

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

March 7, 2017

Pursuant to proper notice duly provided to all Directors, the regular meeting of the Directors of the New Hampshire Electric Cooperative, Inc. (NHEC) was held March 7, 2017, at the Cooperative's Pemi Board Room in Plymouth, NH.

Directors present were Joseph Kwasnik, Joan Aubrey, Charles Braxton, Kenneth Colburn, Sharon Davis, Carolyn Kedersha, Thomas Mongeon, David Talbot, Georgie Thomas and Harry Viens. Director Bruce Wiggett participated by telephone. Others present were Steven Camerino, President/CEO; Jim Bakas, VP of Operations & Engineering; Dena DeLucca, VP of Corporate Services; Judy Gove, VP of Member Services and Community Relations; Brenda Inman, VP of Financial Services/CFO; Steve Kaminski, VP of Power Resources & Access; Craig Snow, VP of Energy Solutions; Mark Dean, Attorney; Guy Ford, Corporate Risk and Compliance Executive; Frank Parks, Safety Administrator; Jay Hutchison, Engineering Projects Manager; John Allen, Cooperative Member; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Kwasnik called the meeting to order at 10:25 a.m.

Approval of Minutes and Agenda Review

The minutes of the Board Meeting of January 31, 2017, and the Special Meeting of February 22, 2017, were reviewed. Upon motion of Mr. Viens, seconded by Mr. Talbot, it was

VOTED: To adopt the minutes of the January 31, 2017, and February 22, 2017, meetings of the Board of Directors as presented.

Vote for the motion was unanimous.

No changes were made to the agenda.

Safety Moment

Mr. Parks presented the Safety Moment and addressed questions on the topic of rubber gloving.

Mr. Parks left the meeting at 10:36 a.m.

Chairman's Report

Chair Kwasnik mentioned a presentation at the National Rural Electric Cooperative Association (NRECA) Annual Meeting on the pace of technological change and how this fits in with NHEC's strategic planning process.

At the request of Chair Kwasnik, John Allen, an NHEC member and a member of this year's Nominating Committee, introduced himself.

President's Report

Mr. Camerino presented the President's Report, reviewing a dashboard of key operating metrics for safety, various financial measures, the balanced scorecard and service reliability. He also mentioned that this week is NH Energy Week and he was invited to speak on a panel in Concord tomorrow.

Strategic Planning

The chairs of the strategic planning subgroups (Brenda Inman – Financial Stability; Jim Bakas – Business Model; Dena DeLucca – Organizational Effectiveness and Craig Snow – Voice of the Member) each provided a brief update on the work of their respective groups. Chair Kwasnik advised that the Steering Committee will be meeting periodically to help ensure there is coordination among the subgroups.

Mrs. Inman mentioned that CFC has a director webinar series and the topic on March 16th is Aligning Financial and Strategic Planning. A copy of the link to register for the webinar will be e-mailed to directors.

Mr. Mongeon asked about setting up a drive to share documents during the strategic planning process. Mr. Camerino replied that our IT department is looking into options for something that is secure.

Mr. Hutchison joined the meeting at 10:50 a.m.

Mr. Camerino next provided an update on the work being done to develop a new vision statement for NHEC. He discussed what we are looking for in a vision and reviewed four proposed vision statements the Steering Committee wanted to share.

There was discussion on the four proposed vision statements. It was agreed that before adopting a new vision statement it is important to get some member feedback and that will be the next step. Mr. Viens indicated he has a resource with some utility background who could assist with the process and he will provide that contact information to Mr. Camerino.

Corporate Services Committee

Committee Chair Davis called on Ms. DeLucca who presented the proposed minimum, target and stretch goals of 73, 75 and 77, respectively, for NHEC's 2017 Balanced Scorecard American Customer Satisfaction Index (ACSI) measurement. She discussed reasons for keeping the target the same as 2016.

Upon motion of Mr. Braxton, seconded by Mr. Talbot, it was

VOTED: That the Board of Directors approves the finalized 2017 Balanced Scorecard as presented.

Vote for the motion was unanimous.

As a follow-up from last month's Board meeting, Chair Davis reported that NHEC's Director's and Officer's Liability insurance has been renewed.

Committee Chair Davis noted that the next Corporate Services Committee meeting is scheduled for March 27th.

Member Solution Committee

Committee Chair Aubrey indicated that the Member Solutions Committee met on February 22nd and again this morning. She noted that the minutes from those meetings would be available for the next Board meeting and the next Member Solutions Committee meeting is scheduled for April 19th.

Audit Committee

Committee Chair Wiggett stated that the Audit Committee has not met since the last Board meeting and the next meeting is scheduled for March 28th. He called on Mr. Ford who gave a brief update on NHEC's SOC 2 Audit and addressed questions.

Power Resources & Access Committee

Committee Chair Thomas indicated that the Power Resources & Access Committee has not met since the last Board meeting and the next meeting is scheduled for March 27th.

Mr. Kaminski reported on the recent National Renewables Cooperative Organization (NRCO) board meeting.

In response to the question raised at the last Board meeting about why NHEC's Moultonborough Solar Project did not qualify for a rebate or grant under the Renewable Energy Fund, Mr. Kaminski explained that utilities are excluded from eligibility.

Attorney's Report

Attorney Dean advised that he would have a couple of items for Executive Session. He reported on activity at the legislature, including the bill related to Renewable Portfolio Standards (RPS) compliance costs and bills relating to utility property tax valuation. He also provided brief updates on the net metering and Energy Efficiency Resource Standards (EERS) dockets at the New Hampshire Public Utilities Commission (NHPUC) and discussed an episode where contractors for a competitive supplier misrepresented themselves.

In response to a question regarding follow-up with the member who addressed the Board at its last meeting, Mrs. Gove stated that she sent the member a letter.

Engineering & Operations Committee

Committee Chair Viens stated that the Engineering & Operations Committee has not met since the last Board meeting and the next meeting is scheduled for May 17th.

Mr. Bakas introduced Mr. Hutchison, noting that he will be retiring April 7th. Mr. Hutchison reviewed highlights of projects that were accomplished in the 2016 Capital Construction Budget and addressed questions.

Mr. Mongeon expressed his appreciation for the feasibility study on the Moultonborough Solar project.

Board General Session

Board Tracking Report

No changes were made to the Board Tracking Report. Mr. Camerino addressed a question, stating that work is progressing on the re-writing of the Terms and Conditions to make them more user friendly taking one section at a time.

Committee Meetings

Following is a list of upcoming committee meetings:

- Power Resources & Access Committee – March 27th at 9:00 a.m.
- Corporate Services Committee – March 27th at 10:30 a.m.
- Audit Committee – March 28th at 9:30 a.m.
- Member Solutions Committee – April 19th at 9:00 a.m.
- Engineering & Operations Committee – May 17th at 9:00 a.m.

NRECA Report

Mr. Colburn presented the National Rural Electric Cooperative Association (NRECA) Report, discussing the outcome of the NRECA officer election and reporting on the recent Annual Meeting, including some of the presentations and resolutions.

There was a brief discussion regarding attendance at conferences and the difficulty in determining those that would be most beneficial when a detailed agenda is not available much in advance of the meeting.

NHEC Foundation Report

NHEC Foundation Chair Davis stated that the NHEC Foundation board has not met since the last Board meeting. The next meeting is scheduled for March 28th.

Mrs. Gove provided an update on the February 25th Mobile Food Pantry in Colebrook, reporting that 201 families were served.

Expense Reports

Chair Kwasnik noted that expense reports were circulated.

A brief recess was taken at 12:25 p.m. Messrs. Allen and Hutchison left the meeting at this time. The meeting reconvened at 12:35 p.m.

Executive Session

Upon motion of Mr. Kwasnik, seconded by Mr. Talbot, it was

VOTED: That the Board of Directors move into Executive Session for the purpose of discussing legal/litigation issues, confidential commercial information, and confidential personnel matters.

Vote for the motion was unanimous and the Board entered Executive Session at 12:35 p.m.

Adjournment

The Board moved out of Executive Session and Chair Kwasnik adjourned the meeting at 1:50 p.m.

Joan Aubrey, Secretary

A TRUE COPY ATTEST:

Joseph Kwasnik, Chair of the Board