

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD AUGUST 27, 2020**

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, August 27, 2020, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Stephen Williamson, Jim Koch (via Zoom), Bruce Hamlin, and Heather Mollo. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; and Stacey Sauer, Executive Assistant.

Director Heather Mollo 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 July 23, 2020. It was noted that Lisa Prosser was the voting delegate for CFC and Rex Franklin was the delegate for NCSC. Thereafter, Mr. Williamson made a motion to approve the minutes as amended. The motion was seconded by Mr. Franklin and passed.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions regarding the recent theft of a fiber truck. Ms. Mollo made a motion to accept the Safety Report. The motion was seconded by Ms. Prosser and approved.

Financial Reports: The Board reviewed available financial reports. Following discussion, Ms. Prosser made a motion to accept the available financial reports and write-offs to bad debt for July 2020. The motion was seconded by Mr. Franklin and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations, potential business customers, contractors, staffing structure, the Next Level Connection Broadband Grant Program, SCI's fiber transport network, the joint project with Smithville and answered the Directors' questions.

Committee Reports:

Audit Committee: The Audit Committee met on Monday, August 10, to review Director and President/CEO expenses for the first half of 2020. All was found to be in order.

There was a question regarding per diem for virtual training courses. It was agreed that regular per diem would be paid for participating in virtual training.

Unfinished Business: Mr. Tanneberger discussed his goals for 2020 which revolve around safety, satisfaction and strength indicating that updates are noted in red.

Mr. Tanneberger discussed the current working arrangement of employees due to the pandemic and reduced lobby traffic since reopening on June 15. He further reported that the Community Room is still closed to the public.

The Board was brought up to date on plans for the 2020 Virtual Annual Meeting. The meeting will be conducted by mail and during a call-in business meeting with Mr. Hamlin and Mr. Tanneberger giving reports. Members returning their ballots (postmarked by September 21, 2020) will receive a \$20 bill credit. Further, they will be entered into a drawing for a chance to win one of ten \$100 bill credits. An Annual Meeting video is being produced and will be made available on the SCI website.

New Business: The Board considered the CoBank Central Region Director Election. Ms. Mollo made a motion to cast SCI's vote for Michael G. Norwald. The motion was seconded by Mr. Smith and passed.

The Board was informed that the NRECA Regional Meeting will be held virtually during the week of October 12. Directors wishing to participate should let Ms. Sauer know as soon as possible.

A member's request for a partial release of easement was then brought before the Board. Following discussion, Mr. Pheifer made a motion to approve the request. The motion was seconded by Mr. Cox and approved.

The Directors considered a proposed bylaw amendment as follows:

Section II. Qualifications and Tenure

No person shall be eligible to become or remain a director of the Cooperative who does not have and maintain his/her principal residence served by the Cooperative in the district for which he/she runs for election, who has not been a member of the Cooperative for twenty-four (24) consecutive months prior to the Annual Meeting, who is not at least twenty-one (21) years of age, who is a close relative of an incumbent director or of an employee of the Cooperative, who has been or is convicted of a felony, who is an employee of the Cooperative, who is employed by a competing enterprise or who is in the business of selling electric energy to the Cooperative; provided, however, that a member who operates an approved Small Power Generation System in accordance with terms and conditions of such systems as may be approved by the Cooperative from time to time shall not be made ineligible for board service. Further, an employee of the Cooperative **and close relatives, as defined below**, shall be ineligible to become a director within 5 years after his/her employment relationship with the Cooperative terminates for any reason, including retirement. A director who, by marriage or otherwise, becomes a close relative of an incumbent director or employee shall be allowed to complete the remainder of his/her current term of office. As used in these Bylaws, a close relative means a person who by blood or in-law, including step or adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal.

Following discussion, Mr. Williamson made a motion to approve the Bylaw amendment as presented. The motion was seconded by Mr. Franklin and unanimously approved.

Mr. Tanneberger discussed the need to replace a fiber bucket truck that was not previously budgeted for 2020. Following discussion, Mr. Pheifer made a motion to approve the purchase of the fiber bucket truck. The motion was seconded by Ms. Prosser and approved.

Mr. Tanneberger discussed that member disconnect/arrangement policy for handling member accounts considering the pandemic.

The Board discussed the possibility of having a strategic planning session this year. Tom Van Paris with Hoosier Energy has agreed to facilitate the session. Following discussion, Mr. Tanneberger will work on possible dates for the session.

Executive Session: The Board then went into an Executive Session to discuss risk management.

Attorney: Upon reconvening the Regular Meeting, Mr. Schultz discussed proposed changes to Board Policy No. 2-1- Directors' Responsibilities, Duties, Standards of Conduct, and Qualifications as discussed at the July Board Meeting. Mr. Cox made a motion to approve Board Policy 2-1 as amended. The motion was seconded by Ms. Prosser and passed.

Board Policy No. 1-2 – Development of Board Policies was reviewed, and no changes were recommended for the policy.

The Board then considered proposed changes to Board Policy No. 1-3 – Organization Plan and Structure. Following discussion, Mr. Franklin made a motion to approve the policy as amended. The motion was seconded by Mr. Cox and approved.

Mr. Schultz further reported on several ongoing projects.

President/CEO Report: Mr. Tanneberger reported he continues to communicate SCI's strategic vision, mission statement and internal vision to employees to ensure all are working toward the same goal. He then asked if there were any questions regarding the President/CEO's monthly written report. Thereafter, Ms. Prosser made a motion to accept the CEO report. The motion was seconded by Mr. Williamson and passed.

Operation RoundUp: Mr. Tanneberger asked if there were any questions regarding the recent meeting of the Operation RoundUp Board of Trustees. There were none.

Hoosier Energy Report: Mr. Pheifer reported on the Hoosier Energy Board of Directors Meeting held in August.

Indiana Electric Cooperatives: Mr. Tanneberger reported on the Indiana Electric Cooperatives Board Meeting held in August as Mr. Cox was unable to attend.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary