

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
December 14, 2021

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, December 14, 2021, via teleconference and via Zoom, immediately following the REA Energy Services regular Board Meeting. A few employees and two Directors attended in-person in the Boardroom at the Cooperative’s headquarters office located at 75 Airport Road in Indiana, Pennsylvania.

Call to Order

Board Chairman called the meeting to order at 5:30 p.m.

Roll Call

All Board of Directors were present, attending virtually, including the Cooperative’s President & CEO, Attorney, IT Supervisor, Reliability Supervisor, Substation/Electronic Technician and Executive Assistant.

Reading of Rochdale Principles

The Cooperative’s President & CEO read aloud number seven of the Rochdale Principles.

Approval of Minutes

A motion was made and seconded to approve the minutes of the November 23, 2021 regular Board meeting. Motion carried.

Additions to Agenda

One Director asked to have a short discussion on Zoom meetings.

The IT Supervisor was dismissed from the meeting at 5:33 p.m.

Special Presentations

Recent Transmission Challenges

The Cooperative's Reliability Supervisor and Substation/Electronic Technician gave a presentation on Generation, Transmission and Distribution. Diagrams and maps were shown to explain the layout of the transmission and distribution systems. The difference between REA Energy and Investor-Owned Utilities (IOUs) was discussed along with outage data from the past year. The process of reporting troubles to our power supplier was reviewed. When possible, the Cooperative will backfeed substations to restore power more quickly. This can turn what would be a 12-hour outage into a 4-hour outage.

The Reliability Supervisor and Substation/Electronic Technician told the Board the IOUs are having the same troubles with less employees, supply chain issues and an aging electric grid system. With all these issues there are likely to be more outages. Questions from Board of Directors were answered by management.

The Cooperative's Reliability Supervisor and Substation/Electronic Technician were dismissed from the meeting at 6:27 p.m.

Legal Update

The Cooperative's Attorney gave an update on a Right-of-Way case and he will finalize documents later this week. Another Right-of-Way case is still in progress. He will keep the President & CEO and the Board informed. Lastly, the Cooperative's Attorney spoke about an agreement proposal about Broadband he has been working on. More information will be given as soon as it is available.

President & CEO Report

The Cooperative's President & CEO announced the hiring of two new employees with the announcement of six retirements. Vacant positions in Purchasing and Engineering has been posted. He also announced the Cooperative's Network and Systems Manager earned a certification in cyber security.

The Cooperative's President & CEO spoke about an incident during last weekend's outages. He answered a few questions from the Board.

New Business

CFC Training Date(s)

A representative from CFC will give a Capital Credits presentation in the conference

room at the Hilton Garden Inn in Indiana on February 15th. The start time will be verified and Board of Directors will be notified.

Power Exchange and Tech Advantage

The Cooperative's President & CEO told the Board that NRECA's Annual Meeting, training and Tech Advantage is scheduled for March 4th to the 9th, in Nashville, Tennessee. An attendance request was sent to all Directors.

Coal Run Escheats Funding

The Cooperative's President & CEO spoke about the change to the Coal Run Escheats funding request. Due to rising prices, the fire department asked for additional funds. They also made a few changes and asked for approval on that. Discussion followed, with questions asked about the project.

A motion was made and seconded to approve the requested increased amount. All but two Directors approved the motion. Motion carried.

Youth Tour Alternative

The Youth Tour has been cancelled again this year. Last year scholarships were awarded to nine students. The Cooperative's President & CEO proposed the same amount be given this year. Directors asked some questions.

A motion was made and seconded to approve a Youth Tour Scholarship for 2022, with moneys awarded the Senior year of the chosen students. Motion carried.

Bad Debt Write-Offs

The Cooperative's President & CEO explained Bad Debt Write-offs. He credited the Billing department's hard work to keep bad debt amounts low by notifying members and working with them on bill payments.

A motion was made and seconded to accept the Bad Debt Write-offs. Motion carried.

Zoom meetings

One Director asked how many Board meetings can be attended via Zoom by a Director in a year. It was determined, Directors can attend an in-person Board meeting via Zoom twice a year. Board Meetings that are only held via Zoom do not count.

Load Limiting Policy Review

The Cooperative's President & CEO reviewed the Load Limiting Policy and answered a few questions from the Board.

Continuing Business

Director AD&D

The Cooperative's President & CEO talked about Board Compensation and that some Directors asked about increasing AD&D. Current costs and coverage was presented. Discussion followed.

A motion was made and seconded to increase coverage amount with a cost of \$2.70 per month per director. Motion carried.

Memberships

A motion was made and seconded to accept 85 new members for the month of November 2021. Motion carried.

Secretary/Treasurer Report

The Secretary/Treasurer's Report was reviewed by the Board.

Area Meetings

The Cooperative's President & CEO presented information of dates, location and costs for Area Meetings for Districts 7, 8 & 9. A decision is needed by January to have enough time to send notifications to members. All Directors but one agree that the Area Meetings should be cancelled for this year. The Cooperative will wait another year before having in-person Area Meetings.

A motion was made and seconded to cancel the 2022 Area Meetings. Motion carried.

PREA/Allegheny Winter Meeting & Training

The Cooperative's President & CEO asked the Board for a date when all were available to attend the 2-hour pre-recorded PREA & Allegheny Winter Meeting. He would also like the Board to complete harassment training after the Winter Meeting. The tentative date for the meeting and training is Wednesday, January 26. The training will be offered via Zoom or at the office.

Christmas Lunch change

The Cooperative's President & CEO told the Board about the change to this year's Christmas lunch.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of October 26, 2021 Board meeting. Motion carried.

A motion was made and seconded to approve the reports as presented. Motion carried.

Miscellaneous

The following were reviewed by the Board of Directors:

- Thank you card
- NRECA letter
- Thank you e-mail

Adjourn

A motion was made and seconded to adjourn the meeting. Motion carried.

Board Chairman adjourned the meeting at 6:57 p.m.