

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
June 21, 2022

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, June 21, 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 5:05 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 #6.

Approval of Minutes

A motion was made and seconded to approve the minutes of the May 24, 2022 regular Board meeting. Motion carried.

Additions to Agenda

There were no additions to the agenda.

New Business

In the Stix

Representatives from In The Stix were present at the beginning of the meeting and were introduced to the Board. Each Board of Director introduced themselves, and said which township they represent at the Cooperative. The representatives from In the Stix gave a summary of themselves and the history of In The Stix. Some conversation took place and the Cooperative's President & CEO thanked the representatives for coming to the meeting. Board of Directors.

The representatives from In The Stix were dismissed from the meeting at 5:12 p.m.

District Elections Update

The Cooperative's President and CEO announced that there were no other candidates running for Board of Director in Districts 7, 8 or 9, so there are no elections this year. Directors from Districts 7, 8 & 9 are re-elected for their districts.

Annual Meeting

The Cooperative's President and CEO said this year there will be no guest speaker at the Annual Meeting. The meeting will be a town hall format with a question and answer session. The meeting will begin at 5:30 instead of at 6:30. A live stream of the meeting will be made available this year. Members who attend in-person will receive a gift and a chance at door prizes. Members who register to attend online will receive a \$10 credit to their electric bill. He answered some questions from the Board.

Credentials and Election Committee Meeting

A Credentials and Elections Committee Meeting will be held at the Cooperative's Indiana office in the Boardroom at 3:00 p.m. on Wednesday, June 22nd.

In the Stix Board Appointment

The Cooperative's President and CEO sent an email to the Board of Directors to notify them to contact the Chairman of the Board if they would like to serve on the Board for In The Stix.

A motion was made and seconded to approve appointing five Board of Directors to the Board of In the Stix. Motion carried.

The Cooperative's President & CEO explained the next steps to become an LLC. An operating agreement is needed, and Bylaws need established, followed by setting up audits

and grant writing. He will be the Manager for the newly appointed Board for In The Stix will get the corporate structure in place. He answered questions from the Board.

Special Presentations

Loan & Debt Presentation

The Cooperative's Financial Analyst presented information about Broadband partnering and financing. He defined joint venture and gave examples of other companies with joint ventures. He reviewed REA's resources, AECOM resources, engineering and construction costs. He also presented a Joint Venture Agreement Summary. The Cooperative's Financial Analyst answered questions about time frame of work and other questions about contracts and broadband. Discussion continued about revenue, financial goals, risks and service territory. A lengthy discussion was held on loans and interest rates. Current cash balance and RUS loan interest rates were presented. The Cooperative's Financial Analyst recommended pulling money down with the low 3.4% rate because two rate increases are possible by the end of the year. He answered questions from the Board.

A motion was made and seconded to approve borrowing ten million dollars from RUS. Motion carried.

The Cooperative's Financial Analyst was dismissed from the meeting at 6:53 p.m.

Board Chairman declared a brief break at 6:53 p.m.

The meeting reconvened at 7:13 p.m.

Legal Update

An assistant to the Cooperative's Attorney reviewed the operating agreement draft for ITX. He announced the easement has been finalized with a local lumber company. Lastly, he will attend the Credentials and Elections meeting at the Cooperative office on Wednesday, June 22nd.

President & CEO Report

The Cooperative's President & CEO met with a representative from Federated and they explained the 8% increase for coverage is due to increased cyber security costs. He gave an update on changes taking place with the switchover to the NISC operating system.

He also spoke about the water heater program. Rheem manufactures the water heaters used in the water heater program. Rheem is no longer making 75 gallon tanks. Eligible members will be given 50 gallon tanks. If they want an 85 gallon tank, members will have to pay the difference. The President & CEO spoke about the increase in costs for trucks and other line department equipment. He told the Board there will be interviews held on Monday, June 27th for Frank Betley's replacement. Pennsylvania Cooperative CEO's are to vote to rank the possible candidates. Lastly, the Cooperative's President & CEO announced the Employee Day at the Cooperative will be held October 20th and reviewed dates of other upcoming meetings.

Continuing Business

Secretary / Treasurer's Report

The Secretary and Treasurer's report was reviewed by the Board.

Memberships

A motion was made and seconded to accept 41 new members for the month of May 2022. Motion carried.

Reports

The Board heard and discussed various business and activity reports.

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

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

Adjourn

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

Board Chairman adjourned the meeting at 7:30 p.m.