

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD DECEMBER 13, 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, December 13, 2018, at 9:00 a.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Bruce Hamlin, Jim Koch, 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; Charity Coffman; Controller, and Stacey Sauer, Executive Assistant.

The Chairman called the meeting to order with prayer offered by Director Jerry Pheifer.

Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held November 29, 2018. There were no corrections and upon motion of Mr. Williamson and seconded by Mr. Cox, the minutes of the Regular Board Meeting held November 29, 2018, were approved as presented.

The Board then welcomed Donna Walker and Rob Horton of Hoosier Energy. Ms. Walker, recently selected as the President and CEO of Hoosier Energy, first shared her background both personal and professional. She then discussed Hoosier Energy's 2018

accomplishments, goals for 2019, and answered the Directors' questions. Ms. Walker also presented the Hoosier Energy Capital Credit allocation to SCI Board Chairman Bruce Hamlin.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions regarding the same. Thereafter, Mr. Cox made a motion to accept the Safety Report. The motion was seconded by Mr. Franklin and passed.

Staff Report: Mr. LeMere gave the Staff Report for the month discussing SCI Fiber construction and financial reports including the construction work plan with financial data, central office and support systems, and equity and revenue predictions.

Financial Report: Ms. Coffman reported that due to the early meeting date, the accounting department is continuing to work on month end reports and asked if there were any questions regarding the available reports. It was suggested to remove the names and only include account numbers on the monthly collections list. Following discussion, Mr. Franklin made a motion to accept the available Financial Reports and write-off to bad debt in the amount of \$7,506. The motion was seconded by Mr. Williamson and approved.

SCI Fiber: Mr. Tanneberger discussed the fiber project and answered the Directors' questions. He further reported that a Facebook page has been created for SCI Fiber.

Committee Meetings:

Internal Audit Committee: The Internal Audit Committee was reminded that a meeting needed to be scheduled to review the last six months of 2018 expenses for the Board and President/CEO.

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.

A section of the Cooperative Governance Task Force Report discussing Board of Director Composition 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.

The Board discussed the implementation of Diligent Messenger and guidelines for message retention, message attachments, and obtaining reports from the program.

New Business: The Voting Delegate and Alternate Delegate to the NRECA Annual Meeting were then considered by the Board. Mr. Pheifer made a motion to appoint Mr. Franklin as the Voting Delegate to the NRECA Annual Meeting and Ms. Prosser as the Alternate Delegate. The motion was seconded by Mr. Williamson and passed.

The discussion regarding Rates for Net Billing of Solar Installations was tabled and will be added to the January Board Meeting agenda.

The Board then recessed for the SCI Services, LLC Annual Meeting and lunch.

Attorney: Upon reconvening the regular meeting, Mr. Schultz gave the Attorney's Report discussing ongoing projects.

President/CEO Report: Mr. Tanneberger gave the President/CEO's Report asking if there were any questions regarding the departmental reports. He further summarized 2018, reported on upcoming meetings, and the All Employee Meeting scheduled for January 21, 2019.

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

Director Reports: Vice Chairman, Jim Cox, presented National Rural Electric Cooperative Association (NRECA) service awards to Jerry Pheifer (35 years), Bruce Hamlin (5 years) and Lisa Prosser (5 years).

Mr. Hamlin reported on recent meetings of the Owen County Chamber of Commerce, Economic Development Corporation, and Business Retention and Expansion (BRE) which are working to assist with employment and housing issues within Owen County.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary