

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD NOVEMBER 19, 2020**

The Regular Meeting of the Board of Directors of South Central Indiana Rural Electric Membership Corporation was held virtually pursuant to notice as required by the Bylaws on Thursday, November 19, 2020, 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; Randy Elliott, VP of Finance and Member Service; Tim LeMere, VP of Distribution Services; Marilou Idland, VP of Human Resources; Tammy Haenlein, Manager of Member Services; and Stacey Sauer, Executive Assistant. Guests included Donna Walker, President and CEO of Hoosier Energy and Hoosier Energy staff members Rob Horton and Tom VanParis.

Director Jim Cox opened the meeting with prayer. Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held October 29, 2020. There were no amendments or correction. Ms. Prosser made a motion to approve the minutes as presented. The motion was seconded by Mr. Koch and passed.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month reviewing a recent vehicle accident and answered the Directors' questions. Following discussion, Ms. Prosser made a motion to accept the Safety Report. The motion was seconded by Mr. Franklin and approved.

Ms. Haenlein presented the 2021 Communications Plan which included highlights from 2020 and the goals and objectives for 2021.

Financial Reports: The Board reviewed the financial reports for October 2020.

Following discussion, Ms. Prosser made a motion to accept the financial reports and write-offs to bad debt for October 2020 as presented. The motion was seconded by Ms. Mollo and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting 4,100 in-home installations to date with a goal of 4,300 by year end. He further discussed the Rural Digital Opportunities Fund (RDOF) census block auction and the status of streaming television options for internet users.

Committee Reports:

Budget and Workplan: Ms. Prosser reported on the Budget and Workplan Committee meeting held November 5 to discuss the proposed 2021 Budget and Workplan ratios and guidelines. She reported that the recommendation from the Committee was included in the Board Report. Following discussion, Mr. Smith made a motion to approve the ratios and guidelines for the 2021 Budget and Workplan as recommended by the Committee. The motion was seconded by Mr. Franklin and approved.

Unfinished Business: Mr. Tanneberger discussed his goals for 2020 which revolve around safety, satisfaction and strength indicating that updates are noted in red.

Mr. Tanneberger reported that COVID has impacted the cooperative both directly and indirectly. He indicated that SCI would continue to take necessary precautions to keep employees and members safe during this time.

The Board next considered the appointment of Mary Ann Frame and Kurt Durnil to the RoundUp Board of Trustees for a three-year term. Following discussion, Mr. Franklin made a motion to appoint Ms. Frame and Mr. Durnil to the RoundUp Board of Trustees. The motion was seconded by Ms. Prosser and approved.

New Business: The Board next considered the Adoption Agreement and Resolution authorizing amendment to the NRECA RSE Pension Plan. The amendment is due to the transfer of Vegetation Management personnel from SCI Services, LLC to SCI REMC starting January 1, 2021. Following discussion, Mr. Franklin made a motion to approve the following resolution. The motion was seconded by Ms. Mollo and passed.

WHEREAS, South Central Indiana REMC is participating in the NRECA-sponsored defined contribution plan, the 401(k) Pension Plan (“the 401(k) Plan”), and;

WHEREAS, the Board of Directors of South Central Indiana REMC (“the Board”) now desires to amend this plan pursuant to Section 18.2 of the 401(k) Pension Plan document, and does hereby authorize the amendment effective January 1, 2021, by executing the appropriate Adoption Agreement;

THEREFORE BE IT RESOLVED, the amendment to the 401(k) Pension Plan is as follows:

- Eligible Employees are Employees of the Participating System not covered by a collective bargaining agreement.
- All other provisions shall remain the same.

BE IT FURTHER RESOLVED, that a notice describing the employee’s rights and obligations under safe harbor will be distributed to all eligible employees within a reasonable time period before the beginning of the plan year for qualification under the 401(k) safe harbor provision in IRC 401(k)(12).

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct James Tanneberger, the President and Chief Executive Officer, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

The Board next considered a request from Duke Energy for a system boundary change to serve one residential customer within SCI’s service territory. Mr. LeMere indicated that Duke Energy has facilities near the location, and it would be a significant cost for SCI to build facilities to serve the single residential customer. Following discussion, Mr. Williamson made a motion to approve the proposed system boundary change as presented. The motion was seconded by Ms. Mollo and approved.

The appointment of the SCI Services, LLC Board of Managers was then considered by the Directors. It was noted that the LLC will not have regularly scheduled meetings due to Vegetation Management being moved to the REMC but will have an Annual Meeting each year. Further if the need should arise, a meeting may be scheduled at any time with the appropriate notification. Following discussion, Mr. Franklin made a motion that the current members of the SCI Services, LLC Board continue to serve. The motion was seconded by Mr. Smith and passed.

Chairman Hamlin reported that the new Board committee assignments were included in the Board Report.

Due to the December Board Meeting being held virtually, the Board agreed to move the meeting to the evening on Thursday, December 17 beginning at 5:30 p.m.

The Board then heard from Donna Walker and staff from Hoosier Energy who discussed Hoosier's new resource plan, COVID response, member power supply flexibility, market program core values, and an outlook on future rates. Mr. Horton reported on the plans for rebuilding a line in the Mooresville area which will improve power supply outages in that area.

Attorney: Mr. Schultz discussed proposed changes to board policies as follows:

Board Policy No. 3-7- Anti-Harassment Policy – Following discussion, this policy will be further amended and reviewed at the December Board Meeting.

Board Policy No. 1-4 – Nondiscrimination Policy – Following discussion of proposed changes, Mr. Smith made a motion to approve the policy as amended. The motion was seconded by Ms. Mollo and approved.

Board Policy No. 3-1 – Employment Practices – Following discussion of proposed changes and additional changes discussed, Mr. Koch made a motion to approve the policy as amended. The motion was seconded by Ms. Prosser and approved.

Board Policy No. 3-2- Employment and Nondiscrimination Policy (now Compliance with Employment Lay Policy) – Following discussion of proposed changes, Ms. Mollo made a motion to approve the policy as amended. The motion was seconded by Mr. Koch and approved.

Mr. Schultz further reported on several ongoing projects.

President/CEO Report: Mr. Tanneberger reported he continues to communicate SCI's strategic vision, mission statement and internal vision to employees to ensure all are working toward the same goal.

He then asked if there were any questions regarding the President/CEO's monthly written report. Following questions, Mr. Smith made a motion to accept the CEO report. The motion was seconded by Mr. Franklin and passed.

Hoosier Energy Report: Mr. Pheifer reported that Ms. Walker's report covered the Hoosier Energy meeting.

Indiana Electric Cooperatives Report: There was not a meeting held in November.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary