

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD DECEMBER 14, 2023**

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 14, 2023, at 9:00 a.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Lisa Prosser, Brad Shields, Rex Franklin, Ken Sebastian, Don Renner, Heather Mollo, and Bruce Hamlin. Others in attendance were State Representative Dave Hall; Michael Schultz, General Counsel; Donna Walker, CEO of Hoosier Energy; Rob Horton, COO of Hoosier Energy; James Tanneberger, President & CEO; Randy Elliott, Chief Operating Officer; Tammy Haenlein, VP of Member Services; Gregg Hopsicker, VP of Distribution Services; Marilou Idland, VP of Human Resources; Charity Coffman, Controller; Jeff Childress, Manager of Process Improvement; and Stacey Sauer, Executive Assistant.

Director Brad Shields 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 November 30, 2023. Hearing none, Ms. Prosser made a motion to approve the minutes as presented. The motion was seconded by Mr. Franklin and approved.

Financial Reports: The Board reviewed the financial reports for November 2023. Following discussion and questions, Mr. Smith made a motion to accept the financial reports and write-offs to bad debt for November 2023 as presented. The motion was seconded by Mr. Pheifer and passed.

Ms. Coffman discussed SCI's need to make a rate adjustment after rates being steady for ten years. The increased cost of wholesale power and fuel has a major impact on SCI's budget. The Board discussed the impact of major storms with regards to outages and costs summarizing the only way to lessen the impact would be to place overhead lines underground. With budget constraints, placing overhead lines underground could only be done with grant funding. Mr. Hopsicker discussed the costs associated with burying the lines and ongoing research for funding opportunities to assist with the burial of overhead lines in problem areas. Representative Hall also offered to research possible funding avenues at the state level to assist with this endeavor.

Mr. Tanneberger thanked Representative Hall for Indiana's support in helping to fund broadband in rural areas, which ultimately will enable the development of a middle mile network through Accord Telecommunications. Accord is a group of electric cooperatives and independent telecom companies working together to make Indiana the most "connected" state.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month. Mr. Tanneberger further stressed that safety is a priority and will be treated as such. Following discussion, Mr. Sebastian made a motion to accept the Safety Report. The motion was seconded by Mr. Renner and passed.

Committee Reports:

Audit Committee: The Committee was reminded that a meeting needs to be scheduled to review the second half of 2023 expenses for the Board and Management Staff. Mr. Pheifer will schedule a meeting of the Committee.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting that the majority of the original project scope has been completed. We currently have 10,400 users and continue to grow.

He reported on recent activities of Accord Telecommunications Collaborative stating that there are currently twenty-five members and five associate members including electric cooperatives and independent telephone companies.

Strategic Plan Update: Mr. Tanneberger reported that the SWOT Analysis from the recent strategic planning session was included in the Board Report along with suggested items to be addressed over the next five years. Staff will review the information and develop a tracking spreadsheet of initiatives to be addressed as suggested by the Board.

New Business: The Voting Delegate and Alternate Delegate to the NRECA Annual Meeting were then considered by the Board. Mr. Renner made a motion to appoint Rex Franklin as the Delegate and Jerry Pheifer as the Alternate Delegate. The motion was seconded by Ms. Mollo and approved.

The Board also considered the Voting Delegate for the NRTC Annual Meeting. Ms. Prosser made a motion to appoint Brad Shields as the Voting Delegate. The motion was seconded by Mr. Smith and approved.

Lastly, the Directors considered the Voting Delegate and Alternate Delegate to the Cooperative Response Center (CRC) Annual Meeting. Ms. Prosser made a motion to appoint Mr. Franklin as the Voting Delegate and Mr. Pheifer as the Alternate Voting Delegate. The motion was seconded by Mr. Shields and approved.

Attorney: Mr. Schultz reviewed the following board policy:

Board Policy No. 4-2- Access to Corporate Records– Following discussion, there were no recommended amendments to the policy.

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. The CEO communicates this message monthly in the employee newsletter

along with other updates. Further, he reported SCI will focus on communicating the rate adjustment and its impact on members' monthly bills.

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

Hoosier Energy: : Hoosier Energy CEO, Donna Walker, reviewed global and political economic risks, the US energy outlook, NREC's winter reliability assessment, Hoosier Energy's energy resource portfolio, system reliability and upgrades, the future wholesale rate outlook 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. Franklin and approved.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary