

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD MAY 28, 2020**

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 via video conference on Thursday, May 28, 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, Heather Mollo, and Bruce Hamlin. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; Earl Ridlen, London Witte Group; Randy Elliott, VP of Finance and Member Services; Marilou Idland, VP of Human Resources; Tim LeMere, VP of Distribution Services; Charity Coffman, Controller; Elisha Coffey; Accounting Specialist; and Stacey Sauer, Executive Assistant.

Mr. Hamlin opened the meeting with prayer then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held April 30, 2020. There were no amendments or corrections. Mr. Williamson made a motion to approve the minutes as presented. The motion was seconded by Ms. Mollo and passed.

Audit Report: Earl Ridlen with London Witte Group discussed the audited financial statements of the Cooperative for the period ending December 2019. He indicated that the auditors did not have any concerns to report and asked if the Board had any questions or concerns they would like to have addressed. The Board did not feel the need for an executive session based on the auditor's report.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month discussing a recent incident and answered the Directors' questions.

Financial Reports: The Board reviewed available financial reports. Following discussion, Mr. Cox made a motion to accept the available financial reports. The motion was seconded by Ms. Prosser and approved.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting the sale of one pipe in SCI's Indianapolis-area fiber duct has been completed. He further discussed possible joint ventures, grant applications, and in-home installations.

Committee Reports:

Finance and Fiber Joint Committee Meeting: The Finance and Fiber Committees met on May 7 to review and discuss the current state of the 2020 budget ratios due to the pandemic. The group discussed pending projects to consider in 2020 in light of the current budget ratios. Following discussion, the Board asked that the staff work with the Finance Committee in developing projected ratios with the inclusion of pending projects to present to the Board.

Personnel Committee: Mr. Franklin reported that the Personnel Committee met on May 21 to discuss the Wage and Salary Plan for non-union employees. The Committee plans to meet again in June and should have a recommendation for consideration at the June Board Meeting.

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 discussed the current working arrangement of employees due to the pandemic including reports from Distribution Services and Finance and Marketing outlining remote work within their departments. The Board also reviewed the plan for handling past due member bill payments following the pandemic.

Mr. Tanneberger addressed actions taken to protect SCI from cybersecurity and fraud while employees are working remotely.

The Board was informed that staff continues to research the best virtual platform and plans for the 2020 Annual Meeting.

The Directors discussed the director election process which requires a candidate to obtain 30 signatures from members within their district as the nominating process. It was suggested that the Bylaws be changed so that incumbent directors would not be required to obtain the signatures to be placed on the ballot. Following discussion, Mr. Williamson made a motion to consider amending the Bylaws to not require incumbent directors to obtain signatures for nomination. The motion was seconded by Mr. Pheifer and failed due to the lack of 3/4 of board members voting in favor.

The Board then considered accepting both written and electronic signatures on the director candidate petition. Mr. Smith made a motion to accept written and electronic signatures as discussed. The motion was seconded by Ms. Prosser and approved.

New Business: The agenda item with regards to the LLC was tabled to the June Meeting.

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

Attorney: Mr. Schultz updated the Board on several ongoing projects.

President/CEO Report: The President/CEO asked if there were any questions regarding the President/CEO's monthly written report. There were no questions. Thereafter, Mr. Pheifer made a motion to accept the CEO report. The motion was seconded by Mr. Williamson and passed.

Hoosier Energy Report: Mr. Pheifer reported on the Hoosier Energy Board of Directors Meeting held in May.

Indiana Electric Cooperatives: Mr. Cox reported that the Indiana Electric Cooperatives Board will meet again in June.

The Board discussed the June Board Meeting. It was suggested that the meeting be held in person for those who wish to attend and also via Zoom.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary