

2021 Annual Meeting Minutes
Claverack Rural Electric Cooperative, Inc.
84th Annual Meeting of Members
Claverack Headquarters Office, Wysox, Pa.
August 25, 2021

MEETING MINUTES

The 84th Annual Meeting of Members of Claverack Rural Electric Cooperative, Inc., was held at the Claverack Headquarters Office, Wysox, Pa., on Wednesday, August 25, 2021.

CHAIRMAN CHARLES BULLOCK called the annual meeting to order at 9:00 a.m. Due to COVID-19 restrictions, the annual meeting was held online via videoconference at the cooperative headquarters with the board of directors, senior management, and the cooperative attorney in attendance in person.

BRIAN ZEIDNER, Claverack's director of member services, gave the invocation.

CHAIRMAN BULLOCK introduced the board of directors, CEO Steven Allabaugh, and Attorney Robert Chappell.

VICE SECRETARY/TREASURER CHARLES MCNAMARA read the Notice of Meeting and Proof of Mailing. Vice Secretary McNamara announced that the 2020 annual meeting minutes were included in the annual report, which was published in the August *Penn Lines* and mailed to each member. ***A motion was made and seconded to approve the 2020 annual meeting minutes as presented; motion carried.***

VICE SECRETARY/TREASURER MCNAMARA gave the Secretary/Treasurer's Report.

CHAIRMAN BULLOCK presented the Chairman of the Board Report. Chairman Bullock stated that 2020 was certainly a challenging year due to COVID-19 and its lasting impacts continue to be felt this year. He reported that the board is made up of a diverse group of people with experience in a variety of professional and community activities. The cooperative continues to be in an excellent overall position. The board works closely with management to implement policies that reflect the best interest of the cooperative. The Board looks for ways to improve the lives of those we serve, such as the broadband project, the advanced metering system upgrade, and the use of cutting-edge technologies such as drones in day-to-day business operations. The board remains committed to the fundamental issues, such as competitive rates, reliability, and service to the members. During the pandemic, Claverack assisted members in need through the HOPE program and supporting local food pantries. In 2020, \$1.7 million in capital credits was refunded to current and former members of the cooperative. Chairman Bullock noted that since 2011, Claverack has returned over \$12.4 million in capital credits.

CHAIRMAN BULLOCK introduced Steven Allabaugh, President & CEO.

CEO STEVEN ALLABAUGH presented the President & CEO's report. CEO Allabaugh stated that he is honored to have been selected as CEO after a nationwide search for the replacement of long-standing President & CEO Bobbi Kilmer. 2020 was a year of challenge and hardship for us all. With the need of employees working remotely and modified crew schedules in early 2020, the employees continued to serve the members and kept the lights on. One of the Cooperative principles is "concern for community". In response to the pandemic, Claverack's HOPE Program was expanded to assist more members with help paying their electric bill when struck by financial hardship. Along with assisting members in this way, the Cooperative also donated nearly \$20,000 to local food banks. CEO Allabaugh stated that the pandemic also brought to light the importance of high-speed internet. Since 2016, the Claverack board of directors has investigated how the cooperative may be able to assist in providing internet access in the cooperative territory – much like electricity was provided in the mid-1930's. After significant research and study, it was determined that without additional financial support, it was not financially feasible. CEO Allabaugh reported that in 2020 the Federal Communications Commission announced the Rural Digital Opportunity Fund which provided funding to build broadband in unserved or underserved rural areas like much of Claverack's territory. Claverack was successful in securing over \$31,000,000 to build approximately 1,500 miles of fiber optic lines which will pass approximately 8,500 locations in portions of Bradford, Susquehanna, and Wyoming Counties. This funding does not allow Claverack to serve all members. The project is expected to take place over the next five to six years, beginning in early- to mid-2022. Construction of a fiber optic network will also provide many benefits to the operation of the electric system. The Cooperative was impacted in 2020 by some storms as well as continued outages caused by the mass die-off of ash trees throughout our region caused by the Emerald Ash Borer. CEO Allabaugh reported that the board of directors allocated an additional \$1,000,000 (split between 2021 and 2022) above the typical \$2,400,000 annual right of way maintenance budget to assist with the removal of ash trees. The deployment of the next generation metering system began in 2020, which will allow better outage response and enhanced information about electric usage to our members, and the first electric vehicle was added to the fleet to assist in educating ourselves and members about EV's. CEO Allabaugh reported that rates have remained stable and barring unforeseen circumstances, there is not a significant rate change expected through 2022.

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 25, 2021, 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 9:28 a.m.; motion carried.