

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**August 25, 2022**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, August 25, 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, Freedom Power Plant GM Russ Gilbert, and Executive Assistant Brooke Scott.

**Approval of Minutes:**

Minutes of the regular board meeting held on July 20, 2022, were considered. On a motion made by Hartlieb, seconded by Warner, and carried, the minutes were approved as presented.

**Membership Applications and Terminations:**

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

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

A motion was made by Stine, seconded by Jennings, and carried to formally acknowledge the termination of 6 memberships for August 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 \$22,038.51.

### **Staff Reports & Presentations**

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

CFO Becky Jacobson's report included:

- Update on projects and other matters.
  - Paychex & Vehicle Time importing.
  - Workpapers & Journal entries.
  - Load Forecast.
  - 2<sup>nd</sup> Quarter Financial Statements.
  - Budget import & analysis.
  - KRTA results.
  - HRCO analysis.
  - Freedom analysis.
  - 501(c)3 research
  - Deferred revenue.

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

The Operating Reports and Work Order Summaries for June through August will be presented at a future board meeting.

#### **CEO's Report:**

CEO Bobby Williams' report included:

- Lost time accident and injuries reported for July.
- Material.
- Update on Capital Projects.
- Software evaluation.
- Personnel matters.
- Member matters.
- Crypto Mining projects.
- Bucket Truck.

The CEO's report was suspended. VP of Member Services Susan File entered the meeting at 7:12 p.m. to report on the Credentials & Election Committee meeting being held in parallel with this meeting.

**Report from the Credentials & Election Committee Meeting/Annual Meeting Discussion:**

One committee member was absent from tonight's meeting. Hal Langham was elected as the 2022 chairperson and Ron Jarrett was elected the secretary for the committee. File reviewed the layout and details for the annual meeting.

**Staff Reports & Presentations (continued):**

**CEO's Report (continued):**

CEO Bobby Williams' report included:

- Frozen Interruptible Rate 824.
- Submeters.
- Operation Round Up committee members.

File left the meeting at 7:45 p.m., and GDS Consultant Garrett Cole joined the meeting via video conference.

**Executive Sessions:**

At 7:48 p.m., Nevinger made a motion to enter into executive session to discuss Freedom Operations and the 3-Phase High Load Factor Rate. Jennings seconded; motion carried. At 9:06 p.m., Warner made a motion to leave executive session. Stine seconded; motion carried. Cole and Gilbert left the meeting at 9:06 p.m.

The meeting recessed at 9:06 p.m. and resumed at 9:16 p.m.

At 9:16 p.m., Grapperhaus made a motion to enter into executive session to discuss a capital credits matter. Stine seconded; motion carried. At 9:41 p.m., Willman made a motion to leave executive session. Jennings seconded; motion carried.

## **Committee Reports:**

### **Emerging Technologies Committee:**

The Emerging Technologies Committee met on August 10, at the Greenville Headquarters. Chairperson Gaffner gave a verbal report. The topics discussed included EV Rate, Co-generation Policy and member presentation, Bond County broadband initiative, Freedom operations, and capacity. Committee recommendations are as follows:

- Allow co-generation credits to be applied to the Energy, Distribution, Transmission & Capacity charges.
- Partner with Bond County on the middle mile concept, and to have SWECI's name put on the grants.
- Investigate selling parts of Freedom Power Station separately.

### **Report on Director Training:**

Hartlieb attended the NRECA Summer School. She gave a verbal and written report on BLC course 919.1 Cooperative Structure, BLC course 953.1 Improving Board Decision Making Quality, and BLC course 955.1 Your Board's Culture. Topics discussed included broadband, biases, employee engagement, EVs, and case studies.

Jennings participated in the BLC pilot course 937.1 Applying Emotional Intelligence in the Boardroom. He gave a verbal and written report to the board. Topics discussed included, self-awareness, self-management, social awareness, reactions, and relationship management.

Schwarm, Gaffner, and Williams attended the AIEC Annual Meeting. They gave verbal and written reports to the board. Topics discussed included highlights from keynote speakers, Dixon Illinois fraud case, culture, power supply, personnel, broadband, and EVs.

### **Report on AIEC Board Meeting:**

Schwarm attended the AIEC Board Meeting on August 18. She gave a verbal report to the board. Topics discussed included the approved AIEC budget, ACRE, youth programs, scholarship program, NRECA courses, and an introduction to the departments and staff at AIEC.

### **Unfinished Business:**

The Policy and Bylaws committee meeting scheduled today at 5 p.m. was rescheduled to October 27 at 5 p.m.

The Emerging Technologies committee recommendation for the Co-Generation policy was considered. A motion was made by Gaffner, seconded by Warner, and carried to allow co-generation credits to be applied to the Energy, Distribution, Transmission & Capacity charges.

A motion was made by Nevinger, seconded by Hartlieb, and carried to approve the proposed 3-Phase High Load Factor Rate as presented with the formula rate for capacity and transmission costs and the optional 3 or 5-year term.

The board revisited discussion regarding broadband. Discussion included budgeting, ownership, and impact.

Capital credits for member number 11026 was discussed, as the option stated at the board meeting held on June 23, 2022, was not accepted. A motion was made by Stine to formally acknowledge the termination of member number 11026 and the release of capital credits to the members' estates totaling to \$110,510.39 in \$10,000 monthly increments until paid in full, with the requirement that their new account be established as a commercial account. The motion was seconded by Gaffner. President Schwarm called for a vote; the motion carried with 6 in favor and 2 opposed.

**New Business:**

A motion was made by Grapperhaus, seconded by Nevinger, and carried to authorize the purchase of the Altec Troubleman bucket truck for \$157K.

A motion was made by Hartlieb, seconded by Nevinger, and carried, to appoint Jennings as voting delegate for the CFC Director Election. A motion was made by Grapperhaus, seconded by Hartlieb, and carried, to appoint Stine as the alternate voting delegate for the CFC Director Election.

A motion was made by Stine, seconded by Jennings, and carried to adopt the Resolution of the Board of Directors Authorizing the Amendment and Restatement of the Retirement Security and/or 401 (k) Pension Plan effective July 1, 2022 for Propane Plus and Southwestern Electric Cooperative, Inc., which authorizes CEO Bobby Williams to execute all necessary documents and to take any and all further actions necessary to carry out the amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on the designation in processing the restatement of the Plan(s).

**Executive Session:**

A motion was made by Stine, seconded by Warner, and carried to go into executive session at 10:40 p.m. to discuss a governance matter. Williams, Ayala, Jacobson, and Scott left the meeting at 10:40 p.m. A motion was made by Grapperhaus, seconded by Gaffner, and carried to leave executive session at 10:53 p.m.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 10:53 p.m.



Annette Hartlieb, Secretary

Attest:



Ann Schwarm, President