

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
May 23, 2024
Greenville, IL

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, May 23, 2024, at 6:30 p.m. at the office of Southwestern Electric Cooperative headquarters in Greenville, IL pursuant to notice given. President Jerry Gaffner 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
Brad Lurkins
Ann Schwarm (via conference call)
Marvin Warner
Ted Willman

Vice President Jared Stine, absent during roll call, joined the meeting at 6:48 p.m. Staff members present were Chief Executive Officer Bobby Williams, Chief Operating Officer Vic Buehler, and Executive Assistant Brooke Scott.

Approval of Minutes:

Minutes of the regular board meeting held on April 25, 2024, were considered. On a motion made by Warner, seconded by Jennings and carried, the minutes were approved as presented.

Executive Session:

At 6:31 p.m., Lurkins made a motion to enter into executive session to discuss Freedom Operations and personnel matters. Grapperhaus seconded; motion carried. Stine entered the meeting at

6:48 p.m. At 7:08 p.m., Jennings made a motion to leave executive session. Willman seconded; motion carried.

IRS Form 990:

Williams presented the IRS Form 990 for year ending December 31, 2023, as prepared by CliftonLarsonAllen LLP. Topics discussed included:

- Part IX: Benefits paid to or for members.
- Part V: 85/15 Revenue Test.
- Part VII: Board of Director Compensation and Employees.
- Schedule J: Compensation.
- Part VII, Section B: Independent Contractors.
- Schedule I: Grants and other Assistance.
- Schedule D: Supplemental Financial Statements.

On a motion made by Warner, seconded by Stine and carried, the 2023 Form 990 was approved as presented by Williams.

Staff Reports & Presentations

Report of Operations and Construction:

CEO Bobby Williams's report included:

- Balance Sheet for four months ended April 30, 2024.
 - Construction WIP.
 - Cash.
 - Temporary Investments.
 - Total Assets and Other Debits.
 - Total Margins & Equities.
 - LTD.
- Statement of Operations for one month ended April 30, 2024.
 - Total Sales of Electricity.
 - Total Revenue.
 - Cost of Purchased Power.
 - Net Margins.
- Cash flow statement for four months ended April 30, 2024.
- Statement of Operations for four months ended April 30, 2024.
 - Total Sales of Electricity.
 - Total Revenue.
 - Cost of Purchased Power.
 - Total Operating Maintenance Expense.
 - Net Margins.
 - Current Outlook.

Operating Report and Work Order Summary Approval:

Grapperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$716,375.72 for April 2024. Hartlieb seconded; motion carried.

CEO's Report:

CEO Bobby Williams's report included:

- Member matters.
- Outages.
- GRIP Grant application.

Report on Nominations Committee Meeting:

At 7:49 p.m. VP of Member Services Susan File entered the meeting for the presentation of the 2024 slate of candidates for Districts I, II, and III as submitted by the 2024 nominations committee. File reported that G. Moore was appointed chairperson and D. Joachimsthaler was appointed secretary. The following names were submitted by the nominations committee:

District I: William "Bill" Jennings

District II: Jerry Gaffner

District III: Jared Stine

Warner moved to approve the 2024 slate of candidates for Districts I, II, and III as submitted by the 2024 nominations committee. Willman seconded; motion carried.

The deadline to file by petition is June 24th.

File left the meeting at 7:54 p.m.

Staff Reports & Presentations Continued:

COO's Report:

COO Vic Buehler's report included:

- Member matters.
- Update on workplan projects.
- AMI System.
- Software conversion.

- Blinks and outages.
- Material project.
- Apprentice Lineman Program outline.

The meeting recessed at 8:25 p.m. and reconvened at 8:35 p.m.

Membership Applications and Terminations:

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

A motion was made by Hartlieb, seconded by Lurkins, and carried to accept 86 applications for membership for April 2024, in accordance with Section 2 of the bylaws.

A motion was made by Grapperhaus, seconded by Hartlieb, and carried to formally acknowledge the termination of 25 memberships for May 2024, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to members and members' estates totaling to \$52,277.90.

Committee Reports:

Policy & Bylaws Committee:

The Policy & Bylaws Committee met on May 14 at the Greenville Headquarters to review the *Operation Round Up Policy*. Chairperson Warner gave a report on the committee's recommended revisions. After discussion, the board would like to add "annually" under Guidelines and General Provisions (8) and remove the financial statement requirement (7) in the application for donation.

A motion was made by Warner, seconded by Stine, and carried to approve the revised *Operation Round Up Policy* as discussed.

Report on Director Training:

Jennings attended the Electric Cooperative Lobby Day in Springfield where he met with several state representatives. He gave a verbal and written report to the board.

Hartlieb, Jennings, and Warner attended NRECA Course 984.1: The Road to Resiliency: A Director's Responsibility through AIEC. They gave verbal and written reports to the board. Some of the topics discussed were material supply, labor, diversity, and employee retention.

AIEC Board Meeting Report:

Schwarm attended the AIEC Board Meeting on May 16. She gave a verbal report to the board. The topics of discussion included budget, financials, and training.

Unfinished Business:

OAR invoice for member number 78260 was discussed. No action was taken by the board.

Schwarm left the meeting at 9:40 p.m.

New Business:

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

A motion was made by Stine, seconded by Hartlieb, and carried to appoint Schwarm as the voting delegate for the 2024 AIEC Annual Meeting. A motion was made by Stine, seconded by Jennings, and carried to appoint Warner as the alternate for the 2024 AIEC Annual Meeting.

A motion was made by Grapperhaus, seconded by Stine and carried to approve the 2024 NRECA Distribution Membership dues of \$41,148.

Adjournment:

With no further business to come before the board, the meeting adjourned at 9:48 p.m.


Annette Hartlieb, Secretary

Attest:


Jerry Gaffner, President