

Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
September 24, 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, September 24, 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
Annette Hartlieb (*via video conference*)
Bill Jennings
Sandy Nevinger (*via video conference*)
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.

Reorganization of the Board:

The board reviewed Section 7: *Officers* in the bylaws.

President of the Board: Willman made a motion to nominate Ann Schwarm as president of the board; the motion was seconded by Gaffner and carried. An anonymous vote was taken. Ann Schwarm was elected to serve as president for the 2020-2021 term.

Vice President of the Board: Jennings made a motion to nominate Sandy Grapperhaus as vice-president of the board; the motion was seconded by Stine and carried. An anonymous vote was taken. Sandy Grapperhaus was elected to serve as vice-president for the 2020-2021 term.

Secretary of the Board: Warner made a motion to nominate Annette Hartlieb as secretary of the board; the motion was seconded by Stine and carried. An anonymous vote was taken. Annette Hartlieb was elected to serve as secretary for the 2020-2021 term.

Treasurer of the Board: Nevinger made a motion to nominate Jerry Gaffner as treasurer of the board; the motion was seconded by Stine and carried. Grapperhaus made a motion to nominate Bill Jennings as treasurer of the board; the motion was seconded by Warner and carried. An anonymous vote was taken. Jerry Gaffner was elected to serve as treasurer for the 2020-2021 term.

Reorganization of the Committees: The board discussed, reviewed, and made changes to the committees for the 2020-2021 year.

A motion was made by Stine, seconded by Nevinger, and carried to establish an Evaluation & Compensation Committee. The committee will be tasked with designing a data-driven evaluation process for the CEO position. The process should be goal based and include metrics to evaluate success.

Committee appointments are as follows:

Executive Committee: Chairperson: President Ann Schwarm. Committee members: Vice President Sandy Grapperhaus, Secretary Annette Hartlieb, and Treasurer Jerry Gaffner. Staff representative: CEO Bobby Williams.

Policies & Bylaws Committee – Chairperson: Sandy Nevinger. Committee members: Marvin Warner, Jared Stine, and Ann Schwarm. Staff representatives: Bobby Williams and VP of HR Carrie Knebel.

Business & Economic Development Committee – Chairperson: Annette Hartlieb. Committee members: Sandy Grapperhaus and Jerry Gaffner. Staff representative: VP of Business Development and Marketing Andrew Jones.

Cyber Security Committee – Chairperson: Sandy Grapperhaus. Committee members: Bill Jennings, Annette Hartlieb and Sandy Nevinger. Staff representatives: VP of IT Vic Buehler and Director of IT Thad Intravaia.

Member & Community Engagement Committee – Chairperson: Bill Jennings. Committee members: Jerry Gaffner, Ted Willman and Annette Hartlieb. Staff representatives: VP of Member Services Susan File, Andrew Jones, and VP of Communications Joe Richardson.

Scholarship Committee – Chairperson: Jared Stine. Committee members: Ann Schwarm, Marvin Warner, Ted Willman, and Sandy Nevinger. Staff representatives: Susan File, Art Director Mike Barns, Executive Assistant Brooke Scott, and Freedom Power Plant GM Russ Gilbert.

Emerging Technologies Committee – Chairperson: Jerry Gaffner. Committee members: Sandy Grapperhaus, Jared Stine, and Ann Schwarm. Staff representatives: Bobby Williams and Energy Manager Julie Lowe.

Evaluation & Compensation Committee – Chairperson: Ted Willman. Committee members: Marvin Warner, Annette Hartlieb, and Ann Schwarm. Staff representative: Carrie Knebel.

The board reviewed the *Business Ethics Code* policy. Copies of the *Policy for Payment of Conference, Education & Business Travel Expenses to Directors* and the board's Succession Plan Statement, regarding succession as a component of the strategic plan, were distributed to the board.

With Secretary Hartlieb attending via video conference call, Schwarm appointed Stine as Secretary Pro-tempore.

Approval of Minutes:

Minutes of the regular board meeting held on August 27, 2020, were considered. On a motion made by Hartlieb, seconded by Willman and carried, the minutes were approved as corrected.

Staff Reports & Presentations

Report of Operations and Construction

CFO Becky Jacobson's report included:

- Cash Flow Statement and Balance Sheet review.
 - Work-in-progress (WIP)
 - Cash position status.
 - Temporary investments, accounts receivable, inventory, and regulatory assets.
 - Notes payable, accounts payable, and other deferred credits.
 - Long-term Debt.
- Statement of Operations for one month and eight months ended August 31, 2020.
- 2020 compared to 2019.
- Ameren and MISO billing.
- Material project.
- 2021 Budget deadlines.

Operating Report and Work Order Summary Approval

Grappperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$514,200.51 for August 2020. Hartlieb seconded; motion carried.

The meeting recessed at 8:10 p.m. and reconvened at 8:16 p.m.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents reported for August 2020.
- Discussion on several topics from the staff reports.
- Emergency workforce plan due to COVID-19.
- Succession Planning.
- Payroll Tax Holiday.
- A metering programming error.
- Member matters.
- Circuit trimming.
- Load opportunities.
- BP contract and solar programs.
- Rate study.

- 2020 Annual Meeting.
- The media specialist position, social media, *The Southwestern*, and the cooperative's website.

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 Warner, seconded by Jennings and carried to accept 112 applications for membership for August 2020 in accordance with Section 2 of the bylaws.

A motion was made by Nevinger, seconded by Hartlieb and carried to formally acknowledge the termination of 12 memberships for August 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 \$30,602.22.

Report on Director Education:

Jennings participated in the NRECA virtual training course, 957.1 How to Evaluate and Improve Board Performance. His written report was sent to the board. Jennings gave a verbal report. Some of the topics discussed were self-assessments, board atmosphere, and self-improvement.

Unfinished Business:

A motion was made by Grapperhaus, seconded by Warner and carried to pay the outstanding rebates, totaling to \$3,800.00.

A motion was made by Gaffner, seconded by Stine and carried to continue to allow contributions to staff Health Savings Accounts (HSAs) of \$5,000 for family plans and \$2,500 for individual plans for the years 2021, 2022 and 2023.

CFC's District Meeting is held in conjunction with NRECA's Online Regional week. A motion was made by Stine, seconded by Warner, and carried, to appoint Schwarm as voting delegate and Grapperhaus as alternate for CFC's District Meeting. A motion was made by Gaffner, seconded by Willman, and carried, to appoint Grapperhaus as voting delegate and Schwarm as alternate for NRECA's Region 5 Business Meeting.

A motion was made by Stine, seconded by Gaffner and carried, to appoint Jennings as voting delegate for the Touchstone Annual Electronic Business Meeting in December.

New Business:

Williams presented Jennings his Board Leadership Certificate (BLC). Jennings earned his certificate by completing a series of courses focusing in greater depth on specific industry and governance issues.

Adjournment:

With no further business to come before the board, the meeting adjourned at 10:58 p.m.


Annette Hartlieb, Secretary

Attest:


Ann Schwarm, President