

**Southwestern Electric Cooperative, Inc.
Minutes of the Budget & Regular Meeting
January 27, 2022
Greenville, IL**

The budget and regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, January 27, 2022, at 5:00 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 (*via video conference*)
Ann Schwarm (*via video conference*)
Jared Stine
Marvin Warner
Ted Willman (*via video conference*)

Staff members present were Engineering Supervisor Cody Edmonds, Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, Chief Operating Officer Marvin Ayala, and Executive Assistant Brooke Scott.

President Schwarm, attending via video conference, relinquished the chair to Vice President Sandy Grapperhaus, who presided over the remainder of the meeting.

Introduction of New Engineering Supervisor and Chief Operating Officer:

Williams introduced Engineering Supervisor Cody Edmonds to the board. His first day was January 4th. Next, Williams introduced COO Marvin Ayala. His first day was January 10th. They gave a

brief overview of their professional lives. The board welcomed Edmonds and Ayala to SWECL.

Edmonds left the meeting at 5:21 p.m.

2022 Budget Presentations

2022 Proposed Capital Budget

CFO Rebecca Jacobson's presentation included:

- Fleet request,
- Other departmental requests,
- Total work plan request,
- Trend analysis,
- Cash needs.

2022 Proposed Operating Budget

CFO Rebecca Jacobson's presentation included:

- 2022 proposed budgeted Statement of Operations,
- Trend analysis,
- 2022 budgetary cash flow projection.

A motion was made by Nevinger, seconded by Warner and carried to approve the 2022 Capital Budget request of \$7,527,118 as presented.

A motion was made by Stine seconded by Gaffner and carried to approve the 2022 Operating Budget reflecting Net Margins of \$7,628,320.

Hartlieb, attending in-person, left the meeting at 6:30 p.m. and immediately rejoined the meeting via video conference

Approval of Minutes:

Minutes of the regular board meeting held on December 16, 2021, were considered. On a motion made by Warner, seconded by Hartlieb and carried, the minutes were approved as presented.

Business Ethics Code Policy:

The board completed their annual review of the *Business Ethics Code* policy. Some topics discussed included confidentiality, record keeping, and responsibility.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Statement of Operations for ten months ended October 31, 2021.
 - Net Margins.
 - Notable cash disbursements.
- Statement of Operations for eleven months ended November 30, 2021.
 - Net Margins.
 - Notable cash disbursements.
- End of year outlook.
 - Net Margins.
 - WIP.
 - Notable cash disbursements for December 2021.

Operating Report and Work Order Summary Approval

Jennings made a motion to approve the Operating Report and Work Order Summary in the amount of \$831,712.16 for October 2021. Warner seconded; motion carried.

Gaffner made a motion to approve the Operating Report and Work Order Summary in the amount of \$470,370.41 for November 2021. Stine seconded; motion carried.

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

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents for November.
- Insurance renewal.
- AIEC.
- Touchstone Energy.
- Update on Maple Grove.
- Mutual Aid.
- Bitcoin mining.
- SWECI projects.
- Update on Freedom operations.

Membership Applications and Terminations

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

A motion was made by Jennings, seconded by Stine, and carried to accept 95 applications for membership for December 2021, in accordance with Section 2 of the bylaws.

A motion was made by Gaffner, seconded by Jennings, and carried to formally acknowledge the termination of 17 memberships for January 2022, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$38,629.79.

Unfinished Business:

The 2022 Touchstone Energy Membership dues are due and payable in the amount of \$16,999. A motion was made by Jennings, seconded by Warner, and carried to approve payment of the 2022 Touchstone Energy Membership dues.

The board discussed the venue for the 2022 Annual Meeting.

New Business:

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

Member number 76154 contacted Jennings with questions on a potential solar farm. Management will contact her to discuss.


Adjournment:

With no further business to come before the board, the meeting adjourned at 9:11 p.m.



Annette Hartlieb, Secretary
Jared Stine, Secretary Pro-temp

Attest:



Ann Schwarm, President

