



SOUTHWEST ELECTRIC COOPERATIVE'S
86th Annual Meeting



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Business Meeting Agenda

8:30 am Registration

10:00 am Business Meeting

WELCOME, TED ZEUGIN

CALL TO ORDER, JAMES ASHWORTH

PLEDGE OF ALLEGIANCE & INVOCATION, TED ZEUGIN

READING OF OFFICIAL NOTICE, SARAH WATSON

PRIZE DRAWINGS

DETERMINE QUORUM

TREASURERS REPORT, LESLIE CANTRELL

CEO/GENERAL MANAGERS REPORT

DIRECTOR ELECTION, K. PATRICK DOUGLAS

ADJOURNMENT OF MEETING

PRIZE DRAWINGS



Mr. Ashworth began his career at Southwest in 1989. He has served as CEO/general manager since 2008.

A message from your

CEO/General Manager

As we reflect on the past year and look toward the future, during today's report I will reiterate Southwest Electric Cooperative's commitment to providing safe, reliable, and affordable electricity. The energy landscape is changing quickly due to rising demand, new technologies, and a shifting regulatory environment. The cooperative is dedicated to managing these changes responsibly to ensure we continue to meet member needs while maintaining our financial stability.

Addressing growing energy demand

A critical challenge is the rapidly growing demand for electricity within the service territory and across our power supplier, Associated Electric Cooperative's system. To consistently meet this increasing need and maintain high reliability, AECEI must expand its generation capacity. After reviewing various options, the most responsible path forward is to build two new natural gas-fired power plants. Natural gas plants offer dispatchable power. This means they can be quickly brought online or ramped up to meet demand fluctuations, which is crucial for grid stability when renewable sources may not be generating



power. While renewable energy sources are an important part of the long-term strategy, currently, no commercially available technologies can fully replicate the reliability and dispatchability of traditional power plants like those fueled by natural gas.

Strengthening the transmission system

A strong and modern transmission system is vital for reliably delivering electricity from power plants to homes and businesses. To accommodate the increased generation and growing demand, necessary upgrades to the existing transmission infrastructure and the strategic construction of new transmission lines will be undertaken. These improvements will ensure power flows smoothly and efficiently across the network, minimizing outages and improving overall grid resilience.

Navigating cost pressures and regulatory uncertainty

Rising cost pressures affect the entire energy sector, from generation fuel prices

to equipment and materials. Balancing these rising costs with a commitment to affordability for members is a top priority. Avenues to control expenses and maximize operational efficiency are continually explored. The regulatory landscape continues to evolve, which is common with a new presidential administration, with new rules and proposals impacting how our power suppliers generate and deliver electricity. The cooperative network is actively involved in advocacy at the state and federal levels to ensure regulations support reliable and affordable power for our members. The finalization of some key regulatory relief remains uncertain, and its impact on future operating costs is yet to be fully determined.

Maintaining financial stability and considering future rates

The cooperative's financial stability is of utmost importance. Sound financial strategies, including prudent cash management and strategic capital planning, are being used to manage these investments responsibly. It is too soon to

definitively say whether a rate increase will be necessary in the coming year. The board of directors, who are also members of the cooperative, will carefully review all financial projections and operational needs before making any rate decisions.

Your voice matters

As a cooperative, strength lies in the membership. Feedback is valued, and I encourage you to stay informed about these critical issues shaping the future of the cooperative. SWEC will continue to provide updates as these projects progress and as the regulatory and economic landscape evolves.

Thank you for your continued trust and support.



JAMES ASHWORTH
CEO/GENERAL MANAGER

A message from your Board President

Welcome to Southwest Electric Cooperative's 86th Annual Meeting! As Board President of your electric cooperative, I'm pleased to report on the cooperative's strong performance and dedication to service over the past year. SWEC is committed to providing safe, reliable, and affordable electric service to our rural communities.

The cooperative was able to maintain strong financial health despite economic challenges. Strong financial standing provides flexibility to pursue the lowest cost options when funding the strategic investments in our system. These investments ensure long-term reliability while keeping rates low. With about 90 percent of SWEC's members being residential services we understand the importance of affordability in the electric service to the families we serve.

Maintaining a reliable and safe electric service is also a top priority. SWEC continually evaluates and adopts new technologies and strategies to improve system reliability. Since 2020, SWEC has invested more than \$37 million in our local system. These investments include replacing aging equipment, building new and upgrading existing lines to meet increased demand and growth, and aggressively maintaining rights-of-way to improve reliability and safety. Proactive investment ensures the continued reliable

Mrs. Erickson
has served on the
board of directors
since 2013. She
has been the
board president
since 2023.



and safe operation of the electric system. Significant investments are also being made at our transmission and generation suppliers.

These improvements in transmission lines, substations, and additional generation are needed to improve reliability and meet the demand for future growth. The financial investments are significant but will benefit all member-owners now and for generations to come.

Being members of the cooperative, the Board of Directors understand our local communities and work to make every decision with you, our members, in mind. Unlike other utilities, SWEC operates on an at-cost, not-for-profit basis which is why our priority is serving our members, not profits.

Thank you for being an engaged member and attending your cooperative's annual meeting.

A stylized, handwritten signature in black ink that reads "Nancy Erickson".

Nancy Erickson

The consolidated balance sheets of Southwest Electric Cooperative, Inc. and subsidiary, Southwest Fiber Communications, LLC as of October 31, 2024, and 2023, and the related consolidated statements of revenues, expenses and patronage capital and cash flows for the years then ended have been audited by the independent accounting firm of The Whitlock Company CPA's of Springfield, MO.

The financial statements are the responsibility of the Cooperative's management. The responsibility of the outside accounting firm is to express an independent opinion on the consolidated financial statements based upon their audits.

The auditors conduct their audits in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that the independent auditors plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An independent audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The auditors believe that their audits provide a reasonable basis for the opinion they express.

In their opinion, our financial statements present fairly, in all material respects, the financial position of Southwest Electric Cooperative, Inc. and subsidiary as of October 31, 2024 and 2023, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Report on Independent Audit

**Mrs. Cantrell
began her career at
Southwest in 2007.
She has served as the
manager of finance
and accounting since
2008.**



A handwritten signature in black ink that reads "Leslie A. Cantrell". The signature is fluid and cursive.

Leslie A. Cantrell

Official Notice of Meeting & Mailing



Notice is hereby given the 86th Annual Meeting of the Members of Southwest Electric Cooperative will be held at Bolivar High School in Bolivar, Missouri, at 10:00 a.m. Saturday, September 13, 2025 to take action on the following matters:

1. Report of officers and directors.
2. Election of three directors; districts three, six, and nine each for a term of three years.
3. To transact any and all other business which may properly come before the meeting or any adjournment thereof.

In connection with the election of three directors to be held at the meeting, a nominating committee composed of Mick Hood, Polk

County, Jerry Duff, Dallas County, Tim Logan, Hickory County, Thad Henderson, Benton County, Kenneth Bacon, Dallas County, and Robert Marchi, Benton County, who were appointed by the board of directors of the cooperative pursuant to the By-Laws, have nominated the following members to be voted upon for directors:

Ed Dority	District 3
Lowell Hill	District 6
Chris Jewell	District 9

At the time of this printing, there were no nominations by petition.

Jack Bybee, being first duly sworn on oath, deposes and says he is the secretary of Southwest Electric Cooperative, Missouri, 53, Polk, (Hereinafter called the "Cooperative") and that the notice of the annual meeting, which is to be held on September 13, 2025, was published in the "Rural Missouri"; which was sent to the entire membership of the Cooperative at the address as it appears on the records of the Cooperative.

The annual meeting will be held at Bolivar High School in Bolivar, Missouri. He further states the above is a true and correct statement concerning the notice of the annual meeting as aforesaid.

Jack N. Bybee
Jack Bybee, secretary/treasurer

Director Election

Cooperative Principle #2 Democratic Member Control
Cooperatives are democratic organizations controlled by their members who actively participate in setting policies and making decisions.

Member control of SWEC is assured by a board of nine directors who are members of the cooperative. Each year at the annual meeting, three directors are elected by the members to serve a three year term.

The nominating committee met on July 15, 2025 and nominated three members to serve on the board of directors, one member each for districts three, six, and nine.



Ed Dority

District three includes portions of Benton, Camden, and Hickory Counties.



Lowell Hill

District six includes portions of Dallas, Polk, Laclede, and Webster Counties.



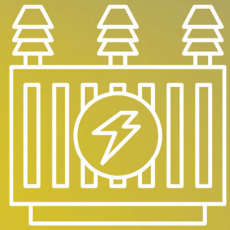
Chris Jewell

District nine includes portions of Greene, Polk, and Dallas Counties.

WHERE DOES ONE COOPERATIVE DOLLAR GO?



NUMBERS



25 SUBSTATIONS



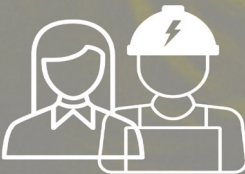
8 METERS PER MILE



11 COUNTIES



44,500 METERS



84 EMPLOYEES

7 Cooperative Principles

#1 Open & Voluntary Membership

#2 Democratic Member Control

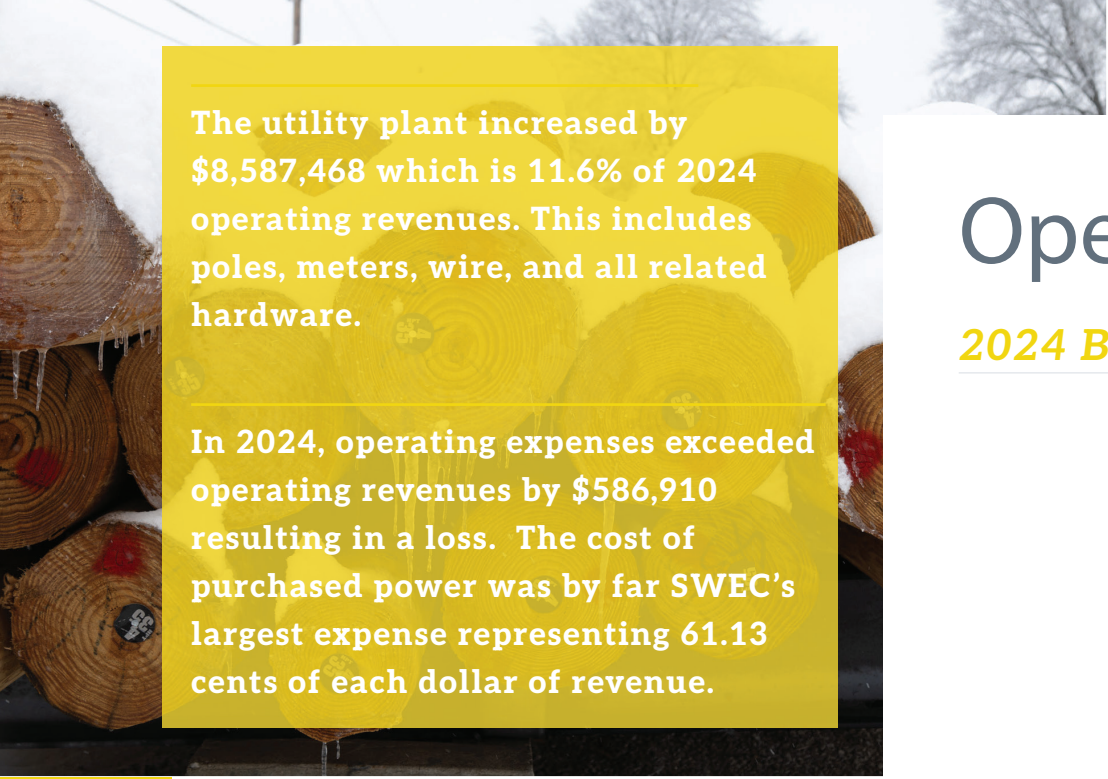
#3 Member's Economic Participation

#4 Autonomy & Independence

#5 Education, Training & Information

#6 Cooperation Among Cooperatives

#7 Concern for Community



The utility plant increased by \$8,587,468 which is 11.6% of 2024 operating revenues. This includes poles, meters, wire, and all related hardware.

In 2024, operating expenses exceeded operating revenues by \$586,910 resulting in a loss. The cost of purchased power was by far SWEC's largest expense representing 61.13 cents of each dollar of revenue.

Operations Report

2024 BY THE NUMBERS

Operating expense per mile	\$820.47
Maintenance expense per mile	\$1,631.73
Operating & maintenance expense per meter	\$306.72
Member accounting expense per meter	\$55.97
Member service & information expense per meter	\$27.24
Administrative & general expense per meter	\$69.38
Property & other taxes per meter	\$45.33
Interest on long term debt per meter	\$29.37
Depreciation & amortization of plant	\$7,542,284
Operating revenue	\$73,869,840
Operating margins	(\$586,910)
Non-operating margins (interest & other)	\$988,488
Allocated capital credits (from power suppliers & vendors)	\$4,788,260
Total margins	\$5,189,838

\$1,350,000 of previously deferred operating revenue was recognized in 2024 to ensure that total margins met lender requirements.

*All figures in this report of operations are as of December 31, 2024

General Information Comparison

	1980	1990	2000	2010	2020	2023	2024
Meters	19,715	25,977	33,724	39,303	42,038	43,991	44,496
Miles	4,006	4,392	4,889	5,333	5,556	5,544	5,565
Meters per mile	4.9	5.91	6.9	7.37	7.56	7.93	8
Investment per mile	\$4,634	\$8,336	\$13,251	\$23,104	\$35,304	\$40,644	\$42,034
kWhs sold to members (millions)	203	287	431	582	579	615	612
kWhs purchased from power supplier (millions)	222	301	477	622	614	651	649
Power cost (millions)	\$6.01	\$15.8	\$18.2	\$34	\$37.7	\$41	\$45
Average cost per kWh (cents)	2.711	5.259	3.832	5.46	6.15	6.31	6.96
Average monthly bill	\$34.40	\$61.64	\$70.91	\$112.34	\$122.58	\$124.11	\$138.87
Average monthly usage (kWhs)	865	929	1,061	1,233	1,148	1,166	1,146
Total plant value (millions)	\$18.5	\$36.6	\$64.7	\$123.2	\$196.1	\$225.3	\$233.9
Long-term debt (millions)	\$6.2	\$11.8	\$8.6	\$23.3	\$29.8	\$45.5	\$43.8
Employees year end	57	70	73	77	83	84	84

Community

Cooperative Principle #7 Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members

SWEC sent DeLainie Hedger, Strafford High School, and Ellie Samek, Bolivar High School, to Washington D.C. on Youth Tour. They toured museums, visited monuments, and met elected officials.



We proudly sent two Weaubleau High School educators, Viktoria Branstetter and Krista Gerster to Energy in Today's Classroom. A two-day course on energy basics, sources, power generation, and transmission.



Dedicating time to students in our area schools is important to us. Whether it's safety, educational, or career days, we are happy to invest in our future!



Your Power Supplier

“Associated prioritizes a reliability first strategy, and we have no plans to retire any generating assets. While this has not been popular among some special interest, it is prudent and the best path forward for our member-owners.”

SWEC’s power supplier, Associated Electric Cooperative is building two new natural gas-fired generating units to add critical power supply to meet winter and summer member load peaking requirements. The units are Associated’s first new generation construction projects since 2011 and will add 840 megawatts.

“The bottom line: member-owners can continue to trust in Associated’s ability to generate a reliable, affordable and responsible power supply.”

DAVID TUDOR
CEO/GENERAL MANAGER
ASSOCIATED ELECTRIC COOPERATIVE

Associated began construction on Ripley Energy Center in Oklahoma in 2024 and on Turney Energy Center in Missouri in 2025. The target completion date for Ripley is fall 2026 with Turney to follow in summer 2027.



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**Southwest Electric
Cooperative**

