

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD AUGUST 26, 2021**

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 26, 2021, at 5:30 p.m.

The following Directors were present: Mark Smith (virtual), Jerry Pheifer, Jim Cox, Lisa Prosser, Larry Alden, Jim Koch (virtual), Bruce Hamlin, and Heather Mollo. Director Rex Franklin was absent. Others in attendance were John Gasstrom, Indiana Electric Cooperatives; Michael Schultz, General Counsel; James Tanneberger, President & CEO; Tim LeMere, VP of Distribution Services; and Stacey Sauer, Executive Assistant.

Ms. Prosser 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 29, 2021. There were no amendments or corrections. Ms. Mollo made a motion to approve the minutes as presented. The motion was seconded by Ms. Prosser and passed.

Mr. Gasstrom, CEO of Indiana Electric Cooperatives, discussed the benefits of the statewide organization including assisting with communications, government relations, operations, and leadership development.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions. Following discussion, Ms. Mollo made a motion to accept the Safety Report. The motion was seconded by Ms. Prosser and approved.

Financial Reports: The Board reviewed the financial reports for July 2021. Following discussion and questions, Ms. Prosser made a motion to accept the financial reports and write-offs to bad debt for July 2021 as presented. The motion was seconded by Mr. Pheifer and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations (projecting 7,000 by year-end), the fiber network, staffing, collaboration with other cooperatives and entities, and smart grid.

Committee Reports:

Fiber/Finance Committee: Mr. Tanneberger reported on the joint meeting of the Fiber and Finance Committees.

The group discussed a recommendation for reliability improvement which would include adding additional staff and equipment for the Vegetation Management Department. Following discussion of the recommendation, Mr. Cox made a motion to approve the recommendation as presented. The motion was seconded by Mr. Smith and approved.

Due to the ongoing delayed delivery dates and supply chain issues on new vehicles, staff recommended moving forward with purchasing vehicles slated for 2022. Following discussion, Mr. Smith made a motion to move forward with the purchases as recommend by staff. The motion was seconded by Ms. Mollo and passed.

Personnel Committee: Mr. Tanneberger reported that the Personnel Committee met to review the 2022 medical rates. It was reported that there will be a slight increase in the 2022 medical rates. Following discussion, Ms. Prosser made a motion to accept the overall medical rate increase as presented. The motion was seconded by Mr. Pheifer and approved.

Unfinished Business: Mr. Tanneberger reviewed the CEO Goals for 2021 and progress of the strategic planning goals.

The Board was then brought up to date on the plans for the 2021 Annual Meeting to be held virtually (via Facebook Live) on Saturday, September 25, 2021.

New Business: The Voting Delegate to the CFC 2021 District Meeting was then considered by the Board. Ms. Prosser is the only director attending the meeting. Mr. Pheifer made a motion to appoint Ms. Prosser as the Voting Delegate to the CFC 2021 District Meeting. The motion was seconded by Ms. Mollo and approved.

The Board was informed that the Hoosier Energy 2021 Business Meeting scheduled for September 28, 2021, has been cancelled.

Mr. Tanneberger reported that the minutes of the 21st Century Energy Task Force Meeting had been included in the Board Report for Directors to review.

The Board discussed the retirement of capital credits in 2021. Following discussion, the Board recommended not retiring capital credits in 2021.

Attorney: Mr. Schultz discussed proposed board policy changes as follows:

Board Policy No. 4-15 – Meter Tampering/Electrical Theft Investigations– Following discussion of the policy, there were no recommended changes.

Board Policy No. 4-16 – Budget Billing Plan for Residential Members of South Central Indiana REMC – Following review of the policy, there were no recommended changes.

Board Policy No. 4-23 – Installation of Electric Facilities for Residential Developments – Following discussion of the policy and proposed changes, Mr. Smith made a motion to approve the policy as amended to be effective as of January 1, 2022. The motion was seconded by Mr. Koch and passed.

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.

Mr. Tanneberger then asked if there were any questions regarding the President/CEO's monthly written report. Following questions, Ms. Prosser made a motion to accept the President/CEO's report. The motion was seconded by Mr. Pheifer and approved.

Operation RoundUp: A recap of the Operation RoundUp Board of Trustee meeting held in August was included in the Board Report.

Hoosier Energy: Mr. Pheifer reported on the recent meeting of the Hoosier Energy Board of Directors and answered the Directors' questions.

There being no further business to come before the Board, Ms. Prosser made a motion to adjourn the meeting. The motion was seconded by Mr. Pheifer and passed.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary