

**The 72nd
Annual Meeting of
Farmers' Electric Cooperative**

June 8, 2010

**Gary Dickinson Performing Arts Center
Chillicothe, Missouri**



Ron Cornett
President
FEC Board

It's time to take care of business

The Annual Meeting is just around the corner. We hope you can make it and see what is happening with your cooperative.

There are lots of things going on today that are scary for all of us. The country's economic condition and rising unemployment make us uneasy. The national debt is growing at a rapid pace and the banking industry is wavering with several bank failures. Now health care changes are mandated by the passage of a new health care bill. What's next?

At our Annual Meeting we will talk about issues that will impact your cooperative for the next several years - rates, energy efficiency, and climate change legislation. These are

important topics that we have been writing about in recent issues of Rural Missouri, and we will continue to inform you on the latest developments on these topics in future issues. We will also ask for your help in contacting your legislators to keep EPA from using the Clean Air Act to regulate greenhouse gas emissions.

Please plan to attend our Annual Meeting June 8th. We think you'll have a good time and will hear some good news from your cooperative. More details on this meeting can be found in other areas of this magazine, as well as a list of some of the gifts and prizes that will be given away.

We look forward to seeing you there.



Mike Sanders
Farmers' Electric
CEO

Notice of Regular Meeting of Members of Farmers' Electric Cooperative

A regular meeting of the members of the above Cooperative will be held in the Gary Dickinson Performing Arts Theater, located at the Chillicothe High School, 2801 Hornet Drive, in Chillicothe, Missouri, at 7 o'clock p.m., Daylight Savings Time, on the 8th day of June, 2010, to take action upon the following matters:

1. The reports of Officers, Directors and Committees;
2. The election of one (1) Director of the Cooperative;
3. The election of a Committee on Nominations (one member from each of the seven (7) Cooperative districts);
4. Any resolutions presented to the meeting

by the Resolutions Committee appointed by the Board of Directors.

In connection with the election of the one (1) Director scheduled for this meeting, the following members have been nominated for Director by the Committee on Nominations elected by the membership present at the 2009 Annual Meeting, pursuant to the Bylaws: from District No. 6 - Ray Shields, 24331 Berry Drive, Meadville, Missouri.

No nominations were made by petition. Additional nominations for Directors may be made at the meeting, but any such nominees must be actual residents within the District for which a vacancy occurs. Nominees at this Annual Meeting must reside within the following District: District No. 6 - Linn County, Mis-

souri

Said regular meeting of the members of the Cooperative has been called by a resolution duly adopted by the Board of Directors of the Cooperative at the regular meeting of the Board of Directors held on the 25th day of June, 2009.

Any Member wishing to exercise their vote at the Annual Meeting by proxy may do so by making prior arrangements with the Cooperative office. The Cooperative Bylaws indicate that a Member may give his proxy to an adult relative living in the same house with such Member, and no person may hold more than one proxy at any meeting.

LeRoy Kern, Secretary

Dated: May 17, 2010

Regular Meeting of Members of Farmers' Electric Cooperative

A regular meeting of the members of Farmers' Electric Cooperative, Incorporated, was held at the Gary Dickinson Performing Arts Theater, located at the Chillicothe High School, 2801 Hornet Drive, in Chillicothe, Missouri, at 7 p.m. Daylight Savings Time, on the 9th day of June, 2009.

The meeting was called to order by Ronnie D. Cornett, President of the Cooperative, who presided, and LeRoy Kern, Secretary of the Cooperative, acted as Secretary of the meeting and kept the Minutes thereof.

The Secretary reported that the members present in person or by proxy had been checked and that there were 509 members present in person and 1 member present by proxy and that the names of those members present in person are attached hereto and made a part of these Minutes; said members present in person constituting a quorum of the members of the Cooperative.

The President gave a report of the progress of the Cooperative during the past year.

The Members waived a reading of the Notice of this meeting. Said notice together with proof of the due mailing thereof to all Members of the Cooperative, and such Notice and proof were ordered to be annexed to the Minutes of this meeting.

The Chairman then stated that the next order of business would be the election of three (3) Directors to take office on the 9th day of June, 2009, and to hold office until the annual meeting of the members to be held in 2012, or until their successors has been elected and qualified. The Chairman stated that, in accordance with the Bylaws, the members had, on the 10th day of June, 2008, at the annual meeting, elected a Committee on Nominations consisting of Kenneth

Lee, Dennis Farmer, James A. Waters, April Williams, Jr., Charlotte F. Miller, Judy Holcer and Dennis Widhalm. The Chairman then read the Report of the Committee on Nominations, nominating the following members for Director: Ronnie D. Cornett, of 19281 146th Street, Pattonsburg, Missouri; Warren Hoyt, 12744 LIV 430, Dawn, Missouri; Richard Anderson, 20396 County Road 240, Carrollton, Missouri. The Chairman stated that there were no members nominated by petition. The Report of the Committee on Nominations was ordered to be identified by the Secretary and annexed to the Minutes of this meeting.

The Chairman then called for additional nominations for Directors from the floor. After waiting for a period of more than two (2) minutes and there being no further nominations, the nominations were closed.

Pursuant to the Bylaws and upon motion duly made, seconded and unanimously carried, Ronnie D. Cornett, Warren Hoyt and Richard Anderson were elected as Directors of the Cooperative to take office on the 9th day of June 2009, and to hold office until the third succeeding annual meeting of the members to be held in 2012, or until his successor shall have been elected and qualified.

Michael L. Sanders, Executive Vice-President/CEO of the Cooperative, gave a report of the progress of the Cooperative during the past year. Various issues in connection with the operation of the cooperative were enumerated and discussed.

Steve Shoot, Vice-President of Marketing and Corporate Relations spoke about the Cooperative's Take Control & Save Program.

The Chairman then announced that it would be in order to nominate and elect a Committee on Nominations to serve for the ensuing year, and upon motion

duly made, seconded and carried, the following persons were elected to said Nominating Committee:

District 1 - Kenneth Lee; District 2 - Dennis Farmer; District 3 - James A. Waters; District 4 - April L. Williams, Jr.; District 5 - Charlotte F. Miller ; District 6 - Judy Holcer; and, District 7 - Dennis Widhalm

The Minutes of the regular meeting of the members of Farmers' Electric Cooperative, Incorporated, of June 10, 2008, were presented and on motion duly made and seconded said Minutes were unanimously approved.

The annual report of the Treasurer was presented as printed, and after a full discussion, on motion duly made and seconded, such report was approved and ordered to be filed in the records of the Cooperative.

Member Barbara Lame made the following Motion: The Cooperative form a committee to review the charges charged by the Cooperative for services such as line extensions, said Committee to be made up of Members and Board Members with the Committee to meet monthly and make a report to the Membership at the 2010 Annual Meeting.

The motion was seconded by Larry Warren. Thereupon a full discussion was had on the Motion and the Motion was put to a vote to the Membership present, and said Motion failed.

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

LeRoy Kern, Secretary

APPROVED:

Ronnie D. Cornett, President

R E V E N U E S	S Residential.....	\$17,280,829
	O Small Commercial.....	3,483,163
	U Large Commercial.....	4,478,197
	R Public Street and Highway Lighting.....	35,465
	C Sales to Public Authorities.....	146,826
	E Municipalities.....	241,100
	S Other Electric Revenue.....	214,751
	TOTAL	\$25,880,331
	V Purchased Power.....	\$15,492,694
	D Operations & Maintenance.....	3,300,847
	I Consumers Accounting Expense.....	542,592
	S Customer Service Expense.....	194,729
	B Sales Expense.....	208,422
	U General Office Salaries, Expenses.....	659,457
	N Special Services.....	30,124
R Maintenance of General Property.....	21,226	
S Other Administrative, General Expense.....	234,034	
E Depreciation.....	1,931,408	
M Interest Expense.....	2,333,160	
TOTAL	\$24,948,693	
N Margin for the Year	\$ 931,638	
T Income (Loss) from Equity Investments	(\$19,380)	
S Capital Credits Assigned From Associated Organizations, Interest	\$1,042,484	
Total Patronage Capital	\$1,954,742	

FEC BALANCE SHEET - As of December 31, 2009

WHAT WE OWN: What We Have	
Lines, Office Building, Warehouse and Operation Equipment.....	\$70,135,076
Less: Reserve for Depreciation.....	<u>\$10,929,521</u>
	\$59,205,555
Cash and Temporary Cash Investments.....	\$137,699
Investments in Associated Organizations.....	\$2,741,386
Receivables.....	\$3,988,433
Material and Supplies.....	\$299,806
Prepayments & Other Current Assets.....	\$587,876
Patronage Capital, Assigned by Assoc. Organizations.....	\$10,573,612
Deferred Debits.....	<u>\$560,385</u>
TOTAL OF WHAT WE HAVE	\$78,094,752
WHAT WE OWE: Long Term Debt	
To the Government.....	\$31,055,679
To CFC, N.W. Electric.....	\$16,418,941
To Consumers (Extra Deposits).....	\$307,825
To Suppliers and Others.....	\$901,904
To Power Supplier.....	\$1,404,371
Deferred Credits.....	\$253,775
Current Notes, Interest Due, Payable on Loans.....	<u>\$1,769,221</u>
TOTAL OF WHAT WE OWE:	\$52,111,716
OUR NET WORTH: Our Equity in Above Assets	
Membership Fees	\$256,219
Donated Capital	\$248,605
Patronage Capital and Other Equities	<u>\$25,478,212</u>
TOTAL NET WORTH	\$25,983,036
TOTAL OF WHAT WE OWE AND NET WORTH	\$78,094,752

FEC Data Bank

	<u>1999</u>	<u>2009</u>
Total Services in Place	13,948	14,784
Connected Services	11,832	12,883
Idle Services	2,116	1,901
Average Monthly kWh per Residential Customer	945	1,105
Average Monthly Bill per Residential Customer	\$76.17	\$122.03
Average Cost per kWh	\$0.0806	\$0.1104
Total kWh Purchased	213,864,300	293,869,390
Total kWh Sold	196,169,582	285,813,038
kWh Lost in Distribution	17,694,718	8,056,352
Percent of Loss	8.27%	2.74%
Total Cost of Power		
Purchased	\$7,138,700	\$15,492,694
Cost per kWh Purchased	\$0.0334	\$0.0527
Expenses per kWh Purchased	\$0.0621	\$0.0849
Expenses per kWh Sold	\$0.0677	\$0.0873
Miles of Power Line	3,768	3,757
Operating Revenue Per Mile of Power Line	\$3,568	\$6,889
Expenses Per Mile of Power Line	\$3,527	\$6,641
Investment in Plant		
Per Service	\$2,838	\$4,744
Density (Members)		
Per Mile	3.14	3.43

Sources of Each Dollar

Residential	\$17,280,829	67%
Small Commercial	\$ 3,483,163	13%
Large Commercial	\$ 4,478,197	17%
Sales to Public Authorities	\$ 146,826	1%
Municipalities	\$ 241,100	1%
Lighting and other Electric Revenues	<u>\$ 250,216</u>	<u>1%</u>
TOTAL	\$25,880,331	100%

Disbursement of Each Dollar

Power	\$15,492,694	60%
Operations & Maintenance	\$3,300,847	13%
Depreciation	\$1,931,408	7%
Other General Expense	\$1,890,584	7%
Interest	\$2,333,160	9%
Margins	<u>\$ 931,638</u>	<u>4%</u>
TOTAL	\$25,880,331	100%

Don't Forget Your
Registration Card
From This June Issue!

DON'T FORGET TO BRING THIS
REGISTRATION CARD JUNE 8!

Tuesday, June 8, 2010

At the Gary Dickinson
Performing Arts Center

Registration begins at 5:30 p.m. with the Annual
Meeting being called to order promptly at 7 p.m.

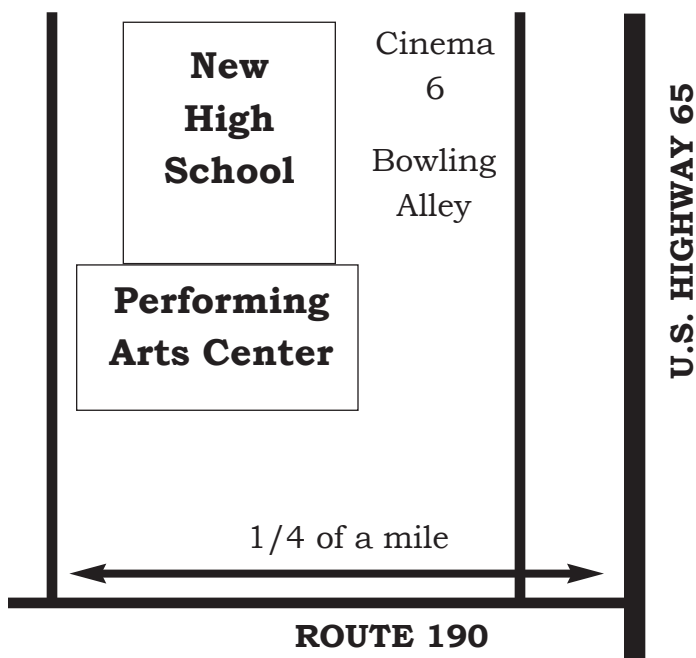


Farmers' Electric Cooperative
P.O. Box 680
Chillicothe, MO 64601

DON'T FORGET TO BRING YOUR REGISTRATION CARD!

Gary Dickinson Performing Arts Center will be the site
of Farmers' Electric's 72nd Annual Meeting June 8

EASY HIGHWAY ACCESS!



You Could Be The Lucky Grand Prize Winner!

- *Registration Gifts
- *Bucket & CFL Bulbs,
- *Energy Efficiency
- *Information Booths
- *Board Election
- *Kids Fun Zone

- *Drawing for Scooters
- *Bounce House
- *Face Painting
- *Touchstone Energy
- *Contractor Booths
- *Prize Drawings

Kids Fun Zone Rules!

Children three years of age and under and/or in diapers may not be left with the other children.

Children with special needs must have an adult who brings them and stays with them at all times.

If a child misbehaves they will be asked to leave and returned to the adult who brought them to the meeting.

Energy Efficiency Workshop begins at 5:30 p.m.
in the Gary Dickinson Performing Arts Center