

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD SEPTEMBER 26, 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, September 26, 2019, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser (via conference call), Rex Franklin, Stephen Williamson, Jim Koch, and Bruce Hamlin. Director Heather Mollo was absent. Others in attendance were James Buddenbaum, General Counsel; James Tanneberger, President & CEO; and Stacey Sauer, Executive Assistant.

The meeting was called to order with prayer offered by Director Mark Smith. Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held August 29, 2019. Mr. Williamson 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 including work related injuries, property damage incidents, and near hits for August. The President/CEO discussed a work-related injury and measures that have been taken to prevent this type of injury from happening again. Thereafter, Mr. Franklin made a motion to accept the Safety Report. The motion was seconded by Mr. Cox and passed.

Financial Reports: The Board reviewed the Financial Reports and considered the write-off to bad debt. Following discussion, Mr. Franklin made a motion to accept the financial

reports and write-off to bad debt in the amount of \$7,036.00 for August 2019. The motion was seconded by Mr. Cox and passed.

Fiber and Fiber Committee Meeting (held 9/19/19): Mr. Tanneberger brought the Board up to date on the fiber project reporting that we now have over 1,000 members in service and 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, business opportunities, personnel, 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 approve non-member fiber installations including pricing. Following discussion, Mr. Pheifer made a motion to approve the recommendation. The motion was seconded by Mr. Koch and approved.

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

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: Mr. Hamlin reported that he had reviewed the Board committee assignments for 2019-2020. The committees will remain the same with the addition of Director Mark Smith to the Audit Committee and Rex Franklin to the Financial Committee.

The Board then considered nominations for the Indiana Electric Cooperatives director position for 2020. Mr. Pheifer made a motion to appoint Jim Cox as SCI's Indiana Electric Cooperatives Director. The motion was seconded by Mr. Franklin and passed.

The Voting Delegate and Alternate Delegate to the Indiana Electric Cooperatives Annual Meeting were then considered by the Board. Mr. Pheifer made a motion appointing Rex Franklin to serve as the Delegate and Bruce Hamlin as the Alternate Delegate to the Indiana Electric Cooperatives Annual Meeting in December. The motion was seconded by Mr. Franklin and passed.

The Board discussed a donation for the Blue Ribbon Auction (to support the Ronald McDonald House) that is held during the Indiana Electric Cooperatives' Annual Meeting. It was decided to donate battery operated Stihl products for the auction.

Mr. Tanneberger discussed the Federated Rural Electric Insurance policy renewal which will now include DOM Anti-Trust coverage.

The Board considered a Corporate Authorization Resolution for the RUS Loan bank account established with Citizens Bank. Following discussion to revisit the authorized agents at the next Board Meeting, Mr. Cox made a motion to adopt the Resolution as presented. The motion was seconded by Mr. Pheifer and approved. A copy of the Resolution is attached.

The Certificate of Resolutions and Incumbency for the CFC line of credit in the amount not to exceed \$6,000,000.00 was then considered by the Board. Following discussion, Mr. Franklin made a motion to approve the Certificate of Resolutions and Incumbency as presented. The motion was seconded by Mr. Williamson and approved. A copy is attached.

As a matter of recordkeeping, the Board approved the transfer of funds (\$1,544,000.00) 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.

Attorney's Report: Mr. Buddenbaum indicated that he has been working on fiber contracts and Mr. Schultz will resume policy reviews at the October Meeting.

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. Cox and passed.

Miscellaneous Reports: Mr. Tanneberger reported on the Hoosier Energy Emerging Technologies Committee Meeting reporting that he has been named the Chairman of the Hoosier Energy Electric Vehicle Sub-Committee. Information from the committee meeting was included in the Board Report.

Hoosier Energy: A group of directors attended a meeting regarding Hoosier Energy's business operations. It was suggested that a tour of MISO be setup for all directors who would like to attend. Mr. Tanneberger will work on scheduling the tour.

Indiana Electric Cooperatives: There was no meeting held in September.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary