

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD JANUARY 24, 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, January 24, 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; Jack Hubbard, Sr. Manager of Operations Technology in Distribution Services; John Chambers, System Engineer; Charity Coffman, Controller; and Stacey Sauer, Executive Assistant.

The Chairman called the meeting to order with prayer. He then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held December 13, 2018. There were no corrections and upon motion of Ms. Prosser and seconded by Mr. Williamson, the minutes of the Regular Board Meeting held December 13, 2018, were approved.

Heath Norrick, Hoosier Energy's Renewable Energy Manager, made a presentation to the Board discussing Hoosier Energy's avoided cost rate and the components considered when developing the rate. Following the presentation, it was suggested that someone with Hoosier

Energy's billing department make a presentation to the Board for better understanding of the avoided cost rate.

Financial Reports: Ms. Coffman briefly discussed the available financial reports. She further reported that the RUS loan approval has been slowed due to the government shutdown. She recommended drawing down the remaining monies of the shelf loan to pay down the CoBank line of credit until such time the RUS loan is approved. Following discussion, Mr. Smith made a motion to approve the recommendation. The motion was seconded by Mr. Franklin and approved.

Thereafter, Mr. Williamson made a motion to accept the financial reports and the write-off to bad debt in the amount of \$9,429.29 for December 2018. The motion was seconded by Mr. Koch and approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered directors' questions regarding property damage accidents. It was also noted that SCI only had one recordable incident in 2018.

Fiber: Mr. Tanneberger and the Fiber Committee brought the Board up to date on the fiber project and answered the Directors' questions.

Committee Reports:

Internal Audit Committee: Mr. Pheifer reported that the Internal Audit Committee met on January 24, 2019, to review the last six months of 2018 expense vouchers for the REMC Directors, President and CEO, and department Vice Presidents. He reported that all was found to be in order.

Member Service and Marketing Committee: A meeting of the Committee will be scheduled at the February Board Meeting.

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

A section of the Cooperative Governance Task Force Report discussing Board of Director Meetings 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. Mr. Schultz will review the guidelines for retention of and obtaining reports of e-mails for further discussion at the February Board Meeting.

New Business: The Board was made aware of a member complaint regarding astronomy and light pollution. SCI Staff is gathering information and has reached out to the member to discuss the complaint.

The appointment of the Delegate to the Hoosier Energy Annual Meeting was then considered. Mr. Pheifer made a motion to appoint Mr. Cox as the Delegate to the Hoosier Energy Annual Meeting. The motion was seconded by Mr. Franklin and approved.

The Board next considered the nomination of the Hoosier Energy Director. Mr. Cox made a motion to nominate Jerry Pheifer to represent SCI on the Hoosier Energy Board of Directors. Ms. Mollo made a motion to nominate Lisa Prosser. The motion was seconded by

Mr. Smith. Thereafter, a secret ballot vote was conducted, and Mr. Pheifer was appointed to represent SCI on the Hoosier Energy Board of Directors.

The Voting Delegate and Alternate Delegate for the NRECA Board Election was then considered by the Board. Mr. Smith made a motion to appoint Jim Cox as the Delegate and James Tanneberger as the Alternate. The motion was seconded by Mr. Franklin and passed.

The Directors considered the voting Delegate and Alternate to the NRTC Annual Meeting. Mr. Cox made a motion to appoint Lisa Prosser as the Voting Delegate and Rex Franklin as the Alternate. The motion was seconded by Mr. Williamson and approved.

The Voting Delegate and Alternate Delegate to the CFC Annual Meeting were then considered by the Board. Mr. Williamson made a motion to appoint Bruce Hamlin as the Voting Delegate and Jerry Pheifer as the Alternate. The motion was seconded by Mr. Koch and passed.

Mr. Tanneberger reminded the Board that FORE and ACRE memberships are due and encouraged the Board to participate. Further, the Board considered the Corporate Contribution to Indiana FORE in the amount of \$2,000.00. Mr. Cox made a motion to approve the \$2,000 corporate contribution to Indiana FORE. The motion was seconded by Mr. Pheifer and approved.

Mr. Hamlin reported that the direct dial phone numbers and emergency contact information for Directors has been updated and is included in the Resource Center of Boardbooks.

The Board was informed that the mileage per diem reimbursement for 2019 will be \$0.58 per mile.

The Board considered an agreement from the Indiana Department of Transportation for payment to SCI for relocation of electrical facilities for the I69 project (Section 6). Following discussion, Mr. Franklin made a motion to approve the agreement. The motion was seconded by Ms. Prosser and passed.

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. He further reported on the all employee meeting held earlier in January.

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

Attorney: Mr. Schultz discussed ongoing projects and review of contracts and agreements.

SCI Services, LLC: Mr. Tanneberger, Ms. Prosser, and Ms. Mollo discussed the recent telephone conference meeting of the SCI Services, LLC Board of Managers.

Hoosier Energy: Mr. Pheifer asked if there were any questions regarding the January Hoosier Energy Board Meeting Report included in the Board Report. There were no questions.

Miscellaneous: 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