

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD DECEMBER 19, 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, December 19, 2019, at 9:00 a.m.

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

The meeting was called to order with prayer offered by Heather Mollo. The Board then heard from employee Doug Arthur who is retiring at the beginning of 2020. Mr. Arthur expressed his gratitude to the Board and Management of SCI for his more than 30 years of employment. Mr. Tanneberger also gave his appreciation to the Board and staff for a successful 2019.

Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held November 19, 2019. Mr. Williamson made a motion to approve the minutes as presented. The motion was seconded by Ms. Mollo and passed.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month discussing property damage incidents, near hits, and safety initiatives and actions.

Wins: Mr. Tanneberger reported SCI employees raised monies through an auction to help less fortunate SCI families at Christmas. A Kids Christmas event was also held for SCI employees' families which was attended by 106 children and 45 employees.

Financial Reports: Due to the early Board Meeting date, the November 2019 financial reports will be made available in the Board Portal as soon as they are available.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reviewing the take rate percentages, the fiber business plan, SCI's network, and answered the Directors' questions.

Committee Reports: The Audit Committee was reminded of the need to schedule a Committee Meeting to review the last six months of 2019 CEO and Director expenses.

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

Mr. Tanneberger and Mr. LeMere commented on the latest communication with INDOT regarding planning for the upcoming construction work including off site locations for trucks and material. At this time the number of unknowns related to the expected construction bottleneck is high, but discussions are continuing.

New Business: The Board considered the Voting Delegate and Alternate Delegate to the NRECA Annual Meeting. Following discussion, Mr. Williamson made a motion to appoint Jim Cox as the Voting Delegate. The motion was seconded by Mr. Pheifer and passed. Mr. Pheifer made a motion to appoint Steve Williamson as the Alternate Delegate. The motion was seconded by Mr. Franklin and approved.

The Board was reminded of the CoBank Customer Meeting to be held in Normal, Illinois in March. Those planning to attend the meeting should let Ms. Sauer know as soon as possible.

As a matter of recordkeeping, the Board approved the transfer of funds from the RUS Trustee account to the Cooperative's General Fund account for reimbursement of approved construction costs included in the FFB/RUS bank loan.

The annual finance audit was then discussed. It was suggested and approved to have the audit completed and the auditor's report at the April 2020 Board Meeting.

The Board then considered a Board Resolution establishing a debt limit for all secured loans drawn by the Cooperative. Following discussion, Mr. Cox made a motion to adopt the motion as presented. The motion was seconded by Mr. Smith and approved. A copy of the resolution is attached.

Mr. Tanneberger discussed information regarding high efficiency heat pumps. It was suggested to work with Hoosier Energy regarding rebates and other programs to assist with making them affordable for members.

Attorney: Mr. Schultz described several ongoing projects including the comprehensive board policy review and ongoing work on Fiber related contract documents. He further expressed his appreciation of working with the SCI Board and staff.

President/CEO Report: The Board briefly discussed the CEO's written report. Mr. Tanneberger further discussed that there are now 1822 members with fiber, discussed the five-year system reliability project, and answered the Directors' questions. Thereafter, Ms. Prosser made a motion to accept the CEO report. The motion was seconded by Mr. Williamson and passed.

Hoosier Energy Emerging Technologies Committee: Mr. Tanneberger reported that Hoosier Energy will soon have information on their website regarding electric vehicles and other emerging technologies. Further HE will be purchasing Chevy Bolts to share with member cooperatives.

Board Chairman Comments: Mr. Hamlin discussed the new hospital being built in Bloomington and its economic impact on the area.

He further suggested that a tour be scheduled for Directors and Key Staff to tour the data center at Henry Street.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary