

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD APRIL 25, 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, April 25, 2019, at 5:30 p.m.

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

The meeting was called to order with prayer offered by Director Lisa Prosser. The Chairman then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held March 28, 2019. Ms. Mollo noted that under the Member Service and Marketing Committee report, the word "member" in the last sentence should be "members". There were no further corrections and upon motion of Mr. Franklin and second by Mr. Williamson, the minutes of the Regular Board Meeting held March 28, 2019, were approved as amended.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered Directors' questions. Following discussion, Mr. Cox made a motion to accept the Safety Report. The motion was seconded by Ms. Prosser and passed.

Financial Reports: The Board reviewed the Financial Reports that were available and considered the write-off to bad debt. Following discussion, Ms. Prosser made a motion to accept the available financial reports and write-off to bad debt in the amount of \$20,655.82 for March 2019. The motion was seconded by Mr. Williamson and approved.

Fiber: Mr. Tanneberger brought the Board up to date on the fiber project reporting that additional crews have been added for underground service drops and staff continues to work on state and federal grant opportunities. A map of the fiber construction progress was also included in the Board Report.

Committee Reports:

Finance Committee: The Finance Committee met on April 19, 2019, to discuss the new rate for net billing of renewable energy installations and its impact on SCI and members who have battery storage and the possibility of grandfathering those accounts. The Committee recommended that all accounts move to the new rate for net billing of renewable energy installations and not be grandfathered. Following discussion, Mr. Smith made a motion to approve the recommendation of the Finance Committee to not grandfather accounts as discussed. The motion was seconded by Mr. Cox and passed with one opposing vote.

Fiber Committee: Mr. Cox reported on the Fiber Committee Meeting held April 22, 2019 and answered the Directors' questions.

Personnel Committee: The Personnel Committee was reminded of the committee meeting scheduled for Wednesday, May 15, at 6:00 p.m.

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

The Board was brought up to date on SCI Security. Mr. Tanneberger reported that letters have been mailed to all members/subscribers informing them of SCI's plans to discontinue providing security services as of June 30, 2019.

SCI has been made aware of possible disaster recovery options at Hoosier Energy's maintenance facility and training center. Management staff will continue to work with Hoosier Energy regarding disaster recovery options.

Mr. Tanneberger discussed the recent meeting of the Hoosier Energy Emerging Technologies Committee reporting that the committee will focus on batteries and electric vehicles, smart devices and cybersecurity, distributed energy resources (DERs), and possible research and funding opportunities.

The group discussed the impact of the construction of I69 (Section 6) for SCI as far as relocation of facilities and operation and SCI's plans for addressing possible issues.

New Business: The Board considered the 2018 Capital Credit Allocations. Following discussion, Mr. Williamson made a motion to approve the allocations as presented. The motion was seconded by Ms. Mollo and approved. A copy of the Capital Credit Allocations for 2018 is attached.

A contribution request for NRECA International Program was then considered by the Board. Following discussion, Ms. Prosser made a motion to contribute \$500.00 to the NRECA International Program. The motion was seconded by Mr. Williamson. In further discussion, Ms. Mollo made a motion to increase the contribution to \$1,000.00. The motion was seconded by Mr. Franklin and approved with one opposing vote.

The Directors were then reminded of upcoming meetings including the ACES Conference and the CoBank Energy Directors' Conference.

Executive Session: The Board of Directors went into an executive session to discuss SCI Fiber.

Upon reconvening the Regular Meeting, Mr. Smith made a motion to approve the recommendation of the Fiber Committee as discussed in the Executive Session. The motion was seconded by Mr. Pheifer and unanimously approved.

Attorney's Report: Mr. Frandsen reminded the Board that the CEO Appraisal had been distributed to all directors and, if not already done so, should be returned to his office in the envelope provided.

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. Mr. Smith inquired to the use of the Community Room and if guidelines were being followed regarding approved use. Following discussion, it was suggested that SCI staff review the Community Room Guidelines and provide a recommendation to the Board as far as use, pricing, etc.

Mr. Tanneberger further reported on meetings attended over the past month and upcoming conferences.

Thereafter, Mr. Williamson made a motion to accept the President/CEO's report. The motion was seconded by Mr. Pheifer and passed.

Hoosier Energy: Mr. Pheifer reported that the Hoosier Energy Annual Meeting was held in April.

Indiana Electric Cooperatives: Mr. Cox reported on the IEC Board of Directors Meeting held on April 27, 2019.

Miscellaneous: Mr. Hamlin reported on the Regional Opportunities of Indiana group and the Indiana Upland website.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary