

**Approved 7/25/17**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

**Minutes of the Meeting of the Board of Directors**

**June 27, 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 June 27, 2017, at the Cooperative's Pemi Board Room in Plymouth, NH.

Directors present were Joseph Kwasnik, Joan Aubrey, Charles Braxton, Sharon Davis, Leo Dwyer, Carolyn Kedersha, Thomas Mongeon, David Talbot, Georgie Thomas, and Harry Viens. Director Kenneth Colburn 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; Craig Snow, VP of Energy Solutions; Mark Dean, Attorney; Brian Callnan, Director of Power Resources & Access; Alicia Melanson, Program Administrator; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Kwasnik called the meeting to order at 9:38 a.m.

**Approval of Minutes and Agenda Review**

The minutes of the Board Meeting of May 30, 2017, were reviewed. Upon motion of Mr. Talbot, seconded by Mrs. Aubrey, it was

**VOTED:** To adopt the minutes of the May 30, 2017, meeting of the Board of Directors as presented.

Vote for the motion was unanimous.

The minutes of the Annual Directors Meeting of June 13, 2017, were reviewed. Upon motion of Mr. Talbot, seconded by Mrs. Aubrey, it was

**VOTED:** To adopt the minutes of the June 13, 2017, Annual Directors Meeting as presented.

Vote for the motion was unanimous.

The minutes of the June 13, 2017, Annual Meeting of Members were reviewed and will be presented to the membership for approval at next year's Annual Meeting.

No changes were made to the agenda.

**Board Safety Moment**

Messrs. Braxton and Kwasnik presented the Safety Moment on the subject of electrical safety in the home.

## **Chairman's Report**

Chair Kwasnik presented the Chairman's Report. He mentioned that he would like to begin addressing item #4 on the Board Tracking Report, Board Governance. After discussion, it was agreed that this would be kicked off with a meeting of the Executive Committee.

## **NEAEC Memo to NRECA**

Referring to Attachment #11 in the board packet, a draft memo from the Northeast Association of Electric Cooperatives (NEAEC) to the National Rural Electric Cooperative Association (NRECA) on the subject of NRECA's position on the rollback of the Clean Power Plan, Mr. Camerino provided background on the discussion at the NEAEC annual meeting and addressed questions on the intent of the memo. Upon motion of Mrs. Davis, seconded by Mr. Braxton, it was

**VOTED:** That the NHEC Board of Directors supports the NEAEC memo to NRECA on the subject of NRECA's position on the rollback of the Clean Power Plan.

Vote for the motion was unanimous.

## **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 (BSC) and service reliability. He discussed meetings he held with employees regarding the draft strategic plan; mentioned visits to tour the facilities of Green Mountain Power and Vermont Gas; mentioned plans he and Chair Kwasnik discussed to have presentations at board meetings on topics of interest; and discussed the scheduling of meetings.

## **Strategic Planning**

Chair Kwasnik indicated that after discussion today he would like the Board to vote on the Strategic Plan. Directors shared comments and asked question on the final draft of the Strategic Plan, which were addressed by Mr. Camerino.

In response to a request, Mr. Camerino indicated that staff would create a document that lays out all of the steps in the integration section of the plan.

Mr. Colburn joined the meeting by phone at 10:25 a.m.

Chair Kwasnik mentioned that the Strategic Plan will be a living document and we will revisit it in August or September of each year.

Mr. Colburn shared his feedback on the plan.

Ms. Melanson joined the meeting at 10:41 a.m.

Referring to Mr. Colburn's comments, Mr. Camerino indicated that he could revise some of the wording, which he feels would address some of Mr. Colburn's concerns. He noted that senior management takes this plan very seriously, and if approved, these are the things they will be

## **Approved 7/25/17**

working on and unless a new idea is earth shattering it is important that we focus our efforts on the priorities in the plan rather than try to take on other major new initiatives.

There was discussion on the mission statement. Mr. Colburn asked that the minutes reflect that he doesn't want NHEC to be limited by the words "electric service options" should the board determine there are other services we should offer members. It was noted that the mission statement is what we do today and for now electric service options should remain NHEC's focus.

Upon motion of Mrs. Davis, seconded by Mrs. Kedersha, it was

**VOTED:** That the Board of Directors approves the Strategic Plan as presented, subject to the minor modifications noted by Mr. Camerino.

Vote for the motion was unanimous.

It was requested that hard copies of the finalized Strategic Plan be provided to directors.

### **Member Solutions Committee**

Mrs. Gove provided a review of this year's annual meeting and electronic voting process and addressed questions. She discussed meeting attendance, the positive feedback on this year's guest speaker, results of the survey cards and the participation rate for electronic voting.

Mr. Colburn left the meeting at 10:59 a.m.

There was a brief discussion of potential changes/additions for future annual meetings. It was noted that it was previously suggested that we take a comprehensive look at the purpose of the annual meeting.

Mrs. Gove advised that the Legislative Reception has been scheduled for August 9<sup>th</sup> at 4:30 p.m. in the Carriage House at Church Landing.

Mr. Snow provided an update on Demand Response (DR) and addressed questions. He reported on the work being done with Navigant to assist NHEC in determining the best path forward, as well as NHEC's marketing efforts for the Peak Days program.

Mentioning the BSC target to implement an electric vehicle pilot program, Mr. Snow reported that this item has been achieved. He introduced Alicia Melanson who made a presentation on the pilot program that was launched in June. Ms. Melanson and Mr. Snow addressed questions.

### **Audit Committee**

Committee Chair Braxton noted that copies of the audited financials were distributed.

It was agreed that the next Audit Committee meeting would be held on July 25<sup>th</sup>.

### **Engineering & Operations Committee Meeting**

Committee Chair Mongeon noted that the Engineering & Operations Committee has not met since the last board meeting, but a meeting would be scheduled for early September.

## **Power Resources & Access Committee Meeting**

Committee Chair Viens stated that the Power Resources & Access Committee has not met since the last board meeting, and a date for the September meeting needs to be confirmed.

### **Attorney's Report**

Attorney Dean reported on legislative and regulatory activities, including the repeal of the electricity consumption tax for 2018, Senate Bill 129, and the Public Utilities Commission's order on net metering. He also discussed a member request for information regarding NHEC's planned schedule of herbicide applications throughout the state and how it is being addressed.

### **Corporate Services Committee**

Committee Chair Davis drew attention to Attachment #12 in the board packet, Moultonborough Solar Project NCREBs Resolution. Mrs. Inman reviewed the executive summary, explaining the need for a separate bank account for receipt of the funds for the New Clean Renewable Energy Bonds. Mrs. Thomas moved the resolution as included in Attachment #12, which was seconded by Mrs. Kedersha. There was discussion on limiting the number of authorized signers on the account. Mrs. Thomas withdrew her motion. Upon motion of Mrs. Kedersha, seconded by Mrs. Thomas, it was

**VOTED:** The Board of Directors authorizes NHEC to establish a business checking account for the receipt of CFC funding of New Clean Renewable Energy Bonds (NCREB) applied for under Internal Revenue Service Notice 2015-12. This account will be used for the reimbursement of project costs related to the Moultonborough Solar Project. The individuals authorized to sign on this account are: David Talbot, Sharon Davis, Brenda Inman, and Autumn Doan.

Vote for the motion was unanimous.

Committee Chair Davis advised that the next Corporate Services Committee meeting is scheduled for July 25<sup>th</sup>.

## **Board General Session**

### ***FAS Trustee Appointment***

Chair Kwasnik noted that someone needs to be appointed as a trustee of the FAS 106 Trust (Post Retirement Benefit Trust) to replace Mr. Wiggett. Upon motion of Mr. Braxton, seconded by Mr. Mongeon, it was

**VOTED:** To appoint Carolyn Kederhsa as a trustee of the FAS 106 Trust.

Vote for the motion was unanimous.

### ***Board Tracking Report***

Mr. Camerino noted that item #5 (Above the Cap Net Metering) would be addressed in July.

### ***Committee Meetings***

Following is a list of upcoming committee meetings:

**Approved 7/25/17**

- Corporate Services Committee – July 25<sup>th</sup> at 8:30 a.m.
- Audit Committee – July 25<sup>th</sup>, following Corporate Services Committee
- Executive Committee – August 29<sup>th</sup> at 8:30 a.m.

***NRECA Voting Delegate***

Chair Kwasnik appointed Harry Viens as the voting delegate and Ken Colburn as the alternate for the National Rural Electric Cooperative Association (NRECA) regional meeting in September.

***NHEC Foundation Report***

NHEC Foundation Chair Davis reported on the NHEC Foundation board and annual meeting held earlier today, discussing board reappointments, officer elections and grant awards.

***Expense Reports***

Chair Kwasnik noted that expense reports were circulated.

***Miscellaneous***

Mr. Camerino addressed a question on the number of slips in inclement weather, as reported in the safety minutes included with the board packet, and discussed ways management is trying to increase awareness.

The meeting recessed at 12:02 p.m. and reconvened at 12:12 p.m.

**Executive Session**

Upon motion of Mrs. Aubrey, seconded by Mrs. Kedersha, it was

**VOTED:** That the Board of Directors move into Executive Session for the purpose of confidential attorney/client consultation, confidential contract negotiations and confidential personnel matters.

Vote for the motion was unanimous and the Board entered Executive Session at 12:12 p.m. with directors, Messrs. Camerino, Dean and Callnan, and Mmes. Inman and Yeaton remaining in attendance.

**Adjournment**

Chair Kwasnik adjourned the meeting at 1:03 p.m.

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Joan Aubrey, Secretary

A TRUE COPY ATTEST:

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Joseph Kwasnik, Chair of the Board