

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD MAY 26, 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, May 26, 2022, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Brad Shields, Lisa Prosser, Rex Franklin, Larry Alden, Don Renner, Heather Mollo, and Bruce Hamlin. Others in attendance were Michael Schultz, General Counsel; James Tanneberger, President & CEO; Tim LeMere, VP of Distribution Services; Marilou Idland, VP of Human Resources; 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 April 28, 2022. Ms. Mollo noted that under the Attorney's Report, Mr. Schultz's name should be replaced with Mr. Buddenbaum's name since Buddenbaum filled in for Mr. Schultz. Thereafter, Mr. Pheifer made a motion to approve the minutes as amended. The motion was seconded by Mr. Renner and passed with Mr. Shields abstaining as he was absent from the meeting.

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

Staff Report: Mr. LeMere gave the Staff Report for the month discussing the recent storm which included two confirmed tornados within SCI's service territory. The storms resulted in nearly 11,000 members out of power at the peak.

He further discussed improved electric reliability and discussed SCI's "controllable" outage statistics which are improving year over year. Areas of improvement which directly impact SCI's outage numbers include the following:

- Improving our emergency/major event response
- Burying/relocating some of our worst performing overhead lines
- Transmission and substation improvements with our power supply providers
- Cutting in half our Vegetation Management trim cycle
- Adding sectionalizing devices then adding SCADA and implementing Smart Grid

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

The Board further discussed the possible refinancing of debt and recommended that staff review loans to determine the feasibility of refinancing.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting on in-home installations which should be complete by year-end, material delays, staffing, the fiber network, collaboration with other providers, development of the middle mile fiber network, and grant monies.

Mr. Tanneberger further 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.

The Board then went into an Executive Session to discuss the recent Union negotiations and the non-union wage and salary plan.

Committee Reports:

Personnel Committee: Upon reconvening the Regular Meeting, Mr. Pheifer made a motion to approve the recommendation of the Personnel Committee as presented in the Executive Session. The motion was seconded by Ms. Mollo and approved.

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

New Business: The Board was informed that the 2022 NRECA Regional Meeting will be held September 6-8 in Indianapolis.

The September Board Meeting was changed to Thursday, September 22, 2022, due to the Annual Meeting being held on September 24, 2022.

Mr. Tanneberger discussed current power supply costs and reliability and answered the Directors' questions.

Attorney: Mr. Schultz discussed Board Policy No. 2-8 – Business Ethics for Directors and Employees. Following discussion, the policy will be further reviewed and considered at the June Board Meeting.

Mr. Schultz further reported on several 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. Following questions, the CEO's report was approved.

Operation RoundUp: The Board reviewed the recap of the meeting of the RoundUp Board of Trustees held May 4, 2022.

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

Ms. Prosser reported on the Legislative Conference held in May. A recap of the meeting was included in the Board Report.

There being no further business to come before the Board, the meeting was duly adjourned.

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary