

**Southwestern Electric Cooperative, Inc.
Minutes of the Budget & Regular Meeting
December 19, 2024
Greenville, IL**

The budget and regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, December 19, 2024, at 5:00 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
Ann Schwarm
Jared Stine
Marvin Warner
Ted Willman

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 board meeting held on November 21, 2024, were considered. On a motion made by Hartlieb, seconded by Warner and carried, the minutes were approved as presented.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of November 30, 2024 (month, year-to-date, and outlook)
 - Revenue
 - Total Costs
 - Net Operating Margins
 - Non-Operating Income

- Net Margins.
- Year-to-date and Year-end Cash flow statement
 - DSCR
 - Margin Stabilization funds.
- Wholesale Power Cost Adjustment factor (WPCA)
- Capital Credits
- 2024 Write-offs

A motion was made by Schwarm, seconded by Grapperhaus and carried to apply the remaining \$3.8M margin stabilization funds to 2024.

A motion was made by Warner, seconded by Hartlieb and carried to adjust the WPCA factor to \$0.00916, effective January 1, 2025.

Operating Report and Work Order Summary Approval:

Lurkins made a motion to approve the Operating Report and Work Order Summary in the amount of \$352,741.62 for November 2024. Willman seconded; motion carried.

2025 Budget:

CFO Nathan Taylor's report included:

- 2025 Proposed Operating Budget
 - Revenue
 - Total Costs
 - Net Operating Margins
 - Non-Operating Income
 - Net Margins.
 - Opportunities and Risks
 - Cost summary
 - Cash flow statement
 - DSCR
- 2025 Proposed Capital Budget
 - Carryover
 - Software conversion
 - Fleet
 - New construction
 - Construction-in-aid
 - Retirements
 - System improvement
 - Pole replacement
 - Capital work plan projects

A motion was made by Schwarm, seconded by Stine, and carried to approve the 2025 Capital Budget request of \$10,225,900.

A motion was made by Warner, seconded by Stine, and carried to approve the 2025 Operating Budget reflecting Net Margins of \$3,472,414.

The meeting recessed at 6:50 p.m. and reconvened at 7:00 p.m.

Executive Session:

At 7:02 p.m., Grapperhaus made a motion to enter into executive session to discuss personnel and legal matters. Warner seconded; motion carried. At 7:45 p.m. Hartlieb made a motion to leave executive session. Grapperhaus seconded; motion carried.

Staff Reports & Presentations Continued

CEO's Report:

CEO Bobby Williams's report included:

- Enclosed meter bases
- Potential load
- Upcoming events
- Donation request
- Safety Committee update
- 2025 Strategic Planning Event

COO's Report:

COO Vic Buehler's report included:

- Theft
- Apprenticeship program update
- Update on projects

Membership Applications and Terminations

November's list of membership applications and December's list of terminations were sent to the board prior to the meeting.

A motion was made by Hartlieb, seconded by Stine, and carried to accept 68 applications for membership for November 2024, in accordance with Section 2 of the bylaws.

A motion was made by Grapperhaus, seconded by Jennings, and carried to formally acknowledge the termination of 7 memberships for December 2024, 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 \$5,188.72.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting on December 19. She gave a verbal report to the board. The topics of discussion included AIEC's Annual Meeting location and program, finances, legislation, NRECA's Directors Conference, Lobby Day, survey, Energize Graphics, and CFC Forum.

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on December 19, prior to the board meeting at Greenville Headquarters to discuss the *Paid Time off for Non Union Staff Policy*. Chairperson Warner gave a report to the board.

A motion was made by Warner, seconded by Jennings, and carried to adopt the *Paid Time off for Non Union Staff Policy* as presented

Unfinished Business:

The *Artificial Intelligence (AI) Usage Policy* was sent to the board prior to the meeting. A motion was made by Grapperhaus, seconded by Stine, and carried to adopt the *Artificial Intelligence (AI) Usage Policy* as presented

New Business:

A motion was made by Hartlieb, seconded by Grapperhaus, and carried to appoint Jennings as the voting delegate for NRTC's 2025 Director Elections.

A motion was made by Warner, seconded by Lurkins, and carried to appoint Gaffner as the voting delegate for NRECA's Annual Meeting and CRC's Annual Meeting.

Adjournment:

With no further business to come before the board, the meeting adjourned at 8:48 p.m.

Attest:



Jerry Gaffner, President



Annette Hartlieb, Secretary

