

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**February 23, 2023**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, February 23, 2023, 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 *via video conference*  
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, and Executive Assistant Brooke Scott. Also present via video conference was GDS Consultant Garrett Cole.

President Schwarm, attending via video conference, relinquished the chair to Vice President Jerry Gaffner, who presided over the remainder of the meeting.

**Executive Session:**

At 6:01 p.m., Hartlieb made a motion to enter into executive session to discuss Freedom Operations and the cooperative's Zonal Resource Credits (ZRCs) seasonal strategy. Nevinger seconded; motion carried. Cole left the meeting at 7:35 p.m. The board remained in executive session to discuss

personnel matters and SWECI's strategic plan. At 8:33 p.m., Hartlieb made a motion to leave executive session. Grapperhaus seconded; motion carried.

The meeting recessed at 8:33 p.m. and reconvened at 8:40 p.m.

### **Approval of Minutes:**

Minutes of the regular board meeting held on January 26, 2023, were considered. On a motion made by Nevinger, seconded by Stine and carried, the minutes were approved as presented.

### **Staff Reports & Presentations**

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

CFO Becky Jacobson's report included:

- Preliminary Cash Flow Statement and Balance Sheet for twelve months ended December 31, 2022.
  - Total Utility Plant.
  - Work-in-progress (WIP).
  - Cash position status.
  - Other Deferred Debits.
  - Accounts Receivable.
  - Material & Supplies.
  - Regulatory Assets.
  - Other Deferred Debits.
  - Long-term Debt.
  - Other Deferred Credits.
- Preliminary Statement of Operations for twelve months ended December 31, 2022.
  - Total Sales of Electricity.
  - Total Revenue.
  - Production Expense.
  - Ameren NITS.
  - Cost of Power.
  - Total Operation & Maintenance Expense.
  - Net Margins.
  - Debt Service Coverage.
- Update on projects and other matters.
  - December's financials.
  - Audit.
  -

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

Nevinger made a motion to approve the Operating Report and Work Order Summary in the amount of \$416,041.55 for November 2022. Willman seconded; motion carried.

### CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents.
- Property updates.
- Prepaid metering.
- LIHEAP.
- Software matters.
- Storm recap.

Nevinger left the meeting at 9:34 p.m.

### Membership Applications and Terminations:

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

A motion was made by Grapperhaus, seconded by Hartlieb, and carried to accept 54 applications for membership for January 2023, in accordance with Section 2 of the bylaws.

A motion was made by Jennings, seconded by Stine, and carried to formally acknowledge the termination of 34 memberships for February 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 \$69,614.40.

### Committee Reports:

#### Policy & Bylaws Committee:

The Policy & Bylaws Committee met on February 23 at 4:30 p.m. at the Greenville Headquarters to review the *Driving Policy*, *Educational Assistance Policy*, and the *Personal Use of Cooperative Equipment Policy*. Chairperson Warner gave a report on the committee's recommended revisions.

A motion was made by Warner, seconded by Stine, and carried to approve the revised *Driving Policy*, *Educational Assistance Policy*, and the *Personal Use of Cooperative Equipment Policy* as presented.

The next Policy & Bylaws Committee meeting will be held on March 23, 2023.

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

Gaffner attended the AIEC Board Meeting on February 16. He gave a verbal report to the board. Topics of discussion included legislative bills that may impact cooperatives, Youth Day tour, and an introduction to Egyptian Electric Cooperative Association from Executive VP/GM Shane Hermetz.

### **Unfinished Business:**

A motion was made by Schwarm, seconded by Warner, and carried to hedge up to 21 MW ZRCs for the 2023 MISO summer season with Southern Illinois Power Cooperative (SIPC) at up to 5% over the asking price of \$9.50 per KW month.

A motion was made by Jennings, seconded by Warner, and carried, to give management the authority to develop a purchase agreement as discussed with Golden Son Energy for Freedom Power Station.

### **New Business:**

A motion was made by Grapperhaus, seconded by Hartlieb, and carried to appoint Schwarm as the voting delegate and Williams as the alternate for the 2023 CRC Board of Director election.

Jennings has met the requirements needed to renew the highest level for director education, Director Gold credential, at NRECA. The board congratulated Jennings on his accomplishment.

### **Adjournment:**

With no further business to come before the board, the meeting adjourned at 10:06 p.m.

  
Annette Hartlieb, Secretary

Attest:

  
Ann Schwarm, President