

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
September 24, 2026
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, September 24, 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
Bill Jennings
Brad Lurkins
Amy Marcoot
Ann Schwarm
Jared Stine (via video conference)
Marvin Warner
Annette Hartlieb

Staff members present were Chief Executive Officer Bobby Williams, Chief Operating Officer Vic Buehler, Chief Financial Officer Nathan Taylor, and Executive Assistant Sarah McConnell.

Reorganization of the Board and Committees:

A motion was made by Schwarm, seconded by Hartlieb, and carried to re-elect Jerry Gaffner as President. Warner moved to close nominations, seconded by Grapperhaus, and the motion carried. Gaffner was elected by acclamation to serve as President for the 2026–2027 term.

A motion was made by Warner, seconded by Schwarm, and carried to re-elect Jared Stine as vice-president, Annette Hartlieb as secretary, and Sandy Grapperhaus as treasurer for the 2026-2027 term by acclamation.

The changes to the 2026-2027 committees will be assigned at October's board meeting.
The board reviewed the *Business Ethics Code* policy.

Approval of Minutes:

Minutes of the regular board meeting held on August 27, 2026, were considered. On a motion made by Marcoot, seconded by Grapperhaus and carried, the minutes were approved as presented.

Minutes of the Special Board meeting held on September 15, 2026, were considered. On a motion made by Schwarm, seconded by Hartlieb and carried, the minutes were approved as presented.

Member Relations:

The board discussed recent member correspondence and concerns involving outages, contractor related property damage, candidate signs, and Annual Meeting. The board discussed the importance of following the cooperative's established process for member concerns.

The board also discussed communication regarding outages and the use of the online contact form. Management will clarify that the contact form should not be used for outage related matters. Addressing the outage communication process in a future magazine article was also discussed.

Strategic Plan:

Stine reported that an update will be provided at the October Board meeting.

Executive Session:

At 6:56 p.m., Jennings made a motion to enter executive session to discuss legal and personnel matters. Warner seconded; motion carried. At 7:05 p.m., Lurkins made a motion to leave executive session. Jennings seconded; motion carried.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of August 31, 2026
 - Financial Metrics
 - Revenue

- Total Operation and Maintenance Expense
- Total Cost of Electric Services
- Net Operating Margins
- Non-Operating Margins
- DSCR
- Revenue Summary
- Cost of Power
- YTD cashflow summary
- Capital Summary
- Capital Credits Update
- General Retirement of Capital Credits
- Write-offs through August
- Rate Performance
- Annual Meeting Recap
- Financial Reporting

August's list of membership applications and September's list of terminations were sent to the board prior to the meeting. A motion was made by Hartlieb, seconded by Grapperhaus, and carried to accept 54 applications for membership for August 2026, in accordance with Section 2 of the bylaws, and to formally acknowledge the termination of 13 memberships for September 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 \$38,561.97.

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$319,698.55 for August 2026. Grapperhaus seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Building Update
- Bylaw Changes
- Data Center Update
- Potential Battery Storage Project
- Potential Energy Project
- Internal Safety Day
- Unpaid Capital Credits
- REDLG for Beaumont Lumber
- Annual Meeting Venue
- Ameren Power Factor Study/NOC Meeting

- Theft/Security

COO's Report:

COO Vic Buehler's report included:

- NOC Meeting
- NextEra Meeting Recap
- MIC Conference Recap
- CTC Meeting
- AIEC Safety Committee Meeting
- AIEC's Line worker's Safety Rodeo
- Project Updates

Stine left the meeting at 8:37 p.m.

AIEC Board Meeting Report:

Schwarm reported there wasn't a board meeting in September but provided an update on the NRECA regional meeting. Schwarm reminded the group that the AIEC scholarship applications are available online.

Director Training Report:

Marcoot provided a report on a director course about Understanding the Electric Business. Key topics included: the Culture of Safety; Cybersecurity; Distribution Issues and Construction Work Plan; Member Engagement; Technology Planning; and Power Supply Issues and Risk Management.

Unfinished Business:

No unfinished business was discussed.

New Business:

A motion was made by Marcoot, seconded by Warner, to authorize the signing of a Letter of Interest related to the proposed biomass project with Biomass Rules, LLC. The motion carried.

A motion was made by Hartlieb, seconded by Lurkins, and carried to approve and sign the Severend resolution for the REDLG agreement as presented.

A motion was made by Schwarm, seconded by Marcoot, to approve the general retirement of 1998 capital credits in the amount of \$3,158,120. The motion carried. Taylor confirmed that the board's preference is to issue retirement payments by check, with amounts below an established threshold applied as a bill credit to the member's account.

The board discussed attendance at the upcoming NextEra conference. Due to limited availability, directors interested in attending were asked to submit requests to McConnell.

The board discussed potential changes to the Annual Meeting format and voting process, including multiple sessions, electronic voting, mail voting, and in-person voting options.

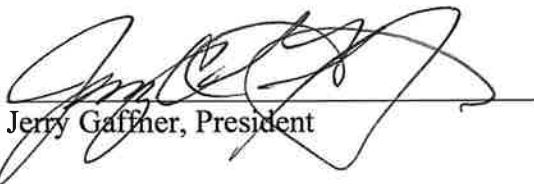
Schwarm announced that she does not intend to seek re-election when her term expires in 2028, providing advance notice in accordance with policy.

The board discussed reviewing policies in relation to the new bylaws. Williams will coordinate with VP of Human Resources, Carrie Knebel, to schedule a Policy Committee meeting.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:16 p.m.

Attest:



Jerry Gaffner, President



Annette Hartlieb, Secretary

