

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
April 27, 2021

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, April 27, 2021. The meeting was held at the Cooperative’s headquarters office located at 75 Airport Rd, Indiana, Pennsylvania. Some attendees attended via Zoom or in-person in the Team Building Room at the Cooperative’s headquarters.

Call to Order

Board Chairman called the meeting to order at 5:26 p.m. An invocation was given and the Board recited the Pledge of Allegiance.

Roll Call

Board of Directors were present, including the Cooperative’s attorney, President & CEO, IT Supervisor, Finance and Accounting Manager and HR Administrator. One Director and the Executive Assistant were absent.

Reading of Cooperative’s Vision Statement

The Cooperative’s President & CEO read aloud the Cooperative’s Vision Statement.

Approval of Minutes

A motion was made and seconded to approve the minutes of the March 24, 2021 regular board meeting. Motion carried.

Additions to Agenda

There were no additions to the agenda.

New Business

Construction Work Plan

The Cooperative's System Engineer and a representative from Power System Engineering (PSE) presented the 4 Year Construction Work Plan. The Work Plan presented is based on projected growth of members, system capacity increases due to load increase, improved system reliability, increased back feed capacity, maintaining adequate voltage needs and replacing or upgrading deteriorating poles and conductors. Costs were discussed and questions from the Board of Directors were answered.

A motion was made and seconded to approve the 4 Year Construction Work Plan as presented. Motion Carried

Audit Committee & Presentation

The Cooperative's Finance and Accounting Manager presented the BWB Financial Audit findings, and reviewed the Consolidated Financial Statements for 2020. BWB audit findings consisted of the following; there were no deficiencies in internal controls, nothing came to their attention that caused them to believe the Cooperative failed to comply with any RUS provisions, there were no difficulties dealing with management in performing the audit, and the financial statement disclosures were neutral, consistent and clear. BWB recommended developing a multi-year plan to address escheated funds.

A motion was made and seconded to approve the 2020 Audit Report. Motion carried.

Policy Committee

The Cooperative's President & CEO reviewed the policies which had been reviewed by the Policy Committee. The policies will be voted on at the May 2021 Board Meeting.

National Elections

Discussion was held on candidates running for the NCSC Board of Directors. One of the Board of Directors has been appointed as the alternate to vote in NRECA Elections.

Legal Update

The Cooperative's attorney spoke about a ROW issue and what is being done to resolve the issue. He also spoke about the Writ-of Summons filed against REA Energy and a contractor. The Cooperative's attorney explained that the statute of limitations has expired, and he will work to have the case dismissed. Lastly, he spoke about a condemnation case and will work with the

Cooperative's President & CEO on this. The Board will be given an update on the status of this case.

Board Chairman declared a brief break at 6:35 p.m.

The meeting reconvened at 6:48 p.m.

President & CEO Report

Federated Crew Visit

The Cooperative's President & CEO spoke about the most recent visit from Federated. REA Energy has a new field representative who came to the offices. The Federated Field Representative toured substations and performed crew visits.

Code of Excellence

The Cooperative's President & CEO spoke about the Code of Excellence and the plan to introduce the program to all REA Employees. Part of the Code of Excellence will be the training, introduction of the Policy D-47 Respectful Workplace and will be an evolving program.

Open Positions

The Cooperative's President & CEO informed the Board we have filled the Part-Time Member Services and Full-time Member Services position. Advertisements for both Journeyman Lineman and Apprentice Lineman have been posted. Due to the lack of qualified Journeyman applicants, the Apprenticeship Committee has agreed to expand the Apprentice program to allow for one additional Apprentice Lineman who will work out of the Indiana office.

COVID-19 Update

The Cooperative's President & CEO informed the Board of the percentage of the staff fully or partially vaccinated against Covid-19. A survey will be done to gauge interest in having a vaccine clinic at the Indiana office. A vaccine incentive is currently in place; however, we are looking for more participation.

Broadband Update

The Cooperative's President & CEO provided the Board with updates to the Broadband initiatives.

Escheats Committee Meeting

The Cooperative's President & CEO asked that an Escheats Committee meeting be scheduled for May. The Escheats Committee is schedule to meet Monday, May 17th at 1:30 p.m. at the Cooperative's Indiana Office.

Continuing Business

Memberships

A motion was made and seconded to accept 51 new members for the month of March 2021. Motion carried.

Secretary/Treasurer Report

The Secretary/Treasurer's Report was reviewed.

PREA Board Meeting Report

PREA met via Zoom, and welcomed new board member from Warren, REC. RGGI was a topic of discussion during the most recent meeting. The net effect of RGGI is increased costs for fossil fuels, which will not impact nuclear. Rural communities will have financial gain from the increased revenue which will be generated. PREA lobbyists will continue to look into RGGI and its impact on the Cooperative members. The PREA Audit was reviewed. The PREA Summer Meeting will not be held in-person.

Allegheny Board Meeting Report

Allegheny held its most recent meeting via Zoom. The power crisis in Texas was a topic of discussion. Allegheny reiterated its "Patchwork" approach to power supply, as

opposed to relying on a few sources. There was discussion on having elected officials as representatives on the Allegheny Board, it was determined that the individual Co-ops would be responsible for making those decisions at the local level. The Allegheny audit was reviewed.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve summary minutes of the February 23, 2021 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:

Northwestern Rural Electric Letter

NRECA Fact Sheet

Adjourn

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

Board Chairman adjourned the meeting at 7:46 p.m.