

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
June 23, 2022
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, June 23, 2022, 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
Annette Hartlieb
Bill Jennings
Sandy Nevinger
Ann Schwarm
Jared Stine
Marvin Warner
Ted Willman

Board Vice President Sandy Grapperhaus was absent. Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, and Executive Assistant Brooke Scott. Also present were SWECI members Bob Schlanser and Tony Schlanser to give a presentation on co-generation.

Members' Address Regarding Co-generation:

Co-generation members Bob Schlanser and Tony Schlanser gave a presentation to the Board on their concerns regarding the co-generation rate. Topics from their presentation included SWECI Mission and Management Statement, SWECI Co-generation rate, typical residential electric grid components, hypothetical analogy, avoided cost, investment, peak demand, comparison, and their proposals.

Bob Schlanser and Tony Schlanser left the meeting at 7:01 p.m.

After discussion, the board referred the members' proposals to the Emerging Technologies Committee for evaluation.

Executive Session:

At 7:20 p.m., Willman made a motion to enter into executive session to discuss Freedom Operations and a capital credits matter. Hartlieb seconded; motion carried. At 8:06 p.m., Warner made a motion to leave executive session. Nevinger seconded; motion carried.

Approval of Minutes:

Minutes of the regular board meeting held on May 26, 2022, 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 April 30, 2022.
 - Total Utility Plant.
 - Work-in-progress (WIP).
 - Cash position status.
 - Inventory.
 - Other Deferred Debits.
 - Capital credit allocation for 2021.
 - Funds.
 - Long-term debt.
- Statement of Operations for four months ended April 30, 2022.
 - Total Sales of Electricity.
 - Cost of Power.
 - Net Margins.
- Update on projects and other matters.
 - Form 990.
 - 2nd Quarter Financial Statements.
 - Budget update.
 - AIEC.

Operating Report and Work Order Summary Approval

Stine made a motion to approve the Operating Report and Work Order Summary in the amount of \$503,607.60 for March 2022. Warner seconded; motion carried.

Nevinger made a motion to approve the Operating Report and Work Order Summary in the amount of \$345,407.54 for April 2022. Willman seconded; motion carried.

The meeting recessed at 8:25 p.m. and resumed at 8:35 p.m.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents for May.
- Peak usage.
- Storm response.
- Substation maintenance.
- Crypto Mining.
- Maple Grove Transmission project.
- Union Bargaining Agreements.
- Update on SWECI project list.
- Topics from the Staff Reports.

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

A motion was made by Hartlieb, seconded by Gaffner, and carried to accept 89 applications for membership for May 2022 in accordance with Section 2 of the bylaws.

A motion was made by Jennings, seconded by Nevinger, and carried to formally acknowledge the termination of 16 memberships for June 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 \$50,269.86.

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on June 22 at the Greenville Headquarters. Chairperson Nevinger gave a verbal and written report. The main topic of the meeting was options for the payout of capital credits to members' estates. The topics discussed included net present value, general retirements, option to donate to the scholarship fund, issuing 1099s, and the bylaws.

Unfinished Business:

A motion was made by Warner, seconded by Stine, and carried to allow member number 11026 the option to transfer the accrued capital credits from their old account to a new commercial account and waive the deposit requirement.

New Business:

Jennings will send the board an electronic copy of NRECA's compensation study. He gave an update on topics from the NRECA Director Advisory committee. They are working on adding a couple new courses on Electric Vehicles and Emotional Intelligence.

Williams, Jacobson, and Scott left the meeting at 9:50 p.m.

Executive Session:

A motion was made by Stine, seconded by Jennings, and carried to go into executive session at 9:50 p.m. for the annual progress review of the CEO. Williams returned to the meeting at 10:25 p.m. A motion was made by Willman, seconded by Stine, and carried to leave executive session at 11:01 p.m.

A motion was made by Gaffner, seconded by Nevinger and carried to raise Williams's annual salary and corresponding benefits by 8%, reimburse business travel miles driven at the federal mileage rate, and to continue to provide the monthly cell phone allowance.

Adjournment:

With no further business to come before the board, the meeting adjourned at 11:05 p.m.


Annette Hartlieb, Secretary

Attest:


Ann Schwarni, President