

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD OCTOBER 29, 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 at the principal office of the Cooperative, 300 Morton Avenue, Martinsville, Indiana on Thursday, October 29, 2020, at 5:30 p.m.

The following Directors were present: Mark Smith (via Zoom), Jerry Pheifer, Jim Cox, Lisa Prosser (via Zoom), Rex Franklin, Stephen Williamson, Jim Koch (via Zoom), 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; and Stacey Sauer, Executive Assistant.

Director Rex Franklin 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 September 24, 2020. There were no amendments or correction. Ms. Mollo made a motion to approve the minutes as presented. The motion was seconded by Mr. Cox and approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions. Mr. Pheifer made a motion to accept the Safety Report. The motion was seconded by Mr. Williamson and approved.

Financial Reports: The Board reviewed the financial reports. Following discussion, Mr. Franklin made a motion to accept the financial reports and write-offs to bad debt for September 2020. The motion was seconded by Mr. Pheifer and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations, potential business customers, RUS waiver relating to contractors, the Next Level Connection Broadband Grant Program, SCI's fiber transport network, and the joint project with Smithville.

He further reported that the Fiber and Finance Committees met to discuss the Rural Digital Opportunities Fund (RDOF) census block auction. Mr. LeMere discussed the auction process and potential blocks to be considered in the auction process. The Fiber and Finance Committee recommended an action plan for the process. Following discussion, Mr. Pheifer made a motion to approve the recommendation as presented. The motion was seconded by Mr. Williamson and approved.

Committee Reports:

Budget and Workplan: A meeting of the Budget and Workplan Committee is scheduled for Thursday, November 5 at 6:00 p.m.

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 no changes to the current working arrangement of employees due to the pandemic. He further reported that the Community Room is still closed to the public.

The Board discussed the recent Annual Meeting which was held virtually due to the pandemic. The meeting was deemed successful.

The Strategic Planning Session scheduled in October was cancelled due to the moderator not being available. The Board decided to reschedule the meeting after the first quarter of 2021.

New Business: The Board was informed that two Operation RoundUp Trustee positions will expire this year. Trustee Mary Ann Frame will have completed her first term and is

interested in serving for a second term. Trustee Marilyn Skirvin will have completed two terms and will need to be replaced. The Board will consider candidates prior to the end of the year.

Mr. Tanneberger reported that information regarding Director Courses available in 2021 at IEC was included in the Board Report.

The Board reviewed a draft of the New Member Packet. Following discussion, Mr. Cox made a motion to approve the New Member Packet. The motion was seconded by Mr. Franklin and passed.

The proposed 2021 Board Meeting and Holiday Schedules were then considered. Mr. Williamson made a motion to approve the schedules as presented. The motion was seconded by Mr. Franklin and passed.

Mr. Tanneberger and Ms. Prosser reported on the Hoosier Energy Emerging Technologies meeting held to kickoff Hoosier Energy's Electric Vehicle Pilot Program.

The Board next considered the Adoption Agreement and Resolution authorizing the amendment to the NRECA 401(K) Pension Plan due to Vegetation Management being moved from the LLC to SCI REMC in 2021. Following discussion, Mr. Cox made a motion to approve the following resolution. The motion was seconded by Mr. Pheifer 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 discussed energy markets, power production, wind and solar generation as base-line power providers, and how low natural gas prices and/or better storage methods are critical to long-term market price stability.

The Attorney next conducted the Election of Officers. Mr. Franklin made a motion to retain the current Board Officers. The motion was seconded by Mr. Williamson. Ms. Prosser suggested that the Board Officers rotate. There was no further discussion and the motion passed. The Oath of Office was administered to the Board.

Attorney: Mr. Schultz discussed proposed changes to Board Policy No. 1-7 – Record Retention. Following discussion, Mr. Franklin made a motion to approve Board Policy 1-7 as amended. The motion was seconded by Ms. Prosser and passed.

The Board also considered amendments to Board Policy No. 1-8 – Renewable Energy. Following discussion, Mr. Franklin made a motion to approve Board Policy 1-8 as amended. The motion was seconded by Mr. Williamson and passed with Director Jim Koch opposed.

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. Thereafter, Mr. Williamson made a motion to accept the CEO report. The motion was seconded by Mr. Franklin and passed.

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

Indiana Electric Cooperatives Report: Mr. Hamlin reported on the IEC Board of Directors Meeting held in October.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary