

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**December 20, 2023**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Wednesday, December 20, 2023, at 5:00 p.m. at the office of Southwestern Electric Cooperative headquarters in Greenville, IL pursuant to notice given. 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 (via conference call)  
Bill Jennings  
Brad Lurkins  
Ann Schwarm  
Jared Stine  
Marvin Warner  
Ted Willman

Staff members present were Chief Executive Officer Bobby Williams, Chief Financial Officer Becky Jacobson, Freedom Power Plant GM Russ Gilbert, and Executive Assistant Brooke Scott.

As Board Secretary Annette Hartlieb was present via conference call, Bill Jennings was appointed Secretary Pro Tempore.

**Executive Session:**

At 5:10 p.m., Warner made a motion to enter into executive session to discuss Freedom Operations. Schwarm seconded; motion carried. Gilbert left the meeting at 5:43 p.m. The meeting remained in executive session to discuss personnel matters. Hartlieb left the meeting at 6:00 p.m. At 6:15 p.m., Stine made a motion to leave executive session. Willman seconded; motion carried.

## **Approval of Minutes:**

Minutes of the regular board meeting held on November 16, 2023, were considered. On a motion made by Warner, seconded by Lurkins and carried, the minutes were approved as presented.

## **Staff Reports & Presentations**

### **CFO's Report:**

CFO Becky Jacobson's report included:

- Preliminary trends for:
  - Sales of Electricity.
  - Cost of Power.
  - Revenue.
- 2023 Annual Meeting analysis.
- Financial statements for one ended November 30, 2023.
  - Balance Sheet:
    - Total Utility Plant.
    - WIP.
    - Cash.
    - Regulatory Assets.
    - Long-term Debt.
    - Notes Payable.
  - Statement of Operations:
    - Bitcoin Revenue.
    - Total Sales of Electricity.
    - Cost of Purchased Power.
    - Auction Revenue Rights.
    - Gross Margin.
    - Net Operating Magin
  - Cash flow statement for eleven months ended November 30, 2023.
- Financial statements for 2023 Outlook with eleven months actual and one month estimated.
  - Statement of Operations:
    - Bitcoin Revenue.
    - Total Sales of Electricity.
    - Freedom Gross Revenue.
    - Freedom Expenses.
    - Cost of Purchased Power.
    - Operating and Maintenance Expense.
    - Net Operating Loss.
    - Net Margins.
- T20 CoBank facility note.
- Power Cost Adjustment (PCA) factor.
- Update on ongoing projects:
  - 2024 Budget.
  - T20 CoBank facility notes.

- Capital Credit policy change.
- Rural Economic Development Loan (REDL) award.
- 501(c)3.
- Fixed Asset clean-up.

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

Grapperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$1,076,644.53 for November 2023. Grapperhaus seconded; motion carried.

#### CEO's Report:

CEO Bobby Williams's report included:

- Crypto mining.
- Pocahontas Outages.
- Grant opportunity.
- Capital Credit policy.
- Policy variance request.
- Highlights from Safety Committee Meeting.
- Policies.
- Topics from the staff reports.

A motion was made by Warner, seconded by Grapperhaus, and carried to adopt the *Delegation of Authority* policy as presented.

Grapperhaus left the meeting at 8:19 p.m. The meeting recessed at 8:19 p.m. and reconvened at 8:30 p.m.

#### Membership Applications and Terminations:

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

A motion was made by Stine, seconded by Lurkins, and carried to accept 70 applications for membership for November 2023, in accordance with Section 2 of the bylaws.

A motion was made by Jennings, seconded by Willman, and carried to formally acknowledge the termination of 20 memberships for December 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 \$48,688.71.

#### **Director Training:**

Lurkins attended the NRECA Course 2620: Board Operations and Process through AIEC. He gave a verbal and written report. Overall, Lurkins thought the course was good and appreciated the opportunity to meet other Illinois Electric Cooperative directors.

Stine, Warner, Jennings and Schwarm attended the NRECA Course 965.1 Electric Vehicles: Strategy and Policy Considerations through AIEC. They gave verbal and written reports. Some of the topics discussed were data, rates, technology, and decision-making process.

Jennings participated in the Touchstone Energy Annual Electronic Business 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 revamp of the Coop Web Builder, social media, and the Board of Directors election.

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

AIEC's board meeting is scheduled for December 21. Schwarm will discuss grant writing services with AIEC.

#### **Unfinished Business:**

A motion was made by Stine, seconded by Warner and carried to implement a \$0.00534 PCA Factor, calculated with 2022 audited financials, to applicable rates effective January 1, 2024.

A motion was made by Stine, seconded by Willman, and carried, to give management the authority to execute an Equipment Purchase Agreement for Freedom gas turbine along with other parts and equipment with ProEnergy Services.

**New Business:**

On a motion by Stine, seconded by Lurkins and carried, the following members were appointed by the board of directors to serve on the 2024 Operation Round-Up Committee.

- Charlotte Weber, Edwardsville;
- Diane Schmid, Edwardsville;
- Mike Emken, Greenville;
- Sue Backs, Greenville;
- Angela Reeter, Vandalia;
- Brady Kramer, Farina.

A motion was made by Willman, seconded by Warner, and carried to appoint Gaffner as the voting delegate and Stine as the alternate for NRTC's Annual Meeting.

**Adjournment:**

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

Attest:

  
Jerry Gaffner, President

  
Annette Hartlieb, Secretary

