

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA  
RURAL ELECTRIC MEMBERSHIP CORPORATION  
HELD AUGUST 29, 2019**

The Regular Meeting of the Board of Directors of South Central Indiana Rural Electric Membership Corporation was held pursuant to notice as required by the Bylaws at the principal office of the Cooperative, 300 Morton Avenue, Martinsville, Indiana on Thursday, August 29, 2019, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Jim Koch, Bruce Hamlin, and Heather Mollo. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; Marilou Idland, VP of Human Resources; and Stacey Sauer, Executive Assistant.

The meeting was called to order with prayer offered by Director Jim Cox. Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held July 25, 2019. Mr. Cox made a motion to approve the minutes as presented. The motion was seconded by Mr. Williamson and passed.

The Board next considered the minutes of the Special Board Meeting held August 23, 2019. Mr. Koch made a motion to approve the minutes as presented. The motion was seconded by Mr. Cox and approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month including work related injuries, property damage incidents, and near hits for July. The President/CEO provided additional information regarding a near hit incident from May and answered the Directors' questions.

Staff Report: Ms. Idland gave the staff report as well as recommendations from the Personnel Committee Meeting held August 28. She discussed health plan and premiums for 2020, addition of offering pet insurance as a voluntary benefit, recruitment of four interns for 2019-2020, and discussed recommended changes to the Nepotism policy. Following discussion Ms. Prosser made a motion to approve the recommendations of the Personnel Committee as presented. The motion was seconded by Mr. Pheifer and approved.

Ms. Idland further discussed the ongoing evaluation of the possible use of the Martinsville Clinic for employees.

Financial Reports: The Board reviewed the Financial Reports and considered the write-off to bad debt. Following discussion, Mr. Williamson made a motion to accept the financial reports and write-off to bad debt in the amount of \$8,358.00 for July 2019. The motion was seconded by Mr. Cox and passed.

Fiber: Mr. Tanneberger brought the Board up to date on the fiber project reporting the project is on track for delivery of fiber system-wide in five years as planned. There was further discussion regarding in-home installations, processes, the RUS loan, and progress of the installation of the backbone and distribution fiber. Mr. Tanneberger reported that members are being kept up to date on the project via the SCI website and the Fiber Facebook page.

The Board also discussed a recommendation that the Fiber Committee review and set pricing for any non-member fiber installations. Following discussion, Mr. Franklin made a motion to approve the recommendation. The motion was seconded by Mr. Williamson and approved.

The Board considered a resolution authorizing SCI to purchase certain fiber conduit assets from Fiber Link., LLC. Following discussion, Ms. Mollo made a motion to approve the

resolution as discussed. The motion was seconded by Mr. Smith and passed. The resolution is attached.

The Board then went into an Executive Session. Upon reconvening the Regular Meeting, the following Committee Reports were heard.

Committee Reports:

**Audit Committee Meeting:** Mr. Pheifer reported on the Audit Committee Meeting held on August 6 to review the expenses for the Directors and CEO for the first six months of 2019. The Committee also reviewed the credit card expenditures for the vice presidents and managers. Mr. Pheifer reported that all was found to be in order.

**Budget and Work Plan Committee:** Ms. Prosser reported on the Budget and Work Plan Committee meeting held Tuesday, August 13, 2019. She shared the budget ratios for the 2020 Work Plan and Budget.

**Finance Committee:** Mr. Smith reported on the Finance Committee meeting held August 20. He discussed the process for receiving funds from the RUS loan and the committee's recommendation to access short-term debt in the amount of \$6,000,000.00 to cover the lag time in receiving RUS funds. Following discussion, Mr. Pheifer made a motion to approve the recommendation of the Finance Committee. The motion was seconded by Mr. Cox and approved.

Unfinished Business: Mr. Tanneberger reviewed the CEO Goals for 2019 and progress of the strategic planning goals.

The Board discussed the recent Annual Meeting and suggestions for addressing members' questions following the meeting.

Mr. Tanneberger reported that a committee has been formed to help mitigate potential issues with access to our facilities during the I-69 construction. The committee has and will continue to meet with Indiana Department of Transportation representatives.

New Business: The Voting Delegate for the Federated Rural Electric Insurance Exchange Regional Meeting (held during the NRECA Regional Meeting) was then considered by the Board. Director Jim Cox will be attending the meeting. Mr. Pheifer made a motion to appoint Mr. Cox as the Voting Delegate to the Federated Rural Electric Insurance Exchange Regional Meeting. The motion was seconded by Mr. Williamson and approved.

The Board considered the CoBank 2020-2021 Nominating Committee Elections. The Board agreed to approve the entire slate. Following discussion, Mr. Williamson made a motion to approve the CoBank 2020-2021 Nominating Committee Slate and authorize Mr. Tanneberger to execute the ballot. The motion was seconded by Ms. Mollo and approved.

Mr. Schultz then conducted the Election of Officers. Following voting by secret ballot with election by majority vote, the 2019 -2020 officers are as follows:

Bruce Hamlin, Chairman  
Jim Cox, Vice Chairman  
Jerry Pheifer, Secretary-Treasurer

Attorney's Report: Mr. Schultz reported on ongoing projects and Board Policies as follows:

Board Policy 4-9- Underground Service: Tabled to September meeting

Board Policy 1-9 – Privacy Policy: Tabled to September meeting

Board Policy 3-17 – Possession of Firearms and Deadly Weapons: Following review of the proposed changes including adding additional language, Mr. Cox made a motion to approve the policy as amended. The motion was seconded by Mr. Franklin and passed. A copy of the policy is attached.

Board Policy 3-21 - Employees on Long Term Disability Leave: Following review of the proposed changes, Ms. Prosser made a motion to approve the policy as amended. The motion was seconded by Mr. Williamson and approved. A copy of the policy is attached.

Board Policy – 4-31 – Idle Services: Following review of this new board policy, Mr. Cox made a motion to approve the policy. The motion was seconded by Ms. Prosser and passed. A copy of the policy is attached.

President/CEO Report: Mr. Tanneberger gave the President/CEO’s Report asking if there were any questions regarding the departmental reports or the CEO’s monthly written report. Following questions, Mr. Williamson made a motion to accept the President/CEO’s report. The motion was seconded by Mr. Koch and passed.

Operation RoundUp: Mr. Tanneberger reported that the recap of the recent meeting of the RoundUp Board of Trustees was included in the Board Report.

Hoosier Energy: Mr. Pheifer reported on the recent meeting of the Hoosier Energy Board of Directors and answered the Directors’ questions.

Indiana Electric Cooperatives: Mr. Cox reported on the Indiana Electric Cooperatives Board Meeting held in August.

There being no further business to come before the Board, the meeting was adjourned.

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Bruce Hamlin, Chairman

ATTEST:

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Jerry W. Pheifer, Secretary