

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD JANUARY 28, 2021**

The Regular Meeting of the Board of Directors of South Central Indiana Rural Electric Membership Corporation was held virtually pursuant to notice as required by the Bylaws on Thursday, January 28, 2021, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Jim Cox, Lisa Prosser, Rex Franklin, Jim Koch, Bruce Hamlin, and Heather Mollo. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; Tim LeMere, VP of Distribution Services; Jonathan Presley, Manager of Business Technology; and Stacey Sauer, Executive Assistant.

Director Heather Mollo opened the meeting with prayer and a moment of silence in memory of Director Steve Williamson who passed away earlier in the month.

Mr. Hamlin then asked if there were any amendments or corrections to the minutes of the Regular Board of Directors' Meeting held December 17, 2020. There were no amendments or corrections. Mr. Cox made a motion to approve the minutes as presented. The motion was seconded by Ms. Prosser and passed.

Staff Report: Mr. Presley discussed the Business Technology section reviewing system backups, the development of a backup dispatch center at the Nineveh facility, initiating remote work capabilities due to COVID, and creating fiber redundancy.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month discussing OSHA recordable incidents and answered the Directors' questions. Following discussion, Ms.

Mollo made a motion to accept the Safety Report. The motion was seconded by Mr. Cox and passed.

Miscellaneous Reports: The board discussed electric vehicles and their impact on SCI's system as well as the electric grid. The group further discussed the Hoosier Energy's Electric Vehicle Pilot Project and the possibility of establishing an electric vehicle user's group in the future.

Mr. LeMere reported that his department has been reviewing various rates to determine if they are still viable as well as researching possible electric vehicle rates. It was suggested that staff continue to review rates and bring proposed changes before the Board as necessary.

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

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations, the fiber network, smart grid, changes in the organizational structure, and answered the Directors' questions.

Committee Reports:

Internal Audit: Ms. Mollo reported that the committee met to review the last six month's expenses for Directors and the President/CEO. It was reported that all was found to be in order. The Committee met in the absence of a third member due to the passing of Director Steve Williamson. Chairman Bruce Hamlin has since appointed Director Rex Franklin as an interim member of the Committee.

Unfinished Business: Mr. Tanneberger reported that his goals for 2021 were included in the Board Report with no changes from last month.

The President/CEO reported that COVID has impacted the cooperative both directly and indirectly. He indicated that SCI would continue to take necessary precautions to keep employees and members safe during this time. The current working arrangements are expected to remain in place through the end of March. Leadership will continue to monitor the situation and will seek to communicate the next set of working arrangements prior to the end of March.

New Business: The Board considered the nomination of the Hoosier Energy Director. Directors Jerry Pheifer, Lisa Prosser, and Jim Koch expressed their interest in being considered as a nominee. Thereafter, the Board voted via secret ballot (text message to Attorney). With a majority of votes, Mr. Pheifer was named the nominee for the Hoosier Energy Board of Directors.

The Hoosier Energy Annual Meeting Delegate was then considered. Director Bruce Hamlin was appointed as the Delegate to the Hoosier Energy Annual Meeting to be held April 6, 2021.

The Voting Delegate and Alternate Delegate to the NRECA PowerXchange Meeting (formerly NRECA Annual Meeting) was then considered by the Board. Director Jim Koch was appointed as the Voting Delegate and Lisa Prosser as the Alternate Voting Delegate.

The NRTC Annual Meeting Voting Delegate and Alternate Delegate were next considered. Director Heather Mollo was appointed as the Voting Delegate and Lisa Prosser as the Alternate Delegate to the NRTC Annual Meeting.

Mr. Tanneberger reminded the Board that FORE and ACRE memberships are due and encouraged the Board to participate. Further, the Board considered and approved the Corporate Contribution to Indiana FORE in the amount of \$2,000.00.

The Board next discussed the District 6 Board vacancy due to the passing of Director Steve Williamson. Following discussion, the Board recommended that Mr. Tanneberger, Bruce

Hamlin, and Rex Franklin be responsible for interviewing potential candidates and making a recommendation to the full Board. Directors Hamlin and Franklin represent the districts nearest to District 6.

Attorney: Mr. Schultz discussed proposed changes to board policies as follows:

Board Policy No. 2-2 – Board of Director / Chief Executive Officer Relationship – Following discussion of proposed changes including adding President/Chief Executive Officer to the title, Mr. Koch made a motion to approve the policy as amended. The motion was seconded by Mr. Smith and approved.

Board Policy No. 2-3 – Director Per Diem and Expense Reimbursement – Following discussion of proposed changes, Ms. Mollo made a motion to approve the policy as amended. The motion was seconded by Mr. Koch and approved.

Board Policy No. 2-5 – Director and President/CEO Meeting Attendance – Following discussion of proposed changes, Ms. Prosser made a motion to approve the policy as amended. The motion was seconded by Ms. Mollo. Upon further discussion, the motion for approval was withdrawn and Mr. Smith made a motion to rescind the policy as the language is redundant (Policy No. 2-3). The motion was seconded by Mr. Koch and approved.

Board Policy No. 2-6 – Committees of the Board – Following discussion of current and possible future standing committees, Mr. Koch made a motion to approve the policy as presented and review again in six months. The motion was seconded by Mr. Franklin 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. Following questions, the President/CEO Report was accepted by the Board of Directors.

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, the meeting was adjourned.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary