

**REA ENERGY COOPERATIVE, INC.**  
**SUMMARY OF MINUTES OF THE REGULAR BOARD MEETING**  
**October 22, 2019**

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, October 22, 2019, 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 5:06 p.m.

*Roll Call*

All Board of Directors were present including President & CEO, the Cooperative’s attorney and personnel from the Accounting department.

*Reading of the Cooperative’s Core Values*

Management read aloud REA Energy’s Core Value #1.

*Approval of Minutes*

A motion was made and seconded to approve the minutes of the September 24, 2019 regular board meeting. Motion carried.

*Additions to Agenda*

None.

**Special Presentations**

*Draft Budget*

The Cooperative’s President & CEO announced there are two years left in the six-year tree trimming plan. The Board of Directors reviewed the Cooperative’s budget and options were discussed.

*Loan presentation*

Personnel from the Accounting department gave a presentation on a current loan for the Cooperative. They answered questions from the Board of Directors.

A motion was made and seconded to accept the loan as presented. Motion carried.

*Healthcare*

The Cooperative’s President & CEO updated the Board on upcoming changes to healthcare for employees. He also spoke about healthcare options for retirees.

*Facilities*

The Cooperative’s President & CEO reviewed the proposed changes to the Indiana headquarters’ building floor plans and outside layout. Discussion followed.

Board Chairman declared a brief break at 7:12 p.m.

The meeting reconvened at 7:35 p.m.

### **Executive Session**

Board Chairman called for an Executive Session at 7:35 p.m.

A motion was made and seconded to go into Executive Session. Motion carried.

A motion was made and seconded to come out of Executive Session. Motion carried.

Executive Session ended at 7:43 p.m.

### **Legal Update**

The Cooperative's attorney spoke about on a Right-of-Way at a member's property. A draft for an access way was given to the Cooperative's President & CEO for review.

### **President & CEO Report**

The Cooperative's President & CEO spoke about Capital Credits, solar panels, Indiana North substation repairs and Broadband focus groups. The Board also discussed plans for the Winter Meeting.

### **New Business**

#### *2020 Annual Meeting*

The 2020 Annual Meeting will be held Thursday, September 10<sup>th</sup> at the KCAC.

A motion was made and seconded to approve holding the 2020 Annual Meeting at the KCAC on Thursday, September 10<sup>th</sup>, 2020. Motion carried.

#### *PA/NJ Community Network Christmas Auction*

Discussion was held on the PA/NJ Community Network Christmas Auction. With donations from each Board of Director and the Cooperative's President & CEO, a basket will be put together for the charity auction.

### **Continuing Business**

#### *Memberships*

A motion was made and seconded to accept 78 new members for the month of September 2019. Motion carried.

#### *Secretary/Treasurer Report*

The Secretary/Treasurer's Report was reviewed.

#### *Employee Day*

The Cooperative's President & CEO spoke about Employee Day, which was held on Thursday, October 17<sup>th</sup>. He thanked all involved and said it went very well.

*Policies Vote*

Board Communication – Policy G-14

The Cooperative’s President & CEO spoke about posting a summary of the Board Meeting minutes or a summary of the Board Meeting agenda on the Cooperative’s website. Discussion followed.

A motion was made and seconded to have the summary of the Board minutes approved by the Board of Directors before it is posted. Motion carried.

Policies B-14 & B-34

Board of Directors spoke about setting term limits for Board of Directors who serve on committees and positions held on the Board.

A motion was made and seconded to use a ballot vote to determine whether or not to change Policies B-14 and B-34. Motion carried. Five yeas and four nays.

A motion was made to have a vote to pass both policies B-14 and B-34 together. That motion did not get a second. Both policies will be voted on individually by ballot vote.

Board Governance – Policy B-14

The Cooperative’s attorney and the Cooperative’s President & CEO passed out slips of paper for directors to write “Nay” or “Yea” for voting on Policy B-14. All directors filled out their slip of paper. Those were then collected and counted by the Cooperative’s attorney and the Cooperative’s President & CEO. The vote came back as five “Nay” and four “Yea”.

Proposed Policy B-14 changes were not passed.

Board Governance – Policy B-34

The Cooperative’s attorney and the Cooperative’s President & CEO passed out slips of paper for directors to write “Nay” or “Yea” for voting on Policy B-34. All directors filled out their slip of paper. Those were then collected and counted by the Cooperative’s attorney and the Cooperative’s President & CEO. The vote came back as six “Nay” and three “Yea”.

Proposed Policy B-34 changes were not passed.

*Escheats request*

The Board of Directors reviewed and discussed the donation request made by a local non-profit organization. It was determined that more information is needed before a decision is made.

A motion was made and seconded to table the request. Motion carried.

**Reports**

The Board heard and discussed various business and activity reports.

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

**Miscellaneous**

The following were reviewed by the Board of Directors:

**Complaint letter from members** – Board Chairman and the Cooperative’s President & CEO visited the members and the issue was resolved.

**Thank you letters from DAV**

**Adjourn**

A motion was made and seconded to adjourn the meeting. Motion carried.  
Board Chairman adjourned the meeting at 9:20 p.m.