

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
July 20, 2022
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Wednesday, July 20, 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
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, Chief Operating Officer Marvin Ayala (via video conference) and Executive Assistant Brooke Scott. Also present were Bond County Information Technology Director Scott Wight, Bond County Treasurer Colleen Camp, and GDS Consultant Garrett Cole (via video conference).

Bond County Broadband Initiative Presentation:

Bond County Information Technology Director Scott Wight and Bond County Treasurer Colleen Camp gave a presentation to the Board on the Bond County Broadband Initiative. Topics from their presentation included results from a Bond County broadband survey, various maps including a map of the unserved and underserved areas in Bond County, the Middle Mile Infrastructure concept, and grant

funding available. They are looking for a potential partnership. After discussion, the board referred the proposal to the Emerging Technologies Committee for evaluation.

Wight and Camp left the meeting at 7:33 p.m. The meeting recessed at 7:33 p.m. and resumed at 7:40 p.m.

Executive Session:

At 7:41 p.m., Grapperhaus made a motion to enter into executive session to discuss Freedom Operations. Jennings seconded; motion carried. At 8:41 p.m., Hartlieb made a motion to leave executive session. Stine seconded; motion carried. Cole left the meeting at 8:41 p.m.

Approval of Minutes:

Minutes of the regular board meeting held on June 23, 2022, were considered. On a motion made by Warner, seconded by Nevinger, and carried, the minutes were approved as presented.

IRS Form 990:

CFO Jacobson presented the IRS Form 990 for year ending December 31, 2021, as prepared by CliftonLarsonAllen LLP. Key topics discussed included:

- Part IX: Benefits paid to or for members,
- Part V: 85/15 Revenue Test,
- 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,

On a motion made by Willman, seconded by Hartlieb and carried, the 2021 Form 990 was approved as presented by Jacobson.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Cash Flow Statement and Balance Sheet review as of May 31, 2022.
 - Work-in-progress (WIP).
 - Accounts Receivable – Other.

- Other Deferred Debits.
- Statement of Operations for five months ended May 31, 2022.
 - Total Sales of Electricity.
 - Cost of Power.
 - Gross Margins
 - Net Margins.
- Net Margins for one month ended May 31, 2022.
- Update on projects and other matters.
 - June/2nd Quarter Financial Statements.
 - Paychex & Vehicle Time importing.
 - Job Review.
 - Budget import & analysis.
 - KRTA results.
 - HRCO analysis.
 - Freedom analysis.
 - 501(c)3 research

Operating Report and Work Order Summary Approval

Grappnerhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$257,097.43 for May 2022. Stine seconded; motion carried.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents for June.
- Maple Grove Transmission project.
- COVID-19.
- Crypto Mining projects.
- Capital Credit matters.
- Member matters.
- 2022 Director Election ballot.
- Topics from the Staff Reports.

The meeting recessed at 9:37 p.m. and resumed at 9:47 p.m.

Membership Applications and Terminations:

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

A motion was made by Willman, seconded by Nevinger, and carried to accept 115 applications for membership for June 2022 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 14 memberships for July 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 \$42,492.73. Due to a conflict of interest, Hartlieb abstained from the vote.

Credentials and Elections Committee Appointment:

A motion was made by Grapperhaus, seconded by Hartlieb and carried to approve the following active Southwestern Electric members to serve on the 2022 Credentials and Election Committee:

District I

Ted Flath
Kenneth Grotefendt
John Sedlacek

District II

Ron Jarrett
Steven Laesch
Hal Langham

District III

Angela Reeter
Brad Stein
Dale "Pete" Burnam

Report on Director Training:

Jennings and Grapperhaus attended the NRECA Director's Conference. They gave verbal and written reports to the board on their takeaways from this year's meeting. Some of the topics discussed were broadband, healthcare, nuclear power, technology, and demographics.

Unfinished Business:

A motion was made by Stine, seconded by Gaffner, and carried to direct management and GDS to conduct an engineering study as it relates to the deficiencies at Freedom Power Station and to further investigate prospects for the potential sale of Freedom.

The Emerging Technologies Committee will meet in the near future to discuss June's co-generation presentation and the Bond County Broadband Initiative.

The Policy and Bylaws Committee will meet on August 25th at 5 p.m.

New Business:

Motions are needed to elect voting delegates for NRECA's Region 5 Meeting and 2022 CoBank Director Election.

A motion was made by Grapperhaus, seconded by Stine, and carried, to appoint Schwarm as voting delegate for the 2022 CoBank Director Election.

A motion was made by Grapperhaus, seconded by Stine, and carried, to appoint Jennings as voting delegate for NRECA's Region 5 Business Meeting. A motion was made by Hartlieb, seconded by Nevinger, and carried, to appoint Stine as the alternate voting delegate for NRECA's Region 5 Business Meeting.

Executive Session:

A motion was made by Willman, seconded by Jennings, and carried to go into executive session at 10:15 p.m. to discuss a governance matter. Williams, Ayala, Jacobson, and Scott left the meeting at 10:15 p.m. A motion was made by Grapperhaus, seconded by Nevinger, and carried to leave executive session at 10:36 p.m.

Adjournment:

With no further business to come before the board, the meeting adjourned at 10:36 p.m.


Annette Hartlieb, Secretary

Attest:


Ann Schwarm, President

