

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD AUGUST 25, 2022**

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 25, 2022, at 5:30 p.m.

The following Directors were present: Mark Smith, Brad Shields, Lisa Prosser, Rex Franklin, Larry Alden, Don Renner, Bruce Hamlin and Heather Mollo. Director Jerry Pheifer was absent. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; Randy Elliott, VP of Finance and Member Services; Jeff Childress, Manager of Commercial Fiber; Charity Coffman, Controller; and Stacey Sauer, Executive Assistant.

Mr. Franklin opened the meeting with prayer. Chairman Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held July 28, 2022. Hearing none, Ms. Mollo made a motion to approve the minutes as presented. The motion was seconded by Mr. Franklin and passed.

Mr. Tanneberger introduced Jeff Childress who was recently hired as the Manager of Commercial Fiber.

Brent Warner with Clifton Larson Allen LLP (CLA) discussed the recently completed Internal Control Audit. He provided a project overview, summary of the results, and answered the Directors' questions.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered the Directors' questions. Mr. Tanneberger further stressed that safety is priority and will be

treated as such. Following discussion, Mr. Franklin made a motion to accept the Safety Report. The motion was seconded by Mr. Smith and passed.

Financial Reports: The Board reviewed the financial reports for July 2022. Following discussion and questions, Ms. Prosser made a motion to accept the financial reports and write-offs to bad debt for July 2022 as presented. The motion was seconded by Mr. Renner and passed.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting that the majority of the original project scope will be completed by year-end with a total of approximately 8,500 members taking service at that time. Further a joint meeting of the Finance and Fiber Committees was scheduled for Monday, September 12 at 5:00 pm to discuss future opportunities with regards to fiber.

Mr. Tanneberger discussed the Accord Telecommunication Collaborative and the role of the entity in the development of the fiber transport network throughout Indiana. He reported the entity continues to grow with members and associate members which includes electric cooperatives as well as telephone cooperatives. He further discussed Accord's membership in Hoosier Net, grant opportunities, and answered the Directors' questions.

Committee Reports:

Personnel Committee: Mr. Franklin discussed the Personnel Committee meeting held Wednesday, August 24, 2022. The Committee made several recommendations with regards to benefits and staffing. Following discussion, Mr. Renner made a motion to approve the recommendations of the Personnel Committee including the Board Resolutions and Adoption Agreements for the Deferred Compensation Plan for Directors and Employees, the Non-Union 401(k) and RS plans, and the Union RS plan. The motion was seconded by Ms. Mollo and approved. A copy of the Resolutions is attached.

Unfinished Business: Mr. Tanneberger reviewed the CEO Goals for 2022 and progress of the strategic planning goals.

New Business: The Board was reminded that the Hoosier Energy Rate Survey has been uploaded in the Resource Center of Boardbooks.

The Board discussed the 2023 budget and scheduled a meeting of the Budget and Work Plan Committee Meeting for Friday, September 2, 2022, at Noon at the REMC office.

The Voting Delegate for the Federated Insurance Regional Meeting was then considered by the Board. Ms. Prosser made a motion to appoint Director Rex Franklin as the Voting Delegate. The motion was seconded by Mr. Renner and approved.

The Board next considered the 2022 CoBank Director Election. Ms. Prosser made a motion to cast the vote as agreed upon by the Board. The motion was seconded by Mr. Franklin and passed.

As a matter of recordkeeping, the Board approved the transfer of funds from the RUS Trustee account to the Cooperative's General Fund for approved construction costs included in the FFB/RUS bank loan.

The Board watched a short video regarding the natural gas supply throughout the country.

Attorney: Mr. Schultz reported ongoing projects and answered the Directors' questions.

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.

Thereafter, Ms. Prosser made a motion to accept the CEO's Report. The motion was seconded by Mr. Shields and passed.

Operation RoundUp: The Board reviewed the recap of the meeting of the RoundUp Board of Trustees held August 3, 2022.

Hoosier Energy: Mr. Pheifer reported on the Hoosier Energy Board of Directors' Meeting held in August and answered the Directors' questions.

Indiana Electric Cooperatives: Mr. Hamlin reported on the recent meeting of the IEC Board of Directors held in August.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary