

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
August 27, 2026
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, August 27, 2026, at 6:30 p.m. at the office of Southwestern Electric Cooperative headquarters in Greenville, IL pursuant to notice given. President Jerry Gaffner called the meeting to order and led in the Pledge of Allegiance to the flag.

The following directors were present constituting a quorum:

Jerry Gaffner
Sandy Grapperhaus
Annette Hartlieb (via teleconference)
Bill Jennings (via teleconference)
Brad Lurkins
Ann Schwarm (via teleconference)
Jared Stine
Marvin Warner
Amy Marcoot

Staff members present were Chief Executive Officer Bobby Williams, Chief Operating Officer Vic Buehler, Chief Financial Officer Nathan Taylor, and Executive Assistant Sarah McConnell. With Hartlieb's attendance via teleconference, Gaffner appointed Marcoot Secretary Pro-Tempore.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting in August. She gave a verbal report to the board. The topics of discussion included legislation, fraud awareness, Youth Tour, scholarships, and AIEC's Annual Meeting.

Report on the Credentials & Election Committee Meeting/Annual Meeting Discussion:

Manager of Member Services Brooke Scott entered the meeting at 6:50 p.m. The Credentials and Elections Committee met on August 27th. Steven Laesch was elected chairperson, and Ron Jarrett was elected secretary for the 2026 committee. Several topics regarding the Annual Meeting were discussed. The committee reviewed and adopted the ballot for the Annual Meeting. Scott left the meeting at 7:07 p.m.

Member Relations:

The board discussed recent correspondence with members concerning construction of subdivisions and right of way clearance. The board discussed appropriate conduct when engaging with members who use the website to email concerns to the directors.

Strategic Plan:

The board discussed priorities following the Annual Meeting, including VPP, Time of Use, and the headquarters building.

Approval of Minutes:

Minutes of the regular board meeting held on July 25, 2026, were considered. On a motion made by Warner, seconded by Lurkins and carried, the minutes were approved as presented.

Executive Session:

At 7:20 p.m., Marcoot made a motion to enter into executive session to discuss legal and personnel matters. Hartlie seconded; motion carried. At 7:25 p.m., Marcoot made a motion to leave executive session. Warner seconded; motion carried.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of July 31, 2026
 - Revenue
 - Total Operation and Maintenance Expense
 - Total Cost of Electric Services
 - Net Operating Margins
 - Non-Operating Margins
 - DSCR
- YTD cashflow summary
- Capital Summary
- Long-term Debt
- Financial metrics
- Revenue by rate class
- Cost of Power
- Rate Performance
- Annual Meeting Update
- General Retirement
- Write-offs through July

July's list of membership applications and August's list of terminations were sent to the board prior to the meeting. A motion was made by Hartlieb, seconded by Warner, and carried to accept 67 applications for membership for July 2026, in accordance with Section 2 of the bylaws, and to formally acknowledge the termination of 18 memberships for August 2026, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to members and members' estates totaling to \$32,887.07.

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$414,843.28 for July 2026. Warner seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Communication with Members
- REDLG Proposals
- Member Request
- Business Development/Projects
- Employee Benefits

COO's Report:

COO Vic Buehler's report included:

- RESAP
- AMI
- New construction
- Future projects
- Technology improvements

Committee Reports:

The Member Engagement Committee discussed focus groups and Jennings reported he and other directors have already received interest from members.

The Facilities Committee discussed the concerns regarding accuracy and accountability on the part of CBS. After reviewing the estimates and potential cost reductions, the committee agreed to recommend that the board rescind the motion from May 18, 2026, awarding the project to CBS.

Williams confirmed that Korte Construction is available to give new estimates and begin design.

Warner made a motion to rescind a motion made at Special Meeting on May 18, 2026, to award CBS for the renovation project for the new headquarters. Stine seconded the motion, the motion carried.

Marcoot made a motion to award Korte the renovation project for the new headquarters. Warner seconded, the motion carried.

Director Training Report:

Schwarm, Warner, and Stine attended AIEC's Annual Meeting. They gave written and verbal reports to the board. Some of the topics discussed were nuclear energy, cybersecurity, and data centers.

Schwarm and Warner attended NRECA's BLC 928: Artificial Intelligence and Electric Cooperatives. They gave verbal and written reports to the board. Some of the topics discussed were cybersecurity, data quality, implementation of AI, and the impacts, risks, and opportunities of AI.

Schwarm left the meeting at 8:41 p.m.

Unfinished Business:

The board discussed the success of the Member in Action Meetings held throughout August. Williams reported positive feedback from members and discussed the meetings' role in building trust and engagement.

New Business:

The board approved management moving forward with the REDLG application from SevRend.

The board discussed funding for the employee Health Savings Accounts.

Marcoot made a motion to approve funding HSA contribution for another 3-year term, Grapperhaus seconded and the motion carried.

The board considered a request from a member to attend a board meeting, deciding to approve the request to attend. Williams will contact the member to communicate the decision and next steps.

The board discussed the upcoming rate changes and Stine presented a revised proposal to the rate structure. Stine made a motion to approve the proposed changes to the rate structure, which failed to receive a second.

Buehler, Taylor, and McConnell left the meeting at 9:35p.m.

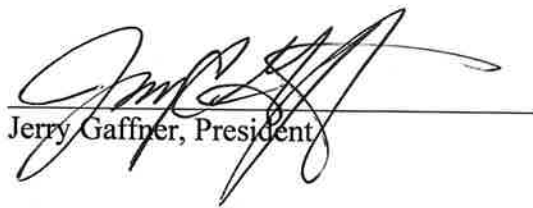
Executive Session:

A motion was made by Marcoot, seconded by Jennings, and carried to enter into executive session at 9:36 p.m. to discuss personnel matters. A motion was made by Grapperhaus, seconded by Warner, and carried to leave executive session at 10:13 p.m.

Adjournment:

With no further business to come before the board, the meeting adjourned at 10:13 p.m.

Attest:


Jerry Gaffner, President


Annette Hartlieb, Secretary