

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF SOUTH CENTRAL INDIANA
RURAL ELECTRIC MEMBERSHIP CORPORATION
HELD OCTOBER 26, 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, October 26, 2023, at 5:30 p.m.

The following Directors were present: Mark Smith, Jerry Pheifer, Lisa Prosser, Brad Shields, Rex Franklin, Ken Sebastian, Don Renner, and Bruce Hamlin. Director Heather Mollo was absent. Others in attendance were State Representative Bob Heaton; Ryan Heater, Indiana Electric Cooperatives; Michael Schultz, General Counsel; 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; Jack Hubbard, Sr. Manager of Operations Technology; Charity Coffman, Controller; Haley Jansen, Communications Specialist; and Stacey Sauer, Executive Assistant.

Director Mark Smith 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 September 21, 2023. Hearing none, Ms. Prosser made a motion to approve the minutes as presented. The motion was seconded by Mr. Smith and approved.

Safety Report: Mr. Tanneberger reviewed the Safety Report for the month reporting on an incident resulting in the injury of an employee. The incident prompted an onsite investigation from OSHA with SCI receiving no violations. Mr. Tanneberger further stressed that safety is a

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

Financial Reports: The Board reviewed the financial reports for September 2023. Ms. Coffman gave an update on the storm expenses year to date and the expected reimbursement from FEMA. Following discussion and questions, Ms. Prosser made a motion to accept the financial reports and write-offs to bad debt for September 2023 as presented. The motion was seconded by Mr. Pheifer and passed.

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. Mr. Hopsicker discussed the pain points of single phase outages and the costs associated with burying the lines. Staff will continue to research funding opportunities to assist with the burial of overhead lines in problem areas. Representative Heaton suggested setting up meetings with legislators to discuss funding opportunities.

Mr. Tanneberger thanked Representative Heaton 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.

Staff Report: Ms. Jansen, Communications Specialist, gave the staff report reviewing communication highlights from 2023 including utilization of new website with forms and alert banners, welcome email for new members, social media, and growth in member engagement. She further discussed the recent annual meeting and the 2024 communication plan and goals.

The Board also briefly discussed plans for the 2024 Annual Meeting. In order to begin planning the meeting, it needs to be determined if the meeting will be held in-person or virtual in 2024. Following discussion, Mr. Franklin made a motion that the SCI REMC Annual Meeting

be held virtually each year beginning in 2024 and forward. The motion was seconded by Ms. Prosser and approved.

SCI Fiber: Mr. Tanneberger discussed the SCI fiber project reporting that the majority of the original project scope has been completed. We have reached the 10,000 users mark and have over 2,500 miles of fiber installed. Fiber provides a better quality of life for members as well as benefiting SCI with the ability to install automatic devices on our system to improve reliability and safety. SCI will continue to evaluate possible grant funding for building fiber into other areas where it may be financially feasible in the future. The commercial side of fiber continues to pick up pace.

He reported on recent activities of Accord Telecommunications Collaborative stating that there are currently 25 members and five associate members including electric cooperatives and independent telephone companies.

Strategic Plan Update: As a follow-up from last month's meeting, Mr. Hubbard discussed the SCI generator program that was active from 1999 to 2014. The program was implemented to assist with load shedding during peak demand. Following a thorough review of the program, in 2014 it was terminated as the program was not generating the expected cost savings to be financially feasible. The group discussed generators and how SCI may assist members in the future with informational brochures, etc.

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.

Unfinished Business: Mr. Tanneberger reviewed his updated CEO Goals for 2023.

The purchase of the Rogers Building continues to move forward with the title search being conducted to ensure clear title.

New Business: The Board was informed that two Operation RoundUp Trustee positions will expire this year. Trustee Curt Durnil will have completed his first term and is interested in serving for a second term. Trustee Mary Ann Frame will have completed two terms and will need to be replaced with an individual representing Morgan County. The Board will consider candidates by January 2024.

The Board reviewed the proposed Board Meeting and Holiday Schedule for 2024. It was noted that the July Board Meeting date should be July 25 versus July 26. The schedules were approved as corrected.

Directors were informed of the Indiana Electric Cooperatives Annual Meeting to be held in December and the 2024 Director Courses to be held at IEC.

Attorney: Mr. Schultz reviewed the following board policies:

Board Policy No. 2-8 – Business Ethics for Directors and Employees – Mr. Schultz reviewed the policy with no recommended changes.

Board Policy No. 2-10 – Loans and Special Benefits for Directors and Employees – Mr. Schultz reviewed the policy with no recommended changes.

Mr. Schultz further discussed 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. The CEO communicates this message monthly in the employee newsletter along with other updates.

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

Hoosier Energy: Mr. Pheifer gave a report on the recent meeting of the Hoosier Energy Board discussing Hoosier's preview of their rate outlook for 2024-2028 and answered the Directors' questions.

Indiana Electric Cooperatives: Mr. Hamlin reported on the recent meeting of the Indiana Electric Cooperatives Board of Directors discussing a presentation regarding electric vehicles which has been uploaded in the Resource Center of Boardbooks.

Mr. Schultz then conducted the Election of Officers. Following voting by secret ballot with election by majority vote, the 2023-2024 officers are as follows:

Bruce Hamlin, Chairman
Mark Smith, Vice Chairman
Jerry Pheifer, Secretary/Treasurer

The Board then adjourned to an Executive Session. Upon reconvening the Regular Board Meeting, Mr. Schultz administered the directors' oath of office.

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

Bruce Hamlin, Chairman

ATTEST:

Jerry W. Pheifer, Secretary