

REA ENERGY COOPERATIVE, INC.
SUMMARY MINUTES OF REGULAR BOARD MEETING
August 23, 2022

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, August 23, 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 5:23 p.m.

Roll Call

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

Reading Coop Core Values

The Cooperative’s President & CEO read aloud Coop Core Value #8.

Approval of Minutes

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

Additions to Agenda

There were no additions to the agenda.

Special Presentation

RUS Audit

The Cooperative's Accounting and Finance Manager gave an overview of the last RUS Audit and spoke about the report. All RUS construction fund receipts were properly accounted for, and all disbursements were for proper loan program purposes. She spoke about the change in rates with a contractor, which management was not aware. This was due to a former supervisor, who retired, had approved the increase and didn't communicate the change to others. In the future, engineering and accounting will compare invoice rates and contract rates. There will also be multiple signatures required for price increases. The Accounting and Finance Manager also spoke about the status of loan funds and answered questions from the Board.

The Accounting and Finance Manager was dismissed from the meeting at 5:40 p.m.

New Business

ACRE

The Cooperative's President & CEO spoke about ACRE and upcoming meetings with PREA staff. He reminded the Board that monetary donations are important but more so are the number of people supporting ACRE.

Annual Meeting Preparation Date

The Cooperative's President & CEO explained the format of this year's Annual Meeting on September 15th. He spoke about topics that will be highlighted at the meeting. This year members can either attend in-person at the Kovalchick Convention and Athletic Center or attend online. He answered questions from the Board.

Compensation Committee Date

There will be a Compensation Committee meeting on September 22nd at 3:00 p.m. It will be held in the Board Room in the Indiana office.

Policy Committee Date

There will be a Policy Committee meeting on September 22nd, starting at 1:00 p.m. Directors on that committee can either attend in-person or online, via Zoom.

KRTA Terms

The Cooperative's President & CEO reminded the Board that the KRTA reports are available for review on the Boardable program.

Employee Update

The Cooperative's President & CEO gave an update on new employees hired recently at the Cooperative. The newest linemen hired will work in the Ebensburg district. There is a new GIS employee and two linemen from another utility will be coming to work at the Indiana office. An apprentice lineman has graduated the apprentice program. Another apprentice will be completing his training and testing in September. With a possible retirement in the REA Services department, the Cooperative's President & CEO is looking to hire one or two new load techs. He answered questions from the Board.

ITX Update

The Cooperative's President & CEO gave an update on ITX. The first ITX board meeting was held on Monday, August 22nd. He announced those who were appointed to the Chairman, Vice-Chairman and Secretary and Treasurer positions. The Cooperative's President & CEO is working with ITX employees on the Ring design and grant writing. He spoke about possible funds and grant applications.

Wreaths for Veterans

A letter from the Daughters of Union Veterans of the Civil War was received and they asked for a donation for Wreaths Across America. There was some discussion about this and it was unclear where these wreaths would be laid. More information is needed so this item was tabled for later.

Legal Update

The Cooperative's attorney was recently contacted by the attorney of the property owners of the Washington substation. They talked about the offer to purchase the piece of property at the substation or the condemnation of the property. That attorney will be talking with his client. The Cooperative's attorney called the Indiana County Planning office. There is no minimum lot size for subdivisions in the county. The Planning office will review drawings of the property and if approved a deed will be written up. The Cooperative's attorney answered a few questions from Directors.

President & CEO Report

The Cooperative's President & CEO spoke about upcoming meetings with representatives from PREA for ACRE contributions, CCD courses for Board members and the upcoming Annual Meeting. He also told the Board about a program being created at a local high school in Indiana County. He and the Cooperative's HR Administrator met with administration at the school about sponsoring part of the STEAM Academy. The Cooperative would work with educators to create a pre-apprentice program for electrical contracting and line work.

The Cooperative's President & CEO gave an update on the switch over to NISC. The Finance portion of the program will go live on September 19th. Both offices will be closed on September 27th for training. The Member Services portion will be next with the Engineering portion being the final piece to go live.

Continuing Business

Memberships

A motion was made and seconded to accept 62 new members for the month of July 2022. Motion carried.

Secretary / Treasurer's Report

The Secretary and Treasurer's report was reviewed.

Pandemic Update

The Cooperative's President & CEO said there will be no more Covid updates unless the CDC recommends restrictions or other guidelines. Currently the CDC said there are no masks required.

Facilities Update & Status

The Cooperative's President & CEO talked about possible remodeling in the SCADA room at the Indiana office and adding a conference room in the billing department. He will be getting estimates for the possible changes. The township sewage project is scheduled to begin in September. Lastly, he told the Board about an accident with a delivery truck hitting the roof over the gas pumps behind the Indiana office. The gas pumps, roof and computer system were all damaged. The Cooperative will look into getting new equipment and a

decision will be made on whether or not to have new pumps installed. All trucks now have cards to get fuel at local gas stations.

NISC Update

The Cooperative's President & CEO told the Board about the change over to NISC. There is a lot of work for staff during this time. Extra effort is needed with this conversion. There are weekly meetings, trainings and jobs are changing a bit. Discuss continued and he answered questions from the Board.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of June 21, 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:
NRECA letter

Adjourn

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

Board Chairman adjourned the meeting at 6:50 p.m.