

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
February 27, 2025
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, February 27, 2025, 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
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. Also present via video conference were GDS Consultants Garrett Cole, Jacob Thomas, and Sydney Sprague.

IRP Results Discussion:

Cole and Sprague gave a presentation on SWECI's Integrated Resource Planning (IRP). The following topics were discussed:

- Timeline of existing supply arrangements.
- Portfolio supply snapshot.
- 2030 NPV Price volatility comparison.
 - Long-term market-based hedging proxy.
 - Diversity.
- 2023 NPV Summary.

- Base case scenario.
- Accel. Tech. Scenario.
- Regulatory Scenario.
- Comprehensive Summary.
- Recommendations.
- Timeline considerations and action items.

Sprague left the meeting at 6:58 p.m.

Cost of Service Study Results:

Cole and Thomas gave a presentation on SWECI's 2025 Rate Study. The following topics were discussed:

- An overview of rate setting process.
 - Ratemaking and the art/science continuum.
- Revenue requirements.
 - Financial review process.
 - Key financial metrics to consider.
 - Adjusted income statement.
 - DSC.
- Cost of service.
 - Cost of service process.
 - Share of operating costs.
 - Allocated income statement.
 - Relative rate of return.
 - Recovery.
- Rate design.
 - Cost and revenue comparison.

Cole and Thomas left the meeting at 7:44 p.m.

Approval of Minutes:

Minutes of the regular board meeting held on January 23, 2025, were considered. On a motion made by Hartlieb, seconded by Warner and carried, the minutes were approved as presented.

Executive Session:

At 7:46 p.m., Grapperhaus made a motion to enter into executive session to discuss personnel and legal matters. Schwarm seconded; motion carried. At 8:03 p.m. Jennings made a motion to leave executive session. Stine seconded; motion carried.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of January 31, 2025
 - Revenue
 - Total Operation and Maintenance Expense
 - Total Cost of Electric Services
 - Net Operating Margins
 - Non-Operating Margins
 - DSCR
- YTD cashflow summary
- Draft financial metrics
- Number of employees by department
- Write-offs through January
- Member update
- Software conversion for billing
- Insurance

Operating Report and Work Order Summary Approval:

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$562,422.58 for January 2025. Warner seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Touchstone Energy membership survey
- Member correspondence
- Capacity
- Topics from February's Safety Committee Meeting
- AIEC events
- Health Fair
- AIEC's Youth Day

A motion was made by Warner, seconded by Schwarm and carried to allow staff the flexibility to send all three delegates to Washington, D.C. if they are good candidates.

COO's Report:

COO Vic Buehler's report included:

- Topics from AIEC's Safety Committee Meeting
- Update on projects

January's list of membership applications was sent to the board prior to the meeting. Due to the software conversion, no capital credits will be paid out in February. February's capital credit requests will be presented at the March board meeting.

A motion was made by Hartlieb, seconded by Jennings, and carried to accept 67 applications for membership for January 2025, in accordance with Section 2 of the bylaws.

Report on Director Training:

Lurkins attended NRECA's Course 2610: Understanding the Electric Business through AIEC. He gave a verbal report to the board. Some of the topics discussed were capacity, MISO, generation, and member services.

Gaffner and Warner attended NRECA's Directors Conference. They gave verbal and written reports to the board. Some of the topics discussed were legislation, data centers, member satisfaction surveys, reliability, bad debt, succession planning, and employee satisfaction survey.

Warner attended NRECA's Course 988: The Board's Role in Safety through AIEC. He gave a verbal and written report to the board. Some of the topics discussed were promoting a culture of safety, board roles and responsibility, and having the safety committee meet with the board.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting on February 20. She gave a verbal report to the board. The topics of discussion included CFC bylaws change, finances, PAC, Youth Day, Lobby Day, and AIEC's Annual Meeting.

Unfinished Business:

After reviewing seasonal capacity requirements, the board decided not to hedge additional summer capacity.

New Business:

No new business was discussed.

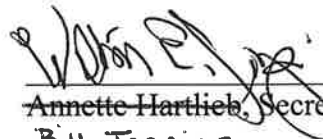
Adjournment:

With no further business to come before the board, the meeting adjourned at 9:27 p.m.

Attest:



Jerry Gaffney, President



~~Annette Hartlieb~~, Secretary Pro-temp
Bill Jennings

