

**Southwestern Electric Cooperative, Inc.**  
**Minutes of the Regular Meeting**  
**June 25, 2020**  
**Greenville, IL**

**Call to Order and Roll Call**

The regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, June 25, 2020 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  
Rich Gusewelle  
Annette Hartlieb  
Bill Jennings  
Sandy Nevinger  
Ann Schwarm  
Jared Stine  
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 28, 2020, were considered. On a motion made by Nevinger, seconded by Hartlieb and carried, the minutes were approved as corrected.

Minutes of the special board meeting held on May 21, 2020, were considered. On a motion made by Grapperhaus, seconded by Stine and carried, the minutes were approved as presented.

## Staff Reports & Presentations

### IRS Form 990:

CFO Jacobson presented a draft IRS Form 990 for year ending December 31, 2019. A copy of the draft was sent to the board prior to the meeting for their review. Key topics discussed included:

- Part V: 85/15 Revenue Test,
- Part VI: Governance, Management and Disclosure,
- Part VII: Board of Director Compensation and Employees,
- Schedule J: Compensation,
- Part VII, Section B: Independent Contractors,
- Schedule I: Grants and other Assistance.

Jacobson is questioning a change on how CliftonLarsonAllen auditors interpret the instructions for Section A, Line 1b: Number of Independent Voting Members.

On a motion made by Grapperhaus, seconded by Stine and carried, the 2019 Form 990 was approved as discussed and presented by Jacobson.

### Report of Operations and Construction

CFO Rebecca Jacobson's report included:

- Balance Sheet review.
- Work-in-progress (WIP) & cash position status.
- Accounts receivable and other deferred credits.
- Long-term Debt.
- Notable disbursements for May.
- Statement of Operations one month and five months ended May 31, 2020.
- 2020 compared to 2019.
- Status on revisions to budget.
- Several departmental updates.

### Operating Report and Work Order Summary Approval

Stine made a motion to approve the Operating Report and Work Order Summary in the amount of \$441,274.20 for May 2020. Hartlieb seconded; motion carried.

### Strategic Plan Update:

CEO Bobby Williams gave an update on the progress of the strategic plan. His presentation included updates on the following:

- Financial Plan.
- Capital and Operations Plan.
- Emerging Technology Plan.
- Safety Plan.
- Member and Community Engagement Plan.
- Succession Plan.

The meeting recessed at 8:29 p.m. and reconvened at 8:37 p.m.

### CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents reported for May 2020.
- Personnel matters.
- Update on several ongoing projects.
- Rebate applications and funds.
- Member matters.
- Update on Emergency workforce plan due to COVID-19.
- Payment options for members due to COVID-19.
- Legal matters.
- Discussion on several topics from the staff reports.

### Membership Applications and Terminations

A list of membership applications and terminations was sent to the board prior to the meeting.

A motion was made by Nevinger, seconded by Hartlieb and carried to accept 121 applications for membership for May 2020 in accordance with Section 2 of the bylaws.

A motion was made by Gusewelle, seconded by Willman and carried to formally acknowledge the termination of 7 memberships for May 2020, effective as of the date on which the cooperative ceased furnishing services, and the release of capital credits to the members' estates totaling to \$17,460.93.

### Report on Director Education:

Jennings participated in the NRECA virtual training course, 974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards. A written report was sent to the board. Jennings gave

a verbal report. Some of the topics discussed were the roles of the Directors, cost of service study, and rate design.

**Unfinished Business:**

No unfinished business was discussed.

**New Business:**

The rebate budget has been depleted for the year. As of today, the total amount of accepted applications being held is \$2,800.00. The board would like to receive quarterly updates on the amount outstanding. A motion was made by Stine, seconded by Grapperhaus and carried to pay the outstanding rebates, totaling to \$2,800.00.

**Executive Session:**

A motion was made by Grapperhaus, seconded by Jennings and carried to go into executive session at 9:35 p.m. for the annual progress review of the CEO. Jacobson and Scott left the meeting at this time. A motion was made by Grapperhaus, seconded by Willman and carried to leave executive session at 11:36 p.m.


A motion was made by Willman, seconded by Jennings and carried to award Williams 5 additional vacation days and increase his annual salary with corresponding benefits by \$5,000.

**Adjournment:**

With no further business to come before the board, the meeting adjourned at 11:36 p.m.

  
Annette Hartlieb, Secretary

Attest:

  
Ann Schwarm, President