

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
April 24, 2025
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, April 24, 2025, 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
Bill Jennings
Brad Lurkins
Ann Schwarm
Jared Stine
Marvin Warner
Ted Willman

Staff members present were Chief Executive Officer Bobby Williams (via video conference), Chief Operating Officer Vic Buehler, Chief Financial Officer Nathan Taylor, and Executive Assistant Brooke Scott. Also present, was Auditor Luke Greden from CliftonLarsonAllen (via video conference).

2024 Auditor's Report:

Auditor Greden from CliftonLarsonAllen presented the 2024 Auditor's Report through video conference. They did not find anything significant to report. He noted that the audit provides reasonable, but not absolute assurance. There were no audit adjustments or difficulties with management to discuss, and they had a clean opinion of internal controls.

The board reviewed the following key ratios, comparing SWECI to the 2023 industry mean:

- Modified Debt Service Coverage,

- Times Interest Earned (TIER),
- Blended Interest Rate,
- Equity Level as a percentage of Assets,
- Capital Credits Retired per Total Equity,
- Power Cost as a percentage of Revenue,
- Total Operating Expense per KWH Sold,
- Total Electric Revenue per KWH Sold,
- Growth in number of Consumers,
- Growth in KWH Sales,
- TUP Investment per Consumer.

The audit was conducted remotely. After answering several questions, Greden left the meeting at 7:04 p.m. Schwarm made a motion to approve the 2024 Audit Report as presented. Grapperhaus seconded; motion carried.

Approval of Minutes:

Minutes of the regular board meeting held on March 27, 2025, were considered. On a motion made by Jennings, seconded by Warner and carried, the minutes were approved as presented.

Executive Session:

At 7:10 p.m., Hartlieb made a motion to enter into executive session to discuss personnel and legal matters. Lurkins seconded; motion carried. At 7:20 p.m. Stine made a motion to leave executive session. Willman seconded; motion carried.

Staff Reports & Presentations

Report of Operations and Construction:

CFO Nathan Taylor's report included:

- Financial Summary as of March 27, 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
- Number of employees by department
- Write-offs through March
- Several billing processes resume May 1st
- Physical inventory count.

Operating Report and Work Order Summary Approval:

Warner made a motion to approve the Operating Report and Work Order Summary in the amount of \$424,896.19 for March 2025. Hartlieb seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Facilities
- Substation Summary Report data error
- Member matters
- Highlights of Safety Committee meeting
- Update on Strategic plan
- New hires

COO's Report:

COO Vic Buehler's report included:

- Update projects
- Inventory count preparations
- Easement matters
- Recent outages

The meeting recessed at 8:13 p.m. and reconvened at 8:20 p.m.

Membership Applications and Terminations

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

A motion was made by Hartlieb, seconded by Jennings, and carried to accept 56 applications for membership for March 2025, in accordance with Section 2 of the bylaws.

A motion was made by Hartlieb, seconded by Jennings, and carried to formally acknowledge the termination of 7 memberships for April 2025, 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 \$20,147.36.

2025 Committee of Nominations Appointment:

On a motion made by Warner, seconded by Stine and carried, the following members were appointed by the board of directors to serve on the 2025 committee of nominations.

<u>District I</u>	<u>District II</u>	<u>District III</u>
D. Joachimsthaler	N. Reisner	J. Lawson
B. Straub	R. Hilliard	T. Koberlein
D. Petry	C. Zimmerman	K. Willenborg

Committee Reports:

Scholarship Committee:

The scholarship committee met prior to the board meeting to evaluate applications and award 14, \$1200 scholarships including the Richard Gusewelle Memorial Scholarship and Alan Libbra Memorial Scholarship. Stine announced the names of the recipients chosen and discussed highlights from the meeting.

Report on Director Training:

Hartlieb attended CoBank's Customer Meeting. She gave a verbal and written report to the board. Some of the topics discussed were highlights from keynote speakers, geopolitical climate, trends in leadership, and the economy.

Williams, Jennings and Warner reported on Lobby Day in Springfield. They discussed engagement and recommended a format change be made. Schwarm will relay their feedback to AIEC.

AIEC Board Meeting Report:

There was no AIEC Board Meeting in April.

Unfinished Business:

No unfinished business was discussed.

New Business:

A motion was made by Stine, seconded by Grapperhaus, and carried to approve the capital credit allocation of \$5,087,789 to year-end 2024 active members.

Willman announced his plans to retire from the board.

A motion was made by Stine, seconded by Hartlieb and carried to recommend that the Southwestern Electric Cooperative Community Foundation award 14 scholarships in the amount of \$1,200 each to the recipients selected by the Southwestern Electric Cooperative Scholarship Committee.


Adjournment:

With no further business to come before the board, the meeting adjourned at 9:02 p.m.

Attest:



Jerry Gaffner, President



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

