

2024 Annual Meeting Minutes
Claverack Rural Electric Cooperative, Inc.
87th Annual Meeting of Members
Wyoming County Fairgrounds, Meshoppen, Pa.
August 28, 2024

MEETING MINUTES

The 87th Annual Meeting of Members of Claverack Rural Electric Cooperative, Inc., was held at the Wyoming County Fairgrounds, Meshoppen, PA, on Wednesday, August 28, 2024.

CHAIR GARY HENNIP called the annual meeting to order at 3:01 p.m. and welcomed the members to the Annual Meeting of Claverack Rural Electric Cooperative.

BRIAN ZEIDNER, Claverack's director of member services, led the Pledge of Allegiance, gave the invocation, and provided emergency evacuation/shelter information in case of inclement weather.

CHAIR HENNIP introduced special guests, the board of directors, CEO Steven Allabaugh, and Attorney Robert Chappell.

SECRETARY/TREASURER TIMOTHY TEWKSBURY read the Notice of Meeting and Proof of Mailing. Secretary Fairchild announced that the 2023 annual meeting minutes were available at the registration area, at the headquarters building located in Wysox, and could be viewed on Claverack's website. ***A motion was made and seconded to approve the 2023 annual meeting minutes as presented; motion carried.***

SECRETARY/TREASURER TEWKSBURY gave the Secretary/Treasurer's Report.

CHAIR HENNIP recognized Claverack participants in the 2024 NRECA Youth Tour held in Washington, DC: Laina Beebe, Ryan Jones, and Marisa Wise.

CHAIR HENNIP presented the Board Chair Report. Chair Hennip discussed the cooperative business mode and how it differs from other for-profit businesses. Chair Hennip explained that Claverack is member-owned and answers to its members not stockholders. Chair Hennip spoke of the formation of cooperatives in the 1930's to improve life in rural communities by providing access to electricity to families and farms. Much like Claverack provided electricity to rural families in the 1930's, the Cooperative is now providing broadband internet service to rural families who lack access to high-speed internet. With the assistance of some federal grants, we are providing broadband service to as many members as possible in a financially responsible manner.

CHAIR HENNIP introduced Steven Allabaugh, President & CEO.

CEO STEVEN ALLABAUGH presented the President and CEO's report and once again welcomed members to Claverack's 87th Annual Meeting at the Wyoming County Fair, reflecting on past meetings and the sense of community shared between county fairs and co-op gatherings. He acknowledged the fair staff for their support in hosting the event.

He highlighted the year's theme, "Making a Difference," mentioning ongoing efforts to enhance reliability and service. He recognized Claverack's linemen and staff for their dedication during recent storms. Major reliability improvements included continued investment in the right-of-way program, especially ash tree removal, which led to a reduction in outages and overtime. The \$5 ash removal charge (AARC) will be eliminated by year's end.

CEO Allabaugh reported that infrastructure investments continued, with drone inspections, pole replacements, and the construction of the new Herrick Substation. Fiber optic deployment remains a priority, with over 600 miles installed and 1,800 members now connected to high-speed internet. Grants totaling nearly \$7 million will help expand the fiber network and upgrade the distribution grid with smart reclosers and other devices.

CEO Allabaugh reported that the cooperative is financially stable, noting \$1.2 million in retired patronage capital and nearly \$60,000 in community contributions. He discussed the 2023 rate increase, citing reduced inflation and ROW costs, but warned of potential generation cost increases due to regional supply challenges in the PJM market that would likely impact rates in 2025.

He encouraged members to keep their contact information current to ensure they receive any unclaimed capital credits and concluded by thanking attendees and inviting them to visit with staff after the meeting.

CEO ALLABAUGH introduced Joshua Baublitz, Claverack's Right-of-Way Program Manager.

JOSHUA BAUBLITZ reported that in 2023 the Accelerated Ash Removal program was launched to remove dead and dying ash trees threatening Claverack lines. Contracted crews have removed over 32,000 to date, with the expected total of 40,000 at the end of the two-year program. This program has significantly reduced outages. He discussed the planned implementation of satellite imagery for smarter maintenance, supported by a Department of Energy grant administered by the PADEP. Mr. Baublitz discussed ongoing and emerging threats like the spotted lanternfly and Hemlock Woolly Adelgid but noted that the impact to Claverack from these is not expected to be as significant as that caused by the emerald ash borer. He emphasized the effectiveness of the cooperative's spray program in creating pollinator-friendly rights of way. He closed by urging attendees to help prevent the spread of invasive species when visiting quarantine zones.

CEO ALLABAUGH addressed questions/comments from the members:

- A member asked why Claverack limits solar panel incentives. CEO Allabaugh explained the recent changes to Claverack's alternative energy policy and the reasons behind the changes.

- A member stated that there has been a decrease in bees and butterflies in the Sugar Hollow area since it was sprayed a few years ago. Mr. Baublitz provided an overview of the herbicides that were used which wouldn't have had an effect as they are not harmful to pollinators. Mr. Baublitz asked the member to see him to discuss further specifics following adjournment.
- A member asked when Revolution would be coming to Susquehanna County area. CEO Allabaugh stated that installation of fiber in portions of Susquehanna County is planned in 2025/2026.
- A member stated that trees need to be removed along the lines along the roads. CEO Allabaugh shared the importance of rights of way clearing and Claverack's efforts to remove trees outside of the rights of way.
- A member attempted to make a statement but couldn't be heard. CEO Allabaugh followed up with the member following the adjournment of the meeting. The member suggested that Veterans be recognized for their service at future meetings.

ATTORNEY ROBERT CHAPPELL stated that the next order of business was the election of directors for Zones 4, 5, and 6. He reviewed those sections of the bylaws pertaining to the qualifications to serve on the board of directors. He thanked the members of the Credentials & Elections Committee for their service to the Cooperative and advised the membership that the purpose of the committee is to oversee the director election process, including reviewing candidate petitions, validating candidate eligibility, counting ballots (if necessary), and handling objections or protests related to the election.

ATTORNEY CHAPPELL reported the following incumbents ran unopposed: Zone 4 — Gary L. Hennip, Zone 5 — Robert W. Fearnley, and Zone 6 – Timothy T. Tewksbury. Due to this year's election being uncontested, the Credentials & Elections Committee decided to dispense with formal balloting and cast a unanimous ballot at today's annual meeting on behalf of the sole nominee for each zone. Therefore, effective August 28, 2024, Gary L. Hennip, Robert W. Fearnley, and Timothy T. Tewksbury stand elected immediately to serve a three-year term.

A motion was made and seconded to accept all meeting reports as presented; motion carried.

A motion was made and seconded to adjourn the meeting at 4:11 p.m.; motion carried.