

**Southwestern Electric Cooperative, Inc.
Minutes of the Regular Meeting
December 17, 2020
Teleconference**

Call to Order and Roll Call

The budget and regular meeting of the Board of Directors of Southwestern Electric Cooperative, Inc. was held on Thursday, December 17, 2020 at 5:00 p.m. via teleconference 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.

2021 Budget Presentations

2021 Proposed Capital Budget

CFO Rebecca Jacobson's presentation included:

- Fleet request,
- Other departmental requests,
- Total work plan request,
- Trend analysis,
- Cash needs.

2021 Proposed Operating Budget

CFO Rebecca Jacobson's presentation included:

- 2021 proposed budgeted Statement of Operations,
- Trend analysis,
- 2021 budgetary cash flow projection,
- Succession planning.

A motion was made by Hartlieb, seconded by Willman and carried to approve the 2021 Capital Budget request of \$8,146,719 as presented.

A motion was made by Willman seconded by Nevinger and carried to approve the 2021 Operating Budget reflecting Net Margins of \$7,042,794.

Approval of Minutes:

Minutes of the regular board meeting held on November 19, 2020, 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:

- Cash Flow Statement and Balance Sheet review.
 - Total Utility Plant
 - Work-in-progress (WIP)
 - Cash position status.
 - Accounts payable
 - Notable fluctuations for November.
- Statement of Operations for one month and eleven months ended November 30, 2020.
 - Sales of Electricity
 - Cost of Power
 - Operation and Maintenance Expense
 - Operating Margins
 - Net Patronage Operating Margins
- Spoofed email.
- Highlights from the Accounting Department Staff Report.

Operating Report and Work Order Summary Approval

Grapperhaus made a motion to approve the Operating Report and Work Order Summary in the amount of \$454,939.71 for November 2020. Gaffner seconded; motion carried.

The meeting recessed at 6:47 p.m. and reconvened at 6:57 p.m.

CEO's Report:

CEO Bobby Williams' report included:

- No lost time accidents reported for November 2020.
- New hire and job openings.
- Full warehouse inventory count.
- Commercial EV chargers.
- Solar credit amount.
- Capital Credits.
- Transition to the new energy contract.
- HomeServe mailings.

Membership Applications and Terminations

A motion was made by Nevinger, seconded by Willman and carried to accept 93 applications for membership for November 2020 in accordance with Section 2 of the bylaws.

A motion was made by Warner, seconded by Jennings and carried to formally acknowledge the termination of 14 memberships for November 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 \$41,146.79.

Report on Director Education:

Jennings participated in the Touchstone Energy's Annual Electronic Business meeting on behalf of SWECI. He gave a verbal and written report to the board. The two Touchstone Energy Board candidates were elected by acclamation.

Jennings, Stine, Schwarm, Grapperhaus, and Warner participated in the NRECA Virtual Winter School. They reported on the networking and general sessions. In addition, several directors participated

in various director education courses. Stine gave verbal reports on courses 2600 Director Duties and Liabilities, 2610 Understanding the Electric Business, and 2620 Board Role and Relationships. Warner gave a verbal report on course 2600 Director Duties and Liabilities. Grapperhaus gave verbal reports on courses 961.1 The Evolution of Electric Cooperative Power Supply, and 977.1 Equity Management and Boardroom Decision Making. Schwarm gave verbal reports on courses 905.1 Assessing Governance, 955.1 Your Board's Culture, and 961.1 The Evolution of Electric Cooperative Power Supply. All written reports will be sent to the board.

Unfinished Business:

The rebate budget has been depleted for the year, and the total amount of accepted rebate applications being held is \$2,450. A motion was made by Nevinger, seconded by Hartlieb and carried to pay the outstanding rebates, totaling to \$2,450.

CoBank will be sending a pre-planning survey out shortly for the strategic planning event in February.

New Business:

On a motion by Willman, seconded by Stine and carried, the following members were appointed by the board of directors to serve on the 2021 Operation Round-Up Committee.


- Charlotte Weber, Edwardsville;
- Diane Schmid, Edwardsville;
- Michele McEvers, Sorento;
- Sue Backs, Greenville;
- Angela Reeter, Vandalia;
- Brady Kramer, Farina.

The directors discussed their preferences on obtaining board material electronically and/or physically.


The 2021 Touchstone Energy Membership dues are due and payable in the amount of \$18,586. A motion was made by Willman, seconded by Warner and carried to approve payment of the 2021 Touchstone Energy Membership dues.

Adjournment:

With no further business to come before the board, the meeting adjourned at 8:08 p.m.


Annette Hartlieb, Secretary

Attest:


Ann Schwarm, President

