

REA ENERGY COOPERATIVE, INC.
MINUTES OF REGULAR BOARD MEETING
November 29, 2022

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, November 29, 2022, immediately following the REA Energy Services regular Board Meeting in the boardroom of the Cooperative’s headquarters office located at 75 Airport Road in Indiana, Pennsylvania.

Call to Order

Board Chairman called the meeting to order at 5:12 p.m.

Roll Call

All Board of Directors were present. Also in attendance were the Cooperative’s President & CEO, Attorney, Financial Analyst and Executive Assistant.

Reading Coop Vision Statement

The Cooperative’s President & CEO read aloud the Cooperative’s Vision Statement.

Approval of Minutes

A motion was made and seconded to approve the minutes of the November 1, 2022 regular Board meeting. Motion carried.

Additions to Agenda

One Director requested adding discussion about moving the regular Board meetings to an earlier time during the winter months. That was added under New Business.

A motion was made and seconded to approve the agenda as amended. Motion carried.

Special Presentation

Final Budget

The Cooperative's Financial Analyst asked if there are any questions from the preliminary budget. Most of the figures stayed the same. He highlighted the changes that did occur on the Power Cost sheet. He reviewed the Income Statement and talked about how the rate change is the same as what was projected last month. He answered questions from the Board of Directors.

A motion was made and seconded to pass the budget for 2023. Motion carried.

The Cooperative's Financial Analyst was dismissed from the meeting at 5:21 p.m.

Legal Update

The Cooperative's attorney told the Board of Directors the final drawings for the Washington Substation project was given over for signature. He also talked about a Right-of-Way case. There is a meeting planned between Cooperative representatives, the property owner and his attorney in mid-December. The Cooperative's attorney will keep the Board informed of these items.

President & CEO Report

The Cooperative's President & CEO said end-of-year evaluations are beginning soon. There are a few upcoming retirements and he spoke about filling a Load Tech position. He answered some questions from the Board.

He announced there will be a board meeting for ITX on Friday, December 2nd at the Indiana office and the Operating agreement will need finalized. He spoke about a cell tower in Somerset County the Cooperative now owns with the purchase of ITX. AT&T wants to rent space on that tower. Discussion continued about other broadband opportunities.

The Cooperative's President & CEO also gave an update on work completed in the Indiana office and warehouse areas. It looks like the sewage project near the Indiana office is scheduled to start in December and should be complete by January 2024.

New Business

Bad Debt Write-offs

The Cooperative's President & CEO reviewed the bad debt write-offs and explained the amount is a new low. He gave credit to the good work completed by the Billing department. He answered a couple questions.

A motion was made and seconded to approve the writing off of bad debt. Motion carried.

Load Limiting Policy Review

The Cooperative's President & CEO explained the Load Limiting process and answered questions from the Board of Directors.

PA/NJ Community Network Christmas Auction

A Board of Director thanked those who contributed to the Pennsylvania and New Jersey Community Network Christmas Auction. He reviewed what items were donated and what amount was raised. He encouraged the Board to continue to participate in this event. Half the proceeds went to the Ronald McDonald house and the other half went to Make-a-Wish foundation.

New starting time

A Board of Director asked about moving the Board meetings to an earlier time just for the winter months. With the shorter days and possible poor road conditions, he asked if the meetings could start at 4:30 p.m. instead of 5:30 p.m. Because of work schedules for a couple of directors it was determined the earlier start time wasn't feasible.

Continuing Business

Policy A-6

The Cooperative's President & CEO reviewed the slight change to Policy A-6. Discussion continued about having this reviewed at the Strategic Planning sessions. It doesn't need changed yearly, but should be reviewed yearly.

A motion was made and seconded to approve the changes to Policy A-6. Motion carried.

Facilities Update

The Cooperative's President & CEO spoke about the construction completed recently in the Indiana office. New walls were built in the Scada room along with new desks for the computers and equipment in that room. New cement was laid in the garage area as well. The other side of the garage will be refurbished next year. That new concrete work is in the budget. The fuel tanks at the Indiana office will be removed and a new generator will be purchased to power the entire Indiana office.

Grant Update

The Cooperative's President & CEO told the Board of Directors about grant money possibilities for Broadband. The first comes from Indiana County and the County Commissioners. The second is Federal grant money. He and the cooperative's HR Administrator are working on the job description for a grant writer. That job may be posted as soon as December. He will keep the Board informed and answered a couple of questions from Directors.

Board Chairman declared a brief break at 6:19 p.m.

The meeting reconvened at 6:31 p.m.

NISC Update

The Cooperative's President & CEO gave an update on the NISC conversion. He spoke about virtual and on-site training employees have been attending. Information about the new system will be posted on the Cooperative's website, Facebook page and mailings will be sent. Members will also be informed about new online payment changes and the rate increase.

PREA Board Report

A Board of Director gave a review of the PREA Board meeting held on November 9th in Hershey, PA. He spoke about upcoming leadership courses being offered, LIHEAP information and the importance of good governance and transparency at the Cooperative.

Allegheny Report

A Board of Director gave a summary of the Allegheny meeting, also held in Hershey on November 9th. There was much discussion on rates, gas prices and G&T costs. Fifty percent of differed revenue will be used to help with costs increases. It was approved to have a rate study done and to send capital credits to all Cooperatives.

Memberships

A motion was made and seconded to accept 56 new members for the month of October 2022. Motion carried.

Secretary / Treasurer's Report

A Board of Director reviewed the Secretary / Treasurer's report.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of September 20, 2022 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 from Member
Christmas Lunch information

Adjourn

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

Board Chairman adjourned the meeting at 6:56 p.m.