

## **March 2018 Board Meeting Recap**

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, March 29, 2018, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Joe Peden, Bruce Hamlin, and Heather Mollo. Others in attendance were Michael Schultz, General Counsel; Brent Warner, Clifton Larson Allen (CLA); James Tanneberger, President & CEO; Tom Ruth, VP of Distribution Services; Marilou Idland, VP of Human Resources; Jack Hubbard, Sr. Manager of Operations Technology; and Stacey Sauer, Executive Assistant.

Director Lisa Prosser opened the meeting with prayer. The Chairman then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held February 22, 2018. There were no corrections and upon motion of Mr. Williamson and seconded by Ms. Prosser, the minutes of the Regular Board Meeting held February 22, 2018, were approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions.

Brent Warner with Clifton Larson Allen, LLP discussed the proposed internal controls audit including an overview and timeline for the audit which is conducted in four phases.

Mr. Ruth and Mr. Hubbard discussed the 2018-2021 Construction Work Plan and Long-Range Plan (2018-2033) required by the Rural Utilities Service (RUS) and answered the Directors' questions. Following discussion, Ms. Prosser made a motion to adopt a resolution

approving the Construction Work Plan (2018-2021) as presented. The motion was seconded by Mr. Peden and passed. The resolution is attached.

Ms. Mollo made a motion to adopt a resolution approving the Long-Range Plan (2018-2033) as presented. The motion was seconded by Mr. Peden and passed. The resolution is attached.

Committee Reports:

**Personnel Committee:** The Personnel Committee scheduled a meeting for May 22, 2018 at 3:30 p.m.

Financial Reports: Mr. Tanneberger asked if there were any questions regarding the financial reports. He further asked the Board if they wanted to continue having a staff member present the financial report each month. The Board felt that the Financial Executive Summary was sufficient at this time. Following discussion, Mr. Cox made a motion to accept the financial reports and write-off to bad debt for February 2018 in the amount of \$7,785. The motion was seconded by Mr. Williamson and approved.

Unfinished Business: Mr. Tanneberger gave an update on the progress of the CEO's first six month's goals.

The CEO distributed an agenda for the Strategic Planning Retreat scheduled for May 3-5, 2018 and discussed the process the consultant will be using in conducting the Strategic Planning Session.

The Board was brought up to date on continued efforts to secure a facility for the fiber material warehouse and ongoing staff responsibilities with regards to the fiber project.

New Business: The Board considered resolutions to appoint and update authorized agents as follows:

Rural Utilities Service (RUS) – Ms. Mollo made a motion to adopt a resolution to authorize online access and authorized agents for RUS. The motion was seconded by Mr. Cox and passed. The resolution is attached.

National Rural Electric Cooperative Finance Corporation (CFC) – Mr. Peden made a motion to adopt a resolution updating authorized agents for CFC. The motion was seconded by Mr. Williamson and passed. The resolution is attached.

Wells Fargo – Mr. Franklin made a motion to adopt a resolution updating authorized agents for Wells Fargo. The motion was seconded by Ms. Mollo and passed with Director Mark Smith abstaining. The resolution is attached.

Mr. Tanneberger discussed the billing system for the internet and phone business reporting that a third-party vendor will be contracted as SCI's current information system vendor does not have the ability to provide the service at this time.

The Board considered approval of an Indiana Department of Transportation Highway Utility Agreement and Subordination Agreement for the relocation of power lines for construction of a new bridge on State Road 46 in Monroe County. Following discussion, Mr. Franklin made a motion to approve the agreements as presented. The motion was seconded by Ms. Prosser and passed.

Attorney: Mr. Schultz first discussed amendments to Board Policies 3-8 Work Rules Pertaining to Employee Drivers with attachment and 3-9 Illegal Drug and Alcohol Abuse Policy. He reported that the policies have been updated to comply with Department of Transportation Regulations. Following review, Ms. Mollo made a motion to approve the amended policies as discussed. The motion was seconded by Ms. Prosser and passed.

The Group further reviewed Board Policy 5-9 Capital Credit Allocation Retirement Procedures. There were no changes to this policy.

Mr. Schultz discussed various ongoing projects and reviewed the possibility of mail-in ballots being counted towards the annual meeting quorum. This process requires a change in

SCI's bylaws. Mr. Schultz will draft a bylaw change for consideration at the April Board Meeting.

President/CEO Report: Mr. Tanneberger gave the President/CEO's Report asking if there were any questions regarding the departmental reports. He further reported that he continues to work with the counties within SCI's service area regarding lifetime property tax abatement for fiber facilities and expressed the importance of communication of the fiber project with SCI employees as well as members.

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

Hoosier Energy Report: Mr. Pheifer reported on the Hoosier Energy Board Meeting held in March.