

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**July 27, 2023**  
**Greenville, IL**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, July 27, 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 (via video conference)  
Sandy Nevinger  
Ann Schwarm (via video conference)  
Jared Stine  
Marvin Warner

Director Ted Willman was absent. 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 was Auditor Craig Popenhagen from CliftonLarsonAllen via video conference.

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

**2022 Auditor's Report:**

Auditor Craig Popenhagen from CliftonLarsonAllen presented the 2022 Auditor's Report through video conference. They did not find anything significant to report. He noted that the audit

provides reasonable, but not absolute assurance. There were no audit adjustments or difficulties with management to discuss, and they had a clean opinion of internal controls.

The board reviewed the following key ratios, comparing SWECI to the 2021 industry mean:

- Modified Debt Service Coverage
- Blended Interest Rate
- Equity Level as a percentage of Assets
- Capital Credits Retired per Total Equity
- Power Cost as a percentage of Revenue
- Total Operating Expense per KWH Sold
- Total Electric Revenue per KWH Sold
- Growth in number of Consumers
- Growth in KWH Sales
- TUP Investment per Consumer

With no further questions, Popenhagen left the meeting at 6:51 p.m.

Grapperhaus made a motion to approve the 2022 Audit Report as presented. Warner seconded; motion carried.

#### **New ERA Program:**

Energy Manager Julie Lowe entered the meeting at 6:52 p.m. to give a presentation on the New ERA Program. Topics of discussion included:

- Funding available
- Application process
- Project requirements
- Letter of intent
- Battery storage
  - Augmentation schedule
  - Estimated life of battery
  - System set up
  - Commissioning
  - Lifecycle services
  - Pricing
  - Disposal
- Capacity market
- FERC Order 2222
- Other grant opportunities and future projects

After vetting the opportunity, the board decided not to pursue applying for the New ERA Program.

Lowe left the meeting at 7:30 p.m.

### **Approval of Minutes:**

Minutes of the regular board meeting held on June 22, 2023, were considered. On a motion made by Nevinger, seconded by Hartlieb and carried, the minutes were approved as presented.

Minutes of the special board meeting held on July 6, 2023, were considered. On a motion made by Warner, seconded by Stine and carried, the minutes were approved as presented.

### **Staff Reports & Presentations**

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

CFO Becky Jacobson's report included:

- Preliminary financial statements for six months ended June 30, 2023
  - Sales of Electricity
  - Depreciation
  - Production Expense
- KRTA presentation slides

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

Grappnerhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$485,324.37 for June 2023. Warner seconded; motion carried.

#### **COO's Report:**

COO Marvin Ayala's report included:

- Update on the Maple Grove to Edwardsville transmission line project
- Vandalia feeder redesign
- Smithboro substation
- Marine to Edwardsville transmission line reconductor work
- iPad refresh
- Alarm system
- Personnel
- ROW clearing
- Member job

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

CEO Bobby Williams' report included:

- Lost time accidents
- Annual Meeting
- Open positions
- Meetings
- Member matters.

### **Membership Applications and Terminations:**

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

A motion was made by Hartlieb, seconded by Stine, and carried to accept 105 applications for membership for June 2023, in accordance with Section 2 of the bylaws.

A motion was made by Nevinger, seconded by Grapperhaus, and carried to formally acknowledge the termination of 6 memberships for July 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 \$23,643.66.

### **Credentials and Elections Committee Appointment:**

A motion was made by Warner, seconded by Grapperhaus and carried to approve the following active Southwestern Electric members to serve on the 2023 Credentials and Election Committee:

<b>District I</b>	<b>District II</b>	<b>District III</b>
Ted Flath	Ron Jarrett	Kyra Willenborg
Kenneth Grotefendt	Steven Laesch	Brad Stein
John Sedlacek	Hal Langham	Dale "Pete" Burnam

### **Report on Director Training:**

Schwarm, Hartlieb, Jennings and Grapperhaus attended the CoBank Energy Conference. They gave verbal and written reports to the board on their takeaways from this year's meeting. Some of the topics discussed were economy, FERC, presidential election, AI, reliability, and legislation.

**Unfinished Business:**

Grapperhaus gave the board a synopsis of a call she received from member sep. 20426-001 about an ongoing matter. The member also had several questions regarding co-generation.

**New Business:**

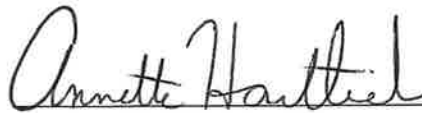
A motion was made by Grapperhaus, seconded by Warner, and carried to donate \$1,000 to the Bond County Core Community, and to have staff investigate if this charitable contribution would qualify for CoBank's donation matching program.

A motion was made by Hartlieb, seconded by Grapperhaus, and carried to elect Schwarm as a director of the AIEC and elect Gaffner as an alternate director of the AIEC.


The Operation Round Up Committee (ORU) met to discuss three applications. A motion was made by Hartlieb, seconded by Stine and carried, to approve the Operation Round Up total contribution of \$2,400 to the Alhambra Hamel Ministerial Alliance, Highland Woman's Club, and Greenville Women's Alliance, as recommended by the ORU committee.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 9:41 p.m.

  
Annette Hartlieb, Secretary

Attest:

  
Ann Schwarm, President

