

**Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
October 28, 2021
Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, October 28, 2021, at 6:30 p.m. at the office of Southwestern Electric Cooperative headquarters in Greenville, IL pursuant to notice given. President Ann Schwarm 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
Sandy Nevinger
Ann Schwarm
Jared Stine
Marvin Warner
Ted Willman

Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, and Executive Assistant Brooke Scott.

Approval of Minutes:

Minutes of the regular board meeting held on September 23, 2021, were considered. On a motion made by Nevinger, seconded by Hartlieb and carried, the minutes were approved as presented.

IRS Form 990:

CFO Jacobson presented the IRS Form 990 for year ending December 31, 2020, as prepared by CliftonLarsonAllen LLP. A copy of the draft was sent to the board prior to the meeting for their review.

Key topics discussed included:

- Part IX, column (A): Benefits paid to or for members,
- Part V: 85/15 Revenue Test,
- Part VI: Governance, Management and Disclosure,
- Part VII: Board of Director Compensation and Employees,
- Schedule J: Compensation,
- Part VII, Section B: Independent Contractors,
- Schedule I: Grants and other Assistance,
- Schedule D: Supplemental Financial Statements,
- Schedule O: Disclosure.

On a motion made by Willman, seconded by Grapperhaus and carried, the 2020 Form 990 was approved as presented by Jacobson.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Preliminary Statement of Operations for one month, and nine months ended September 30, 2021.
 - Total Sales of Electricity.
 - Cost of Power.
 - Gross Operating Margins.
- Notable cash disbursements for September.
- Material inventory.
- Accounting Manager position.
- Maryville metering point.
- Update on ongoing work.

Operating Report and Work Order Summary Approval

Nevinger made a motion to approve the Operating Report and Work Order Summary in the amount of \$908,308.62 for August 2021. Stine seconded; motion carried.

September's Operating Report and Work Order Summary will be considered at November's board meeting.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents for September.
- Status of Maple Grove Transmission Line project.
- Job openings.
- Right-of-way clearing bids.

- Freedom operations.
- New bill format and unbundling rates.

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

Membership Applications and Terminations

September's list of membership applications and October'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 94 applications for membership for September 2021, in accordance with Section 2 of the bylaws.

A motion was made by Warner, seconded by Jennings, and carried to formally acknowledge the termination of 10 memberships for October 2021, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$24,851.52.

Thus far, the total capital credit estate retirements for 2021 exceeds \$400K.

Committee Reports:

The Executive Committee met on October 2nd at the Greenville Headquarters to discuss the Freedom Power Station Request for Proposal. President Schwarm gave a verbal report.

Unfinished Business:

Schwarm and Williams met with SWECI member number 37470 to discuss the proposed agreement. One of the claimants has several questions. Schwarm will be returning their call.

Thus far, the total cost for the Annual Meeting is \$160K. The total does not include employee benefits spread.

New Business:

The NRECA 2021 Winter School for Directors will be held in-person and online December 10th – 14th. Warner plans to attend. Schwarm is working on the 2022 draft director training budget.

A motion was made by Nevinger, seconded by Warner, and carried, to approve the unbudgeted capital expense of \$19,870.46 for the new HVAC unit and ductwork needed for the employee entrance at Greenville headquarters.

Jennings is a member of the NRECA director advisory group. He reported on their recent projects.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:17 p.m.



Annette Hartlieb, Secretary

Attest:



Ann Schwarm, President