

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**September 22, 2022**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, September 22, 2022, 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 (via video conference)  
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.

**Reorganization of the Board and Committees:**

**President of the Board:** Gaffner made a motion to nominate Ann Schwarm as president of the board. Stine seconded; motion carried. Warner moved to close nominations. Nevinger seconded; motion carried. An anonymous vote was taken. Ann Schwarm was elected to serve as president for the 2022-2023 term.

**Vice President of the Board:** Nevinger made a motion to nominate Jerry Gaffner as vice-president of the board. Stine seconded; motion carried. Hartlieb made a motion to nominate Sandy Grapperhaus as

vice-president of the board. Warner seconded; motion carried. Nevinger moved to close nominations. Stine seconded; motion carried. An anonymous vote was taken. Jerry Gaffner was elected to serve as vice-president for the 2022-2023 term.

Secretary of the Board: Warner made a motion to nominate Annette Hartlieb as secretary of the board. Grapperhaus seconded; motion carried. Warner moved to close nominations. Stine seconded; motion carried. An anonymous vote was taken. Annette Hartlieb was elected to serve as secretary for the 2022-2023 term.

Treasurer of the Board: Nevinger made a motion to nominate Sandy Grapperhaus as treasurer of the board. Hartlieb seconded; motion carried. Gaffner made a motion to nominate Jared Stine as treasurer of the board. Hartlieb seconded; motion carried. Gaffner moved to close nominations. Willman seconded; motion carried. An anonymous vote was taken. Sandy Grapperhaus was elected to serve as treasurer for the 2022-2023 term.

#### Reorganization of the Committees:

The 2022-2023 committee appointments are as follows:

Executive Committee: Chairperson: President Ann Schwarm. Committee members: Vice President Jerry Gaffner, Secretary Annette Hartlieb, and Treasurer Sandy Grapperhaus. Staff representative: CEO Bobby Williams.

Policies & Bylaws Committee: – Chairperson Marvin Warner. Committee members: Sandy Nevinger, Jared Stine, and Ann Schwarm. Staff representatives: Bobby Williams and VP of HR Carrie Knebel.

Business & Economic Development Committee – Chairperson: Annette Hartlieb. Committee members: Sandy Grapperhaus and Jerry Gaffner. Staff representative: VP of Business Development and Marketing Andrew Jones.

Cyber Security Committee – Chairperson: Sandy Grapperhaus. Committee members: Bill Jennings, Annette Hartlieb and Sandy Nevinger. Staff representatives: VP of IT Vic Buehler and Director of IT Thad Intravaia.

Member & Community Engagement Committee – Chairperson: Bill Jennings. Committee members: Jerry Gaffner, Ted Willman and Annette Hartlieb. Staff representatives: VP of Member Services Susan File, Andrew Jones, and VP of Communications Joe Richardson.

Scholarship Committee – Chairperson: Jared Stine. Committee members: Ann Schwarm, Marvin Warner, Ted Willman, and Sandy Nevinger. Staff representatives: Susan File, Art Director Mike Barns, Executive Assistant Brooke Scott, and Freedom Power Plant GM Russ Gilbert.

Emerging Technologies Committee – Chairperson: Jerry Gaffner. Committee members: Sandy Grapperhaus, Jared Stine, and Ann Schwarm. Staff representatives: Bobby Williams and Energy Manager Julie Lowe.

Evaluation & Compensation Committee – Chairperson: Ted Willman. Committee members: Marvin Warner, Annette Hartlieb, and Ann Schwarm. Staff representative: Carrie Knebel.

The board reviewed the *Business Ethics Code* policy.

### **Executive Session:**

At 6:45 p.m., Grapperhaus made a motion to enter into executive session to discuss Freedom Operations. Nevinger seconded; motion carried. GDS Consultant Garrett Cole joined the meeting via video conference at 6:50 p.m. and left the meeting at 7:13 p.m. At 7:17 p.m. Stine and Gilbert left the meeting. The board remained in executive session to discuss personnel and legal matters. At 8:33 p.m., Warner made a motion to leave executive session. Grapperhaus seconded; motion carried.

The meeting recessed at 8:33 p.m. and resumed at 8:40 p.m. Stine joined the meeting at 8:40 p.m.

### **Approval of Minutes:**

Minutes of the regular board meeting held on August 25, 2022, were considered. On a motion made by Nevinger, seconded by Hartlieb and carried, the minutes were approved as presented.

### **Staff Reports & Presentations**

#### **Report of Operations and Construction**

CFO Becky Jacobson's report included:

- Update on projects and other matters.
  - Paychex & Vehicle Time importing.
  - Cashflow.
  - MISO FTR Collateral fund.
  - Freedom analysis.
  - Long-term Debt.
  - 501(c)3 research.

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

The Operating Reports and Work Order Summaries for June through August will be presented at a future board meeting.

### **CEO's Report:**

CEO Bobby Williams' report included:

- Lost time accident for August.
- Member matters.
- Power transformer failure.
- Update on Maple Grove.
- Topics from the Staff Reports.

### **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 Hartlieb, seconded by Grapperhaus, and carried to accept 108 applications for membership for August 2022, in accordance with Section 2 of the bylaws.

A motion was made by Hartlieb, seconded by Nevinger, and carried to formally acknowledge the termination of 11 memberships for September 2022, effective as of the date on which the cooperative

ceased furnishing services, and the release of capital credits to the members' estates totaling to \$59,713.03, with the condition that the capital credits for member number 28515 be paid in \$10,000 monthly installments until the amount has been paid in full.

### **Unfinished Business:**

A motion was made by Warner to partner with Bond County on the middle mile concept without providing funding, and to have SWECI's name added to the grants. Gaffner seconded; motion carried.

A motion was made by Nevinger to freeze the submetered electric heat rate, grandfather in members that have a submeter installed and inspected prior to January 1, 2023, and to offer the calculated electric heat rate to members that qualify after January 1.

Member number 22849 has requested a special rate for 3-phase grain bins. He is currently on the Interruptible rate 824. The board discussed the 3-phase rates and the cost-of-service study.

A motion was made by Gaffner, seconded by Willman and carried to appoint Mike Emken to serve on the Operation Round-Up Committee pending Emken's acceptance.

The Policy & Bylaws Committee have a meeting scheduled for Oct. 27 at 5 p.m.

### **New Business:**

A motion was made by Stine to consider Member Number 75793's request for variance from our policy to install a remote disconnect for their solar panels on the house. The motion was seconded by Gaffner. After discussion, a vote was taken. The noes have it, the motion was lost.

The board discussed the condition of our spare power transformers. A motion was made by Grapperhaus, seconded by Hartlieb, and carried to authorize the purchase of a power transformer, not to exceed the total amount of \$1.8M.

A motion was made by Warner, seconded by Hartlieb and carried to present a check to Member Number 72265, for one year's utility expense paid from Oct. 2021 through Sept. 2022 as reconciliation for the miscommunication at the 2022 Annual Meeting.

Directors were given a list of the 2023 training and conferences through NRECA and AIEC. Schwarm asked the directors to submit what they would like to attend by October's board meeting for budgetary purposes.


The 2022 Virtual Business and Election Meeting for Touchstone Energy Cooperative is on December 1. A motion was made by Hartlieb, seconded by Warner and carried, to appoint Jennings as the voting delegate for the Touchstone Business and Election Meeting. A motion was made by Nevinger, seconded by Grapperhaus and carried, to appoint Stine as the alternate for the Touchstone Business and Election Meeting.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 10:20 p.m.

  
Annette Hartlieb, Secretary

Attest:

  
Ann Schwarm, President