

2022 Annual Meeting Minutes
Claverack Rural Electric Cooperative, Inc.
85th Annual Meeting of Members
Wyoming County Fairgrounds, Meshoppen, Pa.
August 31, 2022

MEETING MINUTES

The 85th Annual Meeting of Members of Claverack Rural Electric Cooperative, Inc., was held at the Wyoming County Fairgrounds, Meshoppen, PA, on Wednesday, August 31, 2022.

CHAIRMAN ROBERT FAUX called the annual meeting to order at 3:03 p.m and welcomed the members to the Annual Meeting of Claverack Rural Electric Cooperative.

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

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

SECRETARY/TREASURER CHARLES MCNAMARA read the Notice of Meeting and Proof of Mailing. Secretary McNamara announced that the 2021 annual meeting minutes were available at the registration area, at the headquarters building located in Wysox, and can be viewed on Claverack's website. *A motion was made and seconded to approve the 2021 annual meeting minutes as presented; motion carried.*

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

CHAIRMAN FAUX presented the Chairman of the Board Report. Chairman Faux reported that Claverack serves approximately 2,800 miles of line with nearly 19,000 energized meters - under seven meters per mile. The emerald ash borer negatively impacted reliability due to dead and dying danger trees falling on lines. The Board has taken aggressive steps to combat the issue, including increasing the rights-of-way (ROW) budget and hiring a forester to assist with the tree threats. Claverack is also employing drone technology to identify danger trees. After substantial consideration and review, Claverack created Claverack Communications LLC to provide broadband services. This new service will provide members access to additional business and educational opportunities. The installation of a fiber network will benefit the cooperative electrical system and substations. Management continues to review funding opportunities to assist in the growth of the broadband project to serve additional members. Chairman Faux provided an overview of Allegheny Electric Cooperative, a generation and transmission cooperative owned by Pennsylvania/New Jersey distribution cooperatives. Allegheny owns generation assets that provide approximately 60% of member's energy supply at stable rates, and the remaining 40% is purchased on the market. While some neighboring providers have had substantial generation rate increases, Allegheny and Claverack continue to be able to supply electricity at competitive rates below the market costs of other utilities. In closing, Chairman Faux stated that the Board continues to focus on Claverack's mission statement – "provide safe and reliable energy and other valuable services to those we serve."

CHAIRMAN FAUX introduced Steven Allabaugh, President & CEO.

CEO STEVEN ALLABAUGH presented the President & CEO's report. CEO Allabaugh touched on the most devastating system-wide storm in the history of Claverack that hit the territory in April. The cost of the storm was over \$1.8 million. In addition to this significant storm, the cooperative has been experiencing a higher rate of outages in recent years due to trees contacting the lines, with most being the result of decaying ash trees killed by the emerald ash borer. Damage to ash trees began around 2015, with an annual ROW budget of approximately \$1.5 million. Since then, there has been an annual increase in the ROW budget each year, and this year the cooperative is expected to spend over \$3.7 million – almost \$240 per member. As of today, 8,000 dead or dying trees have been cut. An additional contract crew has been hired to assist in removing the trees. In 2023 we plan to shorten the vegetation management cycle by two years with most of the effort focused on removing dead and dying ash trees. CEO Allabaugh explained that there are many dead and dying ash trees located outside our standard 40-foot ROW that have been identified as potential threats to the electric lines. Because of the number of these trees, they will be cut and left on the member's property. Due to the time and additional expenses involved, the members are being asked to assist with clean up. Claverack's Forester has estimated that there were more than 50,000 ash trees within striking distance of Claverack's lines, averaging approximately eighteen trees per mile of line. CEO Allabaugh explained the breakdown of an electric bill – generation/transmission and distribution; and reported on the increase in cost and delay of needed materials and equipment. Fortunately, unlike some neighboring utilities, Claverack has been able to hold the current rates through 2022 but expects impacts in 2023. A rate study will be conducted later this year. CEO Allabaugh noted in 2020 Claverack was awarded over \$31 million in federal funding to assist in constructing approximately 1,500 miles of fiber-optic network and was also awarded \$1 million in state funding. These funds will assist in building a network to enhance electric service and provide broadband service to Claverack members. Some members are not included in the funded areas, but it is the goal of the Board and management to continue to search for funding avenues to assure that all unserved or underserved members have access to adequate high-speed broadband service. Claverack Communications was created and our broadband service "Revolution Broadband" was established. Members are encouraged to "Register Your Interest" and learn about our services by visiting Claverack Communications website – www.revolutionbroadband.net. Construction of the first three hundred miles (Lime Hill and Herrick substation areas) and main data center began in late July.

CHAIRMAN FAUX called for questions/comments, and CEO Allabaugh responded to the members.

- A member said thank you for the \$20 bill credit and \$25 meal vouchers provided and stated that she feels the Cooperative still cares for the members.
- A member stated that a new AMI meter has been installed and wanted to know if they still needed to report outages. CEO Allabaugh replied and asked that all members call in all outages and do not assume that we are aware of it.
- A member asked how many members are using solar and wind as an alternative source. CEO Allabaugh replied that there were approximately one hundred members with alternative sources.

- A member asked why we report “due to Penelec” when showing the cause of an outage. CEO Allabaugh explained that Claverack uses Penelec transmission lines to get the power to Claverack’s substations, therefore when they are experiencing an outage on the transmission line, we then experience an outage.
- A member commented that along with the ash trees, the evergreen trees are now dying.
- A member commented on how helpful the Claverack website’s outage map is.
- A member said thank you for quick restoration response.
- A member asked about the natural gas generation plant planned for Wyalusing. CEO Allabaugh replied that it was not in Claverack territory.
- A member said thank you for providing broadband services to the membership and asked if an ash tree goes down and takes both electric and fiber lines down, how long would it take to repair the fiber. CEO Allabaugh responded stating that as we do with the electric restorations, the fiber would be restored as quickly as possible.

ATTORNEY ROBERT CHAPPELL stated that the next order of business was the election of directors for Zones 7, 8 and 9. 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 7 — Charles R. Bullock, Zone 8 — Charles R. McNamara, and Zone 9 – Anthony J. Ventello. 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 31, 2022, Charles R. Bullock, Charles R. McNamara, and Anthony J. Ventello 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 4:20 p.m.; motion carried.