



July 2013

RURAL
MISSOURI

Sac Osage Electric Cooperative

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News

YOUTH TOUR



C.Y.C.L.E



For over forty years Rural Electric Cooperatives have been sponsoring trips for the high school juniors to tour Washington, D.C. and learn what our American Flag truly stands for.

It is a wonderful opportunity for local youth to experience our nation's capital in a fun filled, action packed, and inspirational way.

Juniors throughout Sac Osage Electric Cooperative's nine county territory entered the cooperative's Youth Tour contest. The students wrote essays challenging them to think about "How could Sac Osage Electric as Member Owned Cooperative keep electric affordable and reliable?"

Six finalists were chosen from the many entries received. Hard work and creativity has paid off for two area high-school juniors.

Congratulations to Brooke Bland of El Dorado Springs Christian School who was awarded an all-expense paid trip to Washington, D.C.. Brooke joined more than 80 Missouri students and over 1,500 students from across the U.S. on this week-long tour of D.C., visiting memorials, museums, cherished monuments, and getting a firsthand look at our government at work.

These fortunate high school students represent their local cooperative on a whirlwind tour of the nation's capital. All the while they are learning about electric cooperatives and their role in the community.

The Electric Cooperative Youth Tour has brought high school students to Washington, D.C. every June since the late 1950s.

The first runner up delegate was Carlie Edmund of Osceola High School. She was awarded an all expense paid trip to attend the Cooperative Youth Conference and Leadership



Brooke Bland and Carlie Edmund

Experience (C.Y.C.L.E) in Jefferson City, Missouri.

The C.Y.C.L.E Program's main focus is to show the student more about electric cooperatives teach leadership skills and experience the Missouri State Government.

This program includes nationally known speakers, a day at the state Capitol and some of the brightest young leaders from across Missouri.

We hope all of the finalists enjoy these great opportunities and use them as tools to grow toward tomorrow's leaders. We also want to thank all of the students who participated in our contest this year and encourage everyone who knows an upcoming high school junior to check out our contest next January 2014.

**Offices will be closed
on Thursday, July 4th
in celebration of
Independence Day.**

Where were you?

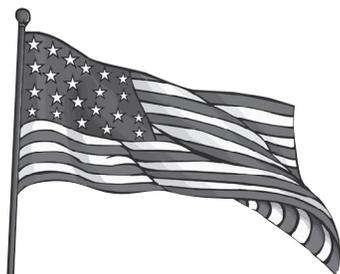
On July 20, 1969, Neil Armstrong and Edwin "Buzz" Aldrin Jr. walked on the surface of the moon. President Nixon proclaimed it the greatest moment since Creation. The Apollo 11 mission answered President Kennedy's 1961 State of the Union challenge to safely send a person to the moon and



back before the end of the decade. In the next Apollo landing (November 1969), Charles "Pete" Conrad Jr. referred to Armstrong's statement, "That's one small step for (a) man, one giant leap for mankind," by saying, "Man, that may have been a small step for Neil, but that's a long one for me."

Have fun on the 4th!

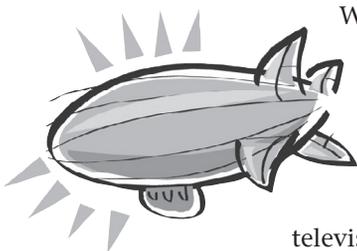
Not only is July 4 the birth date of our nation, it is also the birthday of those letter-writing twins, Abigail Van Buren ("Dear Abby") and Ann Landers. George M. Cohan was born on July 3, 1878, but he always celebrated it on July 4. In 1906, he wrote the popular



patriotic song, "You're a Grand Old Flag," which he followed in 1908 with "Yankee Doodle Dandy." In Hannibal, July 4 is Tom Sawyer Fence Painting Day. So, write a letter, sing a song or two, then paint the fence.

Birthday of the Blimp

July 8, 1838, was the birthday of the German Count Ferdinand von Zeppelin, inventor of the airship called the zeppelin. It also is known as a blimp, a word that some believe comes from its airship classification as a "Type B-limp." Von Zeppelin put an engine on his airship in 1900, three years before the



Wright brothers designed their plane, but the zeppelin was lighter than air, which distinguished it from heavier-than-air craft such as planes. Today, blimps often float above many major sporting events, offering televised broadcasts.

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Recipe for Sweet Coleslaw

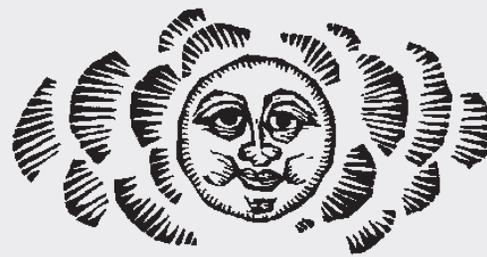


4 cups cabbage, shredded
1 medium carrot, shredded
1 tablespoon prepared mustard
4 teaspoons sweet pickle relish
1/4 cup mayonnaise
1 to 2 tablespoons sugar

In a large bowl, mix the shredded cabbage and carrot. In a separate bowl, combine the mustard, relish, mayonnaise and sugar. Pour the mixture over the carrot and cabbage and stir well. Refrigerate until ready to serve. Makes about 5 servings.

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THE OLD FARMER'S



WEATHER PROVERBS

**If the first of July
it be rainy weather,
it will rain more or
less for four weeks
together.**

**Forked lightning at
night, the next day
clear and bright.**

**Rain is likely to com-
mence on the turn of
the tide.**

**When the sun sets
sadly, the morning
will be angry.**

**Old moon mist ne'er
died of thirst.**

**When cattle remain
on hilltops, fine
weather to come.**

**A southerly wind
with showers of rain
will bring the wind
from west again.**

**If birds be silent,
expect thunder.**



2013 Sac Osage Annual Meeting

Welcome to Sac Osage Electric Cooperative's 73rd annual meeting. For the last nine years, I have had the pleasure to address our annual meetings to report on the activities of the cooperative.

Nine years out of 73 years. That's the time you entrust nine directors to make decisions that affect this cooperative for the next 10 to 20 years, or longer. As new directors join the board they struggle to understand the electric utility business. They volunteer to attend intensive classes regarding electric cooperative issues. Then, they exercise what they have learned in the complex decision making process. After the monthly board meeting, they are reimbursed just \$50 each day while attending meetings on your behalf to become better informed of cooperative issues including our power supply and legislation affecting coops. Then, due to term limits, they must resign and you need to elect a new director from each of your districts. Then, the process starts all over again.

The electric cooperative's business conducted in the board room directly impacts our members. You expect decisions to be made, new equipment purchased and new systems authorized and annual budgets approved. However, you also want this place to operate at the lowest

cost possible. Why? Because the operational costs has an impact on your electric bill. And by the way, you want your power when you demand it. This is what Sac Osage Electric Cooperative has done and is doing today. You demand value for the dollars you spend. Sac Osage has been able to deliver that value, ensuring that you have power available while keeping electric rates reasonable.

Nine years ago, this cooperative's average cost of our total operations per consumer was \$982 per year in 2004. Compared to the 40 electric cooperatives in Missouri, Sac Osage ranked 38th lowest in the cost of operations per consumer. In 2012, our total average cost of operations was \$1,478. What a terrible increase in operations

cost, you say. . . from \$983 to \$1,478! Guess what! In 2012, Sac Osage Electric ranked 38th out of 40 cooperatives in Missouri. The cost of doing business has skyrocketed. But, we try very hard to manage our costs.

Nine years ago, our entire electric system was valued at \$34,300,000. Since 2004, we have invested \$13,475,000 into our system. That's over a 28% increase in nine years. That includes building new services for our members and extending new primary lines and completing our RUS approved work plans. In addition we have replaced some of our equipment, poles, transformers, reclosers and other devices that have been around close 70 years.

Board and management continue to keep in mind our

objective is to deliver safe, reliable power to our cooperative members at the lowest possible costs.

Let's face it! Most folks are busy with their own jobs and families, and simply do not have the time to get involved in the details of what goes on at this cooperative until the bill comes or your power goes out.

That's one of the reasons why we are here tonight. As owners of this utility, you participate in director elections held every annual meeting. Tonight, districts 1, 2, and 3, re-elected their incumbent director. There were no other candidates who chose to stand for election. The job of your director is to be your advocate--to put you first--as we work in the electric industry on your behalf.





While we provide you electricity for your homes, farms and businesses, the real power of this organization is based upon a relationship of trust and support from our membership.

Let me speak frankly. I am a short-timer. I have informed the board of directors that I will retire after the first of next year, concluding a 35 year career working for electric co-ops. After investing nine years at sac Osage, I want to see it continue to address the needs of the membership and the challenges ahead. I want to see this organization profit from a stable, well educated board of directors. The best way to do that is by extending the number of years a director can serve on the board. At the 2014 annual meeting next year, two directors will

be leaving the board due to the 2004 by-law provisions of director term limits. Currently, our by-laws require that each director may serve a maximum of only three terms. Each term lasts three years. Today, we have a very effective board of directors. I realize the membership has voted to install term limits. Let me suggest that you extend those term limits from three terms to five terms at next year's annual meeting.

Every three years each director must stand for reelection in his or her district. If the district members think their director is doing a good job, they should return him or her to their position on the board. If you don't think your director is serving your best interests, then elect another candidate at the annual meeting. The point is, as directors



will come and go in the years ahead, having 5 terms, or 15 year period to serve will enhance and strengthen your cooperative. I don't know if any of our current directors want to serve an additional 2 more terms. They may want to retire for various reasons. Doesn't it make sense that having a majority of well experienced directors on the board only enhances the governance of Sac Osage Electric as new directors will eventually replace others in future years? Having experience in working with three different electric cooperative boards in 3 states, I know that electric co-ops profit from a stable leadership. As always, in an electric cooperative, this issue is your call. It's up to you. You need to talk to your director representing your district about this issue.

Regarding our financial condition, I can report that the cooperative is in a sound financial condition. Over the years, our equity has grown consistently from 34.95%

in 2004 to 43.16% in 2012. We continue to return capital credits to our members at the end of the year. We developed better methods of communications with our members through our website, Facebook and Twitter. We now offer multiple ways of paying your bill in person, on the phone or on your computer at 2 o'clock in the morning. We are responding to your requests for service faster. We have better equipment that assists us in our response to you. The co-op is working well. I would hope you consider allowing this board to work longer for you as well, in the years to come.

I want to also take time to thank you, our members. We have several of our members who from time to time assist our line crews in pulling our trucks around in heavy snows and flooding conditions. Frequently during our major power outages, we get stuck on roads and in fields. Thanks for your help as we try to restore power to our members as quickly as possible. We appreciate you being good neighbors to us!



Sac Osage Electric Manager, Tom Killebrew's speech from the 2013 Annual Meeting.