

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
January 26, 2023
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, January 26, 2023, at 6:00 p.m. at the office of Southwestern Electric Cooperative headquarters in Greenville, IL pursuant to notice given. Vice President Jerry Gaffner 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
Jared Stine
Marvin Warner
Ted Willman

President Ann Schwarm was absent, and Vice President Jerry Gaffner was appointed President pro tempore. Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, Chief Operating Officer Marvin Ayala, and Executive Assistant Brooke Scott. Also present via video conference was GDS Consultant Garrett Cole.

Executive Session:

At 6:01 p.m., Grapperhaus made a motion to enter into executive session to discuss Freedom Operations. Nevinger seconded; motion carried. Cole left the meeting at 6:53 p.m. The board remained in executive session to discuss personnel matters. At 7:20 p.m., Warner made a motion to leave executive session. Willman seconded; motion carried.

Approval of Minutes:

Minutes of the special board meeting held on December 13, 2022, were considered. On a motion made by Hartlieb, seconded by Stine and carried, the minutes were approved as presented.

Minutes of the regular board meeting held on December 15, 2023, were considered. On a motion made by Jennings, seconded by Stine 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 for ten months ended October 31, 2022.
 - Total Utility Plant.
 - Work-in-progress (WIP).
 - Cash position status.
 - Other Deferred Debits.
 - Long-term Debt.
 - Notes Payable.
 - Accounts Payable.
- Statement of Operations for ten months ended October 31, 2022.
 - Total Sales of Electricity.
 - KWh Sold.
 - Cost of Power.
 - Distribution Expense.
 - Administrative & General Expense.
 - Net Margins.
 - Debt Service Coverage.
- Update on projects and other matters.
 - Month-end closing processes.
 - Audit.
 - Lease Regulations.
 - Long-term Debt.
 - Freedom Analysis.

Operating Report and Work Order Summary Approval:

Grapperrhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$363,983.85 for September 2022. Warner seconded; motion carried.

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$918,059.16 for October 2022. Nevinger seconded; motion carried.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents.
- Capital Credits policy implementation.
- Prepaid meter guidelines.
- AIEC's Youth Day.
- Update on crypto mining prospects.
- Donation/sponsorship requests.
- Topics from Staff Reports.

Membership Applications and Terminations:

December's list of membership applications was sent to the board prior to the meeting.

A motion was made by Nevinger, seconded by Willman, and carried to accept 58 applications for membership for December 2022, in accordance with Section 2 of the bylaws.

Williams presented January's list of terminations. A motion was made by Grapperhaus, seconded by Stine, and carried to formally acknowledge the termination of 15 memberships for January 2023, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$38,143.17.

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on January 26 at 4:30 p.m. at the Greenville Headquarters to review the *Deferred Payment Agreement Policy*, *Levelized Billing Policy*, *Property Damage Claims Policy*, and the *Sales of Cooperative Materials and Services Policy*. Chairperson Warner gave a report on the committee's recommended revisions.

A motion was made by Stine, seconded by Warner, and carried to approve the revised *Deferred Payment Agreement Policy* as presented.

A motion was made by Nevinger, seconded by Stine, and carried to approve the revised *Levelized Billing Policy* as presented.

A motion was made by Hartlieb, seconded by Stine, and carried to approve the revised *Property Damage Claims Policy* as presented.

A motion was made by Warner, seconded by Grapperhaus, and carried to approve the revised *Sales of Cooperative Material and Services Policy* as presented.

Hartlieb left the meeting at 8:50 p.m.

The next Policy & Bylaws Committee meeting will be held on February 23, 2023.

Report on AIEC Board Meeting:

Gaffner attended the AIEC Board Meeting on January 19. He gave a verbal report to the board. Topics of discussion included cyber security mutual aid and training.

Unfinished Business:

A motion was made by Warner, seconded by Willman, and carried to postpone the effective date for the *Capital Credits Policy* to July 1, 2023.

New Business:

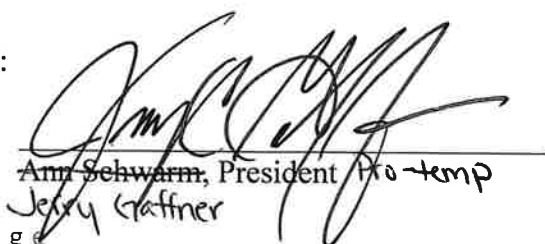
A motion was made by Nevinger, seconded by Grapperhaus, and carried to donate \$1000 to the Cooperative Family Fund.

A motion was made by Nevinger to sponsor the Light the Way Gala at the platinum level. The motion died for a lack of a second.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:04 p.m.

Attest:


Ann Schwarm, President Pro-temp
Jerry Gaffner


Annette Hartlieb, Secretary