

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
May 24, 2022

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, May 24, 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 5:31 p.m.

Roll Call

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

Reading Coop Core Values

The Cooperative’s President & CEO read aloud Coop Core Value #5.

Approval of Minutes

A motion was made and seconded to approve the minutes of the April 26, 2022 regular Board meeting. Motion carried.

Additions to Agenda

There were no additions to the Agenda.

New Business

Policy changes

The eight updated policies presented at last month's Board meeting were reviewed and no there were no comments suggested changes.

A motion was made and seconded to approve the changes to Polices B-11, B-41, C-2, C-4, C-25, D-20, D-37 & D-40. Motion carried.

Escheats Committee Report

The Cooperative's President & CEO spoke about the two requests made by a local trout nursery. He previously approved a donation, but the organization asked for a second donation after costs for their project increased. The second request also came in the middle of the escheats policy change. Cooperative employees researched this organization and found that they qualified for 50% of their request. The findings were presented to the Escheats Committee who reviewed the information and discussed the benefits of the various programs this organization offers to the public.

A motion was made and seconded to approve the additional funds requested by the trout nursery. A vote was taken, all Directors voted yes. Motion carried.

The request for funds from an area fire company were reviewed. This was found to be for a new building to house equipment. It was not recommended to donate money at this time.

A motion was made and seconded to not give the funds requested by a local fire company. All Directors voted yes on the motion. Motion carried.

Supply Chain Update

The Cooperative's President & CEO spoke about supply chain issues still affecting the Cooperative. He said whenever possible, any reusable materials and equipment is recycled to help with low supplies. He also updated the Board on trucks that were ordered for Line Department and the expected delivery dates. He answered questions about how much fuel is being used at the Cooperative and how he is handling the higher cost of fuel.

Personnel Update

The Cooperative's President & CEO announced the retirement of the Cooperative's Engineer, one linemen in the Ebensburg District was fired and the Cooperative's GIS and Security Specialist is resigning. A new GIS and Data Specialist will be hired as soon as possible.

Strategic Planning Meeting

The Cooperative's President and CEO clarified the date for the Strategic Planning Meeting. It will be held on Wednesday, July 20th. He will send out surveys to Directors and will give more details about the upcoming meeting.

Board Chairman declared a brief break at 6:04 p.m.

The meeting reconvened at 6:19 p.m.

Union Negotiations

The Cooperative's President & CEO told the Board about the 5-year extension to the Union contract with the Line Department. Voting takes place on Wednesday, May 25th. He answered questions from the Board.

Credentials and Election Committee meeting

The next Credentials and Election Committee meeting will be held at the Indiana office on Wednesday, June 22nd at 3:00 p.m.

Legal Update

The Cooperative's attorney gave an update on the purchase of a broadband company. He answered questions from the Board. He also told the Board he has not received word from the owner of the property at the Washington Substation that the Cooperative wants to purchase. He will keep the Cooperative's President & CEO and the Board updated. Lastly, the Cooperative's attorney said a resolution is needed to name the Cooperative's President & CEO the President of In the Stix.

A motion was made and seconded to pass the resolution to name the Cooperative's President & CEO the President of In the Stix. Motion carried.

President & CEO Report

The Cooperative's President & CEO told the Board that Federated is increasing the cost for cybersecurity insurance. He and the IT department are looking into what we need to do to comply with Federated's requirements. He announced there are no challengers, so far, for the Board of Directors who are up for re-election. He spoke about the upcoming RUS audit. He also spoke about the PREA and Allegheny hiring process for their new President & CEO. Lastly, the Cooperative's President & CEO said with interest rates expected to increase, he will have Cooperative's Financial Analyst attend the June 21st Board meeting and give a financials presentation. Depending on the report, the Cooperative may want to get more money while interest rates are lower. The Cooperative's President & CEO answered questions from the Board of Directors.

Continuing Business

Memberships

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

Secretary / Treasurer's Report

The Secretary and Treasurer's report was reviewed.

Broadband Update

The Cooperative's President & CEO will meet with the Finance Department of In The Stix about joint venture. He spoke about two streams of revenue from fiber and services from In The Stix. He will present the information he gains from the meeting at future Board meetings.

Pandemic Update

The Cooperative's President & CEO gave an update on the impact of Covid-19 at the Cooperative.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of March 29, 2022 Board meeting. Motion carried.

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

Miscellaneous

A letter from a Member was reviewed.

Adjourn

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

Board Chairman adjourned the meeting at 7:16 p.m.