

Ravalli County Electric Cooperative, Inc.



Notice of
74th



**Annual Meeting
June 13, 2009**





President's Report - Stacy L Bartlett

On behalf of Ravalli Electric Co-op's board, management and employees, I would like to invite all our members to the 74th annual meeting, Saturday, June 13, 2009. The annual meeting is an opportunity for us to update you on what has been going on at the Cooperative and let you know our focus for the future. It is also a time for you, the members, to ask questions, exercise the democratic process and meet the people working on your behalf.

The Board of Directors' primary focus in 2008 was to secure our power supply post 2011. With today's evolving energy landscape, this has been very challenging and at times, frustrating. Since 1952, we have relied on the low cost benefit of the hydro system. With this no longer being the case for most new load growth, we have been exploring all other options available to us. We hope to have this finalized to report to you by the annual meeting.

Another big focus has been keeping abreast of climate change and energy policies. These political issues could bring much higher electric bills if we are all forced to comply with government mandates. We are trying to work with Congress to draft an energy solution that accomplishes environmental goals while taking affordability into account.

Several studies are being conducted to help minimize future rate increases, such as energy efficiency programs and technology investments to improve and streamline costs.

With such strong leadership within our staff, management and board, I am confident Ravalli Electric Co-op will remain financially sound and will continue to provide reliable, quality service on a cost basis.

I hope to see many of your faces on June 13th!

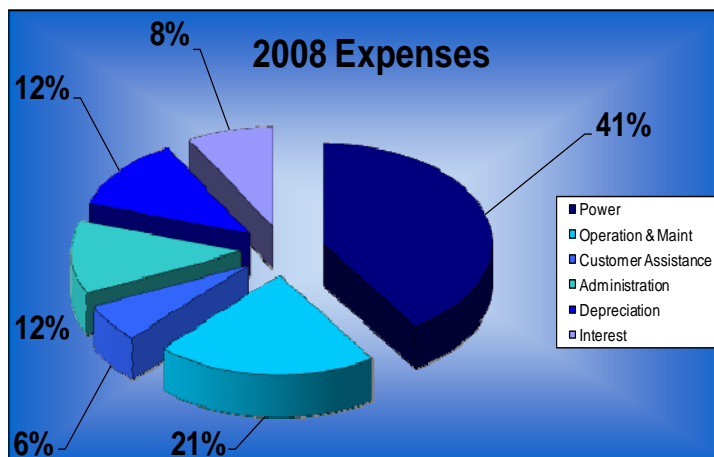
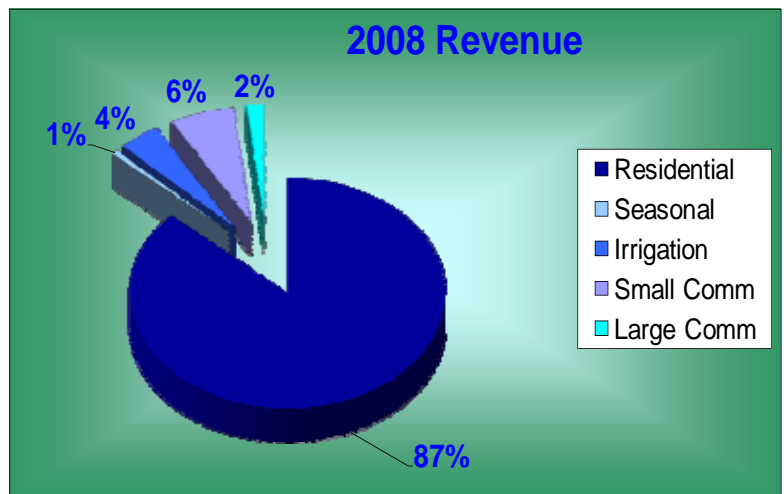


Visit us at

www.ravallielectric.com

Employees

David Bell
 Ric Brown
 Kenny Buhler
 Mike Byrne
 Marsha Draper
 Patty Goosey
 Eric Hansen
 Cindy Harper
 Jeff Huls
 Todd Irwin
 Kyle Kearns
 Marianne Kern
 Dan Kratofil
 Alan Lear
 Bob Lee
 Jim Maunder
 Jim McKay
 Chet McWhorter
 Bob Montoya
 Matt Olson
 Paul Rennaker
 Lee Renz
 Debbie Rodgers
 Eric Skov
 Steve Tintzman
 Ric Twardoski
 Gayle Weber



Board of Trustees

Stacy Bartlett, President
 Wayne Olson, Vice Pres.
 Larry Trexler, Sec./Treas.
 Robert Bailey, Trustee*
 Charles Swanson, Trustee
 Kevin Frost, Trustee
 Michael Deveraux, Trustee*
 *Districts to be elected

Manager's Report - Richard J Brown

June is an exciting month for all families as school ends for the year and summer vacations begin. It is an exciting month for your cooperative as well. The 74th Annual Meeting is scheduled for June 13, 2009 starting with registration at 9:30 a.m. in the Corvallis High School gym.

As you can see from the annual report, the cooperative had a very good year in 2008 even as we saw new construction slow for a third straight year. As an electricity supplier for our members, we touch you 24/7, a fact that many, including our elected officials, fail to understand. Even while you are sleeping or on vacation, we visit your homes hourly through refrigerators, freezers, security systems and water heaters. It is a responsibility that we take very seriously. The costs associated with generating and transmitting power are going up. While some of these costs are legitimate, some are artificial and some will be because of poorly thought out legislation.

Please take the time to read through the report and come to the Annual Meeting on June 13 and see what is going on in the world of electricity. It will be an informative meeting and an opportunity to listen and ask questions about the future. We have a new long term contract with the Bonneville Power Administration but it will be different than the current one that is coming to an end on September 30, 2011. We hope you find the report interesting and we look forward to seeing you at the Annual Meeting.

Financial Report December 31, 2008

BALANCE SHEET

ASSETS

UTILITY PLANT:

Total Utility Plant In Service	\$35,927,459
Construction In Progress	469,540
Less: Accumulated Depreciation	(14,042,204)
NET UTILITY PLANT	\$22,354,795

OTHER PROPERTY AND INVESTMENTS \$2,745,687

CURRENT ASSETS:

Cash	1,132,919
Accounts Receivable	808,357
Materials & Supplies	516,531
Prepayments	77,105
Other Current & Accrued Assets	5,057
TOTAL CURRENT ASSETS	\$2,539,969
OTHER DEFERRED DEBITS	-0-
TOTAL ASSETS	\$27,640,451

LIABILITIES

TOTAL MARGINS AND EQUITIES \$11,435,392

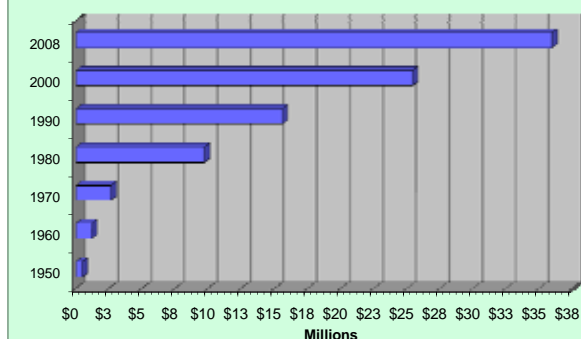
LONG TERM DEBT \$13,566,941

NONCURRENT LIABILITIES \$402,885

CURRENT LIABILITIES:

Accounts Payable	636,815
Customer Deposits	161,180
Current Maturities Long-Term Debt	800,159
Other Current & Accrued Liabilities	637,079
TOTAL CURRENT LIABILITIES	\$2,235,233
OTHER DEFERRED CREDITS	-0-
TOTAL LIABILITIES	\$27,640,451

Plant Growth



STATEMENT OF OPERATIONS

REVENUE

OPERATING REVENUES:

Residential Sales	\$8,665,746
Seasonal Sales	66,803
Irrigation Sales	420,514
Commercial & Industrial - Small	653,090
Commercial & Industrial - Large	173,843
Other Electric Revenues	-0-
TOTAL OPERATING REVENUES	\$9,979,996

EXPENSES

OPERATING EXPENSES:

Cost of Power	\$3,728,348
Operations & Maintenance	2,197,787
Consumer Accounts	534,705
Administrative & General	1,169,139
Depreciation & Amortization	1,107,709
Interest	753,694
Other	5,180
TOTAL EXPENSES	\$9,496,562

OPERATING MARGINS \$558,249

OTHER NON-OPERATING MARGINS 354,484

NET MARGINS FOR PERIOD \$912,733

Ravalli County Electric Cooperative, Inc.
PO Box 190
Corvallis, MT 59828-0190

PRSR STD
US POSTAGE
PAID TM

2009 Annual Meeting Agenda Saturday, June 13

9:30 a.m. Registration ~ Corvallis High School Gym

10:30 a.m. Meeting Program:

Auditor's Report, Rick Matusiak

Manager's Report, Richard J Brown

Question & Answer Period

President's Report, Stacy L Bartlett

Business Meeting

Election of Trustees ~ Districts 3 & 7

Scholarship Drawing ~ *Must have previously applied and be present to win.*

Adjournment

Door Prizes ~ *Must be present to win.*

Renewable Energies:



Hydro, Wind
& Solar
— although Hydro is
currently NOT counted
as a renewable!



Ravalli Electric Co-op

A Touchstone Energy® Partner

