

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
January 22, 2026
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, January 22, 2026, at 6:00 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
Bill Jennings
Brad Lurkins
Amy Marcoot
Ann Schwarm (via video conference)
Jared Stine (joined at 6:37 p.m.)
Marvin Warner

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

Approval of Minutes:

Minutes of the regular and budget board meeting held on December 18, 2025, were considered. On a motion made by Warner, seconded by Marcoot and carried, the minutes were approved as presented.

Executive Session:

At 6:05 p.m., Lurkins made a motion to enter into executive session to discuss legal and personnel matters. Grapperhaus seconded; motion carried. Stine joined the meeting at 6:37 p.m. At 7:13 p.m., Warner made a motion to leave executive session. Grapperhaus seconded; motion carried.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of December 31, 2025
 - Revenue
 - Total Operation and Maintenance Expense
 - Total Cost of Electric Services
 - Net Operating Margins
 - Non-Operating Margins
 - DSCR
- YTD cashflow summary
- Financial metrics
- Revenue by rate class
- Cost of Power
- Capital summary
- Write-offs through December
- ERC Loan Application

A motion was made by Grapperhaus, seconded by Hartlieb and carried to approve a \$4,298 ERC loan for SWECI member number 69106 to replace their furnace.

December's list of membership applications and January's list of terminations were sent to the board prior to the meeting. A motion was made by Jennings, seconded by Stine, and carried to accept 41 applications for membership for December 2025, in accordance with Section 2 of the bylaws, and to formally acknowledge the termination of 36 memberships for January 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 \$93,400.64.

Jennings made a motion to approve the Operating Report and Work Order Summary in the amount of \$622,978.03 for December 2025. Stine seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Capacity
 - Accreditation results
 - Initial Planning Reserve Margin Requirement (PRMR)
 - Hedged amounts
- Rates structure
- Communication
- Training

A motion was made by Warner, seconded by Hartlieb and carried to approve a swap proposal for capacity with SIPC.

A motion was made by Marcoot and seconded by Hartlieb to eliminate the religious rate, transition those accounts to the applicable rate classifications, and approve the new rate structures for small and medium power rates effective April 1, 2026. The motion carried by vote (8 in favor, 1 opposed).

A motion was made by Warner, seconded by Jennings and carried to phase in the single phase grain bin rate over a three-year period, effective April 1, 2026.

A motion was made by Warner, seconded by Marcoot, and carried to establish September 1, 2026, as the effective date for the residential rates approved the November board meeting.

COO's Report:

COO Vic Buehler's report included:

- Mutual aid request
- Efficiency
- WIP
- Miscellaneous Receivable invoices

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee has met to review Sections 1–4 of the bylaws. Based on discussion, SWECI's corporate attorney is drafting revised language for Section 4 to address the

committee's feedback. The updated language will be presented to the committee for further review at a future meeting.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting in January. She gave a verbal report to the board. The topics of discussion included PAC participation, Youth Day, Lobby Day, and government relations. Schwarm inquired about making a \$2,000 pledge to the International Project, a program administered through NRECA via AIEC. A motion was made by Schwarm and seconded by Marcoot to approve the pledge. Following discussion, a motion was made by Marcoot, seconded by Hartlieb and carried to table the matter until the next meeting.

Gaffner gave an update on the Board President Luncheon he attended at AIEC. Topics discussed included mergers, acquisitions, power contracts, and virtual power plants (VPP).

Unfinished Business:

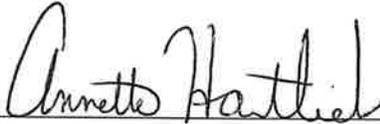
A motion was made by Hartlieb, seconded by Grapperhaus and carried to acknowledge that the board had previously communicated regarding the Purchase and Sale Agreement for the potential building in Greenville and had reached consensus to move forward with the transaction, and the motion retroactively authorizes the CEO Bobby Williams to execute and sign the Purchase and Sale Agreement on behalf of the cooperative.

New Business:

No new business was discussed.

Adjournment:

With no further business to come before the board, the meeting adjourned at 10:30 p.m.


Annette Hartlieb, Secretary

Attest:



Jerry Gaffner, President

