

Southwestern Electric Cooperative, Inc. Minutes of the Regular Meeting January 28, 2021 Greenville, IL

Call to Order and Roll Call

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, January 28, 2021 at 6:00 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, and Executive Assistant Brooke Scott. Jacob Thomas and Garrett Cole from GDS were present via teleconference.

Executive Session:

At 6:02 p.m., Grapperhaus made a motion to enter into executive session to discuss rate design. Hartlieb seconded; motion carried. Thomas and Cole left the meeting at 7:01 p.m. The board remained in executive session to discuss the investigation into a spoofed email. At 7:26 p.m., Warner made a motion to leave executive session. Willman seconded; motion carried.

Approval of Minutes:

Minutes of the budget/regular board meeting held on December 17, 2020, were considered. On a motion made by Nevinger, seconded by Stine and carried, the minutes were approved as presented.

Minutes of the special board meeting held on January 14, 2021, were considered. On a motion made by Hartlieb, seconded by Jennings and carried, the minutes were approved as presented.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Preliminary Balance Sheet review.
 - o Total Utility Plant
 - o Work-in-progress (WIP)
 - Cash position status.
 - o Tax credit for Families First Coronavirus Response Act (FFCRA)
- Financial statement and footnote disclosure of a deferred debit pertaining to an extraordinary property loss.
- Year-to-date total for unclaimed capital credits.
- Margin Stabilization Plan.
- Capital credits.

Operating Report and Work Order Summary Approval

December's Operating Report and Work Order Summary will be considered at February's board meeting.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents reported for December 2020.
- One lost time accident for January 2021.
- Strategic plan update.
- Employee holiday bonus.
- 2020 commissionings for HomeServe.
- CheckOut application services.
- Co-generation bank request.
- Staff reports.
- Social media pages.

MISO calculated required capacity for SWECI 2021-2022 forecast year is 118MW. We need to purchase 8.1MW capacity to meet the requirement. Stine made a motion to purchase the 8.1MW capacity needed from the MISO auction. Willman seconded; motion carried.

Membership Applications and Terminations

A list of membership applications and terminations for December was sent to the board prior to the meeting.

A motion was made by Jennings, seconded by Nevinger and carried to accept 90 applications for membership for December 2020 in accordance with Section 2 of the bylaws.

A motion was made by Hartlieb, seconded by Stine and carried to formally acknowledge the termination of 12 memberships for December 2020, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$27,465.21.

A motion was made by Nevinger, seconded by Warner and carried to formally acknowledge the termination of 33 memberships for January 2021, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$79,707.15.

Unfinished Business:

Updated corporate banking resolutions for Bradford National Bank and FNB Community Bank were presented. The resolutions designate the President, Vice President, Treasurer, Secretary, Chief Executive Officer, and Chief Financial Officer as authorized signees for SWECI accounts. Grapperhaus moved to approve the Bradford National Bank Corporate Banking Resolutions and FNB Community Bank Corporate Banking Resolutions as presented. Hartlieb seconded; motion carried.

Our insurance carrier will provide 12 months of monitoring services for individuals whose information was compromised because of the spoofed email incident. Grapperhaus made a motion to

extend the monitoring services for those impacted to 24 months of coverage. Jennings seconded; motion carried.

A motion was made by Warner, seconded by Stine, and carried to authorize the deferral of the email spoof loss and presentation thereof in the audit.

Jennings made a motion to apply \$4M of Margin Stabilization towards 2020 Margins. Grapperhaus seconded; motion carried with 7 ayes and 1 abstain.

A motion was made by Stine, seconded by Nevinger, and carried to approve the unbundled rate structure and charges as presented by GDS, effective January 1, 2022.

New Business:

The Operation Round Up Committee (ORU) met remotely in January to discuss nine applications. A motion was made by Willman, seconded by Hartlieb and carried, to approve the ORU total contribution of \$3,600 to the Highland Area Christian Service Ministry, Madison County CAREE, Bond County Memorial VFW Post 1377 Auxiliary, Blessing In a Backpack, and Tools for School/First Presbyterian Church as recommended by the ORU committee.

NRTC's virtual annual meeting is on Thursday, February 25th. A motion was made by Grapperhaus, seconded by Willman, and carried to appoint Gaffner as the voting delegate for NRTC. A motion was made by Nevinger, seconded by Jennings, and carried to appoint Stine as the alternate delegate for NRTC.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:49 p.m.

Annotto Hartlieb, Secretary

Jared Stine, Secretary Protemp

Attest:

Ann Schwarm, President