

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
August 24, 2023
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, August 24, 2023, 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.

Executive Session:

At 6:36 p.m., Jennings made a motion to enter into executive session to discuss Freedom Operations. Grapperhaus seconded; motion carried. Gilbert left the meeting at 7:00 p.m. The meeting remained in executive session to discuss personnel matters. At 7:32 p.m., Hartlieb made a motion to leave executive session. Nevinger seconded; motion carried.

Approval of Minutes:

Minutes of the regular board meeting held on July 27, 2023, were considered. On a motion made by Warner, seconded by Stine and carried, the minutes were approved as corrected.

Staff Reports & Presentations

CFO's Report:

CFO Becky Jacobson's report included:

- Interim financial statements for seven months ended July 31, 2023.
 - Balance Sheet:
 - Total Utility Plant.
 - WIP.
 - Cash.
 - Regulatory Assets.
 - Accounts Receivable – Other.
 - Long-term Debt.
 - Statement of Operations:
 - Bitcoin Sales.
 - Total Sales of Electricity.
 - Total Revenue.
 - Cost of Power.
 - Total Operation and Maintenance Expense.
 - Tax Expense.
 - Net Operating Margins.
 - Net Margins.
- Member correspondence on 2022 Financial Report.
- Cash flow statement for seven months ended July 31, 2023.

The CFO's report was suspended. VP of Member Services Susan File entered the meeting at 7:33 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 2023 chairperson for the committee. File reviewed the layout and details for the annual meeting. File left the meeting at 7:44 p.m.

Staff Reports & Presentations (continued):

CFO's Report (continued):

CFO Becky Jacobson's report included:

- Interim financial statements for one month ended July 31, 2023.
 - Revenue from Freedom Power Station.
 - Contract expense.

Operating Report and Work Order Summary Approval:

Grapperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$770,226.93 for July 2023. Willman seconded; motion carried.

CEO's Report:

CEO Bobby Williams' report included:

- Personnel matters.
- Facilities.
- Training.
- Rural Electric Safety Achievement Program, RESAP, assessment.
- Events.

COO's Report:

COO Marvin Ayala's report included:

- Loss time accidents.
- iPad refresh.
- Cost savings.
- AIEC Lineworker's Safety Rodeo.
- Update on projects.
 - Maple Grove to Edwardsville transmission line job.
 - Vandalia Feeder design.

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 Hartlieb, seconded by Grapperhaus, and carried to accept 83 applications for membership for July 2023, in accordance with Section 2 of the bylaws.

A motion was made by Jennings, seconded by Warner, and carried to formally acknowledge the termination of 10 memberships for August 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 \$26,795.67.

The meeting recessed at 8:27 p.m. and reconvened at 8:33 p.m.

Retirement of Director Sandy Nevinger:

Nevinger is retiring from the board after 12 years of service. Prior to serving on the board, Nevinger worked for Southwestern Electric for 31 years. The board recognized her for her dedication to Southwestern Electric.

Committee Reports:

Cyber Security Committee:

The cyber security committee met on August 9. Chairperson Grapperhaus gave a report on the content of the meeting, which included discussion on current practices and the creation of a Cybersecurity Risk Policy.

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on August 24 at 5:30 p.m. Chairperson Warner gave a report on the content of the meeting. Revisions to the Policy for Payment of Conference, Education & Business Travel Expenses to Directors and a Succession Planning for the CEO Policy will be presented at September's board meeting.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting on August 17. She gave a verbal report to the board. The topics of discussion included evaluation of their Annual Meeting, margins, legal matters, and scholarships.

Report on Director Training:

Schwarm, Gaffner, and Warner attended AIEC's Annual Meeting and the NRECA BLC 929 pre-conference course on current governance issues in policy development. They gave verbal and written reports to the board on their takeaways from this year's meeting. Some of the topics discussed were capital credits, succession planning, document retention, social media, and service.

Unfinished Business:

The executive committee will meet on September 5 to discuss legal matters and on September 14 to discuss capital credits.

New Business:

No new business was discussed.

Williams, Jacobson, Ayala, and Scott left the meeting at 9:30 p.m.

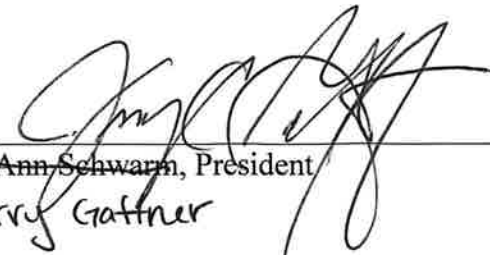
Executive Session:

At 9:35 p.m., Nevinger made a motion to enter into executive session to discuss governance. Jennings seconded; motion carried. At 9:56 p.m., Warner made a motion to leave executive session. Nevinger seconded; motion carried.


Adjournment:

With no further business to come before the board, the meeting adjourned at 9:56 p.m.

Attest:



Ann Schwarm, President
Jerry Gaffner



Annette Hartlieb, Secretary

