

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD JULY 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, July 25, 2019, 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; Tim LeMere, VP of Distribution Services; and Stacey Sauer, Executive Assistant.

The meeting was called to order with prayer offered by Chairman Bruce Hamlin. Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held June 27, 2019. It was noted that on page four, the Budget Committee Meeting is scheduled for 8:30 am versus 1:00 pm on November 1. Thereafter, Ms. Prosser made a motion to approve the minutes as corrected. The motion was seconded by Mr. Williamson and passed.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month including work related injuries, property damage incidents, and near hits for June. The President/CEO provided additional information regarding the near hit incidents from May and answered the Directors' questions. Following discussion, Ms. Prosser made a motion to accept the Safety Report. The motion was seconded by Mr. Koch and passed.

Staff Report: Mr. LeMere gave the Staff Report for the month focusing on SCI's electric reliability. He discussed power outages reporting that trees are the number one cause of outages and it has been found that live trees outside of SCI's right of way is the cause of 80% of tree related outages. In an effort to improve electric reliability, as part of the 2020 budget, it is being recommended to initiate a 5-year reliability improvement plan. As part of the plan, staff will be looking at putting existing overhead lines underground where there is significant vegetation or other issues affecting the overhead service. Further, all new electric services and rebuilds will be reviewed to determine if it would be better (long-term) for the services to be underground installations.

Financial Reports: The Board reviewed the Financial Reports and considered the write-off to bad debt. Following discussion, Mr. Cox made a motion to accept the financial reports and write-off to bad debt in the amount of \$11,638 for June 2019. The motion was seconded by Mr. Pheifer and passed.

Fiber: Mr. Tanneberger brought the Board up to date on the fiber project reporting the project is on track for delivery of fiber system-wide in five years as planned. There was further discussion regarding personnel changes, in-home installations, processes, the RUS loan, and progress of the installation of the backbone and distribution fiber. He further reported that members are being kept up to date on the project via the SCI website and the Fiber Facebook page.

The Board considered a recommendation from the Fiber Committee to partner with a local company to provide fiber services. Following discussion, Mr. Cox made a motion to

approve the recommendation of the Fiber Committee. The motion was seconded by Mr. Franklin and approved.

Committee Reports:

Budget and Work Plan Committee: The Budget and Work Plan Committee scheduled a meeting for Tuesday, August 13, 2019, at 9:00 am at the REMC office.

Audit Committee Meeting: The Audit Committee scheduled a meeting for Tuesday, August 6 at 11:00 am at the REMC office.

Personnel Committee Meeting: A meeting of the Personnel Committee was scheduled for Wednesday, August 28 at 6:30 pm at the REMC office.

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

The Board discussed the final plans for the Annual Meeting to be held on Saturday, August 10 at the Mooresville High School. Director assignments were included in the Board Report.

The Board was brought up to date on SCI Security. It was reported that just over 500 accounts were switched to Wright Hennepin (WH Security), final bills from SCI Security were processed and mailed, and all security accounts are now inactive with SCI Security.

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 Voting Delegate for the CFC District Meeting was then considered by the Board. Director Jim Cox will be attending the meeting. Mr. Pheifer made a motion to

appoint Mr. Cox as the Voting Delegate to the CFC District Meeting. The motion was seconded by Ms. Mollo and approved.

Attorney's Report: Mr. Schultz discussed REMC board policies and the need to review policies that should also reference fiber service. He further reported on ongoing projects.

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

Hoosier Energy: There was no meeting held in June.

Indiana Electric Cooperatives: There was not a meeting in June.

C6 Partners: Mr. Tanneberger and Mr. Hamlin discussed the recent meeting of the C6 Partners held at NineStar.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary