

**Southwestern Electric Cooperative, Inc.  
Minutes of the Regular Meeting  
November 18, 2021  
Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, November 18, 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.

**Rate/Tariffs:**

A draft rate book was provided to the board for review. The board will email their feedback to Williams, and a revised rate book will be presented for consideration at December's board meeting.

**Approval of Minutes:**

Minutes of the regular board meeting held on October 28, 2021, were considered. On a motion made by Nevinger, seconded by Jennings, and carried; the minutes were approved as presented.

## **Staff Reports & Presentations**

### **Report of Operations and Construction**

CFO Becky Jacobson's report included:

- Cash Flow Statement and Balance Sheet review as of September 30, 2021.
  - Total Utility Plant.
  - Work-in-progress (WIP).
  - Cash position status.
  - Other Deferred Debits.
- Statement of Operations for nine months ended September 30, 2021.
  - Total Sales of Electricity.
  - Total Revenue.
  - Cost of Power.
  - Net Margins.
- Debt Service Coverage.
- Material shortage and rising costs.

### **Operating Report and Work Order Summary Approval**

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$172,105.42 for September 2021. Willman seconded; motion carried.

October's Operating Report and Work Order Summary will be considered at December's board meeting.

### **Unretired Capital Credits:**

Traditionally, the board has chosen to retire capital credits accrued approximately 30 years prior; however, last year the board discussed moving towards a levelized amount instead of yearly totals. Jacobson confirmed that a flat \$2.4M was included in the budget for the payment of unretired capital credits. The board discussed the advantages and disadvantages of leveling payments and several different retirement methods. A motion was made by Gaffner, seconded by Warner, and carried to retire \$2.4M in capital credits to members using the first in first out retirement method.

### **2021 Annual Write-offs of Unpaid Accounts:**

There is a total of \$70,198.43 subject to write-off. This amount includes member electric accounts and other accounts receivable. After the application of unretired capital credits from members with bad

debt, the adjusted total is \$37,196.16. A motion was made by Grapperhaus, seconded by Hartlieb, and carried to write off the amount of \$70,198.43, and to immediately apply the unretired capital credits to bad debt accounts that are subject to this write-off.

#### CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents for October.
- Status of Maple Grove Transmission Line project.
- Job openings.
- Personnel matters.
- Member matters.
- Update on Freedom operations.
- Heat Rate Call Option (HRCO) contract discussion.

The meeting recessed at 8:38 p.m. and reconvened at 8:48 p.m.

#### Membership Applications and Terminations

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

A motion was made by Warner, seconded by Jennings, and carried to accept 93 applications for membership for October 2021, in accordance with Section 2 of the bylaws.

A motion was made by Nevinger, seconded by Stine, and carried to formally acknowledge the termination of 6 memberships for November 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 \$12,250.56.

#### Report on Director Education:

Jennings participated in NRECA's 927.1 Cybersecurity: The Board's Oversight Role course. His written report was sent to the board. Jennings gave a verbal report. Some of the topics discussed were self-assessment, legal responsibility, RC3 Program, vendors, and a Cybersecurity Incident Response Plan (CIRP).

**Unfinished Business:**

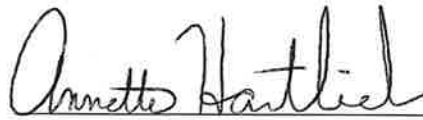
Schwarm and Williams have spoken with SWECI member number 37470 claimants regarding the settlement offer. On a motion made by Gaffner, seconded by Stine and carried, the offer to SWECI member number 37470 claimants must be accepted as written by December 16<sup>th</sup>, 2021, or the offer shall be withdrawn.

**New Business:**

A motion was made by Stine, seconded by Jennings and carried to establish the annual \$1000 Alan Libbra Memorial Scholarship until the memorial funding is under \$1000.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 9:21 p.m.



Annette Hartlieb, Secretary

Attest:



Ann Schwarm, President