



# Missoula Electric Cooperative Inc.

Your Touchstone Energy® Cooperative



## Putting the *You* in Utility

MISSOULA ELECTRIC COOPERATIVE, INC.

### Trustees:

**Ray Cebulski,**  
*President*

677-2280, District #5,  
Seeley Lake

**Tom Alsaker,**  
*Vice President*

543-8801, District #2,  
Big Flat

**Douglas Bardwell,**  
*Secretary – Treasurer*  
626-5252, District #7,  
Huson

**Chuck Drinville,** 825-4101  
District #4, Clinton

**Terry Hoke,** 728-6221  
District #1, El-Mar

**Sharon Jacobsen,**  
793-5686  
District #6, Ovando

**Harry LaFriniere,**  
777-3307  
District #3, Florence

### Bill Payment:

#### Online:

www.missoulaelectric.com

#### Mail:

1700 W. Broadway  
Missoula, MT 59808

### Offices:

#### Office Locations:

Missoula — 1700 W.  
Broadway

#### Office Hours:

Monday-Friday  
8 a.m. - 5 p.m.

#### Report Outages:

406-541-4433 or  
1-800-352-5200

**Interim General Manager**  
*Larry Nelson*

## Interim Manager's Report — *By Larry Nelson*

### Annual Meeting coming your way

In 2008 the Missoula Electric Cooperative's electrical plant increased from \$65.7 million to \$68.4 million, an increase of \$2.7 million dollars.

Most of these dollars were spent on highway relocations, pole change outs, transmission upgrades and new services.

In FY 2008, the Cooperative added 280 new services for a total of 13,925 electrical services.

When a utilities load grows by adding new consumers, upgrades have to be made to existing facilities. In some cases, depending on growth, transmission lines need to be upgraded or extended. Distribution substations may also need larger transformers and equipment. Distribution feeders also need to be upgraded with larger conductors, new lines extended and all the

while the rest of the plant needs to be maintained. To add to the expense of doing all those things, the cost of equipment, transformers and power line material has also increased dramatically.

The net result is that your Cooperative has become and will remain a big business in this area.

As a Member/owner of Missoula Electric Cooperative, you have the obligation of electing members to serve on the Board of Trustees, who in turn govern the Cooperative and represent your ownership interest in this business.

On March 21st the Cooperative's Annual Meeting will be held at the University of Montana, UC Ballroom where the Board of Trustees and Cooperative officials will report to the Members on the ongoing operation of the Co-op.

Trustees, who must reside

in their district, will be elected from district (1) one and (3) three for a three-year term and you must reside in that district in order to vote for your trustee. Members may mail in ballots or vote at the Annual Meeting.

There is also a proposed By-Law change (see below) that will be offered to the membership, which all Members are eligible to vote on.

The Annual Meeting of Members is your opportunity to learn more about your Cooperative and become an active owner in this big business.

We hope to see you at the Annual Meeting; your attendance is important to us and even more important for your Cooperative.



### Proposed By-Law change:

#### Article IV, Section 4. Trustee Districts.

The territory served by the Cooperative shall be divided into seven districts. ~~each of which shall contain as nearly as possible the same number of members.~~ "The Board of Trustees will define the boundaries of each district and shall strive to maintain geographical compactness." Each district shall be repre-

~~ented by one trustee. Not less than sixty (60) days before any meeting of the members at which trustees are to be elected, the Board of Trustees shall review the composition of the several districts and, if it should be found that inequalities in representation have developed which can be corrected by a re-delineation of districts, the Board of Trustees~~

~~shall reconstitute the districts so that each shall contain as nearly as possible the same number of members.~~

JUSTIFICATION FOR CHANGE: This is a Board proposed By-law change and will eliminate the costly annual expenses associated with reviewing and reconstituting Cooperative trustee districts.

**Official Notice  
of the**



**Missoula  
Electric  
Cooperative inc.**

**73rd Annual Meeting**

<b>Date:</b>	<b>Saturday, March 21, 2009</b>
<b>Registration:</b>	<b>9 a.m. - 11 a.m.</b>
<b>Meeting Begins:</b>	<b>11 a.m.</b>
<b>Site:</b>	<b>University of Montana, UC Ballroom</b>
<b>Address:</b>	<b>32 Campus Drive, Missoula, Montana 59812</b>

**Election of Trustees for Districts #1 and #3**  
**GRAND PRIZE: \$500 MEC Power Certificate**  
**\$20 Meal Coupon per Membership at Registration**  
**Door Prizes**

**Agenda 2009 Annual Meeting**

<b>Registration:</b> 9 a.m. - 11 a.m.	IEP Recipients
<b>Call to Order:</b> 11 a.m.	Scholarship Winners
<b>Determination of a Quorum</b>	Youth to Washington
<b>Reading of the Notice of the Meeting</b>	<b>Door Prizes</b>
<b>Flag Ceremony</b>	<b>Election of Trustees Results:</b>
<b>Invocation</b>	District #1
<b>Pledge of Allegiance</b>	District #3
<b>National Anthem</b>	<b>Unfinished Business</b>
<b>Welcome &amp; Introductions</b>	<b>New Business</b>
<b>Reading of the 2008 Annual Meeting Minutes</b>	<b>Door Prizes</b>
<b>Auditor's Report:</b> Summers & McNea P.C.	<b>Grand Prize</b>
<b>President's Report:</b> Raymond Cebulski	\$500 MEC Power Certificate
<b>Manager's Report:</b> Mark Hayden	<b>Adjournment</b>
<b>Education Assistance Programs:</b>	Board of Trustees and General Manager will be available for discussion.
Triple E Recipients	

**Terry W. Hoke - District 1**



My name is Terry Hoke and I have served as your Trustee since 1989. I have obtained my NRECA Director's Certificate and Advanced Credentialed Director's Certificate. I currently represent the interests of your Cooperative as Trustee on the Board of the Western Montana Generating and Transmission Cooperative and serve that organization

in the capacity of Secretary - Treasurer.  
 My platform includes:

- Providing a quality work environment for all employees
- Increasing reliability through plant improvements
- Maintaining reasonable rates
- Improving financial stability
- Paying Capital Credits

I am presently on the Board's Policy & Bylaws Committee, Finance Committee and Audit Committee and have served as Facilitator for Board planning sessions. I would certainly like to continue to serve you on the Board of Trustees and would very much appreciate your vote.  
 Thank you.

**Donald V. Snavelly - District 1**



I am 61 years old and a practicing attorney in Missoula. I was born and raised in Illinois, and attended college in Illinois and law school at Arizona State University. I am married and have four adult children. I have practiced law in Montana since 1979. The primary focus of my practice is real estate. I also own

and manage commercial real estate. My primary goals as trustee of MEC would be twofold. First, I would ensure that electricity is provided to members at the most economical rates possible, consistent with maintaining competitive wages and benefits for the employees and the company infrastructure and equipment in

good order. Second, I would promote the development of alternative energy sources. This includes encouraging member programs to develop their own electricity, with the excess being sold to MEC under terms which protect the financial stability of the company.

**Charles Jerke - District 3**



I am Charles Jerke, Member-owner District 3. My wife and I own a classic car restoration business in Florence. We've resided in Florence for the last 15 years. My claim to fame is that I am a professional Santa Claus. I started a literacy program, giving out books

to children K-5 in all the public schools in the Bitterroot Valley. Another part of the program buys clothes for families in need. I am a board member of Pantry Partners, the food bank in Stevensville. In these tough economic times we need to check out all our options to make the

right decisions. I am open to all new ideas from members of the co-op, and would like to hear any concerns you have. If you elect me to be trustee I will do my best to represent all members of the cooperative.  
 Thank you for your vote and support.

**Harry A. LaFriniere - District 3**



I am the incumbent Trustee for District #3. I was born and raised in Missoula and attended Missoula schools. I have been a Member/Consumer for over 40 years and a Board member for over 20 years. I have served all offices on the Board and currently serve on the EEE Committee and the Annual Meeting Committee.

I was instrumental in establishing the program giving a 50 percent reduction in residential electric charges to members of the Cooperative while serving in Hostile War Zones as members of our Armed Forces. My goals remain:

- to keep respectful communication lines open between Members, Board

and Employees

- to work toward improving our facilities to reliably serve our members
- to keep our Cooperative financially stable, maintaining low rates

I have enjoyed the interaction and friendships formed while serving you.  
 YOUR VOTE FOR ME IN THIS ELECTION WILL BE APPRECIATED.

# Balance Sheet

Missoula Electric Cooperative, Inc. — As of August 31, 2008

<b>Assets</b>	<b>Liabilities and Equities</b>
<b>Utility Plant:</b>	<b>Margins &amp; Equity:</b>
Utility Plant in Service	Patronage Capital
\$66,449,349	\$16,434,520
Construction in Progress	Other Equity
<u>1,943,545</u>	<u>500,000</u>
Total Utility Plant	<b>Total Margins &amp; Equities</b>
68,392,894	<b>16,934,520</b>
Less Accumulated Depreciation	
<u>(22,842,371)</u>	
<b>Net Utility Plant</b>	<b>Long-Term Debt</b>
<b>45,550,523</b>	<b><u>31,640,498</u></b>
<b>Other Property &amp; Investments:</b>	<b>Current &amp; Accrued Liabilities</b>
Investments in Assoc. Organizations	Accounts Payable
3,826,366	1,794,501
Notes Receivable - Economic Development	Current Portion of Long-Term Debt
12,500	1,256,954
Deferred Charges	Notes Payable
<u>94,054</u>	-
<b>Total Other</b>	Consumer Deposits
<b>3,932,920</b>	218,474
<b>Current Assets:</b>	Other Current & Accrued Liabilities
Cash	1,102,679
1,671,652	Other Deferred Liabilities
Accounts Receivable	<u>1,287,347</u>
1,132,964	<b>Total Current &amp; Accrued Liabilities</b>
Materials and Supplies	<b>5,659,955</b>
1,751,115	
Other Current Assets	<b>Total Liabilities &amp; Equities</b>
<u>195,799</u>	<b><u>\$54,234,973</u></b>
<b>Total Current Assets</b>	
<b>4,751,530</b>	
<b>Total Assets</b>	
<b><u>\$54,234,973</u></b>	

## Statement of Revenues & Patronage Capital

Missoula Electric Cooperative, Inc. — Fiscal year Ended August 31, 2008

<b>Operating Revenue:</b>	
Sales of Electric Energy	\$16,881,960
Less: Cost of Electricity	(6,053,022)
Patronage Capital Credits	53,903
<b>Net Operating Revenue</b>	<b>10,882,841</b>
<b>Operating Expenses:</b>	
Operations and Maintenance	4,019,680
Consumer Services	735,461
General and Administration	1,630,057
Depreciation and Amortization	2,008,869
Interest Expense	1,764,869
<b>Net Operating Expense</b>	<b>10,158,936</b>
<b>Net Operating Margin</b>	<b>723,905</b>
<b>Non-Operating Margins</b>	<b><u>98,241</u></b>
<b>Net Margin</b>	<b><u>\$ 822,146</u></b>

