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SWRE POWER SOURCE

A Supplement to Oklahoma Living



COOPERATIVE ANNUAL REPORT

YOU'RE INVITED: 86th ANNUAL MEETING



Jeff Simpson, CEO

// SWRE is a cooperative owned by its members (that's you!) and we invite both our Texas and Oklahoma members to participate in the 86th Annual Meeting on Monday, August 21.

Drive-thru registration will take place from 5 p.m. – 7 p.m. at two locations: Hangar 36 in Altus, Oklahoma and Wilbarger County Event Center in Vernon, Texas.

Members will receive a special mailing in August with the official Annual Meeting Notice and registration card. Members will need to bring their registration card with them to the meeting to expedite registration.

SWRE members will be able to participate without leaving their vehicles. Co-op employees will be stationed at each drive-thru location to direct traffic and answer questions.

All SWRE members will receive a door prize and \$25 Energy Credit on a future electric bill for registering (limit one door prize and credit per membership).

After completing registration, both locations will feature a parking area for any members who would like to park and visit with SWRE employees and board members. This is a great opportunity to get to know your co-op!

Registered memberships will also be entered into a drawing to win 21 District Energy Credits, various prizes donated by our vendors, and the grand-prize electric zero turn lawnmower!

The prize drawing will be held live on Southwest Rural Electric's Facebook page on Wednesday, August 23 at 9 a.m. Members do not have to be logged into Facebook at the time of the drawing to claim prizes. SWRE employees will contact winners by phone after the drawing.

If you've never attended our Annual Meeting, or if it's been awhile, please stop by. Our co-op family looks forward to visiting with you! //





86TH ANNUAL MEETING

AUGUST 21, 2023 | 5 P.M. - 7 P.M.

DOUBLE DRIVE-THRU

HANGAR 36
5333 N. MAIN ST., ALTUS, OK & WILBARGER CO. EVENT CENTER
301 WILBARGER ST., VERNON, TX

REGISTER & RECEIVE:

“Weather-Ready” Backpack
(DOOR PRIZE - LIMIT ONE
PER MEMBERSHIP)

**\$25 Energy Credit on
Your Next Electric Bill**
(LIMIT ONE PER MEMBERSHIP)



REGISTER & ENTER TO WIN:

**21 Additional District
Energy Credits**

**Various Prizes Donated
by Co-op Vendors**

**THE GRAND PRIZE:
EGO Power+ 42” Z6 Zero Turn
Mower with E-Steer Technology**



**Members will receive a
special mailing in August
with the official Annual
Meeting Notice and
registration card.**

VIRTUAL PRIZE DRAWING
“LIVE” ON FACEBOOK
AUGUST 23 | 9 A.M.





GOING THE EXTRA MILE FOR YOU.

Southwest Rural Electric was founded in 1937 to bring electricity to rural members where no other utility would. Today, SWRE lineworkers maintain more than 3,100 miles of power line over 6,000 square miles of southwest Oklahoma and north Texas.

Cooperatives maintain more miles of infrastructure with significantly less revenue per mile compared to municipalities and other utilities in Oklahoma. Meters per mile of line makes a difference in revenue! More meters equals more revenue. While municipalities can generate \$80K-\$120K of revenue per mile of line, Oklahoma cooperatives average \$13,850 per mile of line.

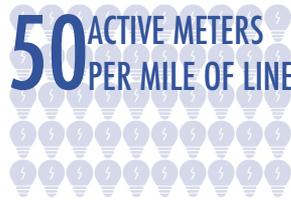
Source: OAEC Archived Co-op Impact Quick Facts

CO-OP LINE DENSITY



2 ACTIVE METERS
PER MILE OF LINE

MUNICIPALITIES



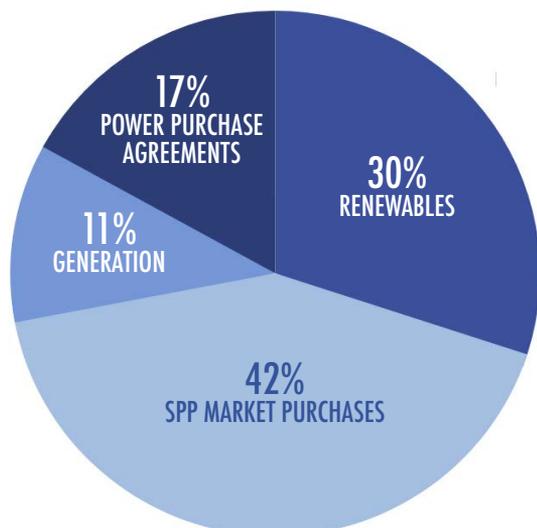
INVESTOR-OWNED



SWRE MEMBERSHIP VS. METERS

3,778 AVG. NUMBER
OF MEMBERS

7,670 AVG. NUMBER
OF METERS



FUEL DIVERSITY

Western Farmers Electric Cooperative (WFEC), SWRE's power supplier, owns and operates a diverse power generation fleet consisting of gas and coal generation, in addition to solar and wind facilities. WFEC also has power purchase agreements for wind, solar, natural gas and hydroelectric generation. The percentages listed represent an average of WFEC's kWh input into the Southwest Power Pool (SPP) Market for 2022. All kWhs are then purchased from the market at SPP's blend of power.

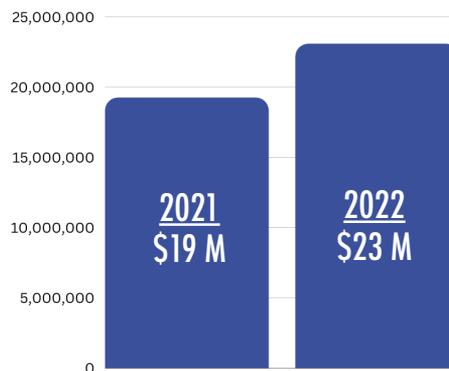
Source: WFEC 2022 Annual Report

FINANCIAL REPORT

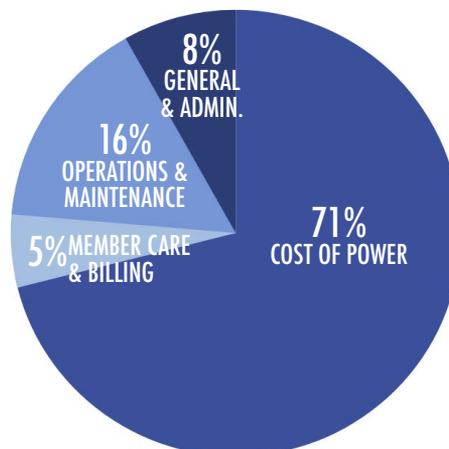
kWh SALES



REVENUE



OPERATIONAL EXPENSES



OPERATING STATEMENT

for the periods January through December

REVENUE

	2022	2021
Residential	\$10,547,723	\$9,266,164
Irrigation	3,040,063	2,370,286
Small Commercial & Industrial	5,063,327	4,638,882
Large Commercial & Industrial	4,100,517	2,677,806
Other Revenue	302,486	277,368
TOTAL REVENUE	\$23,054,116	\$19,230,506

OPERATING & MAINTENANCE EXPENSES

Cost of Purchased Power	\$14,101,873	\$10,812,962
Distribution Expense-Operation	1,301,987	1,523,780
Distribution Expense-Maintenance	1,776,904	1,515,812
Customer Accounts/Service/Sales Expenses	1,047,561	1,007,171
Administrative and General Expense	1,677,283	1,499,225
TOTAL OPERATION & MAINT. EXP.	\$19,905,608	\$16,358,950

Depreciation & Amortization Expense	\$1,680,192	\$1,653,941
Property & Gross Receipts Expense	238,116	12,643
Interest on Long-Term Debt	1,182,329	1,172,639
TOTAL COST ELECTRIC SERVICE	\$23,006,245	\$19,198,173

PATRONAGE MARGINS

Patronage Capital & Operating Margins	\$47,871	\$32,333
Non-Operating Margins	911,773	904,923
Patronage Capital or Margins	\$959,645	\$937,255

BALANCE SHEET

as of December 31, 2022 & 2021

ASSETS

	2022	2021
Net Utility Plant	\$60,030,416	\$57,808,099
Other Property & Investments	8,478,656	8,243,116
<u>Current Assets</u>		
Cash & Temporary Cash Investments	3,547,990	2,164,520
Accounts Receivables (Net)	5,135,642	5,004,230
Material Inventory	-	509,784
Other Current & Accrued Assets	93,188	103,644
TOTAL CURRENT ASSETS	8,776,821	7,782,178
Deferred Debits	33,822	168,443
TOTAL ASSETS	\$77,319,715	\$74,001,836

LIABILITIES & EQUITY

Total Margins & Equities	\$33,449,790	\$31,760,039
Total Long-Term Debt	39,941,637	37,172,006
Total Current & Accrued Liabilities	3,928,288	5,069,791
TOTAL LIABILITIES & EQUITIES	\$77,319,715	\$74,001,836

HOW YOUR ELECTRIC CO-OP IS GOVERNED

Southwest Rural Electric Association, Inc. functions under a unique business model. Like all co-ops, we are member-owned, governed by specific rules and principles, and committed to the Seven Cooperative Principles.

As a cooperative, SWRE is a not-for-profit organization owned by those it serves—that’s you! Your membership means you are vested in the organization, and the money you pay for electrical service goes into the operation, maintenance and improvement of the electrical distribution infrastructure. It’s been that way since 1937, as laid out in our articles of incorporation. Additionally, SWRE follows the rules set forth in our bylaws, which provide a detailed description of how the cooperative functions and is structured.

Overseeing the operations of the cooperative is a board of directors. The board is made up of members who live in our community and use the electricity that we provide. The membership (that’s you again!) elects them to their positions. Board members meet regularly to help ensure that the co-op meets the needs of its members, and they partake in training opportunities to stay up to date on co-op operations and industry information. During the annual meeting, the board meets publicly with members to make important decisions.

Also guiding the smooth operation of the cooperative are a general manager and a staff of skilled professionals, including member services personnel, dispatchers, lineworkers, engineers, technicians and more.

Inflecting it all are the Seven Cooperative Principles, which guide cooperative businesses all over the world. Although not legally binding, they set the tone for how co-ops do business and set them apart from other businesses. The principles are **Voluntary and Open Membership**; **Democratic Member Control**; **Members’ Economic Participation**; **Autonomy and Independence**; **Education, Training and Information**; **Cooperation Among Cooperatives**; and **Concern for Community**.

It takes the entire team, board of directors and members to keep SWRE operating the way it was intended and providing safe and reliable electricity in our communities.



Don Ellis
District 1



Dan Lambert
District 2



Don Proctor
Secretary
District 3



Dan Elsener
Vice President
District 5



Ronnie Swan
President
District 6



Dan White
District 7



Carl Brockriede
District 8

DISTRICT MEETINGS

District meetings are also held each year for members to discuss issues and/or elect representatives to the SWRE Board of Directors. Only members living within the district can vote during a district meeting. A district meeting is held for each district every third year. Notification of time and location of the meetings will be mailed to SWRE members in these districts as specified in the SWRE Bylaws.

District 2

Trustee: Dan Lambert
 September 5 | 7 p.m.
 Warren Senior Citizens Center

District 5

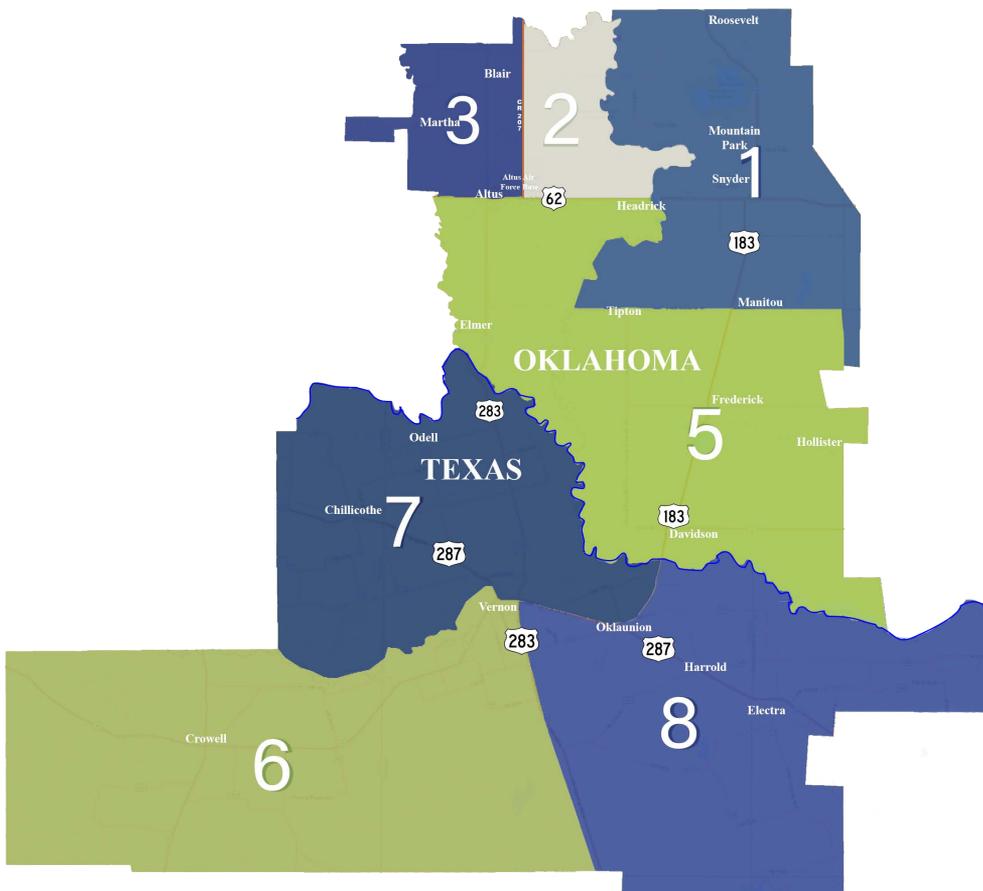
Trustee: Dan Elsener
 September 7 | 6 p.m.
 SWRE Headquarters, Tipton

District 8

Trustee: Carl Brockriede
 September 11 | 6 p.m.
 Harrold High School

TRUSTEE FILING PERIOD

The district filing period for trustees is the last consecutive Monday, Tuesday and Wednesday in the month of August (August 28-30). Members in these districts have the opportunity to file as a candidate for trustee during the filing period. Qualifications, filing requirements and selection procedures for SWRE directors are stipulated in the SWRE Bylaws which are available at SWRE.com/Bylaws or by request at the SWRE office.



\$57,258

CHARITABLE GRANTS DISTRIBUTED

- Altus Lions Club
- Altus Salvation Army
- Cyclone Education Foundation
- Frederick Arts and Humanities Council
- Frederick Public Schools Band
- Grace Child Development Center
- Great Plains Literacy Council
- Jackson County EMS District
- Operation C.A.R.E. Ministries (Jackson Co)
- SWOK Community Action Group Head Start
- SWOK Community Action Group Safe Haven
- Tipton Chamber of Commerce
- Tipton Public Schools first grade
- Tipton Public Schools second grade
- Town of Tipton
- Vernon Meals on Wheels
- Vernon Salvation Army
- Warren Senior Citizens Center
- Wilbarger County Child Welfare Board
- Wilbarger Humane Society

\$7,500

EMERGENCY DONATIONS TO MEMBERS IN NEED

ORU BOARD OF DIRECTORS

OKLAHOMA

- Jennie Buchanan
Vice President
- Mike Geiger
- Nikki Kilhoffer

TEXAS

- Toby Kitchens
President
- Layne Chapman
Secretary



SWRE EMPLOYEES

Pictured L to R

Back Row: *Jeremiah Overman, Tyler Weathers, Chris Schreiner*

Middle Row: *Jeff Simpson, Justin Marsh, Chandler Lingle, Shane Spinks, James Auldridge, Keith Jonas, Justin Nash, James Stephens, Austin Huff, David Ball, Rick Risinger, Kelby Boyd, Gerald Simpson, Calvin Flood, Mike Wolfe, Jim McPherson, Justin Faulkner, Cory Schur*

Front Row: *Darryl Cryer, Dylan Lucas, Karen Rivet, Michelle Elkins, Chris Petty, Erin Hendricks, Lori Flores, Michelle Wood, Rebecca Chambless, Barry Holt*

MISSION STATEMENT

Delivering safe, reliable, affordable electricity to cooperative members while enhancing the quality of life in the rural communities we serve.

VISION STATEMENT

A trusted energy resource for our members with outstanding, friendly service and deep roots in our local communities.

Southwest Rural Electric

P.O. Box 310 • 700 N. Broadway

Tipton, OK 73570-0310

Headquarters: 1-800-256-7973

Board of Directors

Don Ellis District 1
Dan Lambert District 2
Don Proctor, Sec. District 3
Dan Elsener, Vice Pres... District 5
Ronnie Swan, Pres. District 6
Dan White District 7
Carl Brockriede District 8

Bill Pay Options:

24/7 Bill Pay: 1-833-890-9510

SmartHub App or SWRE.com

Outage Reports:

24/7 Hotline: 1-833-590-0353

SmartHub App

SWRE is an equal opportunity provider and employer. SWRE *Power Source* is published monthly for distribution to members of SWRE and is produced by Rebecca Chambless.

