OF BUSINESS**

- Call to Order.....Johnny Dalton, Moderator
- Determination of quorum, reading and approval of notice and proof of publication of notice of meeting, and reading and approval of minutes of previous meetings.....Johnny Dalton
- Report of President.....Justin Rone
- Report of Secretary-Treasurer.....Bill Cunningham
- Report of PDEC General Manager.....Jamie Vaughn
- Report of PD Fiber General Manager.....Jack Davis
- Unfinished Business.....Johnny Dalton
- New Business.....Johnny Dalton
- Announcement of Election Results.....Johnny Dalton
- Adjournment

VOTING PROCEDURE FOR THE 2024 PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE ANNUAL MEMBERSHIP MEETING

Members may vote at the Cooperative Headquarters via drive-thru from 7 am until 1 pm. Members may also vote inside the Cooperative Headquarters Building from 10 am until 1 pm. There will be two tents set up: one for registration, one for voting. See map below for traffic flow.

Members are invited to attend the business portion at 11 am inside. Directions to parking and the business meeting location will be provided upon arrival.

There will be a designated campaign area for candidates and their representatives. See map for location of the designated campaign area. Candidates and their representatives must remain at least 20 feet away from vehicles in line to vote.

PRIZES

Vote during the annual meeting to be entered for a chance to win electric bill credits.

One member will win \$250

Twenty members will win \$50

MINUTES OF ANNUAL MEETING OF THE MEMBERS OF PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE

MEMBERS' FINANCIAL REPORT
as of December 31, 2023

DATE OF MEETING: Thursday, July 27, 2023

BALANCE SHEET

The Members of the Pemiscot-Dunklin Electric Cooperative met for their annual meeting on the above date at 11:00 o'clock p.m. at the American Legion Building in Kennett, Missouri. John Hall Dalton, Jr., General Counsel for the Cooperative, presided at the meeting and Bill Cunningham, Secretary-Treasurer for the Cooperative, kept the minutes.

1. OFFICER REPORTS.

The Membership received the following reports:
President's Report: by Justin Rone
Treasurer's Report: by Bill Cunningham
General Manager's Report: by Jamie Vaughn
PD Fiber General Manager's Report: by Jack Davis

2. ELECTION RESULTS.

Director elections were conducted by drive-through, using electronic tablets. Representatives of the Association of Missouri Electric Cooperatives ("AMEC") oversaw the voting process and compiled the results. Mandi Evans, AMEC Member Services/Grassroots Coordinator, certified, and Mr. Dalton reported the following results:

A. Board of Director elections:

District No.	Nominee	Votes Received
I	Keith Jones	161
II	Greg Harris	176
	Alvin Wilbanks	13
III	Greg Gibson	169

The membership elected Keith Jones Director for District I, Greg Harris Director for District II, and Greg Gibson Director for District III. The Directors shall serve for a term of three years and afterward until election and qualification of their successors.

B. Approval of 2023 Meeting Notice:

Yes: 155 No: 3

C. Approval of Mailing of 2023 Meeting Notice:

Yes: 146 No: 13

D. 2022 Annual Meeting Minutes Approval:

Yes: 156 No: 0

3. OLD BUSINESS: None

4. NEW BUSINESS: None

5. ADJOURNMENT. The meeting adjourned at 11:15 p.m.

Assets (What We Own)

Electric and Fiber Plant, less depreciation...\$84,836,848
Investments in Affiliated Organizations.....11,927,933
Other Investments.....417,391
Cash -General and Operating.....720,298
Accounts Receivable.....2,521,231
Materials and Supplies.....2,806,483
Prepayments and Other Current Assets.....285,370
Deferred Charges and Other Assets.....86,032
Total Assets.....\$103,601,586

Liabilities (What We Owe)

Net Long-term Obligations to RUS.....\$ 22,870,842
Net Long-term Obligations to Others.....29,352,075
Current Obligations of Long-term Debt.....2,807,350
Accounts Payable.....1,839,551
Accrued Expenses.....874,306
Consumer Deposits.....701,129
Other Current Liabilities.....1,337,745
Post Retirement Obligations.....379,381
Deferred Credits.....66,091
Total Liabilities and Equities.....\$ 60,228,470

Member Equities (Our Net Worth)

Patronage Capital.....\$ 43,221,628
Other Equities.....151,488
Total Member Equities.....43,373,116
Total Liabilities and Equities.....\$103,601,586

STATEMENT OF OPERATIONS

Revenue and Expenses:

Operating Revenues.....\$ 27,426,602
Cost of Purchased Power.....10,797,540
Cost of Purchased Services.....1,502,010
Distribution and Customer Service.....4,008,152
Administration and General.....3,486,866
Depreciation and Other.....3,638,835
Interest on Long-term Debt.....2,498,885
Operating Margins.....\$ 1,494,314

Non-Operating Margins.....\$ 662,758
G & T and Other Capital Credits.....1,192,199
Income Taxes.....(418,349)
Net Margins.....\$ 2,930,922

Total Miles of Line.....1,257
Total Electric Consumers.....8,602
Consumers Served per mile.....6.84
kWh Sold During the Year.....160,732,545
Average Cost of Purchased Power (cents).....6.19



Pemiscot Dunklin Electric Cooperative

Directors:

Justin Rone, President
Keith Jones, V. Pres.
Bill Cunningham, Sec/Treas

Danny Glass
Greg Gibson
Steve Droke

Greg Harris
Steve Worrell
Ray Van Carver

Jamie Vaughn: General Manager

86th Annual Meeting

July 25, 2024

Pemiscot-Dunklin Electric Cooperative

Members may vote at the Cooperative Headquarters via drive-thru from 7 am until 1 pm. Members may also vote inside the Cooperative Headquarters Building from 10 am until 1 pm. Directions to voting locations will be provided upon arrival. All voting closes at 1 pm and election results will be posted afterward on the Cooperative’s website and Facebook page.



The Business Meeting will be live-streamed through the PDEC Facebook page. More details of the live-stream can be found at our website <https://www.pdec.coop/annualmeeting>

Pemiscot-Dunklin Electric Cooperative’s 2024 annual meeting has been set for July 25. In order to comply with RUS regulations, portions of our bylaws explaining the annual meeting and director nominations must be published.

ARTICLE III Annual Meeting

The annual meeting of the members shall be held at such time and place within the area served by the Cooperative, as shall be selected by the board of directors and which shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the same responsibility of the board of directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual

meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

ARTICLE IV Directors

Section 4. Nominations

It shall be the duty of the board of directors to appoint, not less than twenty-five days nor more than ninety days before the date of the 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 principal of geographical representation, shall prepare and post at the principal office of the Cooperative at least thirty

(30) days before the meeting a list of nominations for directors which may 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 thirty (30) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least seven (7) days before the date of the meeting, 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 also the nominations made by petition, if any.

**Pemiscot-Dunklin Electric Cooperative
Proposed Amendments to Article VII of Cooperative Bylaws**

**ARTICLE VII
NOT-FOR-PROFIT OPERATION**

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall operate on a cooperative not-for-profit basis for the mutual benefit of its members. The Cooperative shall not pay interest or dividends on any capital furnished by its members.

Section 2. Patronage Capital Concerning the Furnishing of Electric, Fiber and Other Services.

The Cooperative shall conduct its operations so that when Cooperative members purchase services from the Cooperative they also furnish capital for the Cooperative. The patronage capital system encourages member consumption of Cooperative services and supports the Cooperative's non-profit status.

A. Members' capital accounts. The Cooperative shall establish a capital account for each member. The Cooperative shall account for all amounts received and receivable from the furnishing of electric service, fiber optic service, or other services, on a patronage basis. The Cooperative shall declare capital credits equal to the Cooperative's net margin from its patronage-sourced business done with or for its members, computed taking into account paragraphs B and D of this Section 2. When the Cooperative computes net margin and determines whether a member is doing business with the Cooperative, the Cooperative shall take into account the business the member does with a disregarded entity owned by the Cooperative. The definition of "disregarded entity" shall be as defined by applicable income tax law. The Cooperative shall deem all amounts received from members that exceed operating costs and expenses to be capital. The Cooperative shall credit to each member's capital account all such amounts that exceed operating costs and expenses on a pro-rated, patronage basis.

B. Allocation of Capital Credits. The Cooperative's Board of Directors shall have complete discretion and authority to determine the Cooperative's net margin from its patronage-sourced business done with or for its members, including:

- (1) Whether the net margin is computed on an aggregate basis, treating the provision of electric service, fiber optic services or other services as a single allocation pool;
- (2) Whether the net margin is computed on a separate basis, treating the provision of electric service, fiber optic services or other services as different allocation pools;
- (3) How to allocate the net margin among members, including whether to base the allocation on volume, value of patronage, or other factors;
- (4) If applicable, the allocation of expenses among the electric service pool, fiber optic service pool, or the pools of other services

C. Fiscal-year-end capital account reconciliation. The Cooperative shall maintain the capital credit accounts so that each member's capital account reflects the amount of capital contributed by the member during each fiscal year. Within a reasonable time after the end of each fiscal year, the Cooperative shall notify each member of the amount of capital credited to the member's account.

D. Receipts from other sources. All other amounts the Cooperative receives from its operations in excess of costs and expenses, to the extent permitted by law, shall be (1) used to offset any losses incurred during the current or any prior fiscal year, and (2) to the extent not needed to offset such losses, allocated to the Cooperative's members on a patronage basis and included as part of the capital credited to the members' capital accounts.

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**Pemiscot-Dunklin Electric Cooperative
Proposed Amendments to Article VII of Cooperative Bylaws**

(Continued)

E. Retirement of capital credits. If the Cooperative is dissolved or liquidated, after payment of all outstanding indebtedness of the Cooperative, the Cooperative shall retire outstanding capital credits, without priority, on a pro rata basis, before making any payments to members based on property rights. If at any time before dissolution or liquidation, the Cooperative's Board of Directors may retire the capital credited to member accounts in full or in part, if the payment of capital credits will not impair the Cooperative's financial condition. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for retirement of all capital credits.

F. Power supply capital credits. The Board shall also have the power to adopt rules authorizing the separate retirement of the "power supply portion" of member capital. The power supply portion shall correspond to capital credited to the Cooperative's account by the Cooperative's power supplier. The rules for authorizing retirement of the power supply portion of member capital shall (a) establish a method for determining the power supply portion of capital credited to each member for each applicable calendar year, (b) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to each member, (c) provide for appropriate notifications to members regarding the power supply portion of capital credited to their accounts, and (d) preclude a general retirement of the power supply portion of capital credited to members for any calendar year before the general retirement of other capital credits for any prior calendar year.

G. Assignment of capital credits. Members may only assign capital credits on the books of the Cooperative under written instructions from the assignor, attorney-in-fact, personal representative, or court order, unless the Board of Directors determines otherwise.

H. Organization and membership documents constitute a contract. By dealing with the Cooperative, members acknowledge that the terms of the Cooperative's Articles of Incorporation, Bylaws, and Membership Agreement constitute a contract between the Cooperative and the members, binding the Cooperative and members just as if they had signed a separate document containing the terms.

Section 3. Forfeiture of Capital Credits. Any member, former member, or other customer who fails to claim any capital credits, patronage refunds, utility deposits, membership fees or account balances within 2 years after the Cooperative makes payment of these items available, shall have made an irrevocable assignment and gift to the Cooperative of such unclaimed amounts. Upon the expiration of 2 years after the Cooperative makes payment of these items available, the Cooperative shall publish a single notice in a general circulation newspaper, published in the county of the member, former member or customer's last known address. The Cooperative may also publish an advertisement in such newspaper directing the claimant of such property to the Cooperative's website or other internet location for such notice. The notice shall state the name of the owner, former owner or customer, the approximate amount, and type of ownership interest, and shall include a statement that if the amount is not claimed within 60 days of the notice date, the amount shall be deemed to be assigned and donated to the Cooperative.

Section 4. Accelerated retirement. The Cooperative's Board of Directors may set policies that allow accelerated retirement of capital credits to former members, or to the successors of a deceased member or deceased former member, if such retirement does not impair the Cooperative's financial condition.

Section 5. Transfer on Death. Any member or joint members may designate a Transfer on Death ("TOD") beneficiary of capital credits to any person(s) designated on their Membership Application or other transfer on death documents that meet the requirements of Missouri Revised Statutes, Chapter 461, otherwise known as the "Nonprobate Transfers Law," or its successor statutes.

**Pemiscot Dunklin Electric Cooperative
Annual Meeting drive-thru voting**

**1240 Riggs St
Kennett, MO 63857**

Donnie's custom
tee's & koozies
Screen printing shop

Calvary Chapel Kennett

Pemiscot-Dunklin
Elect Co-Op

Voting

Registration

Entrance

Parking for
Meeting

