

SWRE Annual Meeting August 11, 2016

WOSC Fine Arts Auditorium Altus, Oklahoma

Southwest Rural Electric Association will hold its 79th Annual Meeting on Thursday, **August 11, 2016**, at Western Oklahoma State College's Fine Arts Auditorium, 2801 North Main, Altus, Oklahoma.

Because SWRE is a cooperative, its customers are also its members. At the annual meeting the members take an active part in the democratic process of running their business enterprise.

Registration

Registration will begin at 2:00 p.m. and conclude at 6:55 p.m.

Annual meeting gifts will be given to all members at registration.

All SWRE members who register at this year's meeting will receive a \$25 credit on their SWRE utility bill (One credit per membership).

\$25 Electricity Credit per Membership at Registration!

Every current account holder who registers at the meeting site on August 11 will receive the \$25 credit.

Since registration will open at 2 p.m., even those members who register during the afternoon but cannot stay for the meeting will receive the gift items, including the \$25 bill credit.

NO HEALTH FAIR THIS YEAR

The annual meeting traditionally includes an afternoon health fair, but there will be NO HEALTH FAIR this year.

This will be a disappointment to many co-op members, but SWRE

Registration

2:00-6:55 p.m.

Entertainment

Choctaw Line

Bluegrass Band

6:00 - 6:45 p.m.

SWRE Meeting

7:00 p.m.

Prize Drawing Afterward!



GRAND PRIZE at the annual meeting will be a large Samsung 60-inch 4K television valued at more than \$1,400. The TV's 4K Ultra High Definition (UHD) provides an amazing level of clarity.

was unable to schedule a cost-efficient health fair provider in Altus on this date.

If possible, the co-op will return the health fair to future annual meetings.

Entertainment

Entertainment at the event will begin at 6:00 p.m. and will feature the Choctaw Line Bluegrass Band.

SWRE members are sure to enjoy the band's performance.

The Central Oklahoma-based band has performed to enthusiastic audiences at many festivals and venues, including the Rodeo Opry, the Celebration of Freedom in Hobart, and the Bluegrass Festival in Guthrie.

Samuel Grounds plays guitar and banjo, Rebecca Herrod plays the stand-up bass, Adam Davis plays dobro, and Joe Kahlden plays guitar as well as mandolin.

All of the band's members sing.

Business Meeting

The SWRE business session will begin promptly at 7:00 p.m.

Prize Drawing

More than 100 prizes will be awarded during a drawing that will follow the business meeting.

Members must be present at the drawing to claim the prizes.

The drawing prizes will include 46 energy certificates that can be applied toward SWRE utility bills. Top energy certificate will be in the amount of \$500. The drawing's grand prize will be a big-screen 4K television valued at more than \$1,400!

REGISTRATION

Note that the mailing label of this publication is your registration form for the annual meeting.

Bring it with you to the annual meeting to speed the registration process.



SWRE Trustees (Left)

Front: Don Proctor (secretary/treasurer), Don Ellis (vice president), Dan White (president), Ray Walker
Back: Ronnie Swan, Jimmy Holland, Dan Elsener, Dan Lambert, Carl Brockriede

SWRE Employees (Below)

Front: Aaron Paxton, Gina McNeill, Jonnie Partida, Chris Petty, Sandi Martin, Michelle Wood, Wanda Elix, Keith Bonham, David Ball, Joe Wynn
Middle: Justin Marsh, Al Davis, Jack Mitchell, Barry Holt, Calvin Flood, Bob Reid, Dale Brown, Jim McPherson, Gerald Simpson
Back: Chandler Lingle, Austin Huff, Keith Jonas, Mike Hagy, Dustin Swatzell, James Stephens, Rick Risinger, Jacob Cope, Mike Wolfe, Bo Lesley
Not Pictured: James Aldridge, Kelby Boyd, Slick McGee



**Official Notice
of
Annual Meeting
of the Members of
Southwest Rural Electric Association, Inc.**

Tipton, Oklahoma

The annual meeting of the members of Southwest Rural Electric Association, Inc., will be held on Thursday, August 11, 2016, at the Fine Arts Auditorium at Western Oklahoma State College, Altus, Oklahoma.

Registration will begin at 2:00 p.m. and conclude at 6:55 p.m. The business meeting will be called to order at 7:00 p.m. to take action on the following matters:

1. The report of the officers, trustees and committees;
2. Any other business that may legally come before the meeting or any adjournments thereof.

Given and dated this 21st day of July, 2016.

Don Proctor, Secretary

District Meetings Set for September

SWRE members who receive electric service in Districts 1, 4, and 7 will hold district meetings at the following dates, times, and locations:

District 1, Tuesday, Sept. 6, 6:30 p.m., Senior Citizens Center, Roosevelt, OK. Don Ellis represents District 1 members on the SWRE Board.

District 4, Tuesday, Sept. 6, 8:00 p.m. Lois Long Center in Frederick. Ray Walker is the District 4 board member.

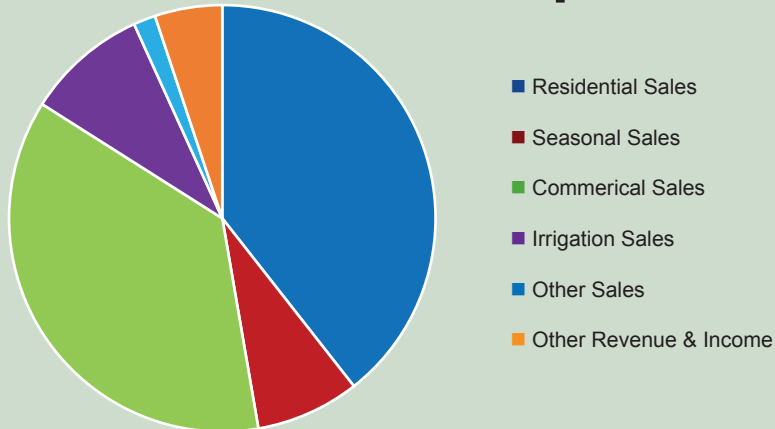
District 7, Thursday, Sept. 1, 6:30 p.m., Northside School Ag building north of Vernon. Dan White represents District 7 members.

Qualifications, filing requirements and selection procedures for SWRE directors are stipulated in the SWRE By-Laws which are available online or on request at the SWRE office.

Meeting notices will be mailed to SWRE members in these areas.

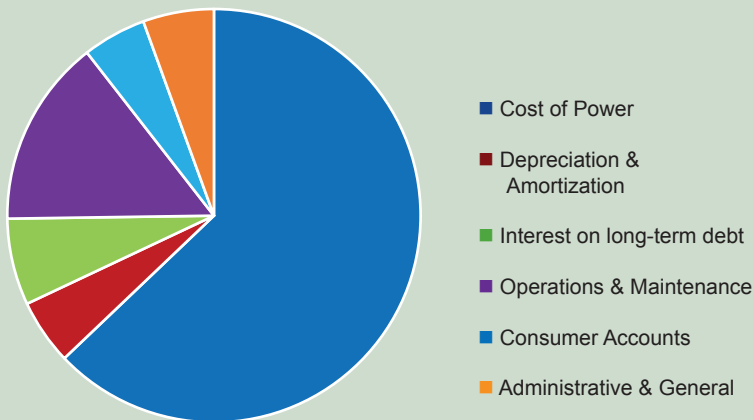
Financial Report for the year 2015

2015 Revenue and Expenses



2015 Revenues

Residential Sales.....	\$6,813,376
Seasonal Sales.....	\$1,489,184
Commercial Sales.....	\$6,554,845
Irrigation Sales.....	\$1,499,588
Other Sales.....	\$324,072
Other Revenue & Income.....	\$751,328
Total.....	\$17,432,393



2015 Expenses

Expenses controlled by other entities

Cost of Power.....	\$9,275,086
Depreciation & Amortization.....	\$1,383,262
Interest on long-term debt.....	\$1,271,239
Total.....	\$11,929,587

Expenses controlled by SWRE

Operations & Maintenance.....	\$2,805,960
Consumer Accounts.....	\$842,412
Administrative & General.....	\$971,159
Total.....	\$4,619,531

Total Expenses.....\$16,549,118

Margins.....	\$883,275
Total.....	\$17,432,393

2015 Assets

Utility Plant

Electric Plant.....	\$58,537,446
Less Depreciation.....	\$7,649,763
Depreciated Value.....	\$50,887,683

Investments.....\$7,958,026

Current Assets

Cash & Temporary	
Cash Investments.....	\$1,488,484
Receivables.....	\$1,680,502
Materials.....	\$630,799
Prepayments.....	\$60,655
Total.....	\$3,860,440

Deferred Debits.....\$980,849

Total Assets.....\$63,686,998

2015 Liabilities and Capital

Capital Equities

Memberships.....	\$47,825
Patronage Capital.....	\$26,459,828
Other Equities.....	(\$982,302)
Total.....	\$25,525,351

Long Term Debt

Liabilities to RUS.....	\$24,994,581
Other Liabilities.....	\$9,932,438
Total.....	\$34,927,019

Current Liabilities

Notes Payable.....	\$1,099,000
Accounts Payable.....	\$1,376,933
Accrued Expenses	
& Taxes.....	\$642,345
Customer Deposits.....	\$116,350
Total.....	\$3,234,628

Total Liabilities.....\$63,686,998

SWRE app is great tool for members

Co-op members who have a smart phone or tablet should download SWRE's app!

SWRE's smartphone app is available free for Apple devices (at the iTunes App Store) or Android devices (at the Android app store).

At the online stores, search for "Southwest Rural Electric" to find and download the free app.

Members who already have an online bill-pay account can use their username and password to log in. Members who don't have an existing log-in can create one. To create a bill-pay account, the member's social security number and current phone number must be on file with SWRE.

Members can then use the app to pay their SWRE bill, set up bill-pay reminders and notifications, update telephone numbers, or monitor usage – all from their smart phone or tablet!

They can also report outages directly from the app! This feature is especially helpful in widespread outages when the

co-op's phone lines are busy.

Members who have signed up on the app for "Alerts and Reminders" can

receive an e-mail, text, or push notification that their outage notice has been received by SWRE.

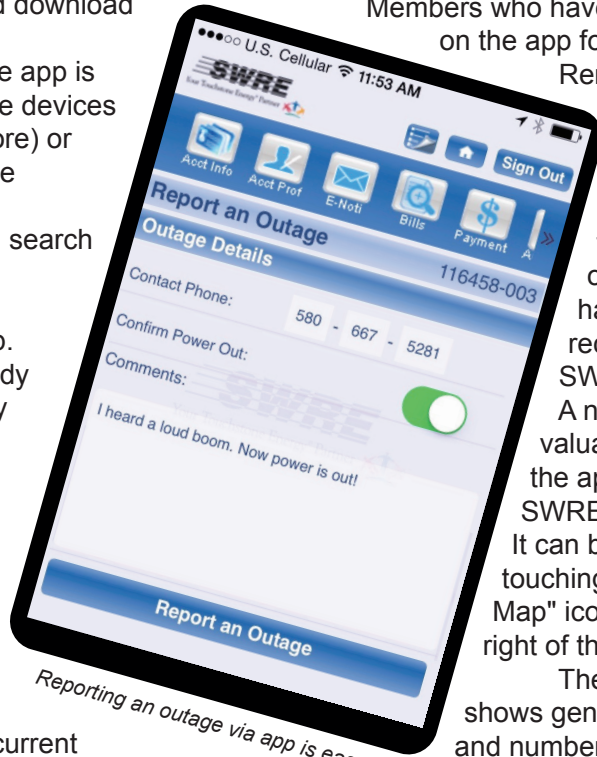
A new very valuable feature of the app is an SWRE outage map. It can be opened by touching the "Outage Map" icon at bottom right of the app screen.

The outage map shows general location and numbers of all known or projected outages that

exist in each county of SWRE's service territory.

NEED ASSISTANCE?

SWRE personnel will be available prior to the August 11 Annual Meeting to provide assistance and answer questions about downloading or using the SWRE app.



Reporting an outage via app is easy.

**24-Hour
Dispatching
Emergency
Service**
1-800-256-7973

Payments can be made at SWRE, 700 North Broadway, Tipton, OK 73570.

Online payments can be made at www.swre.com or utilizing the SWRE app for phones and tablets.

Payments may also be made at the following area banking institutions:

Oklahoma

- Altus** – Frazer Bank, National Bank of Commerce
- Blair** – Peoples State Bank
- Snyder** – All American Bank
- Frederick** – BancFirst, Frazer Bank

Texas

- Chillicothe** – American National Bank
- Crowell** – State Bank
- Electra** – Waggoner National Bank
- Vernon** – Herring Bank, Waggoner Bank, Bank of the West

NOTE: When paying at a bank, allow 7-10 days prior to the bill's due date.

Co-op Trading Post

For Sale: King size Serta I Comfort mattress (similar to a Temperpedic). Completely protected. Pristine condition. Purchased for \$2,000 two years ago. Asking \$1,000. Call 580-569-4550

For Rent: Country living at its finest! Four bedroom, two bath log-sided home with office for rent 3 miles south, 1 mile east of Roosevelt. Fenced yard on 1 acre. Storage building and two carports. Refrigerator, stove, microwave and dishwasher included. Beautiful view of Wichita Mountains and Tom Steed Lake. \$900 month/\$900 deposit. Call 580-919-7363 or 580-591-6838

Wanted: Need a few guys who will take down and haul away a broken pole barn. This is a large metal roof w/ wooden ship-lap sides. Very large bridge ties can stay, unless agreement can be made to take them down. All metal gates must stay. Please call Ernie James for additional information and price. 580-301-0139

For Sale: 1999 Sea Ray 19-ft boat w/ EZ load trailer. Inboard, low hours, good condition, several tops and recreational equipment. Make offer. Call and leave message, and will arrange to drive. 580-301-3401

For Sale: Oak and walnut dining room furniture by Lane. Table is 60" x 40" w/ two 18" leaves. Two captain's chairs (one needs repair) and four side chairs. Asking \$300. Call 580-563-2398

For Sale: 1904 pump organ w/ stool. Works well. Dark wood. \$150. Southeast of Blair. Call 580-471-2007

For Sale: Locally hand crafted walking canes. Oak, cedar, honey locust, sycamore. Will cut to fit height and arm length. \$25, your choice. Call 580-563-9485

SWRE News

Mike R. Hagy, Chief Exec. Officer
Joe Wynn, *SWRE News* editor

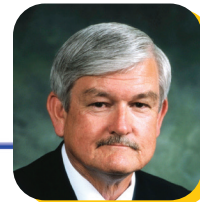
Board of Trustees

- Dan White, Pres. District 7
- Don Ellis, Vice Pres. District 1
- Don Proctor, Sec. District 3
- Dan Lambert..... District 2
- Ray Walker..... District 4
- Dan Elsener..... District 5
- Ronnie Swan..... District 6
- Carl Brockriede..... District 8
- Jimmy Holland..... District 9

Southwest Rural Electric Assn.
P.O. Box 310
700 North Broadway
Tipton, OK 73570-0310
1-800-256-7973

SWRE News is published monthly for distribution to members of Southwest Rural Electric Association.

SWRE CEO Report



by Mike R. Hagy
Chief Executive Officer

Co-op deals with challenges and opportunities

The year since our last annual meeting has been an interesting one! The tornados of May 2015 were followed by decreased electricity usage by members due to a moderate summer and downward spiral of the oil fields and economy. Those factors precipitated less-than-normal margins for the cooperative, but the SWRE Board still approved payment of capital credits to our members.

Storms Wreaked Havoc

Unfortunately, "Old Man Weather" was not very cordial as SWRE experienced two ice storms as the year wound down. An early ice storm during Thanksgiving weekend caused several days of outages, but possibly the worst ice storm in our co-op's history blew through the day after Christmas. Ice accumulations and storm gusts for three straight days resulted in damage over the entire SWRE service area – no area was spared! Western Farmers (our wholesale power provider) also lost transmission to every substation, as well as backup feeds from PSO/AEP.

As damage estimates were evaluated each day, the damages doubled the second day, and the final night of 70 mph winds caused as much damage as the first two days combined. The last residence outage was restored in thirteen days, but work continued for several months. The spring rains, floods, windstorms, and the multitude of never-ending lightning storms also caused new problems as well as exposing damage that may not have been apparent during the ice storms.

SWRE has filed for FEMA in both states and we hope to recover a portion of those storm costs.

Technology Improvements

There were also some very exciting things that happened during the last year! Most of the technology infrastructure that SWRE has been building over the last ten years has resulted in the debut of valuable tools for both our members and cooperative.

Members can download our SWRE app and look at their usage, establish alerts like bill pay reminders or a text message when your bill approaches a certain dollar threshold, or even report an outage without calling in. Usage can also be viewed on the SWRE website. Our staff will be available at the annual meeting to help members download the app, or members may call our office anytime for help over the phone. Members can also see the outages in our service area on the app or can go to the statewide site at oaec.coop and see outages for co-ops all over Oklahoma.

Our linemen now have iPads with maps and outage information to better identify where the problems are occurring. Much of our new technology requires the merging of data from numerous servers that we have been building for years. That data can be sent back centrally to our "war room" during major storms that will give us a total view of the entire situation and allow us to make quicker responses than before. Technology, however, can never replace the dedication that our men and women have demonstrated during those large storms.

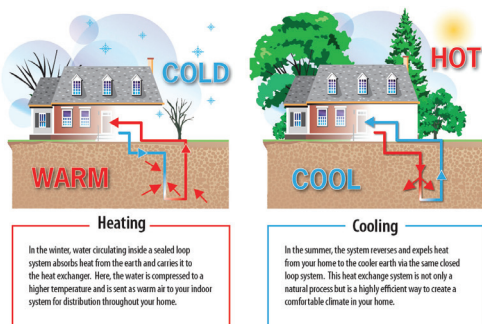
January Retirement

This 2016 annual meeting will be my last one as CEO/General Manager of SWRE. I had already planned to retire in January of 2017, but a heart attack in late May (and a new stent) solidified that decision. The Board is presently conducting a search for the next CEO, and my replacement should be on the job sometime in December.

I live on SWRE's lines, so next year I'll attend the annual meeting as a member – and possibly win one of those prizes! As SWRE approaches a time of transition, our staff and employees will continue to provide electricity through our vision of "safety, service and satisfaction – one member at a time." Thank you for letting us serve you!

Mike R. Hagy

Geothermal info available at Annual Meeting



Geothermal energy systems utilize the natural temperature of the earth to heat and cool homes or businesses. Once installed, geothermal is one of the cleanest, most cost-effective methods for heating and cooling.

SWRE members who are building a new home or remodeling an existing structure will be especially interested in learning how geothermal can work for them – and save BIG on utility bills.

Tyson Tausig from Geo-Energy Services will be at SWRE's annual meeting on August 11 to discuss the many benefits of geothermal heat pumps and answer any questions that co-op members may have about installation of geothermal systems.



Southwest Rural Electric Association
P.O. Box 310
Tipton, Ok. 73570-0310

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Return Service Requested

This is your registration form for the 2016 Annual Meeting. Please bring it with you.

Community solar coming to SWRE

Do you want to utilize solar energy at your home or business, but avoid the expense of installation and maintenance of unsightly solar panels on your property?

SWRE may have the solution for you. The co-op is planning construction of two community solar fields – a 250 kW field in the Frederick area and a 100 kW field south of Vernon.

Any SWRE members who opt to participate may purchase a "share" in the fields equivalent to one solar panel, and lock in a guaranteed rate for the next 25 years (through 2041).

Shares cost \$350 each, payable at the time of purchase. A total of 1,368 shares are available – 950 in the Frederick field and 418 in the Vernon field. Shares may be purchased in quantities ranging from 1 to 25. Any SWRE member, at any location in the co-op's service territory, may participate.

After the share purchase, members will be credited on their monthly SWRE bill based on their portion of the fields' production. Participants will not own any of the panels or infrastructure.

At current power rates, it is estimated that the payback period for members who choose to buy shares is approximately 15 years.

The solar fields are being constructed on tracts of



land that are owned by SWRE – one mile south of Frederick on HWY 183 (at Airport Road), and south of Vernon on Center Drive adjacent to Madison Crossing Apartments.

The solar fields will be built in stages in coming months. They are expected to be operational by December or January.

More information about the Community Solar project is available at SWRE's website (www.swre.com) or by calling SWRE at 1-800-256-7973.