

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
November 17, 2022
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, November 17, 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 (via video conference)
Jared Stine
Marvin Warner
Ted Willman (via video conference)

Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, and Executive Assistant Brooke Scott.

As President Ann Schwarm was attending via video conference, the chair was relinquished to Vice President Jerry Gaffner, who presided over the remainder of the meeting.

Executive Session:

At 6:30 p.m., Nevinger made a motion to enter into executive session to discuss Freedom Operations and personnel matters. Warner seconded; motion carried. At 8:02 p.m., Grapperhaus made a motion to leave executive session. Jennings seconded; motion carried.

Approval of Minutes:

Minutes of the regular board meeting held on October 27, 2022, were considered. On a motion made by Hartlieb, seconded by Nevinger and carried, the minutes were approved as presented.

Unretired Capital Credits:

The board reviewed the unretired capital credit totals for 1993-2002.

A motion was made by Stine, seconded by Warner, and carried to retire \$2.4M in capital credits to members using the first in first out retirement method.

2022 Annual Write-offs of Unpaid Accounts:

The board reviewed the write-off totals for 2015-2022. There is a total of \$19,765.79 subject to write-off for 2022. After the application of unretired capital credits from members with bad debt, the adjusted total is \$2,790. A motion was made by Hartlieb, seconded by Grapperhaus, and carried to write off the amount of \$19,765.79, and to immediately apply the unretired capital credits to bad debt accounts that are subject to this write-off.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Cash Flow Statement and Balance Sheet for seven months ended July 31, 2022.
 - Total Utility Plant.
 - Work-in-progress (WIP).
 - Cash position status.
 - Other Deferred Debits.
- Statement of Operations for seven months ended July 31, 2022.
 - Total Sales of Electricity.
 - Total Revenue
 - Cost of Power.
 - Net Margins.
- Update on projects and other matters.
 - Month-end closing processes.
 - Budget.
 - Long-term Debt.

Operating Report and Work Order Summary Approval

Grapperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$410,729.12 for June 2022. Hartlieb seconded; motion carried.

Nevinger made a motion to approve the Operating Report and Work Order Summary in the amount of \$279,373.88 for July 2022. Stine seconded; motion carried.

The meeting recessed at 8:32 p.m. and reconvened at 8:41 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 Hartlieb, and carried to accept 87 applications for membership for October 2022, 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 9 memberships for November 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 \$32,905.72.

Staff Reports & Presentations Continued:

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents.
- Update on crypto mining prospects.
- Member matters.
- Rebate program.
- Legal matters.
- IDNR artificial bat roost initiative.
- Upcoming events.

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on November 17 at 5 p.m. at the Greenville Headquarters. Chairperson Warner gave a verbal report

Report on Director Education:

Schwarm and Warner participated in NRECA's BLC 958.1: Succession Planning course through AIEC. They gave verbal reports to the board on their takeaways from this year's meeting. Some of the topics discussed were recognizing the need and value of succession planning for the board, CEO, and workforce, and recognizing the importance of addressing board diversity.

Jennings announced that he will be stepping down from NRECA's Director Advisory group.

Report on AIEC Board Meeting:

Schwarm attended the AIEC Board Meeting on November 17. She gave a verbal report to the board. AIEC Board of Directors offered the President/CEO position to Craig Sondgeroth, and he accepted.

Unfinished Business:

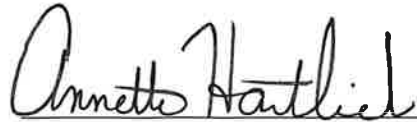
A motion was made by Jennings, seconded by Willman and carried to present the \$14.5M payment to BP as a deferred debit on the financial statements and taking it against margins over the remaining life of the BP energy contract.

New Business:


The board discussed the board meeting dates for 2023.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:26 p.m.


Annette Hartlieb, Secretary

Attest:


Ann Schwarm, President

