

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**June 22, 2023**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, June 22, 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  
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.

**Approval of Minutes:**

Minutes of the regular board meeting held on May 25, 2023, were considered. On a motion made by Nevinger, seconded by Warner and carried, the minutes were approved as presented.

**Staff Reports & Presentations**

**Report of Operations and Construction**

CFO Becky Jacobson's report included:

- Balance Sheet for five months ended May 31, 2023.
  - Total Utility Plant
  - Construction WIP
  - Cash
  - LTD

- Statement of Operations for five months ended May 31, 2023.
  - Total Sales of Electricity
  - Cost of Purchased Power
  - Total Operation & Maintenance Expense
  - Net Margins
- Update on projects and other matters.
  - Historical information on CFC Integrity Fund
  - 501(c)3
  - 2022 Audit
  - Power Cost Adjustment

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

Hartlieb made a motion to approve the Operating Report and Work Order Summary in the amount of \$471,271.59 for March 2023. Stine seconded; motion carried.

Nevinger made a motion to approve the Operating Report and Work Order Summary in the amount of \$454,605.62 for April 2023. Willman seconded; motion carried.

Jennings made a motion to approve the Operating Report and Work Order Summary in the amount of \$529,979.82 for May 2023. Grapperhaus seconded; motion carried.

**CEO's Report:**

CEO Bobby Williams' report included:

- Lost time accidents
- Open positions and new hires
- Member matters
- Cyber security insurance
- AIEC's rate comparison book
- Staff Reports

**Membership Applications and Terminations:**

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

A motion was made by Warner, seconded by Hartlieb, and carried to accept 93 applications for membership for May 2023, in accordance with Section 2 of the bylaws.

A motion was made by Jennings, seconded by Nevinger, and carried to formally acknowledge the termination of 7 memberships for June 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 \$15,682.19.

### **Committee Reports:**

#### **Executive Committee:**

The Executive Committee met on June 12 to provide feedback to staff on the new capital credits policy. Williams presented a timeline for implementation and training.

#### **Emerging Technologies Committee:**

The Emerging Technologies Committee met on June 13. Chairperson Gaffner gave a report on the content of the meeting. Topics discussed included LMR, grants, battery storage, EV rate, and member correspondences.

#### **Policy & Bylaws Committee:**

The Policy & Bylaws Committee met on June 22 at 5:30 p.m. to continue work on a CEO Succession Planning policy. Chairperson Warner gave a report on the content of the meeting. The Cyber Security Committee will be working on a draft Cyber Security policy to send to the Policy & Bylaws Committee for review.

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

Schwarm attended the AIEC Board Meeting on June 23. She gave a verbal report to the board. The topics of discussion included financials, dues, budget, and CEO performance review.

### **Unfinished Business:**

Hartlieb made a motion to contribute 5% of the patronage capital SWECI will be receiving from CFC this year and for all future years until notified otherwise to the CFC Cooperative System Integrity

Fund. Jennings seconded; motion carried.

A motion was made by Grapperhaus, seconded by Nevinger and carried to adopt the Board Resolution Authorizing Application for Rural Economic Development Loan as follows:

Whereas, Southwestern Electric Cooperative, Inc. has been actively involved in economic development in order to improve the economic well-being of its membership as well as that of the communities in the Southwestern Electric Cooperative, Inc. trade area as a whole; and

Whereas, M.J.M. Electric Cooperative, Inc. has proposed a cellular AMI upgrade of their current metering system with a fully-cellular metering system that will allow M.J.M. Electric Cooperative, Inc. to implement more Smart Grid technology for their distribution system to better serve their members in remote areas; and

Whereas, the total project is estimated to be \$2,500,000 and M.J.M. Electric Cooperative, Inc. is requesting \$2,000,000 to assist in funding the project over a term of 10 years with a no deferral period; and

Whereas, the Rural Business-Cooperative Service has available an economic development program of financial assistance to Intermediaries in the form of zero-interest loans to assist in rural community development; and

Whereas, Southwestern Electric Cooperative, Inc. will comply with provision of 7 CFR 4280; the project is not in violation of Section 4280.27, Ineligible Use of Zero-Interest Loans and/or Grants, and section 4280.30, Restrictions on Use of Zero-Interest Loan and/or Grant Funds; and resolves to carry out the proposed project with Southwestern Electric Cooperative, Inc. according to 78 CFR 4280.

Whereas, the Board of Directors of Southwestern Electric Cooperative, Inc. has endorsed the proposed rural economic development project as described in the application and 4280.29

Supplemental Financing Required for the Ultimate Recipient project; and

Whereas, the Board of Directors of Southwestern Electric Cooperative, Inc. agrees to the provisions of the regulation 4280-A and the 4280-5 loan agreement; and

Now therefore be it resolved, the Board of Directors of Southwestern Electric Cooperative, Inc. authorizes its CEO to submit application in the amount of \$2,000,000 for a Rural Economic Development Loan with M.J.M. Electric Cooperative, Inc.; and

Be it further resolved, that the Board of Directors authorizes its CEO to compile, complete, and execute the information and forms necessary to support this application.

Furthermore, the Board of Directors authorizes its CEO to relinquish the zero-interest funds.

A motion was made by Stine, seconded by Warner and carried to submit a request to become a member of the Bond County Community Foundation and to pursue the establishment of a 501(c)3 account.

#### **New Business:**

A motion was made by Hartlieb, seconded by Stine, and carried to appoint Gaffner as the voting delegate and Warner as the alternate for the 2023 AIEC Annual Meeting.

A motion was made by Stine, seconded by Hartlieb, and carried to appoint Warner as the voting delegate and Gaffner as the alternate for the NRECA Director Election.

A motion was made by Grapperhaus, seconded by Gaffner, and carried to appoint Jennings as the voting delegate and Grapperhaus as the alternate for the NRECA Regional Meeting.

Scott, Jacobson, and Williams left the meeting at 9 p.m. The meeting recessed at 9 p.m. and resumed at 9:13 p.m.

**Executive Session:**

A motion was made by Grapperhaus, seconded by Gaffner, and carried to go into executive session at 9:13 p.m. for the annual progress review of the CEO. Williams returned to the meeting at 10:07 p.m. A motion was made by Grapperhaus, seconded by Nevinger, and carried to leave executive session at 10:40 p.m.

A motion was made by Willman, seconded by Grapperhaus and carried to raise Williams's annual salary and corresponding benefits by 6%, reimburse business travel miles driven at the federal mileage rate, and to continue to provide the monthly cell phone allowance.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 10:41 p.m.

Attest:

  
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Ann Schwarm, President  
Jerry Gaffner, President Pro-temp

  
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Annette Hartlieb, Secretary