

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD NOVEMBER 29, 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, November 29, 2018, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry W. Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Bruce Hamlin, Jim Koch, and Heather Mollo. Others in attendance were Jim Buddenbaum, General Counsel; James Tanneberger, President & CEO; Marilou Idland, VP of Human Resources; 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 October 25, 2018, or minutes of the Special Board Meeting held November 15, 2018. There were no corrections and upon a motion by Mr. Cox and seconded by Ms. Mollo, the minutes of the Regular Board of Directors' Meeting held October 4, 2018, and Special Board Meeting held November 15, 2018, were approved. Following approval of the minutes, the Board went into an Executive Session.

Safety Report: Upon reconvening the Regular Meeting, Mr. Tanneberger reviewed the Safety Report for the month highlighting the positive safety numbers for the REMC and discussing recent incidents within the Vegetation Management group and continued efforts to reduce such incidents.

Financial Report: Mr. Tanneberger asked if there were any questions regarding the financial reports and write-off to bad debt. Following discussion, Mr. Koch made a motion to accept the financial reports and write-off to bad debt in the amount of \$7,679. The motion was seconded by Ms. Prosser and passed.

SCI Fiber: Mr. Tanneberger discussed the fiber project including scheduling of pre-drop appointments with consumers, status of headend equipment installation, lowering of internet pricing, and the Wilbur Road service area.

Committee Meetings:

Fiber Committee: A meeting of the Committee was held on November 12, 2018. The Committee discussed the status of the fiber project including phase one, future phases, and strategic planning.

Unfinished Business: Mr. Tanneberger reported that a summary of the CEO goals for 2018 (with updates in red) is included in the Board Report.

The Strategic Planning key items are included in the Board Report and are updated as the items progress.

The group discussed Diligent Messenger, a secure board messaging platform available within the current board report portal. Following discussion, Ms. Prosser made a motion to move forward with utilizing Diligent Messenger. The motion was seconded by Mr. Cox and approved.

A section of the Cooperative Governance Task Force Report discussing Director Compensation was included in the Board Report. Mr. Tanneberger asked if there were any questions or comments regarding the report. The complete Governance Task Force Report is included in the Resource Center of Diligent Books.

New Business: Mr. Tanneberger presented a letter of resignation from John Basye from the SCI Services, LLC Board of Managers due to his retirement from REMC at the end of the year. Mr. Williamson made a motion to accept the resignation of Mr. Basye from the SCI Services, LLC Board of Managers. The motion was seconded by Ms. Prosser and passed.

The SCI Services, LLC Board of Managers is made up of 2 SCI employees (James Tanneberger and formally John Basye), 2 REMC Directors (Heather Mollo and Lisa Prosser), and 2 outside individuals (Steve Deckard and Susanne Gaudin) and are appointed annually. Mr. Tanneberger reported that the current Board is interested in continuing to serve with Randy Elliott, VP of Finance and Member Services of the REMC, replacing Mr. Basye due to Mr. Basye's retirement. Mr. Franklin made a motion to appoint the current SCI Services Board of Managers with Mr. Elliott replacing Mr. Basye. The motion was seconded by Mr. Pheifer and approved.

The Board then considered the reappointment of three Trustees to the SCI Membership Community Fund (Operation RoundUp) Board of Trustees. Trustees Ken Birkemeier, Rhea Ellen Boley, and Darrell White have completed their first three-year term and are eligible and interested in serving a second three-year term. Mr. Williamson made a motion to reappoint Ken Birkemeier, Rhea Ellen Boley, and Darrell White to the SCI Membership Community Fund Board of Trustees. The motion was seconded by Ms. Mollo and approved.

Mr. Tanneberger reported that SCI had not made a corporate contribution to the FORE PAC in 2018 (normally done in March of each year). Following discussion,

Ms. Prosser made a motion to make a corporate contribution of \$2,000 to the FORE PAC for 2018. The motion was seconded by Mr. Williamson and approved.

The Board then considered the renewal of the CoBank Line of Credit.

Mr. Franklin made a motion to authorize the execution of the documents for the renewal of the CoBank Line of Credit. The motion was seconded by Mr. Smith and approved.

Attorney's Report: Mr. Buddenbaum reviewed proposed changes to Board Policy No. 2-3 – Director Per Diem and Expense Reimbursement. Following discussion, Mr. Cox made a motion to approve the policy as amended. The motion was seconded by Ms. Prosser and approved.

President & CEO's Report: Mr. Tanneberger gave the President and CEO's report for the month first asking if there were any questions regarding the written report. It was noted that the outage report listing outages by Board District has been included in the Board Report. He further discussed power supply outages and it was suggested to separate out the power supply outages showing Duke, Hoosier Energy, etc. He then discussed meetings attended and answered the Directors' questions.

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

Hoosier Energy: Mr. Pheifer reported on the recent meeting of the Hoosier Energy Board of Directors.

Miscellaneous: Mr. Hamlin discussed the increased growth in the use of electric vehicles and SCI's need stay abreast of the topic and its impact on our system. It was suggested that further research and a possible survey of electric vehicle use be conducted to aid SCI in this area.

The Board reviewed the written Operation RoundUp report from the Trustee Meeting held in November.

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