

REA ENERGY COOPERATIVE, INC.
SUMMARY MINUTES OF REGULAR BOARD MEETING
August 25, 2020

The regular meeting of the Board of Directors of REA Energy Cooperative, Inc. (the “Cooperative”) was held Tuesday, August 25, 2020, immediately following the REA Energy Services regular Board Meeting in the Team Building room 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 5:19 p.m. An invocation was given and the Board said the Pledge of Allegiance.

Roll Call

Board of Directors were present, including President & CEO, the Cooperative’s attorney, HR Administrator and Executive Assistant.

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 July 28, 2020 regular board meeting. Motion carried.

Additions to Agenda

There were no additions to the Agenda.

Special Presentations

Board Training Update

Director training was reviewed by the Cooperative’s HR Administrator. She provided each Director with a report of classes completed and what is needed to achieve their CCD, BLC or Gold certificates. She answered questions from the Board. She also announced that there was full Board participation with ACRE this year.

The HR Administrator was dismissed from the meeting at 5:33 p.m.

New Business

Annual Meeting Review

The Cooperative’s President & CEO talked about the format of the Cooperative’s first online Annual Meeting. The meeting will be held virtually on September 10th. The presentations for this year’s Annual Meeting will be pre-recorded. Chad answered questions from the Board.

Member concern

The Cooperative's President & CEO told the Board of Directors about a recent Right-of-Way complaint and how it was handled.

Compensation Committee

The Compensation Committee, which consists of the members from the Executive Committee, will meet on Thursday, September 3rd at 3:00 p.m.

Broadband – fiber ring

Board Chairman commented that the Broadband Meeting was very informative, and all involved did a great job. He said that due to the cost to build a Broadband network, a fiber ring is being considered first. Questions were asked and lengthy discussion continued. Assets, funding, business plans, maintenance and timelines were considered.

A vote was held to approve installing, depending on total costs, the fiber ring as discussed.

Latimer Substation

The Cooperative's President & CEO spoke about the need to upgrade transformers in the Latimer substation. He talked about the costs and going out for bid. He answered questions.

Budget change

The Cooperative's President & CEO reviewed the budget and with margins good, he asked for a change to the budget for Right-of-Way cutting on Smithport, Amsbry, Reese and Wilmore substations. Completing Right-of-Ways on those substations will complete the tree trimming cycle. There are still 20 miles on Smithport substation and another 20 miles on Amsbry substation.

A motion was made and seconded to approve a budget change for tree trimming on the mentioned substations. Motion carried.

Educational video

Due to a letter sent to members by a Board candidate, the Cooperative's President & CEO created an education video about the Cooperative's service charges, rates and compared our distribution charge to other electric utilities' charges. This will be shared with members on social media.

Disconnects

The Cooperative's President & CEO spoke about the moratorium put into place by Governor Wolf and how some members haven't paid their electric bill since the end of 2019. Disconnects may be permitted starting after Labor Day. The Cooperative's President & CEO explained the disconnection process. He answered some questions.

Youth Tour

The Cooperative's President & CEO shared new plans for the 2021 Youth Tour. Because of the proposed format, the trip may cost more and the Cooperative may have to reduce the number of students who are selected to attend. He will keep the Board informed.

PREA Online training

The Cooperative's President & CEO spoke with the Board about a recent Policy passed that limits Directors to two courses within 12 months. To achieve Gold status, Directors need to take three courses. The Cooperative's President & CEO asked the Board how they want to proceed now that more classes are being taken online. He talked about the cost difference between attending classes in-person or taking classes online. PREA is hosting classes at no extra cost during this time. Discussion followed on possible policy changes.

A motion was made and seconded to approve Directors to take three courses online. Motion carried.

Federated election

Voting in this year's election for Federated will be held online. The Cooperative's President & CEO asked the Board who they would like to appoint the voting delegate.

A motion was made and seconded to appoint the Cooperative's President & CEO as the delegate for voting. Motion carried.

New devices

The Cooperative's President & CEO announced Board of Directors will receive new tablets. Training will be held in groups of three with each session lasting two to three hours. He answered a few questions from the Board.

The Board Chairman declared a brief break at 6:59 p.m.

The meeting reconvened at 7:15 p.m.

Legal Update

The Cooperative's attorney an update on a Right-of-Way case. He said this will take months to get to a resolution.

President & CEO Report

The Cooperative's President & CEO spoke about PREA and NRECA in-person meetings have been cancelled and moved to online only. He said storms have happened later this year . Some supply chains haven had issues with inventory, but the Cooperative had increased orders at the start of the COVID-19 outbreak so we are okay with inventory items.

The Cooperative's President & CEO will give a presentation on KRTA's as soon as they're available. He announced that Employee Day will be different this year. There will not be group activities & individual lunches will be provided.

Lastly, the Cooperative's President & CEO gave an update on the work done at St Augustine substation. Access and parking have been moved and swale work is complete. The only work remaining is to raise the height of the fence.

Continuing Business

Memberships

A motion was made and seconded to accept 76 new members for the month of July 2020. Motion carried.

Secretary/Treasurer Report

Board Secretary reviewed the Secretary/Treasurer's Report.

Pandemic Update

The Cooperative's President & CEO gave an update on the status of employees and how the integration process is going. He answered a few questions.

Reports

The Board heard and discussed various business and activity reports.

A motion was made and seconded to approve summary minutes of the May 26 Board meeting. Motion carried.

A motion was made and seconded to approve summary minutes of the June 23 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:

NRECA Online Regional Week

Thank you letter

UUS letter

Adjourn

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

Board Chairman adjourned the meeting at 7:33 p.m.