

**REA ENERGY COOPERATIVE, INC.**  
**MINUTES OF BOARD MEETING**  
**April 30, 2024**

The meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Monday, April 30, 2024, 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 5:05 p.m. A Director gave the invocation and led the Board in the Pledge of Allegiance.

**Roll Call**

All Directors were present. Also in attendance were the President & CEO and the Executive Assistant. Special Guest was the Finance Manager. The Cooperative Attorney attended the meeting virtually.

**Reading of Cooperative Core Value #9**

The President and CEO read aloud Cooperative Core Value #9.

***ACTION-Approval of March 26, 2024, Regular Board Meeting Minutes***

***Motion was*** to approve March 26, 2024, Regular Board Meeting Minutes. Motion carried.

***ACTION-Approval of April 8, 2024, Special Board Meeting Minutes***

***Motion was*** to approve April 8, 2024, Special Board Meeting Minutes. Motion carried.

***ACTION – Additions to Agenda***

The President and CEO recommended to separate the Executive Session into two sessions.

***Motion was*** to separate the Executive Session into two sessions in the agenda. Motion carried.

**New Business**

***Audit Committee Report – 2023 Financial Statements / Form 990***

Financial Manager presented the 2023 audit report, financial statements and Form 990 to the Board of Directors. Auditors from Fiore Fedeli Snyder Carothers,

LLP (FFSC) conducted the 2023 audit and stated the consolidated financial statements “presented fairly, in all material respects, the financial position of REA Energy Cooperative, Inc. and Subsidiaries...and the results of their operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.” There were no deficiencies in internal control that were considered a material weakness, and all tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Financial Manager and the President and CEO answered questions from the Board regarding the presentation and audit findings.

The 2023 Form 990 has been finalized and will be submitted to the IRS by May 15, 2024.

***ACTION – Approve Audit Committee Presentations and Discussions***

All Directors voted in favor of approval of the Audit Committee presentation and discussions.

***ACTION – Approve Form 990***

***Motion was made*** to approve Form 990. Motion carried.

The Financial Manager was dismissed from the boardroom at 5:29 p.m.

***Executive Session / Legal Update***

***ACTION- Enter Executive Session.***

***Motion was made*** to enter Executive Session. Motion carried.

***ACTION- Motion to Exit Executive Session.***

***Motion was made*** to exit Executive Session. Motion carried.

The Cooperative Attorney was dismissed from the meeting at 6:00 p.m.

***Setting Date for ITX Meeting***

Directors agreed to set the next ITX meeting date for May 17, 2024 at 12:00 p.m.

***PA Capital Funds Discussion***

The President and CEO provided a status update for the ARPA Capital Funds grant. REA Energy was not selected as an awardee for the grant. Three companies received approximately 75% of the funding, and their cash matches were significantly more than REA Energy. REA Energy / In The Stix will create a map

design to utilize the match we offered for the grant, and build the design on our own. Without the regulations the grants require, the build will be less expensive overall.

### ***DC Legislative Event Wrap-Up Discussion***

The NRECA Washington D.C. Legislative event was April 21-24, 2024. Reports are overall positive. Directors and employees met with congressional aides to discuss several topics involving electric co-ops. Topics discussed were: The new EPA ruling for carbon neutral power plants, USDA funding for the New ERA program, transformer steel components and pole attachments.

### ***ACTION - Escheats Scholarships Adoption***

**Motion was** made to provide two \$250 scholarships to the Indiana County Sports Hall of Fame. One scholarship will come from In The Stix, and one will come from REA Energy Services. Motioned carried.

### ***ACTION – Appointment of CFC Delegate Alternate***

**Motion was made** to appoint the Staff Attorney as CFC alternate Delegate. Motion carried.

The Board Chairman declared a break at 6:37 p.m.

The Meeting reconvened at 6:51 p.m.

### **President and CEO Report**

**The** President and CEO spoke on several topics. He will be attending the Workforce Development and Broadband conference in May, and the Strategic Planning Session has been scheduled for August 12-13, 2024, at the Hilton Garden Inn in Indiana.

The Indiana – ARC fiber build is progressing, and ITX will need another batch of materials soon to continue the project. REA Energy / ITX has yet to be reimbursed for the completed portions of the project.

An outage system failure occurred this month due to a damaged cable in the server room. Members trying to report an outage were not able to get through by phone or by app until the damaged cable was identified. The cable was promptly replaced, and the outage system came back online.

Spring / Summer is a busy time in terms of training sessions for co-op employees and Directors. Several employees and Directors will be out of the office during this to complete trainings.

### **Continuing Business**

Open Employment Positions

Financial Analyst and Staking Engineer positions have been filled.

2 Lineworker positions are still available.

#### Equipment Update

The new digger truck has been experiencing hydraulic failures and will be looked over by the manufacturer in the next few weeks.

#### ***ACTION – Approve 69 New Members for March 2024***

***Motion was made*** to approve 69 new members for March 2024. Motion carried.

#### ***Secretary / Treasurer’s Report***

The Secretary and Treasurer went over the Secretary / Treasurer’s report with the Board of Directors.

#### **REPORTS**

##### ***PREA Report***

A Director gave a PREA update. PREA is advancing their job training and apprentice program. Director update meetings may be moved to coincide with the summer/winter meetings. They completed a strategic planning session in January 2024 and will focus on advocacy for the next two years.

##### ***Allegheny Report***

A Director gave an update from Allegheny Electric Cooperative. Allegheny is contracting the open market power purchase for 2025, which will be approximately 35% of Allegheny’s power supply. They are revisiting their mission statement in the next meeting.

The following were reviewed by the Board of Directors:

#### **First Quarter Reports – Directors’ Expenses, Outage Summary, Safety Performance Measures and Communications Reports**

**Form 7**

**Form 7 Significant Variance**

**Power Bill Cost / Revenue**

**Escheats Report**

**Other Accounting Reports**

**Form 7 & Significant Variance**

**Accident**

**REA Services Report**

**Report**

**Engineering Update Report  
Websites Report  
SmartHub Update Report**

***ACTION – Approval of all Reports as Presented***

***Motion was made*** to approve all reports as presented. Motion carried.

***ACTION – Approval of Summary of February 27, 2024, Board Meeting Minutes***

***Motion was made*** to approve Summary of February 27, 2024 Board Meeting Minutes. Motion carried.

**Miscellaneous**

Thank you letter – Job Shadowing

The Executive Assistant was dismissed at 7:15 p.m.

***ACTION- Enter Executive Session for Benefit Discussion***

***Motion was made*** to enter Executive Session. Motion carried.

***ACTION- Motion to Exit Executive Session.***

***Motion was made*** to exit Executive Session. Motion carried.

***ACTION – Approval of Discussions in Executive Session***

***Motion was made*** to approve discussions of the Executive Session. Motion carried.

**Adjourn**

***Motion was made*** to adjourn the meeting. Motion carried.

Chairman of the Board adjourned the meeting at 7:26 p.m.