

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
March 29, 2022

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, March 29, 2022, 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 5:09 p.m. A Director gave the invocation and led the Board in the Pledge of Allegiance.

Roll Call

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

Reading Coop Core Values

The Cooperative’s President & CEO read aloud Coop Core Value #3.

Approval of Minutes

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

Additions to Agenda

There were no additions to the Agenda.

Special Presentations

Equity Target

The Cooperative’s Financial Analyst gave a presentation on Equity and detailed the ways in which funds are acquired at the Cooperative. He talked about having a range and finding a good balance for funds. The Cooperative’s President & CEO added comments

about using Strategic Planning to build equity and spoke about the expenses the Cooperative has.

The Cooperative's Financial Analyst reviewed KRTAs from 2016 thru 2020. He explained the Cooperative's numbers and spoke about having targets based on year goals or equity goals with the primary objective to keep the Cooperative in a safe level for paying Capital Credits and covering overall costs. He presented his forecast models with goals based on equity targets instead of year targets.

The Cooperative's President & CEO answered a question about retiring Capital Credits and he spoke about the increase in transmission charges coming from First Energy and the difficulty for distribution to absorb the cost. The Cooperative's Financial Analyst continued with his presentation by reviewing cash balances, the current RUS loan and different ways to react to changes to equity when money amounts change. There was discussion on having a policy on equity. The intent is to manage equity and being good stewards to keep things balanced.

The yearly budget is presented in October with more of a focus on Tier. The Cooperative's Financial Analyst will continue to give financial forecasts and review KRTAs. Financial training and education will be provided to the Board. The Cooperative's President & CEO again asked the Board to consider creating an Equity Policy and recommended having a decision by the end of May.

The Cooperative's Financial Analyst was dismissed from the meeting at 6:05 p.m.

New Business

Conflict of Interest

Board Chairman reminded Directors to review the Policies on Conflict of Interest, fill out the forms and give the forms to the Cooperative's Executive Assistant.

Latest Organizational Chart

The Cooperative's President & CEO reviewed the organizational chart. With the many changes to personnel, the chart was updated to include the promotions and new hires.

Policy Committee dates

After a short discussion, the Policy Committee members decided to meet on Tuesday, April 12th at 10:00 a.m. This meeting can be attended via Zoom or in-person in the Boardroom at the Indiana office.

Escheats Committee dates

The Escheats Committee chose the date of Thursday, April 28th at 10:00 a.m. for their next meeting. They will meet either via Zoom or in-person in the Boardroom in the Indiana office.

Legal Update

The Cooperative's attorney announced the paperwork for the RUS loan has been reviewed and the loan approved. The Cooperative will have up to April 2027 to draw down funds. The Cooperative's Financial Analyst has pulled out the signature pages for the Chairman of the Board and Board Secretary to sign. These documents were reviewed at the regular Board meeting and the documents have been made available for review for all Directors.

The Cooperative's Attorney also spoke about a Broadband project and answered questions from the Board.

President & CEO Report

The Cooperative's President and CEO talked about a recent presentation given by the Pennsylvania State Police at the Cooperative for outside employees. There was another presentation given by PREA about the spotted lanternfly. All employees have received training and permits have been received. He continued with discussion on a 5-year equipment plan. He also announced PREA's political event will take place when no politicians are in session so no one from REA Energy will be attending the event. The Cooperative's President & CEO spoke about changes taking place at Allegheny Cooperative and PREA. Lastly, he said three Directors on the Board for REA Energy are up for reelection.

Board Chairman declared a brief break at 6:30 p.m.

The meeting reconvened at 6:44 p.m.

Continuing Business

Acquisition Meeting minutes

Board of Directors reviewed the minutes from the Acquisition meeting on Thursday, March 24th. These minutes are for review and will be up for approval next month.

Memberships

A motion was made and seconded to accept 42 new members for the month of February 2022. Motion carried.

Policy 31

The Cooperative's President & CEO briefly reviewed Policy C-31. He highlighted that the policy strives to be sure the organization requesting funds has a civic and sustained purpose and offers access to the public. He answered questions from Directors.

A motion was made and seconded to approve Policy C-31. Motion carried.

Secretary / Treasurer's Report

The Secretary/Treasurer's Report was reviewed.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of January 25, 2022 Board meeting. Motion carried.

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

Miscellaneous

Audit Committee

The Cooperative's President & CEO and the Audit Committee members chose Friday, April 15th for their next meeting. Directors on the Audit Committee can attend in-person in the Boardroom at the Indiana office or via Zoom.

RUS Loan

A motion was made and seconded to approve the RUS loan. Motion carried.

Adjourn

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

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