

**REA ENERGY COOPERATIVE, INC.**  
**SUMMARY MINUTES OF REGULAR BOARD MEETING**  
**September 20, 2022**

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, September 20, 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 5:01 p.m. A Director gave the invocation and led the Board in the Pledge of Allegiance.

*Roll Call*

All Board of Directors present including the Cooperative’s President & CEO, the Cooperative’s Financial Analyst and Executive Assistant. The Cooperative’s attorney attended virtually via Zoom.

*Reading Coop Core Values*

The Cooperative’s President & CEO read aloud Coop Core Value #9.

*Approval of Minutes*

A motion was made and seconded to approve the minutes of the August 23, 2022 regular Board meeting. Motion carried.

*Additions to Agenda*

There were no additions to the agenda.

**Special Presentation**

*AEC Rates*

The Cooperative’s Financial Analyst reviewed the Allegheny Electric Cooperative budget. He presented the projected expenses, especially in the cost of purchased power. The Cooperative’s President & CEO also spoke about increased costs and changes in the WASP

agreement. Other topics discussed were operating revenue, patronage capital, long term debt, non-operating margins and Tier goals. A forecasted budget for 2023 was given. With the preliminary budget, there will need to be an increase in the Cooperative's monthly service charge and an approximate 15% rate increase. In two years, Cooperatives across Pennsylvania could see another increase in costs.

Different revenue scenarios were presented and the Cooperative's Financial Analyst answered questions from the Board of Directors. Discussion continued about how to handle cost and rate increases. With the current timeline of events, members could see a rate increase in January or February 2023. The President & CEO and the Financial Analyst answered questions from the Directors.

The Financial Analyst was dismissed from the meeting at 6:07 p.m.

### **New Business**

#### *Establish Committees*

The Chairman of the Board asked the Directors to review the current committees and if any Director wants to join a committee or leave a committee they are to contact him. The Board decided to keep the committees as they are.

#### *Thanksgiving Choice*

The Chairman of the Board reminded the Directors to turn in their forms for the Thanksgiving Choice.

#### *ITX Board Meeting Summary*

The Secretary and Treasurer of the Board gave a summary of the ITX Board meeting held on August 26<sup>th</sup> at the Indiana office. He announced which Board of Directors were appointed as Chairman, Vice-Chairman and Secretary Treasurer. The Cooperative's President & CEO spoke about network updates, grant writing for funding and holding ITX Board meetings quarterly. He answered questions from Directors.

#### *Change Policy and Compensation Committee Dates*

There will be a Policy Committee meeting Tuesday, October 4<sup>th</sup> at 1:00 p.m. via Zoom to go over the new Equity Policy. Also, there will be a Compensation Committee meeting on Tuesday, October 4<sup>th</sup> at 3:00 p.m., via Zoom.

### *Move October's Board Meeting*

Due to a conflict with schedules, the October regular Board meeting needs to be moved. The Board reviewed what days they have available.

A motion was made and seconded to move October's regular Board meeting from October 25 to Tuesday, November 1<sup>st</sup>. Motion carried.

### **Legal Update**

The Cooperative's Attorney told the Board about the case being held in Westmoreland County court dealing with a right of way issue. The judge in that case still hasn't made any ruling. The Cooperative's Attorney sent a letter to the judge and is waiting for word from the court. He also updated the Board on the purchase of property at the Washington Substation. Survey of the property is being done soon and then the acquisition will be finalized. The Cooperative's Attorney answered a few questions from the Board.

### **President & CEO Report**

The Cooperative's President & CEO spoke about employees who attended NRECA's Safety Summit and their response to what they learned. All linemen recently attended chainsaw safety through PennLines training. He updated the Board about the gas pumps status, repair costs and new fleet fueling procedures. He reminded the Directors that costs for materials have gone up as well as shipping delays. In addition, an aluminum factory is being shut down for the winter months, so conductor production will be impacted further.

The Cooperative's President & CEO announced that the Youth Tour will take place next year. There was a good response in ACRE contributions. All managers and supervisors contributed this year. He talked about the upcoming Employee Day and activities employees will participate in to help with a local cancer treatment center. The Cooperative's President & CEO finished his report by talking about grant writing for broadband funding.

### **Continuing Business**

#### *Memberships*

A motion was made and seconded to accept 84 new members for the month of August 2022. Motion carried.

### *Secretary / Treasurer's Report*

The Secretary / Treasurer's report was reviewed.

### *Annual Meeting Follow-up*

The Cooperative's President & CEO received positive feedback about the Annual Meeting except the sound quality. Next year, they will have handheld microphones like the one used by the Communications Supervisor. Members said they could hear her fine.

### *Co-Op Month*

The Cooperative's President & CEO announced that October is Cooperative Month. A small gift will be available to members who stop by the office.

### *Allegheny Board Meeting Report*

Information from the Allegheny Board meeting was presented. That meeting was held on Thursday, September 1<sup>st</sup>, via Zoom. Bylaws and policies were updated to cover requirements of remote meetings. Also, the budget was reviewed.

### *PREA Board Meeting Report*

A Board of Director gave a summary of the PREA Board meeting, also held Thursday, September 1<sup>st</sup> via Zoom. There were revisions made to bylaws and policies. The design of PennLines was reviewed. A presentation of the general election preview in Pennsylvania was given and the Annual Meeting for PREA is scheduled to take place in Hershey in November.

## **Reports**

The following were reviewed by the Board of Directors:

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve the Summary minutes of July 26, 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:

Watts New Newsletter

Note from Steve Brame

Thank you note from member

Thank you – Forest Hills School District

Thank you – Interfaith Community Food Pantry

Letter from ERMCO

ACRE Endorsement Letters

### **Adjourn**

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

Board Chairman adjourned the meeting at 7:08 p.m.