

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
September 28, 2023
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, September 28, 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
Bill Jennings
Brad Lurkins
Ann Schwarm
Jared Stine
Marvin Warner (via video conference)
Ted Willman

Secretary Annette Hartlieb was absent during roll call and arrived at the meeting at 7:18 p.m. Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, Chief Operating Officer Marvin Ayala, VP of Engineering Craig Jennings and Executive Assistant Brooke Scott.

Introduction of New VP of Engineering:

Williams introduced VP of Engineering Craig Jennings to the board. His first day was September 11. He gave a brief overview of his personal and professional life. The board welcomed C. Jennings to SWEI. C. Jennings left the meeting at 6:40 p.m.

Reorganization of the Board and Committees:

President of the Board: Stine made a motion to nominate Jerry Gaffner as president of the board.

Grapperhaus seconded; motion carried. Stine moved to close nominations. B. Jennings seconded; motion carried. B. Jennings made a motion to elect Jerry Gaffner president for the 2023-2024 term by acclamation. Schwarm seconded; motion carried.

Vice President of the Board: B. Jennings made a motion to nominate Jared Stine as vice president of the board. Willman seconded; motion carried. Grapperhaus moved to close nominations. B. Jennings seconded; motion carried. Grapperhaus made a motion to elect Jared Stine vice president for the 2023-2024 term by acclamation. Schwarm seconded; motion carried.

Secretary of the Board: Schwarm made a motion to nominate Annette Hartlieb as secretary of the board. Warner seconded; motion carried. Stine moved to close nominations. B. Jennings seconded; motion carried. Schwarm made a motion to elect Annette Hartlieb secretary for the 2023-2024 term by acclamation. Grapperhaus seconded; motion carried.

Treasurer of the Board: B. Jennings made a motion to nominate Sandy Grapperhaus as treasurer of the board. Schwarm seconded; motion carried. Stine moved to close nominations. B. Jennings seconded; motion carried. Schwarm made a motion to elect Sandy Grapperhaus treasurers for the 2023-2024 term by acclamation. Lurkins seconded; motion carried.

Reorganization of the Committees:

The 2023-2024 committee assignments will be appointed at October's board meeting.

The board reviewed the *Business Ethics Code* policy.

Executive Session:

At 6:36 p.m., Stine made a motion to enter into executive session to discuss Freedom Operations and personnel matters. Grapperhaus seconded; motion carried. Hartlieb entered the meeting at 7:18 p.m.

At 7:21 p.m., Willman made a motion to leave executive session. Hartlieb seconded; motion carried.

Approval of Minutes:

Minutes of the regular board meeting held on August 24, 2023, were considered. On a motion made by Stine, seconded by Jennings and carried, the minutes were approved as presented.

Staff Reports & Presentations

CFO's Report:

CFO Becky Jacobson's report included:

- Interim financial statements for one and eight months ended August 31, 2023.
 - Balance Sheet:
 - Total Utility Plant.
 - WIP.
 - Cash.
 - Regulatory Assets.
 - Long-term Debt.
 - Other Deferred Credits.
 - Statement of Operations:
 - Bitcoin Sales.
 - Total Sales of Electricity.
 - Total Revenue.
 - Cost of Power.
 - Total Operation and Maintenance Expense.
 - Net Operating Margins.
 - Net Margins.
 - Cash flow statement for eight months ended August 31, 2023.
 - Current outlook for eight months ended August 31, 2023.

Operating Report and Work Order Summary Approval:

Grappnerhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$619,605.75 for August 2023. Hartlieb seconded; motion carried.

CEO's Report:

CEO Bobby Williams' report included:

- Personnel matters.
- Legal matters.
- Annual Meeting.
- Training.

COO's Report:

COO Marvin Ayala's report included:

- New hires.
- Right-of-way trimming.
- Jobs.
- Update on projects.

Membership Applications and Terminations:

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

A motion was made by Grapperhaus, seconded by Stine, and carried to accept 83 applications for membership for August 2023, in accordance with Section 2 of the bylaws.

A motion was made by B. Jennings, seconded by Hartlieb, and carried to formally acknowledge the termination of 13 memberships for September 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 \$37,754.31.

Committee Reports:

Executive Committee:

The executive committee met on September 5. Chairperson Schwarm gave a report on the content of the meeting, which included legal matters and strategic planning.

The executive committee met on September 14. Chairperson Schwarm gave a report on the content of the meeting, which included discussion on the implementation of the capital credits policy.

The committee will be meeting again to further discuss legal matters and capital credits.

AIEC Board Meeting Report:

AIEC did not have a board meeting in September. The next AIEC board meeting is on November 17.

Jacobson left the meeting at 8:42 p.m.

Report on Director Training:

B. Jennings attended NRECA's Region 5 meeting. He gave a verbal and written report to the board on his takeaways from this year's meeting. Some of the topics discussed were ransomware attacks, EPA, reliability, and proposed resolutions.

Unfinished Business:

The board discussed the 2023 Annual Meeting including early voting, voter turnout, and attendance at the meeting.

New Business:

A motion was made by Willman, seconded by Schwarm and carried to continue to allow contributions to staff Health Savings Accounts (HSAs) of \$5,000 for family plans and \$2,500 for individual plans for the years 2024, 2025 and 2026.

The 2023 Virtual Business and Election Meeting for Touchstone Energy Cooperative is on Wednesday, November 29. A motion was made by Lurkins, seconded by Hartlieb and carried, to appoint B. Jennings as the voting delegate for the Touchstone Business and Election Meeting.

The board inquired about the lineman apprenticeship program. Ayala is working with operations on expanding the current program, which includes evaluating what the union and AIEC can offer for the program.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:23 p.m.


Annette Hartlieb, Secretary

Attest:


Jerry Gaffner, President