

**REA ENERGY COOPERATIVE, INC.**  
**SUMMARY OF MINUTES OF REGULAR BOARD MEETING**  
**November 26, 2019**

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, November 26, 2019, 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 5:32 p.m.

*Roll Call*

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

*Reading of the Cooperative Core Values*

Management read aloud the Cooperative’s Core Value #2.

*Approval of Minutes*

A motion was made and seconded to approve the minutes of the October 22, 2019 regular board meeting. Motion carried.

**Special Presentations**

*2019 Budget Presentation*

The Cooperative’s Financial Analyst gave a report about the power bill, forecasted budget, a rate study and margins. The Board was given three proposals for a rate adjustment. Discussion followed on which proposal was the fairest for all members.

A motion was made and seconded to adopt the increased rates using Proposal 2 as presented and to accept the budget as presented. Motion carried.

*Tree Trimming Budget Change*

Management spoke about the budget for tree trimming and reviewed tier. It was recommended to begin Locust tree trimming two months early since Margins for 2019 were favorable. To keep Right-of-Way cutting on schedule a budget change is required.

A motion was made and seconded to begin the 2020 scheduled Locust Substation Right-of-Way tree trimming in 2019. Motion carried.

Personnel from the Accounting department were excused from the meeting at 6:19 p.m.

### **Legal Update**

The Cooperative's attorney had no new updates to present.

### **New Business**

#### *2020 NRECA Annual Meeting*

Board of Directors turned in their attendance request slips at the beginning of the Board Meeting.

#### *Christmas Greeting*

The Board of Director's Christmas Greeting to employees was reviewed.

A motion was made and seconded to accept the Christmas greeting to employees. Motion carried.

#### *December Board Meeting*

There was a short discussion about moving December's Board meeting.

A motion was made and seconded to move December's Board meeting to from December 24<sup>th</sup> to Tuesday, December 17<sup>th</sup>. Motion carried.

#### *2020 Area Meeting – Districts 3 & 4*

The Cooperative's President and CEO announced the location of the Area Meetings for Districts 3 and 4.

#### *Broadband responses*

The Cooperative's President and CEO spoke about the Broadband article he recently wrote. He shared some comments received from Cooperative members. A focus group will be assembled and meet in mid-December. A second focus group will meet in mid-January. The Cooperative's President and CEO answered questions from the Board of Directors.

### **President & CEO Report**

The Cooperative's President and CEO spoke announced he will be interviewed on a local radio station in Indiana about Broadband on Thursday, December 5<sup>th</sup>. The Cooperative received notification that the sewage authority will be installing a line through our area in the second half of 2020. Auditors will be to the Cooperative in February 2020. He also spoke about the switch in healthcare coverage. Board of Directors were asked to choose days in

January for training. The Cooperative's President and CEO answered questions and discussion on Broadband continued.

Board Chairman declared a brief break at 7:03 p.m.

The meeting reconvened at 7:17 p.m.

### **Continuing Business**

#### *Memberships*

A motion was made and seconded to accept 74 new members for the month of October 2019. Motion carried.

#### *Secretary/Treasurer Report*

Robert Neese reviewed the Secretary/Treasurer's Report.

#### *PREA Board Meeting Report*

An update was given on the topics covered at the PREA Board Meeting.

#### *Allegheny Board Meeting Report*

A recap of the Allegheny Board Meeting was given.

#### *Escheats request*

The Cooperative's President and CEO updated the Board on a donation request made by a local non-profit organization. More information and financials have not been received yet. We may also ask for matching funds from the organization. Board of Directors will receive a copy of the new application as soon as it is received.

#### *Committee Assignments*

Board Chairman assigned Board of Directors to various committees. Directors reviewed the list.

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

#### *Minutes Summary example*

The Cooperative's President and CEO spoke about the policy to summarize Board Meeting minutes. He asked the Board for their feedback. When approved, the summary will be posted. This will cause all summaries to be two months behind when posted.

## **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:

- CFC Integrity Fund letter
- CFC Report from the Boardroom letter
- Resolution on NRECA Member Dues Increase letter
- NRECA Annual Meeting schedule
- Posting from Member about Broadband

## **Adjourn**

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

Board Chairman adjourned the meeting at 7:50 p.m.