

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

March 28, 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 28, 2017, at the Cooperative's Pemi Board Room in Plymouth, NH.

Directors present were Joan Aubrey, Charles Braxton, Kenneth Colburn, Sharon Davis, Carolyn Kedersha, Thomas Mongeon, David Talbot, Georgie Thomas, Harry Viens, and Bruce Wiggett. Others present were 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; and Sharon Yeaton, Executive Services Administrator (recording). Steven Camerino, President/CEO participated by telephone.

Vice Chair Mongeon called the meeting to order at 11:19 a.m. He announced that Chair Kwasnik's mother passed away yesterday and requested a moment of silence.

Approval of Minutes and Agenda Review

The minutes of the Board Meeting of March 7, 2017, were reviewed. Upon motion of Mr. Braxton, seconded by Mr. Talbot, it was

VOTED: To adopt the minutes of the March 7, 2017, meeting of the Board of Directors as presented.

Vote for the motion was unanimous.

No changes were made to the agenda.

Safety Moment

Mr. Braxton presented the Safety Moment discussing a shopping list of safety items for the four seasons, indicating that copies were e-mailed to directors earlier today.

Chairman's Report

Vice Chair Mongeon noted that there is no Chairman's Report this month.

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 mentioned that we continue to look at the material provided in the board package in an effort to make it as useful as possible and drew attention to changes to the Member Sales Report, Attachment #4.

In response to a question, Mr. Camerino discussed his participation in a panel at the NH Energy breakfast earlier this month.

There was a brief discussion on the positive member feedback from the recent storm, the assistance NHEC received from Vermont Electric Cooperative, Eversource and other contractors, as well as the meals provided by The Village Kitchen restaurant and other acts of kindness shown by members.

Strategic Planning

The chairs of the strategic planning subgroups (Jim Bakas – Business Model; Craig Snow – Voice of the Member; Dena DeLucca – Organizational Effectiveness and Brenda Inman – Financial Stability) each provided a brief update on the work of their respective groups.

Engineering & Operations Committee

Committee Chair Viens noted that the Engineering & Operations Committee has not met since the last Board meeting, but Mr. Bakas will provide an overview of Winter Storm Stella.

Mr. Bakas discussed the damages caused by Winter Storm Stella and NHEC's restoration efforts, reporting that at the peak of the storm about 15,000 members were without power. He ran a slide show of photos showing some of the extensive damage caused by the storm and addressed questions. He mentioned that we don't yet know if the storm will be FEMA reimbursable.

Referring to the Moultonborough Solar Project, Mr. Bakas advised that final approval was received from the Environmental Protection Agency (EPA) and the project is on schedule.

Power Resources & Access Committee

Committee Chair Thomas noted that the Power Resources & Access Committee met on March 27th and reviewed Board policies B-2, Attachment E and B-27 and recommends they be reaffirmed. Upon motion of Mr. Braxton, seconded by Mr. Wiggett, it was

VOTED: That the Board of Directors reaffirms Board Policies B-2, Attachment E – Power Resources & Access Committee and B-27 – Wholesale Power Resources and Related Environmental Products and Risk Policy.

Vote for the motion was unanimous.

Committee Chair Thomas stated that a detailed review of power resources was also covered at the meeting and most directors were present or on the phone for that meeting.

Mr. Kaminski reported that National Grid today announced plans for a high-power transmission line linking Canada to New England. He stated that a link to the public announcement would be e-mailed to directors.

Mr. Kaminski commented that there was also discussion at the Committee meeting about the Demand Response (DR) program and a recommendation is included in the Corporate Services Committee resolution on rates.

Corporate Services Committee

Committee Chair Davis reported on the March 27th Corporate Services Committee meeting. She mentioned the proposal for the write-off of uncollectible accounts and drew attention to the resolution in the Board packet, Attachment #12. Upon motion of Mr. Braxton, seconded by Mr. Talbot, it was

VOTED: That the Board of Directors authorizes a write-off for uncollectible accounts in the sum of \$123,052.31 covering accounts which were closed during the six-month period of April 2016 through September 2016, as well as bankruptcy filings through February 28, 2017, and directs the staff to continue to attempt recovery of these uncollected accounts.

Vote for the motion was unanimous.

Committee Chair Davis stated that the committee also received a presentation on the proposed rate change and everyone received a copy of that information in the Corporate Services Committee packet. Upon motion of Mr. Braxton, seconded by Mr. Talbot, it was

VOTED: That the Board of Directors authorizes management to set the Co-op Power and Regional Access Charges and the Net Metering Above the Cap Exported Energy Credits related to Co-op Power, Regional Access and Delivery as recommended in the proposal on a bills-rendered basis effective May 1, 2017. The Board of Directors also authorizes management to discontinue the Peak Planner program as presented.

Mrs. Aubrey requested that revisiting the two policy assumptions used in the Above the Cap Net Metering be added to the Board Tracking Report. This was agreed to.

Vote for the motion was unanimous.

Committee Chair Davis next drew attention to the 2016 Balanced Scorecard (BSC) Success Sharing recommendation, Attachment #11 in the Board packet. Mr. Camerino briefly discussed the 2016 BSC results. Upon motion of Mr. Braxton, seconded by Mrs. Aubrey, it was

VOTED: Based on achievement of 87% of the established 2016 Balanced Scorecard goals, the Board of Directors authorizes the 2016 Success Sharing Plan payout to employees in the estimated amount of \$346,834.

Vote for the motion was unanimous.

The meeting recessed for lunch at 12:05 p.m. and reconvened at 12:24 p.m.

Member Solution Committee

Committee Chair Aubrey drew attention to the draft minutes of the February 22nd and March 7th Member Solutions Committee meetings, Attachments #14 and #15 in the Board packet. Upon motion of Mr. Talbot, seconded by Mr. Braxton, it was

VOTED: To approve the minutes of the February 22, 2017, and March 7, 2017, Member Solutions Committee meetings as presented.

Vote for the motion was unanimous.

Mrs. Gove provided an update on this year's Annual Meeting, stating that D. Maurice Kreis, NH's Consumer Advocate, will be invited to be a guest speaker.

With regard to the e-voting option for this year's director election, Mrs. Gove reported that 1,545 members opted into e-voting through the voting preference survey. She noted that all members will have the option to vote on-line.

Committee Chair Aubrey advised that the Member Solutions Committee meeting scheduled for April 19th has been cancelled.

Mrs. Gove mentioned that a Telephone Town Hall Meeting (TTHM) is scheduled for April 20th to discuss the rate change as well as the behavioral Demand Response (DR) program.

Audit Committee

Committee Chair Wiggett noted that the Audit Committee met prior to today's Board meeting and all directors currently present were in attendance for that meeting. He advised that the Committee did approve the 2016 Financial Audit Report as presented.

Attorney's Report

Attorney Dean advised that he would have a couple of items requiring Executive Session for discussion of member-specific information. He provided brief updates on the Elster litigation, noting that we are still waiting for the court to issue its order; and the net metering docket he has been following at the NH Public Utilities Commission (NHPUC), noting that hearings are scheduled this week. He indicated that the two items for discussion in Executive Session concern member-specific information related to an island outage and a request for early retirement of capital credits.

Board General Session

Board Tracking Report

As discussed earlier, an item will be added to the Board Tracking Report to revisit the two policy assumptions used in the Above the Cap Net Metering. It was also noted that the Risk Dashboard item is dropping off the report.

Committee Meetings

Following is a list of upcoming committee meetings:

- Engineering & Operations Committee – May 17th at 9:00 a.m.

NEAEC Voting Delegate & Alternate

Carolyn Kedersha was appointed as the Voting Delegate and Ken Colburn as the alternate for the Northeast Association of Electric Cooperatives (NEAEC) Annual Meeting in May.

NRECA Report

Mr. Colburn presented the National Rural Electric Cooperative Association (NRECA) Report, noting that the new officers have taken place and things have been quiet since the annual meeting.

NHEC Foundation Report

NHEC Foundation Chair Davis reported on the NHEC Foundation board meeting held earlier today, noting that 12 grants totaling \$37,020 were awarded. The next meeting is in June.

Expense Reports

Vice Chair Mongeon noted that expense reports were circulated.

Executive Session

Upon motion of Mr. Talbot, seconded by Mrs. Aubrey, it was

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

Vote for the motion was unanimous and the Board entered Executive Session at 12:41 p.m.

Adjournment

The Board moved out of Executive Session and Vice Chair Mongeon adjourned the meeting at 2:18 p.m.

Joan Aubrey, Secretary

A TRUE COPY ATTEST:

Thomas Mongeon, Vice Chair of the Board