

REA ENERGY COOPERATIVE, INC.
SUMMARY of MINUTES OF REGULAR BOARD MEETING
November 24, 2020

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, November 24, 2020, immediately following the REA Energy Services regular Board Meeting. The meeting was held via teleconference and via Zoom. A few employees and one Director attended in-person in the Boardroom at the Cooperative’s headquarters office located at 75 Airport Road in Indiana, Pennsylvania.

Call to Order

Board Chairman called the meeting to order at 5:49 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, Network and Systems Manager, Financial Analyst and Executive Assistant.

Reading of Cooperative’s Core Values

The Cooperative’s President & CEO read aloud number six of the Cooperative’s Core Values.

Approval of Minutes

A motion was made and seconded to approve the minutes of the October 27, 2020 regular board meeting. Motion carried.

Additions to Agenda

New Business: 5. Discussion – Board Packet

A motion was made and seconded to approve the revised agenda as amended. Motion carried.

Special Presentations

2021 Budget

The Cooperative's Financial Analyst presented the final budget. There was one minor change in the IT department's section of the budget. The Cooperative's Network and Systems Manager explained that change. The Cooperative's President & CEO spoke about the cost for health insurance. All Directors had reviewed the proposed Budget for 2021.

A motion was made and seconded to pass the proposed 2021 Budget. Motion carried.

The Cooperative's Financial Analyst and Network Systems Manager were dismissed from the meeting at 5:55 p.m.

Legal Update

The Cooperative's attorney sent the President & CEO a proposed Policy about Directors running for public office. Discussion was held on that topic. The Attorney participated in the NRECA's Zoom meeting. He is also working with Financial Analyst on the application for a loan with RUS for the Cooperative. In December, he will have a resolution for the Board for review and to vote to approve it or not.

New Business

Christmas Greeting

The Christmas greeting to Cooperative employees was reviewed by the Board of Directors.

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

2021 Area Meeting

The Cooperative's President & CEO told the Board by January a decision needs made on whether or not to have Area Meetings. Currently, numbers of COVID-19 cases are increasing. He will continue to monitor the situation.

Broadband Update

The Cooperative's President & CEO gave an update on Broadband installation. He has met with representatives from In the Sticks. They want to do a pilot program. He spoke about the costs and plans for that program. He answered questions from the Board.

A motion was made and seconded to approve the pilot program with In the Sticks with a \$50,000 cost limit. Motion carried.

FLEX Software Conversion

The Cooperative's President & CEO announced that starting the week after Thanksgiving the new FLEX software will be put into use. Training will be provided to staff and staking sheets will be only on the computer. We will start to go paperless.

Board Packets

A Board of Director asked if anyone else preferred to have a paper copy of the Board Packet. They find it difficult to see the Board Packet when attending a Board Meeting via Zoom. It was recommended to minimize the Zoom window and then the Board Packet can be viewed on the computer screen.

President & CEO Report

The Cooperative's President & CEO announced there will not be a Christmas lunch for employees. An internal control review will be done soon. Operational processes will be evaluated. He spoke about a new program called FLEX that will replace Futura. Currently the staking process is paper intensive and with the new FLEX program, paperwork will be eliminated.

The Cooperative's President & CEO spoke about this year's margin. He answered a question about possibly doing more tree trimming. He spoke about the increase in our tree trimming already. He spoke about healthcare. The Cooperative's President & CEO also announced that the Cooperative's auditor will do a virtual audit this year due to Covid-19.

The Cooperative's President & CEO spoke about options for members to pay their bills and how the Cooperative will promote the Portal program. Chad reminded the Board of the importance of being aware of suspicious e-mails. He spoke about a recent hack at another cooperative because of an employee's e-mail.

Capital Credit checks will be mailed starting November 30th. The Cooperative's President & CEO announced he will be attending classes for Project Management. The NRECA started a similar program and the Cooperative had one employee attend that online training.

The Cooperative's President & CEO answered questions about tree trimming, retired lines, OCRs and switches. He also gave an update on the affect COVID-19 has had and how the employees are handling things. He said due to cross training, the last wind storm was handled very well.

Continuing Business

Memberships

A motion was made and seconded to accept 61 new members for the month of October 2020. Motion carried.

Secretary/Treasurer Report

The Secretary and Treasurer's Report was reviewed.

PREA Board Meeting Report

Topics discussed at the PREA Board Meeting were presented.

Allegheny Board Meeting Report

A recap of the Allegheny Board Meeting was given.

COVID Update

The Cooperative's President & CEO gave an update on the status of employees and COVID-19. Temperature kiosks will be installed. Cleaning well and disinfecting continues.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve summary minutes of the September 29, 2020 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:

Sell, Neff & Associates letter

Thank you letter

Adjourn

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

Board Chairman adjourned the meeting at 6:42 p.m.