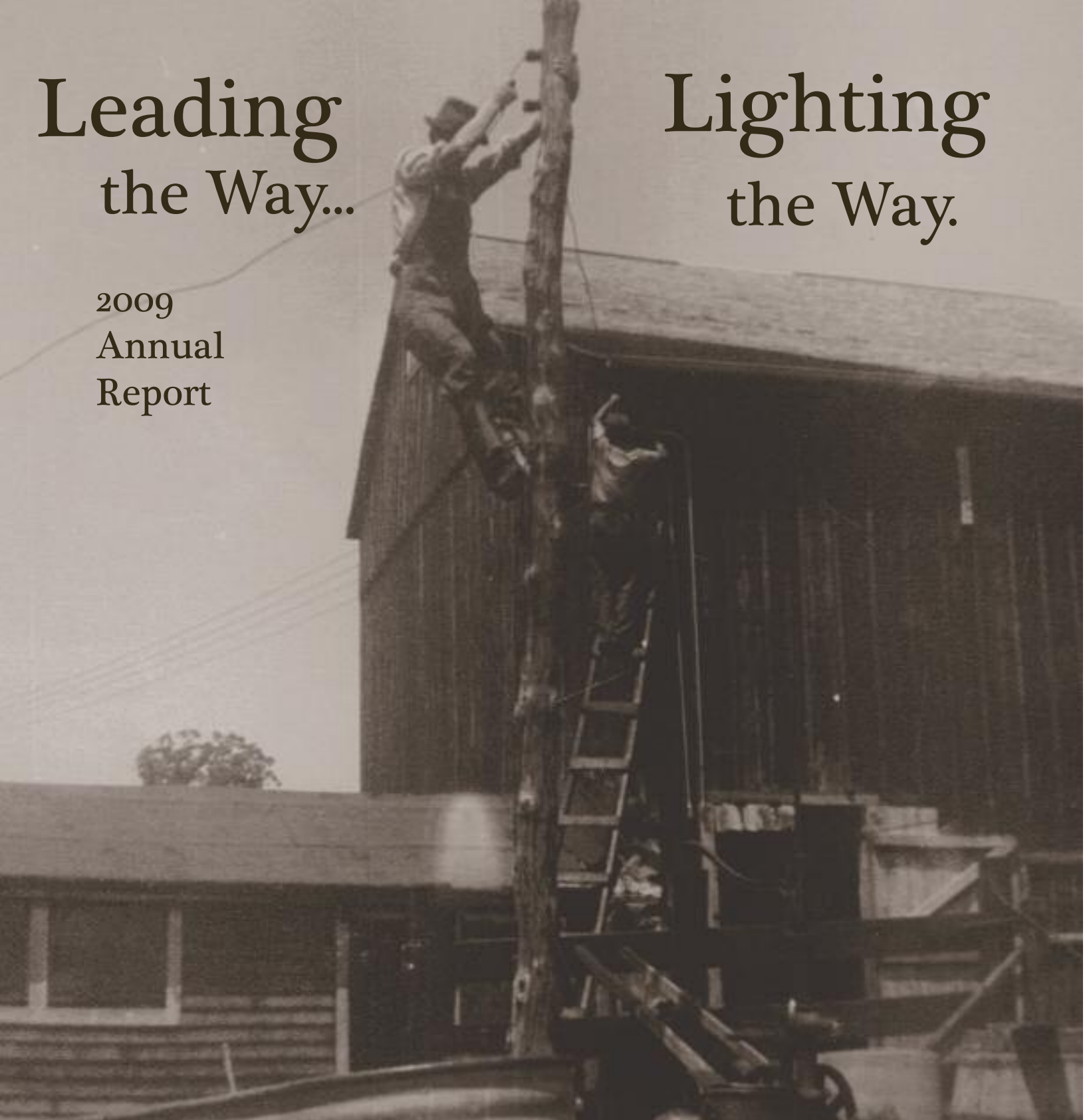


Leading the Way...

2009
Annual
Report

Lighting the Way.



DEDICATED TO YOUR
ELECTRIC NEEDS FOR 75 YEARS.

Leading the Way...Lighting the Way

MEEKER COOPERATIVE'S 75TH ANNUAL MEETING



MESSAGE FROM TIM MERGEN AND DEWAYNE ALBRIGHT

In 1935 a group of courageous, forward-thinking people banded together to bring electricity to the countryside. Until then, only those living in town had access to all that electricity could provide.

It had been possible to electrify the rural areas for decades, but power companies didn't believe farmers would use enough electricity to repay the high cost of stringing electric lines to remote areas. Those electric co-op pioneers fought that belief to establish the rural electric cooperative that is now Meeker Cooperative Light and Power Association.

When the Cooperative's pioneers set that first pole on the Henry Mortenson farm south of Lake Ripley in 1936, we doubt they could have imagined what Meeker Cooperative would become 75 years later. The Cooperative has assets in its utility plant of over \$56,000,000, provides electricity to 7,526 members that use about 175,000,000 kilowatt hours (kWh) a year. Those kWhs are supplied by a distribution system that

includes 1,881 miles of line, 25,902 poles, 7,825 transformers, and 11 substations.

In addition to providing light in the darkness of rural households, through the years the Cooperative has provided other services that otherwise were not adequately accessible to the rural areas. These include WildBlue satellite internet service and Heartland Security Services (which provides security services for your home, farm or business.) What a journey it has been over the past 75 years!

Electricity has become a necessity in every home, business and farm operation. A few of our members can remember what it was like to live without electricity. They even remember the first time they turned on the lights, but for the vast majority of us, electricity has always been there and we can't imagine life without it.

Today, we use electricity to power things that were unheard of in 1935 such as TVs, computers, video players, mobile phones, microwave ovens and even cars. Back in the dawn of electricity in rural homes, every electric appliance, even those we now take for granted such as toasters, ovens, washers, refrigerators, and freezers, generated great excitement. Electric appliances replaced manual labor and lessened the load considerably for farmers and busy housewives.

These days we wouldn't think about going to a farm or fellow Co-op member's home to check out the latest in electric devices and appliances. That was not the case as electricity became available to the rural residents. For example, the all-electric farm owned by former Meeker Co-op Board member Charles Ness, and the all-electric home, owned by former Meeker Cooperative General Manager Gil Slinden, garnered national attention. People from all over the county and country visited these locations and marveled at all the ways electricity made keeping a home and running a farm easier and safer.

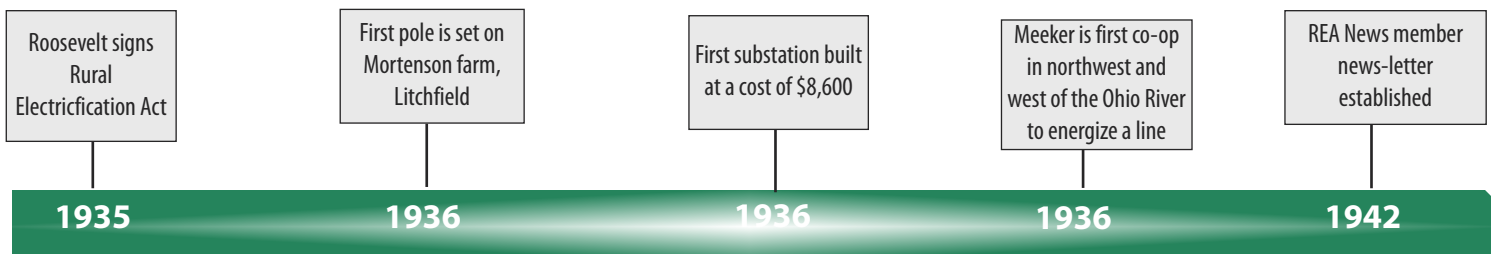
Business guru Peter Drucker said "Wherever you see a successful business, someone once made a courageous decision." Undoubtedly this is true for the Cooperative as well. In fact, we would say many people have made a whole bunch of courageous decisions over the past 75 years.

The same courage, determination and cooperative spirit that the Co-op's founders had is still required to meet today's challenges. We must all work together to conserve electricity, use efficient appliances, keep engaged with our legislators about the need for affordable energy, and look to the future to make sure the legacy we pass to our children provides safe, reliable and affordable electricity while practicing environmental stewardship.

All along the way, Meeker Cooperative has been leading the way and lighting the way. We intend to continue on that path for the next 75 years.

We present to you the 2009 Annual Report. Thank you for being a member-owner of Meeker Cooperative Light and Power Association.

Tim Mergen, CEO/General Manager & DeWayne Albright, Board President



CANDIDATES FOR BOARD OF DIRECTORS

DISTRICT 3

Luxemburg, Maine
Prairie, South
Maine Prairie in
Stearns; Forest
Prairie in Meeker
County



JAMES WIRZ

13941 160th St. • Watkins, MN

James Wirz has been a director since 1980 and currently serves as the board's secretary as well as a director on the Great River Energy Board of Directors. He was certified through the Credentialed Cooperative Director program. He has past experience as a CPA director, with a farm and business background. He has a strong interest in public and energy policies at both the state and national level.

James believes the Cooperative should strive to maintain a sound financial condition while looking at ways to meet state and federal laws and energy mandates without raising the cost of electricity. "Any way we can increase energy efficiency should be a win/win, but each year the goal becomes more difficult," he said. James would like to see achievable policies to cut greenhouse gases, with a balanced portfolio of power plants and renewable energy sources, as well as to make sure that power can be moved to where it's needed.

As long-term goals for the Co-op, James would like to see the board work to shape policies and offer services that benefit members now and in the future.

"Keeping rates affordable and competitive for our members' benefit and to keep and attract businesses that provide jobs in our area is a priority."

DISTRICT 5

Fairhaven in
Stearns, Cokato,
Southside, French
Lake in Wright,
Dassel in Meeker
County



JEFFREY ANDERSON

69576 - 268th St, Dassel MN

Jeff Anderson has been the owner and operator of a farm business for 30 years and has served on the Meeker Co-op Board of Directors for 18 years.

Jeff's focus is listening to the member and providing them with reliable, low-priced electricity. He believes that a possible merger with another co-op would help to continue to meet this goal in the future.

Jeff sees energy efficiency measures are the fastest and easiest way to help control energy costs, as well as a vigilant maintenance program.

"It's vital to keep a well-maintained power plant and transmission line to supply members with reliable power," he said.

Rising electric rates is a concern, especially in the light of energy legislation that would raise rates for members.

"We must try to keep electric rates competitive with neighboring cooperatives."

DISTRICT 8

Darwin and
Ellsworth in
Meeker County



LARRY HUHN

519 E. Curran St. • Darwin, MN

Larry Huhn joined the Board of Directors in 2008. He is a land surveyor with Northstar Surveying and also serves on the Darwin City Council. He completed the Credentialed Cooperative Director program in 2009.

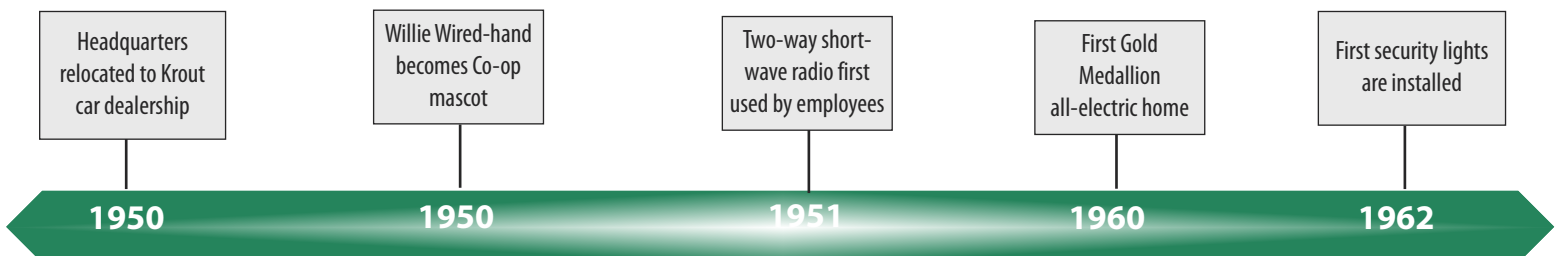
Providing low-cost electricity while maintaining reliability and safety are the focus of Larry's leadership on the board, as well as conservation.

"I encourage members to take full advantage of available conservation programs," he said. "We have a mandate to conserve energy, and it requires an effort by all the members to achieve it."

Larry believes that the current mandates for renewable energy and conservation require the development of more efficient ways to use our energy.

The biggest challenge for the Co-op is the future possibility of carbon cap and trade legislation.

"This could be the most detrimental legislation to our members. We need to encourage our members to contact their legislators and put a stop to this. It will be very costly at a time when we can least afford it."



2009 Financial Report

Balance Sheet — December 31, 2009

ASSETS

CASH AND CURRENT INVESTMENTS

General Cash	\$ 88,429
Temporary Investments	12,601

TOTAL CASH AND CURRENT INVESTMENTS \$ 101,030

CURRENT AND OTHER ASSETS

Accounts Receivable — Electric	\$ 2,488,792
Less Allowance for Doubtful Accts.	(58,078)
	<u>\$ 2,430,714</u>

Accounts Receivable—Other	\$ 211,494
Less Allowance for Doubtful Accts.	(4,047)
	<u>\$ 207,447</u>

Plant Materials and Supplies	\$ 652,425
Merchandise	74,635
	<u>\$ 727,060</u>

Payments and Deferred Charges	<u>\$ 151,049</u>
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TOTAL CURRENT AND OTHER ASSETS \$3,516,270

LONG TERM INVESTMENTS

Associated Organizations & Other Investments	\$ 5,424,842
EMI Loans	29,548

TOTAL LONG TERM INVESTMENTS \$5,454,390

UTILITY PLANT

Distribution Line	\$ 46,769,847
Headquarters Building & Land	5,727,767
General Equipment	3,790,632
Organization Costs	494

TOTAL ELECTRIC PLANT	\$ 56,288,740
Less Accumulated Depreciation	(12,336,722)

NET UTILITY PLANT \$43,952,018

TOTAL ASSETS \$53,023,708

LIABILITIES

CURRENT AND ACCRUED LIABILITIES

Accounts Payable—General	\$ 2,230,633
Customer Deposits	150,031
Accrued Taxes	403,804
Accrued Interest	72,969
Other Accruals	259,520

TOTAL CURRENT AND ACCRUED LIABILITIES \$ 3,116,957

LONG TERM LIABILITIES

Long Term Obligation to RUS	\$ 11,987,396
Long Term Obligation to FFB	7,202,021
Long Term Obligation to CFC	7,522,361
Long Term Obligation to COBANK	2,836,363

TOTAL LONG TERM LIABILITIES \$ 29,548,141

TOTAL LIABILITIES \$32,665,098

MEMBERS AND PATRONS EQUITIES

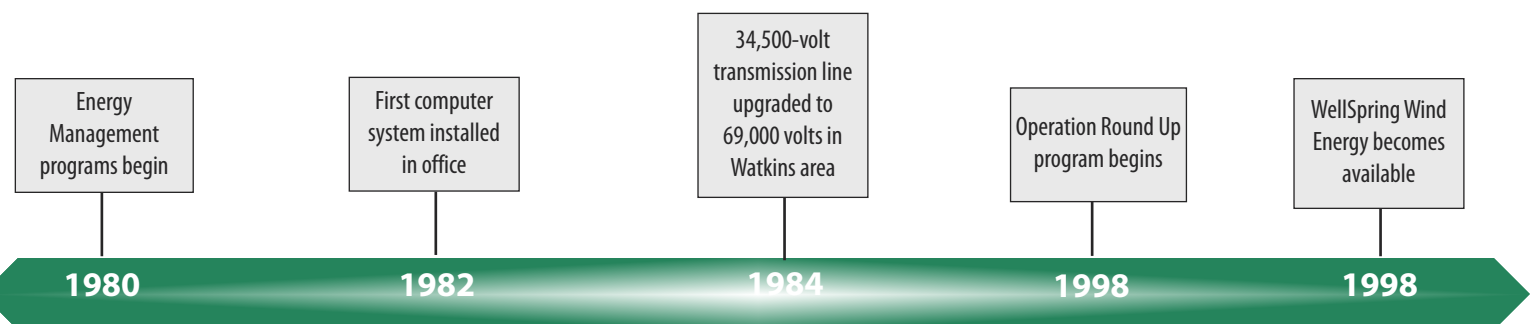
OUR EQUITIES—OWNERSHIP

MEMBERS AND PATRONS CAPITAL

Capital Reserve	\$ 2,358,509
Patrons Revolving Fund Credits	16,073,395
Patrons Margins—2009	1,926,706

TOTAL CAPITAL \$ 20,358,610

TOTAL LIABILITIES AND CAPITAL \$ 53,023,708



STATEMENT OF NET MARGINS

FOR YEAR ENDED DECEMBER 31, 2009

OPERATING REVENUE

Residential - Farm	\$ 13,674,305
Residential - Seasonal	512,370
Residential - Towns & Villages	31,468
Irrigation Sales	213,779
Commercial & Industrial - Small	1,373,392
Commercial & Industrial - Large	1,179,130
Commercial & Industrial - P R/S	358,045
Public Streets & Highway Lighting	24,649
Sales to Public Buildings	108,729
Consumers Forfeited Discounts	53,402
Other Electric Revenue	28,594

TOTAL OPERATING REVENUE **\$17,557,863**

COST OF ELECTRIC SERVICE

Purchased Power	\$ 9,355,080
Operating Expense	701,251
Maintenance Expense	1,108,212
Customer Accounting & Collecting	362,452
Customer Service & Informational Expense	678,012
General & Administrative Expense	1,069,165

TOTAL OPERATION/MAINTENANCE **\$13,274,172**

Depreciation \$ 1,659,419

Other Expenses 12,761

Interest 1,383,885

TOTAL COST OF ELECTRIC SERVICE **\$16,330,237**

OPERATING MARGINS

\$ 1,227,626

Non-Operating Margins—
Interest & Dividends \$ 94,831

Non-Operating Margins—Other 107,849

Generation & Transmission
Capital Credits 430,259

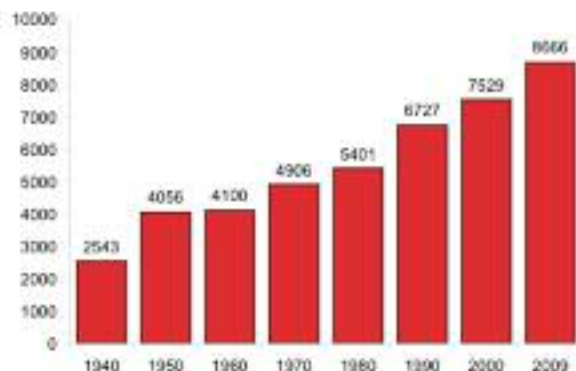
Other Capital Credits - CFC & COBANK 66,141

TOTAL NON-OPERATING MARGINS **\$ 699,080**

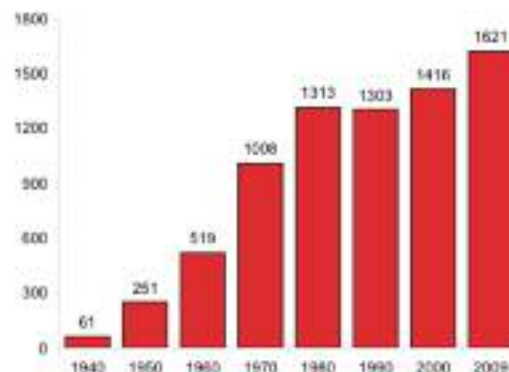
NET MARGINS

\$ 1,926,706

ACCOUNTS SERVED



AVERAGE KWHS PER MEMBER



HOW YOUR DOLLAR WAS SPENT IN 2009

Purchased Power	53 ¢	Customer Info	4 ¢
Operations	4 ¢	Admin/General	6 ¢
Maintenance	6 ¢	Depreciation	9 ¢
Customer Accounts & Collections	2 ¢	Interest	8 ¢
		Operating margins	7 ¢



Operations Report

The Meeker Cooperative service area is continuing to grow. Since 2000, Meeker's membership and electric use has increased by 13 percent. As our membership grows, continuing to provide reliable electricity means growing our system. In 2009 we expanded our Litchfield substation to accommodate growth in the Litchfield area. Proactive maintenance projects keep substations working at peak efficiency, reducing outages.

AT A GLANCE, PROJECTS MEEKER COOPERATIVE COMPLETED IN 2009 INCLUDE:

- Completion of Litchfield substation expansion-\$1.3 million
- Rebuild of Litchfield feeders for commercial line
- Paynesville substation transformer upgrade
- Watkins substation transformer change
- Rosendale substation transformer upgrade
- 25 miles of conductor upgrades
- Completion of system sectionalizing study

OUTAGES DECREASED: In 2009, Meeker experienced a 66% decrease in outage frequency compared to 2008 system numbers. Outages are due to a number of factors including storms, lightning, animals, trees, planned maintenance, wind, overloads and equipment failure. Meeker Cooperative has been proactive in reducing outages through its use of tree trimming around power lines, the use of lightning arrestors and animal guards, as well as continuing line patrol efforts. In the past 10 years, outages caused by lightning has decreased 78 percent and outages caused by animals has decreased 86 percent. In 2009, 14 outages were caused by trees, compared to 61 in 2008.

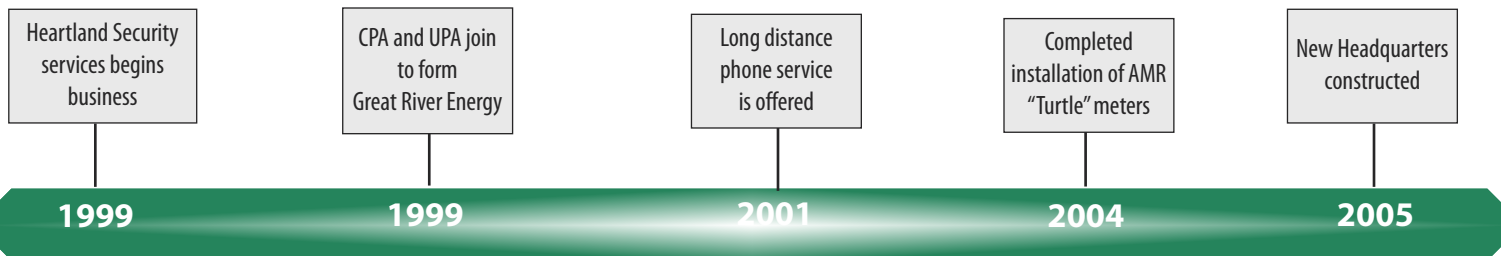
In 2009, electrical engineers completed a system sectionalizing study. This study looks at power quality issues and puts safeguards in place so the effects of outages are more localized, affecting fewer members for a shorter duration.

OVERTIME HOURS: Since 2001, Meeker has experienced a 51.8 percent decrease in overtime hours by operations crews.



FAST FACTS

	<u>2008</u>	<u>2009</u>
Employees	28	29
Members	7,515	7,526
Residential	81%	81%
Seasonal	13%	13%
Commercial	5%	5%
Other	1%	1%
Miles of line	1,869	1,875
Customers per mile	4.65	4.64
New service	72	41
Change jobs	77	36
Line rebuilds	33	35
Pole changes	114	89
Road moves	4	7
Right of way miles cleared	249	272



Member Services

ENERGY MANAGEMENT PROGRAMS

One of the valuable benefits of belonging to Meeker Cooperative is its wide selection of Energy Management programs to help reduce energy use and monthly energy bills. Each year more and more members are taking advantage of these programs, which include:

Program	Number
Dual Fuel.....	2,202
Heat Pumps	997
Storage Water	2,235
Storage Heat.....	319
Cycled AC	2,297
Gen Set.....	26
Irrigation	62

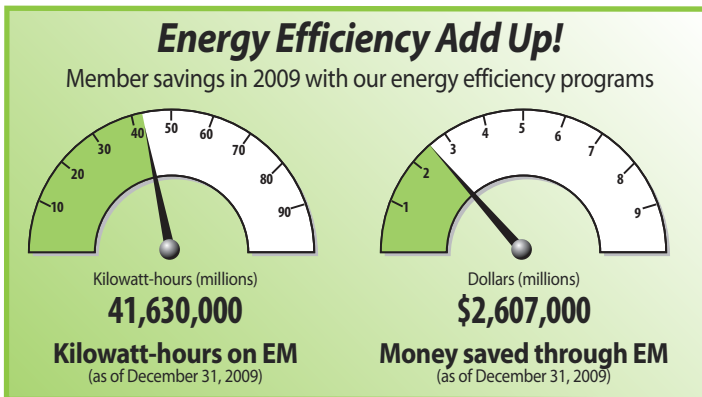


1991, as well as to estates and former members. In addition, at the December 2009 meeting, the Board approved a one-time distribution of a portion of 2009 margins totaling \$420,000 to members receiving service in 2009.

COOPERATIVE EDUCATIONAL EVENTS/ACTIVITIES

Each year Meeker Cooperative personnel host member trips as a way to educate and entertain our members. In 2009, we traveled to:

- The Metrodome to watch the Twins vs. Boston Red Sox
- To North Dakota to visit the Coal Creek power plant, the Basin Synfuels plant and the Falkirk coal mines
- To Alexandria to visit Tastefully Simple and Carlos Creek Winery
- To the Trimont area to see the Trimont Wind Farm wind generators and Pleasant Valley Peaking Station



HEARTLAND SECURITY SERVICES

In 2009, the number of users of Heartland Security systems totaled 290 in our service area and 6,084 throughout our region. Heartland offers security systems for homes, businesses and agricultural applications.

WILDBLUE HIGH-SPEED INTERNET

As of December 31, 2009, Meeker Co-op has 430 high-speed satellite systems installed. In 2011, a new satellite will be operational, offering even faster speeds for subscribers.

CAPITAL CREDITS

Meeker Cooperative distributed more than \$1 million to its membership in 2009. In November 2009, the Board approved the retirement and distribution of \$612,156 in capital credits, which was paid to members receiving electric service in 1989 and part of

PIONEER

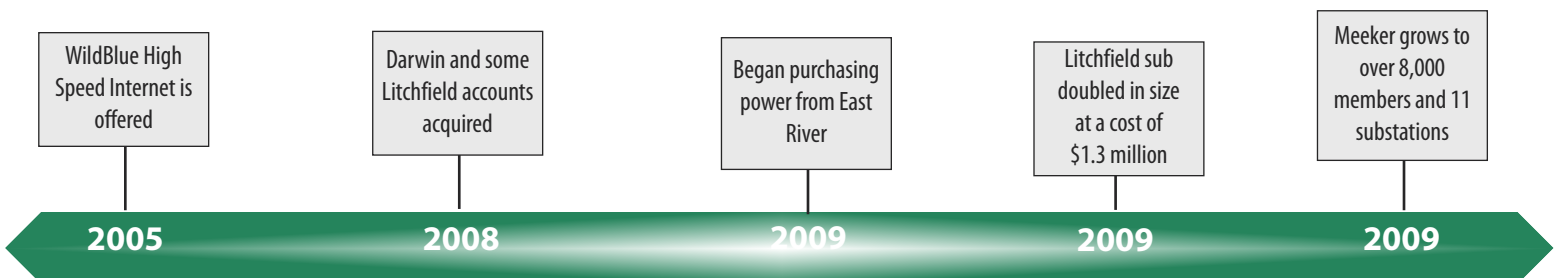
Our monthly newsletter is the primary way we educate and inform our members. In 2009, we made it possible to receive notification when the *Pioneer* was available online, to reduce the cost of printing and mailing the newsletter.

WWW.MEEKER.COOP

Check us out for *Pioneer* archives, rates, rebates, customer service information and all the latest promotions.

ENERGY MANAGEMENT NEWS

Energy Management News is sent out twice a year to members using energy management programs to update them on changes and information pertaining to their energy management systems. In 2009, the size of the newsletter was reduced and it was sent in member bills, reducing printing and mailing costs.



UNAPPROVED MINUTES OF THE 74TH ANNUAL MEETING OF THE STOCKHOLDERS OF MEEKER COOPERATIVE LIGHT AND POWER ASSN. ~ APRIL 6, 2009

The 74th Annual Meeting of the Members of the Meeker Cooperative Light & Power Association was held at the Meeker Cooperative's headquarters facility in the City of Litchfield, State of Minnesota, on Monday, April 6, 2009, at 7:30 p.m., pursuant to Article II of the Bylaws of the Cooperative.

Directors DeWayne Albright, Jeffrey Anderson, Larry Huhn, K. Bruce Krueger, Mark Larson, Karl Lundin, Juanita Olson, David Ruhland and James Wirz were in attendance. Tim Mergen, CEO/General Manager, and Kim Keithahn, Meeker Cooperative's Attorney, were also present.

Chair Olson called the Business Meeting to order. Olson appointed Kim Keithahn to serve as parliamentarian. Board Secretary Karl Lundin certified that 326 Members were registered and declared a quorum present. Lundin certified that notice of the Annual Meeting was published in the Meeker Pioneer and mailed to all Cooperative Members on February 11, 2009.

Chair Olson called for a motion to adopt the Rules of the Meeting as printed in the Annual Report. Dwight Dahlman made a motion to adopt the Rules of the Meeting and Harold Mattson seconded the motion. Motion carried.

Motion was made by Sam Holmgren to dispense with the reading of the minutes of the 2008 Meeker Cooperative Annual Meeting and accept them as printed in the Annual Report. Mark Olsen seconded the motion. Motion carried.

2009 Nominating Committee Chair Robert Hermann presented a report of the Committee's activities. Herman noted that the Nominating Committee is composed of three members from each district where the Director is up for election. Four districts, rather than the usual three districts, were up for election this year due to the retirement of the Director from District 8. Committee members were sought through notification of formation of the Committee in the Meeker Pioneer and by Directors.

The Committee met twice. Committee Members solicited Cooperative Members willing to place their names on the ballot for Director. Members were also notified through

the Meeker Pioneer of upcoming Director elections and were asked to contact the Nominating Committee members or the Cooperative directly, or to file a petition to be on the ballot. No petitions were received. Hermann explained that elections are conducted by mail-in ballot and would be counted during the Annual Meeting. Ballots are mailed to all Members in districts up for election and must be returned prior to the day of the Annual Meeting for verification.

Hermann introduced the official slate of candidates as approved by the Committee: Incumbent DeWayne Albright – District 4; Incumbent K. Bruce Krueger and Joseph Barzdis – District 7; Incumbent Larry Huhn – District 8, and Incumbent Karl Lundin – District 9. One name approved by the Committee for placement on the 2009 ballot was removed before the printing of the ballots by request of the candidate.

Chair Olson asked for volunteers to serve as tellers to count the ballots. The following members volunteered: Hugh Wagner, Dale Settergren, Mark Olsen, John Nyman, Don Dougherty, and Leon Schumacher. The tellers left with Michael Klein and Attorney/Parliamentarian Keithahn to open and tally the ballots.

James Dumas, Chair of the Meeker Cooperative Electric Trust Board, reported that the Trust is celebrating its ten-year anniversary of giving its first donations to the first recipients and thanked the Membership for continued support of Operation Round Up[®]. Dumas reported that \$37,850 in grant monies had been awarded in 2008, bringing the ten-year total to \$316,000. On average, Members that contribute to Operation Round Up contribute \$6.17 per year; employees rounding down their paychecks contribute about \$12.50 per year. As a part of the Trust's anniversary celebration, several groups received grants checks at the Meeting. Peggy Starz, representing ACGC's early childhood programs; John Sandstede, representing the Dassel Historical Society; and Tony Skaggs, representing the Phoenix Drumline each briefly described the projects the grant checks would be supporting for their organizations. Dumas selected the winning ticket for the Round Up door prize. The winner, Keith Fredrickson, received an electric table-top grill. Mergen thanked everyone for continuing the success of the Trust, including Chair Dumas, the Trustees and Meeker staff members Kristin Dolan and Mary Alice Holm.

Financial Manager Kristin Dolan presented the 2008 Financial Report, stating that the Cooperative had received an unqualified auditor's report.

CEO Tim Mergen delivered his CEO/General Manager's Report. His report covered two main themes – 'Our Energy, Our Future' and 'Power Supply'. Mergen described the cost to members of proposed energy legislation on both the state and federal levels. Both Cap and Trade and Carbon Tax proposals will have a significant impact on members' bills. Members were encouraged to become involved in a grassroots campaign to inform Congressional leaders of their concerns regarding possible legislative mandates and environmental posturing. The second part of Mergen's presentation described how Meeker is working to mitigate future costs by diversifying its power supply. Meeker has fixed the amount of power it will purchase from Great River Energy in the future. As of May 1, 2009, Meeker will purchase additional power needed from East River Electric Power Cooperative.

Scott Parsley, Assistant General Manager of Member Services for East River, provided members with an overview of East River Electric, its service territory and sources of generation. Parsley noted that East River is eager to embrace Meeker as a new member.

Olson called for the election results. Teller spokesperson Hugh Wagner announced that the following candidates had been elected: DeWayne Albright, K. Bruce Krueger, Larry Huhn, and Karl Lundin. All Directors were reminded that the Board would convene its Organizational Meeting immediately following the Annual Meeting.

Olson called on Kim Keithahn to conduct the New Business portion of the Meeting. Hearing none, Keithahn turned the meeting back over to Chair Olson. A motion was made by Mark Olsen, and seconded by Harry Swanson, to adjourn the Meeting. Motion carried.

Mary Alice Holm, Recorder
Karl Lundin, Secretary

MEEKER COOPERATIVE

75th Annual Meeting
April 12, 2010

4:30 - 7:30 p.m.	Member Registration in Lobby
5:00 - 7:00 p.m.	Chicken Dinner in Warehouse
5:30 - 7:00 p.m.	Bingo in Warehouse
6:00 - 7:00 p.m.	Don Millner discusses wine making in Community Room
7:30 p.m.	Annual Meeting in Warehouse

ANNUAL MEETING SCHEDULE

- "We Shine as One" by the Litchfield Area Male Chorus
- "National Anthem" by the Litchfield Area Male Chorus
- Invocation – Father Pat Casey
- Business Meeting – DeWayne Albright, Chair
 - Call to Order - Ed Olson
 - Appoint Parliamentarian
 - Certify Notice of Annual Meeting Mailing
 - Establish Quorum
 - Approve Standing Rules of the Annual Meeting
 - Approve 2009 Minutes
- Nominating Committee Report – Chuck Mitchell
- Call for Volunteers for Teller – DeWayne Albright, Chair
- Co-op 101 Report – Tom and Karla Ehlinger
- Meeker Cooperative Trust Board Report – Ruthann Hansen
- Financial Report – Kristin Dolan, Financial Manager
- CEO/General Manager's Report – Tim Mergen, CEO/General Manager
- Dean Urdahl speaks about "*Leading the Way...Lighting the Way*"
- Election Results Report – Election Teller Chair
- New Business
- Adjournment – Mary Korman
- Attendance Prizes
 - Mary Walters – Customer Service Supervisor