

REA ENERGY COOPERATIVE, INC.
SUMMARY MINUTES OF REGULAR BOARD MEETING
November 23, 2021

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, November 23, 2021, via teleconference and via Zoom. A few employees and 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 5:22 p.m. A Director gave the invocation and led the Board in the Pledge of Allegiance.

Roll Call

All Board of Directors were present, attending virtually, including the Cooperative’s President & CEO, Attorney, Financial Analyst and Executive Assistant.

Reading of Rochdale Principle

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

Approval of Minutes

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

Additions to Agenda

There were no additions to the Agenda.

Special Presentations

2022 Budget

The Cooperative’s Financial Analyst presented the budget and projected items in the Income Statement. He explained the fees related to NISC and SEDC. He also spoke about the Balance Sheet, margins, assets, capital items and cash flow. He answered questions from the Board of Directors.

A motion was made and seconded to accept the budget as presented. Motion carried.

The Cooperative’s Financial Analyst was dismissed from the meeting at 5:59 p.m.

Legal Update

The Cooperative’s Attorney told the Board about a Right-of-Way case at the Westmoreland County Courthouse. Work continues to try to resolve this matter. He also updated the Board on another Right-of-Way issue. He has not heard back from the member’s lawyer yet. He explained the fees involved with condemnations. The Cooperative’s Attorney

will keep the Board informed on these matters. He answered a few questions from the Board.

New Business

Christmas Greeting

The Christmas greeting was reviewed by the Board of Directors.

A motion was made and seconded to approve the Christmas greeting. Motion carried.

BWB Auditors

The Cooperative's President & CEO told the Board that the Cooperative has kept BWB auditors for five years. The Cooperative's Financial Analyst and Accounting Supervisor asked to keep them on for one more year.

A motion was made and seconded to approve BWB Auditors for another year. Motion carried.

2022 Area Meeting

The Cooperative's President & CEO told the Board the Area Meetings will take place in March, but with the increase in Covid cases, it may not be a good idea to have in-person meetings. He said a decision whether or not to have Area Meetings in 2022 needs to be made by next month's Board Meeting.

2022 Annual Meeting Date

The Cooperative's President & CEO asked the Board of Directors for a date in September to hold the Annual Meeting. They discussed schedules and the possibility of having the meeting earlier. Also, there will be no guest speaker at the meeting.

A motion was made and seconded to schedule the 2022 Annual Meeting for Thursday, September 15th. Motion carried.

Pandemic Update

The Cooperative's President & CEO told the Board that 58% of Cooperative employees have been vaccinated. With the increase in cases, he is looking to limit lobby hours. He also said there will not be a traditional Christmas lunch as there has been in the past.

President & CEO Report

The Cooperative's President & CEO announced upcoming retirements. He also announced the hiring of the new Marketing Specialist and Groundmen.

With projections of area coal powerplants closing by 2028, there will be big impacts on local jobs. In addition, the cost of power the Cooperative purchases will likely increase. The Cooperative's President & CEO would like to share information with members on why their electric bill will go up. He wants to explain the costs that come from Generation, Transmission and Distribution.

The Cooperative's President & CEO gave an update on Broadband and there may be some financial assistance from the state. That amount is currently unknown. He is also consulting with another Broadband company for assistance. He answered a few questions from the Board.

Continuing Business

Memberships

A motion was made and seconded to accept 63 new members for the month of October 2021. Motion carried.

Secretary/Treasurer Report

The Secretary/Treasurer's Report was reviewed. There were no questions from the Board.

PREA Board Meeting Report

A Board of Director spoke about the PREA Board Meeting. The 2022/2023 Budget for PREA was approved. Due to less travel, there is more in the budget. Also, more funds are available for LIHEAP due to carry over from last year. He gave an update on ACRE, CCD courses and Board Leadership courses. Lastly, it was decided that Pennsylvania will not participate in Youth Tour 2022.

Allegheny Board Meeting Report

Another Board of Director attended the Allegheny Board Meeting on November 10th. There was discussion on rates. Although this year's rates have stayed the same, there will likely be an increase in transmission rates in one to two years. Natural gas rates are also increasing. He spoke about Capital Credits the Cooperative will receive from Allegheny, nuclear decommission funds and announced the same officers from last year were kept on the Board for Allegheny.

December Board Meeting

The Chairman of the Board asked to move the Board Meeting in December. Discussion followed.

A motion was made and seconded to move December's Board Meeting from December 28th to December 14th. Motion carried.

PREA/AEC Winter Meeting & Harassment Training

The Cooperative's President & CEO will schedule a day to attend PREA's Winter Meeting and Harassment Training. The Winter Meeting is recorded and will only be available until February. At December's Board Meeting, a date will be set for Directors to attend the meeting and training session.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of September 21, 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:

Penn Lines – December 2021

Co-Ops Vote 5-Star status

Adjourn

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

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