

REA ENERGY COOPERATIVE, INC.
SUMMARY MINUTES OF REGULAR BOARD MEETING
March 28, 2023

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, March 28, 2023, 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 5:10 p.m. A Director gave the invocation and led the Board in the Pledge of Allegiance.

Roll Call

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

Reading Rochdale Principle #3

The Cooperative’s President & CEO read aloud Rochdale Principle #3.

Approval of Minutes

A motion was made and seconded to approve the minutes of the February 28, 2023 regular Board meeting. Motion carried.

Additions to Agenda

There were no additions to the agenda.

Special Presentations

Banking & Treasury Presentation

The Cooperative’s Financial Analyst reviewed the financial security of four banks of various sizes. He presented information about what has happened in the past years with banks and what is currently happening. He explained the Federal Reserve is raising rates due

to inflation and presented charts, percentages and diagrams showing the cause and effect of interest rates. He continued to cover banks' cash, equity, margins and liquidity.

The Cooperative's Financial Analyst announced the completion of the 2021 to 2024 Work Plan and the RUS loan amount that covered costs. There is need for additional funds. Discussion continued on the spread between Federal Loan rates and RUS rates. He will continue to monitor banks and interest rates. He answered questions from the Board.

A motion was made and seconded to approve drawing down additional funds when there is a difference of 1.75% between RUS load rates and Federal rates.

Discussion continued and questions were asked. The original motion was retracted.

A motion was made and seconded to approve drawing down additional funds when there is a difference of 1.5% between RUS load rates and Federal rates.

The Cooperative's Financial Analyst was dismissed from the meeting at 6:12 p.m.

New Business

Conflict of Interest

The Board Chairman reminded Directors to review the Policies on Conflict of Interest, fill out the forms and turn them in.

ITX Quarterly Presentation

The Cooperative's President & CEO presented information from last week's In the Stix quarterly meeting. He talked about financials, grants, wireless upgrades and other entities about partnerships. He showed maps displaying the areas where the fiber ring is being installed. The goal is to complete the first phase by the end of this year. With the other phases to be complete in two to three years. He answered questions from the Board.

Local Development

The Cooperative's President & CEO spoke about ProDisposal purchasing the Co-Gen plant in Ebsenburg and their plans to install charging stations for electric garbage trucks. There is a lot of work and planning needed to provide the necessary power at this property. Discussion continued.

PREA/AEC CEO Meeting Attendance

The Cooperative's President & CEO announced a few PREA and AEC employees will attend the next board meeting on Thursday, April 20th.

Legal Update

The Cooperative's attorney worked with the Billing department on statutes of limitations and the time frame collections can be made. He gave an update on a Right-of-Way case. He also pointed out the total amount paid for the Washington Substation property. He answered questions from the Board.

Board Chairman declared a brief break at 6:57 p.m.

The meeting reconvened at 7:14 p.m.

President & CEO Report

The Cooperative's President & CEO announced the election season for Board of Directors started March 17th and will end on June 16th. He also talked about net metering and setup for commercial accounts if they would install solar panels. He spoke about possible rates, setups, and connection into the grid. Net metering will continue to be worked on with a rate structure needed. He answered questions about charges, costs and what Allegheny pays for power generated.

REA Energy Services had a booth at the Indiana Armstrong Builders Home Show in Indiana the weekend of March 24th. The Cooperative has been getting a lot of generator installation requests. It is still difficult to get materials for both generators and electrical contracting. Management is also looking into possibly hiring another Load Tech. Discussion continued with the Board.

The conversion to NISC software has changed from implementation to support. With January and February being warmer than usual, electric usage is down and we are just below TIER. The Cooperative's President & CEO announced that the R/W contract with PennLines has been extended. He finished his presentation reporting on the great job done by the Line department to get power back on so quickly during the last wind storm. Even though there was a lot of destruction and damage, power was restored to all members within 36 hours.

Continuing Business

Memberships

Motion was made and seconded to accept 50 new members for the month of February 2023. Motion carried.

Secretary / Treasurer's Report

The Secretary and Treasurer's report was reviewed. A question was asked about the costs listed for security and cameras. That is for updated camera equipment and installation of additional cameras at both offices, warehouses and pole yards.

Upcoming Travel

The Cooperative's President & CEO reminded the Board of upcoming trips and meetings.

New Hire Update (Staff Attorney & Marketing/Communications Specialist)

The Cooperative's President & CEO announced the hiring of a Staff Attorney and new Marketing Specialist 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 January 24, 2023 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:

Thank you card letter from member

Thank you e-mail from member

Adjourn

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

Board Chairman adjourned the meeting at 7:44 p.m.