

REA Energy Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey



Chad Carrick
President & CEO

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Indiana Operations Manager
- Erin Bauer**
ACRE Coordinator
- Shane Cribbs**
Network & Systems Manager
- Dave Daugherty**
Safety & Right of Way Manager
- Jeff Dishong**
Ebensburg Operations Supervisor
- Lisa Gardill**
Accounting & Finance Supervisor
- Stacy Patterson-Hilliard, CCC**
Communications & Marketing Supervisor
- Local Pages Editor**
- Chris Masterson**
Reliability Supervisor
- Patrick McAndrew**
Manager of Engineering
- Bryon Roland**
Purchasing & Facilities Supervisor
- Brendan Short**
Right-of-Way/Forestry Supervisor
- Renee Spalla**
Supervisor of Consumer Services
- Chris Weller**
Load Management Supervisor
- Outages & Emergencies**
1-800-332-7273
724-463-7273
- Office Hours**
Indiana Office: 7 a.m. - 3:30 p.m.
Ebensburg Office:
7 - 11 a.m. and 11:30 a.m. - 3:30 p.m.
Monday - Friday

From the President & CEO



80 years young

By Chad Carrick

NOT TOO many companies can boast that they have been around for 80 years. However, REA Energy is celebrating its 80th birthday this year. In fact, many of the 900 cooperatives in the United States are close to that 80-year accomplishment. Most electric cooperatives started in the late 1930s or early 1940s and are still going strong after all these years.

We are truly proud to be an 80-year-old company, and also that through the years we have always remained “Cooperative Strong” by putting our members first and adhering to our cooperative principles.

Today, the cooperative business model has a home in many industries, including electric generation and transmission, technology, agriculture, such as the Allied Milk Producers, and more recently, food cooperatives. The cooperative business model is as healthy today as it was in 1937. There are still electric cooperatives forming today in South America and Africa.

Cooperatives were truly developed to fulfill a business need where for-profit businesses could not fulfill that need.


Modern-day cooperatives got their start from the Rochdale Society of Equitable Pioneers in Rochdale, England. This society was founded in 1844 and became the first successful cooperative enterprise by following the seven “Ro-

chdale Principles.” These are:

- ▶ Voluntary and open membership
- ▶ Democratic member control
- ▶ Member economic participation
- ▶ Autonomy and independence
- ▶ Education, training and information
- ▶ Cooperation among cooperatives
- ▶ Concern for community

We believe the seven principles are the reason why electric cooperatives have lasted for so long. In fact, before each board meeting we read at least one principle to ensure we remember our roots and the building blocks that have made us so successful.

My favorite principle is “Democratic member control.” This one principle means that every cooperative is democratic — each member gets one vote and one vote only for the board of directors. This principle ensures members have a say in the way their cooperative operates through their directors — who are members themselves. Hundreds of electric cooperatives have been able to overcome challenges and threats for decades by following these principles.

The cooperative business model is designed to overcome our future challenges and obstacles. No matter what the challenges and opportunities are in the future, we know that following our cooperative principles, putting members first, and being Cooperative Strong will ensure we are here for another 80 years. 

Annual meeting wrapup

By Stacy Hilliard, CCC,
Communications & Marketing Supervisor

REA ENERGY Cooperative, Inc. (REA) held its 80th annual meeting Sept. 21 at the Kovalchick Convention and Athletic Complex, Indiana, Pa. Nearly 300 members and guests attended the meeting.

The Credentials and Elections Committee, who registered members for the meeting, included: Virginia Farabaugh (chairman), John (Tom) Brady, Karl Emerich, R. Michael Keith, Richard Knapko, Shelby Miller, John Stahlman, C. LeeRoy Vatter and Michael Wirfel.

This year, two board positions were up for election. District 5 incumbent Robert Neese and District 6 incumbent John Learn both ran unopposed and were declared re-elected for their respective districts.

use of cooperative facilities during their butter and cheese sales, and they wanted to return the favor to the cooperative.

Bertolino discussed the educational requirements of a director to keep current with electric industry issues. All incumbent directors currently have a Credentialed Cooperative Director cer-

A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, aspirations, and cultural needs through a jointly-owned and democratically-controlled enterprise”

tification and most have earned a Board Leadership Certificate.

He then honored Jack Rising, who resigned from the District 7 board position in early 2017 after 22 years of service. During his tenure, Rising obtained various certifications from the National Rural Electric Coopera-

so, a cooperative member since 1981, is very involved in the community. He also has prior board experience, having served on the Indiana County Fair Board since 2002.

Thanking members for attending the cooperative’s 80th annual meeting, Carrick stated cooperative leaders are proud of the cooperative’s longevity and that through those years, the cooperative has always remained “Cooperative Strong” by putting our members first and adhering to our cooperative principles.

Carrick presented a brief history of REA Energy Cooperative, Inc. (formerly Southwest Central Rural Electric). Sterling Orange, who was also the cooperative’s first general manager, went to rural areas to encourage residents to join the cooperative for \$5, that same amount that today’s members pay to join the cooperative. In 1937, the cooperative had just 91 members and 35 miles of line. Today, our membership stands at approximately 18,650 with almost 2,660 miles of line.

Carrick reviewed the past managers/CEOs and noted the challenges they faced, including deregulation, wholesale power costs, load management, technological advances, starting our subsidiary and programs, and succession planning. Through it all, he said, we stayed Cooperative Strong and succeeded.

Currently, he added, REA Energy is facing a challenge we have not encountered in our long history — declining memberships and revenue. The good news is that through good management and board oversight, we were still able to meet all our financial obligations.

Next Carrick highlighted the many value-added benefits provided to its members, including: water heater program, heating programs, members-in-need programs, energy consultations and the Co-op Connections Card program. He also reviewed the member portal introduced in 2016, which allows members to pay their monthly electric bills and manage their account online.

He ended his presentation with a look to the future and some of the is-



CO-OP LEADERSHIP: REA Energy Cooperative leaders include, front row, from left: former director James Harteis; Rick Shope; John Learn (re-elected to District 6); Sam Eckenrod; Herman Blakley; and Wayne Farabaugh, vice chairman. Back row, from left: Chad Carrick, president & CEO; Michael Bertolino, chairman; Anthony Enciso (appointed to District 7); and Robert Neese, secretary/treasurer (re-elected to District 5).

Board Chairman Michael Bertolino and President & CEO Chad Carrick gave presentations regarding the cooperative.

Bertolino thanked the members for attending the annual meeting and the Allied Milk Producers for providing an ice cream treat for attendees. REA Energy allows Allied Milk Producers the

ative Association (NRECA). Rising is a World War II veteran who served under General George S. Patton in Normandy. He was also good friends with Jimmy Stewart, and the two men flew together during the war.

Bertolino closed by introducing Anthony Enciso, who was appointed to represent members of District 7. Enci-



REA SERVICES: Members engage with employees about the products and services available through our subsidiary, REA Services, including the water heater program, HVAC, electrical contracting, generators, and tree trimming.

sues/changes that he predicts may affect the cooperative:

- ▶ A continuing decline of membership, but growth in revenue due to the developing gas industry;
- ▶ A continuing effort to get our rights-of-way back to their original condition and keep them that way. This is an expensive endeavor, but it will increase our reliability and safety;
- ▶ Continued installation of solar energy and battery storage facilities. This could change our rate structures in order to ensure everyone pays their fair share; and
- ▶ Continued lack of representation or under representation in broadband. We believe getting rural areas on par with our urban neighbors will attract young people to our rural area. This situation is not much different than the lack of electricity in rural areas in 1937.

Carrick closed by stating that no matter what the future holds in terms of challenges and opportunities, we know that following our cooperative principles, putting members first, and being Cooperative Strong will ensure we are here for another 80 years.

Evan Marino, a student from West Shamokin High School recapped his experience on the 2017 Rural Electric Youth Tour. Evan was one of 14 students from the REA Energy service territory who spent a week this past summer

in Washington, D.C., with over 1,800 students from across the country.

Guest speaker Mauria Matthews, vice president – strategic & corporate services at the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc., spoke about cybersecurity and cooperatives.

Some lucky members won one of several door prizes, including the grand prize — a large screen television — won by Clayton and Gloria Lamer. The winners of two \$100 checks for participating in Operation Round-Up® were Connie and Leroy Pershing and



GRAND PRIZE WINNERS: Clayton and Gloria Lamer took home the grand prize, a 55-inch Samsung smart television. Join us next year; you could be this lucky!

Gary and Nonna Randal.

Following the meeting, the board met and elected officers for 2017-2018. They are: Michael Bertolino, chairman; Wayne Farabaugh, vice chairman; and Robert Neese, secretary/treasurer. Neese remained the Allegheny director as part of a two-year term and Rick Shope was elected as the PREA director. ☀



YOUTH TOUR: REA Energy-sponsored 2017 Rural Electric Youth Tour students include, from left: Gina Miller, Rachel Hall, Matthew Behe, Charlie Beatty, Logan Crooks, Evan Marino, Sarah McAndrew and Mariah Farabaugh.

Director position opening

Due to a vacancy on the board of directors, REA Energy Cooperative, Inc. (REA) is seeking applicants to fill the next several months of the unexpired term from District 4. A special election will be held in September 2018 to serve out the remainder of the term.

Interested members from District 4 who meet the qualifications summarized below are encouraged to submit a detailed letter and résumé expressing their interest and explaining their unique abilities for serving as a director to REA Energy Cooperative, Inc., Attention: Stacy Hilliard, Communications & Marketing Supervisor, P.O. Box 70, Indiana, PA 15701 or email to: reaenergy@reaenergy.com.

Applicant information must be received at REA's Indiana headquarters office by 3:30 p.m. on Nov. 17, 2017. If you have any questions regarding the qualifications for appointment to the board of directors or District 4 boundaries, please call Stacy at 724-349-4800, extension 5874, or 1-800-211-5667, extension 5874.

SUMMARY OF DIRECTOR QUALIFICATIONS:

To be eligible for director candidacy, individuals must meet the following criteria and all other guidelines listed in the cooperative's bylaws:

- ▶ Be at least 18 years old;
- ▶ Signed and submitted an application for membership at primary residence;
- ▶ Received electric service at primary residence continuously for the past year;
- ▶ Not be employed by, or financially interested in, any business in competition with REA;
- ▶ Never been an employee of REA or any electric cooperative or association;
- ▶ Not a close relative of a director or employee of REA;
- ▶ Have paid all balances due REA within 90 days of billing during the previous one-year period;
- ▶ Have not been convicted of theft of services from REA; and
- ▶ Have not been convicted of, or pled guilty to, a felony or crime of moral turpitude.

Complete director qualifications are detailed in the cooperative's bylaws in Article III, Section 2. (a).

Further information on qualifications can be obtained from Stacy Hilliard at the phone numbers listed above.

District 4 encompasses members who live in Cambria, Jackson and Munster townships in Cambria County; and East Wheatfield and West Wheatfield in Indiana County. If you are interested in potentially serving on the board, but are unsure what district you live in, please call the office at one of the previously listed numbers.

The board of directors will consider all qualified applications and will determine appropriate next steps in its process of appointing someone to fill this position, including potential interviews, depending on the response to this notice.

Right-of-way management/facility construction news

REA Energy contractors will be completing tree-trimming work in the following areas in November:

- ▶ Contractor crews from Asplundh Tree Expert Co. will be trimming the rights of way of the Washington, Belsano, Kenwood and Strongstown substations' areas, in addition to emergency maintenance areas. Crews from Penn Line Service will be trimming the right-of-way of the St. Augustine Substation area.

Notification of work will be made to members in the areas affected. Contractors will perform all right-of-way work per REA Energy specifications. All crews will carry cards and have magnets on their vehicles identifying them as REA Energy contractors.

If you have any questions, call 724-349-4800, or you can view the specifications online at: www.reaenergy.com.

REA Energy will be closed Friday, Nov. 10, 2017, in observance of Veterans Day and Thursday, Nov. 23, 2017, in observance of Thanksgiving Day.

Your Board of Directors



Michael J. Bertolino
Chairman
District 3



Wayne Farabaugh
Vice Chairman
District 8



Robert P. Neese
Secretary/Treasurer
District 5



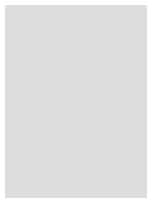
Herman Blakley
District 9



Sam Eckenrod
District 1



Anthony Enciso
District 7



Vacant
District 4



John R. Learn
District 6



J.R. "Rick" Shope
District 2