

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD FEBRUARY 28, 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, February 28, 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; and Stacey Sauer, Executive Assistant.

The meeting was called to order with prayer offered by Director Heather Mollo. The Chairman then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held January 24, 2019. Mr. Smith suggested that under the Safety Report, it should read that SCI only had one **OSHA** recordable incident in 2018. There were no further corrections and upon motion of Mr. Cox and seconded by Mr. Pheifer, the minutes of the Regular Board Meeting held January 24, 2019, were approved as amended.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month and answered directors' questions. Thereafter, Ms. Mollo made a motion to accept the Safety Report. The motion was seconded by Ms. Prosser and passed.

Financial Reports: The Board reviewed the February Financial Reports that were available and considered the write-off to bad debt. Following discussion, Mr. Franklin made a

motion to accept the available financial reports and write-off to bad debt in the amount of \$9,359.25 for February 2019. The motion was seconded by Mr. Franklin and approved.

Mr. Tanneberger reported that the annual audit was recently completed and London Witte will be at the March Board Meeting to present the audit to the Board.

The Board discussed the Internal Controls Audit that is planned for 2019 and determining the scope of the audit.

It was suggested that the Finance Committee meet to discuss the rates for net billing of solar installations and bring forth a recommendation to the whole Board for consideration. The Committee will schedule a meeting prior to the March Board Meeting.

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

Committee Reports:

Fiber Committee: Mr. Cox reported on the Fiber Committee meeting held on February 29, 2019. He discussed issues with underground locates being completed in a timely manner, fiber construction progress, and staff working on the application for state grant funds for fiber.

Member Service and Marketing Committee: A meeting of the Member Service and Marketing Committee was scheduled for Wednesday, March 20 at 6:00 pm at the REMC office.

Electric Vehicles and Emerging Technologies Committee: Mr. Hamlin reported on the meeting held prior to the Board Meeting. He reported that Hoosier Energy is taking an active role in researching electric vehicles and emerging technologies which will be beneficial to the Hoosier Energy Member System in preparing for the future. He further reported that the committee name will be changed to Emerging Technologies and Lisa Prosser has been named the chair of the committee.

Unfinished Business: Mr. Tanneberger reviewed the CEO Goals for 2019 and progress of the strategic planning goals indicating a status line has been added for each goal.

A section of the Cooperative Governance Task Force Report discussing Member Access to Information 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 Diligent Messenger and guidelines for message retention. Ms. Sauer briefly discussed accessing messages in Diligent Messenger.

New Business: The Board was informed that the Annual Meeting is scheduled for Saturday, August 10, at the Mooresville High School. SCI will be celebrating its 80th Anniversary.

Mr. Tanneberger discussed the Board Meeting dates for May and August. Following discussion, the May Board meeting will continue to be held on May 23 and the August Board Meeting will be held on Thursday, August 29, 2019.

The President/CEO reported that CFC's 2018 Borrower Compliance Certification has been completed as required by the CFC mortgage.

The Board discussed Textpower, a program that would automatically send outage information by text to members when they have an outage. Following discussion, Ms. Prosser made a motion to move forward with the Textpower Program. The motion was seconded by Mr. Cox and passed.

Mr. Tanneberger reported that the RUS loan for the fiber project has been approved and the loan documents will be executed at the March Board Meeting.

The LLC Board of Managers met on February 18 to discuss SCI Security. Mr. Tanneberger reported that the LLC Board voted to recommend that SCI exit the security business and provide a reasonable notice to security members/customers. Following discussion, Mr. Smith made a motion to approve the recommendation of the LLC Board of Managers. The motion was seconded by Mr. Cox and passed.

The Board then went into an Executive Session. Upon reconvening the Regular Meeting, Mr. Schultz gave the attorney's report discussing ongoing projects, review of RUS loan documents, and review of record retention and website privacy policies.

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 meetings attended over the past month and upcoming conferences.

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

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

Indiana Electric Cooperatives: Mr. Cox reported on the recent meeting of the IEC Board of Directors discussing the NRECA director election and appointment of the new IEC Chief Executive Officer.

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 the onslaught of increased employment and housing needs 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