

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD JUNE 21, 2018**

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, June 21, 2018, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Rex Franklin, Stephen Williamson, Joe Peden, Bruce Hamlin and Heather Mollo. Director Lisa Prosser was present via conference call. Others in attendance were Jim Buddenbaum, General Counsel; James Tanneberger, President & CEO; Marilou Idland, VP of Human Resources, Tim LeMere, VP of Distribution Services; Kodi Swafford, Safety Professional; and Stacey Sauer, Executive Assistant.

Director Jerry Pheifer 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 May 31, 2018. There were no corrections. Thereafter, upon motion of Mr. Williamson and seconded by Ms. Prosser, the minutes of the Regular Board Meeting held May 31, 2018, were approved.

Safety Report: Kodi Swafford, Safety Professional, reviewed an incident from April involving a bucket truck tipping over after encountering the soft shoulder of a new driveway. Mr. Swafford discussed the root cause of the accident and corrective actions for preventing similar incidents.

The group further discussed SCI's safety cultural and the implementation of the Root Cause incident investigation process. SCI will reiterate to employees the importance of a greater awareness of their surroundings on the job site.

Financial Reports: Mr. Tanneberger reported that a ten-year financial forecast is necessary for the application for RUS funding. Following discussion, Mr. Cox made a motion to approve the RUS ten-year financial forecast. The motion was seconded by Mr. Franklin and approved.

Mr. Tanneberger asked if there were any questions regarding the financial reports and 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 \$29,416. The motion was seconded by Mr. Peden and approved.

SCI Fiber: Fiber Committee: The Fiber Committee has a meeting scheduled for Monday, June 25, at 6:00 p.m.

Committee Reports:

Personnel Committee: A meeting needs to be scheduled of the Committee for review of medical insurance renewal rates and plan design changes. Following discussion, the Committee will meet on Tuesday, August 14, 2018, at 6:00 p.m.

Unfinished Business: Mr. Tanneberger reported that a summary of the CEO goals for 2018 is included in the Board Report. The CEO goals and documentation have been uploaded in the Resource Center of Boardbooks.

A section of the Cooperative Governance Task Force Report discussing Promoting and Nurturing Good Governance was included in the Board Report. Mr. Tanneberger asked if there were any questions or comments regarding the report. The full Governance Task Force Report has been uploaded to the Resource Center of Boardbooks.

The Electric Vehicles and Emerging Technologies Committee will set a meeting date in the near future.

The Board discussed the Committee assembled to review SCI's Mission Statement. A committee meeting will set the date through e-mail correspondence. Ms. Mollo will coordinate scheduling of the meeting (for directors).

New Business: Mr. Tanneberger discussed the Strategic Planning Action Plan developed from the recent Strategic Planning Session. The Board was asked to review the plan which focuses on six key goals in the areas of operations/reliability, technology, member services, financial, and human resources.

Attorney: Mr. Buddenbaum reviewed SCI Board Policy 2-8, Business Ethics for Directors and Employees (with Disclosure Form). He suggested that legal counsel further review the policy for approval at the July Board Meeting.

Mr. Buddenbaum further reported on discussions with Duke Energy regarding a broadband pole attachment agreement, general easement forms, and other items with regards to the fiber business.

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 report. He further discussed the proposed location of the fiber headend equipment and answered the Directors' questions.

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

Miscellaneous: Mr. Hamlin indicated that it had been suggested to consider moving the Board Meeting to a day meeting versus evening. Following discussion, there was no interest in changing the meeting time.

He further reported that the senate bill eliminating sales tax on servers is being reintroduced. Approval of the bill could assist in Indiana attracting data centers, etc.

There being no further business to come before the Board, Mr. Williamson made a motion to adjourn the meeting. The motion was seconded by Mr. Pheifer and passed.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary