

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

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

**May 29, 2018**

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 May 29, 2018, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Joseph Kwasnik, Joan Aubrey, Charles Braxton, Kenneth Colburn, Sharon Davis, Leo Dwyer, Carolyn Kedersha, Thomas Mongeon, David Talbot, Georgie Thomas, and Harry Viens. Others present were Steve Camerino, President/CEO; Jim Bakas, VP of Operations & Engineering; Dena DeLucca, VP of Corporate Services; Brenda Inman, VP of Financial Services/CFO; Steve Kaminski, VP of Power Resources and Access; Mark Dean, Attorney; Brian Callnan, Director of Power Resources and Access; Pam Ouellette, Director of Human Resources; David Erickson, Director of Access and Distributed Resources; Kenn Lamb, Engineering Services Manager; Gary Lemay, Renewable Energy Engineer; Cooperative Member Neil Irvine; Amadou Fall, National Renewables Cooperative Organization CEO; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Kwasnik called the meeting to order at 8:30 a.m.

**Approval of Minutes and Agenda Review**

The minutes of the Board Meetings of April 24, 2018, May 10, 2018, and May 21, 2018, were reviewed. Upon motion of Mr. Talbot, seconded by Mrs. Aubrey, it was

**VOTED:** To adopt the minutes of the April 24, 2018, May 10, 2018, and May 21, 2018, meetings of the Board of Directors as presented.

Vote for the motion was unanimous.

No changes were made to the agenda.

**Board Safety Moment**

Chair Kwasnik presented the Safety Moment sharing airline passenger safety tips.

**Introductions**

Mr. Kaminski introduced Dave Erickson, Director of Access and Distributed Resources discussing his background and role here at NHEC. He also introduced Amadou Fall, CEO of National Renewables Cooperative Organization (NRCO), providing a brief background of NHEC's involvement as a charter member of NRCO.

**Battery Storage Presentation**

Mr. Fall shared a presentation on Renewables and Battery Energy Storage and addressed questions. He provided an update on NRCO and its activities, discussed the changing

renewables landscape, provided updates on wind and solar markets, discussed utility-scale and residential battery energy storage and electric vehicles, and reviewed NRCO's flexible capacity and energy storage initiative. Copies of Mr. Fall's presentation will be provided to directors.

The meeting recessed at 9:53 a.m. and reconvened at 10:00 a.m. Mr. Lemay left the meeting at this time.

### **Chairman's Report**

Chair Kwasnik presented the Chairman's Report, thanking departing directors Chuck Braxton, Sharon Davis and Dave Talbot and presenting them with 15-year service pins. He also discussed plans for the June 18<sup>th</sup> meeting to brief newly-elected directors.

### **President's Report**

Mr. Camerino presented the President's Report and addressed questions. He reviewed a dashboard of key operating metrics for safety, various financial measures, the Balanced Scorecard (BSC) and service reliability. He mentioned discussions with the town of Lisbon regarding potential expansion of the Littleton Industrial Park into Lisbon; NHEC's contribution to the CFC Integrity Fund; and the NH Solar Shares low income solar project. He drew attention to the resolution required to adopt the changes to the 401k pension plan for union employees as approved in the new contract, Attachment #10 in the Board packet. Chair Kwasnik moved the following resolution, which was seconded by Mr. Colburn,

**WHEREAS**, New Hampshire Electric Cooperative, Inc. is participating in the NRECA sponsored defined contribution plan, the 401(k) Pension Plan (the "401(k) Plan"), and;

**WHEREAS**, The Board of Directors of New Hampshire Electric Cooperative, Inc. ("the Board") now desires to amend this Plan pursuant to Section 18.2 of the 401(k) Pension Plan document and does hereby authorize the amendments effective July 1, 2018, by executing the appropriate Adoption Agreements;

**BE IT RESOLVED**, that the amendments to the 401(k) Plan are as follows: The Employer Matching Contribution shall be increased from 100% of the Employees Elective Contributions of 0% up to 2.5% to 100% of the Employees Elective Contributions of 0% up to 3% of the Participants Base Salary.

The Roth option is adopted in its entirety. All other Plan provisions shall remain unchanged.

**BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Steven Camerino, the President/CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

Vote for the motion was unanimous.

Mr. Camerino noted that discussion on the state of NHEC's facilities and security is scheduled for the July Board meeting. He asked Ms. DeLucca to touch on active shooter training. Ms. DeLucca advised that there are two components, one is training for employees being planned for

August and the other is a weapons procedure, which is being drafted and will be another piece of education. Ms. DeLucca addressed questions on the training and discussed NHEC's Employee Assistance Program (EAP) and My Safe Workplace.

It was requested that the Financial Dashboard attachment be placed near the Form 7 attachment in the Board packet each month.

### **Executive Committee**

Chair Kwasnik reported on the May 21<sup>st</sup> Executive Committee meeting. He drew attention to the resolution related to Board policies, Attachment #11 in the Board packet. Upon motion of Mrs. Kedersha, seconded by Mrs. Davis, it was

**VOTED:** That the Board of Directors adopts the changes to Board Policies B-9, Board of Director's Stipends and Expenses; B-31, Code of Conduct; and B-38, Director Electric Accounts, and adopts new Board Policy B-40, Nominating Committee, as presented.

Vote for the motion was unanimous.

Chair Kwasnik next drew attention to the Annual Director Qualification Certification Resolution, Attachment #12 in the Board packet. Upon motion of Mrs. Davis, seconded by Mr. Mongeon, it was

**VOTED:** That the Board of Directors adopts the Annual Director Qualification Certification as presented.

Vote for the motion was unanimous.

### **Corporate Services Committee**

Committee Chair Davis noted that the Corporate Services Committee has not met since the last Board meeting. She drew attention to the draft minutes of the April 23<sup>rd</sup> meeting, Attachment #13 in the Board packet. Upon motion of Mrs. Aubrey, seconded by Mr. Talbot, it was

**VOTED:** To approve the minutes of the April 23, 2018, Corporate Services Committee meeting as presented.

Vote for the motion was unanimous.

### **Governance Team**

Committee Chair Kedersha stated that the Governance Team has not met since the last Board meeting. She drew attention to the draft minutes of the April 23<sup>rd</sup> meeting, Attachment #14 in the Board packet. Upon motion of Mrs. Aubrey, seconded by Mr. Mongeon, it was

**VOTED:** To approve the minutes of the April 23, 2018, Governance Team meeting as presented.

Vote for the motion was unanimous.

### **Member Solutions Committee**

Committee Chair Thomas noted that the Member Solutions Committee has not met since the last Board meeting. She advised that meetings have been scheduled for August 27<sup>th</sup> and October 29<sup>th</sup>.

### **Audit Committee**

Committee Chair Braxton drew attention to the draft minutes of the April 23<sup>rd</sup> Audit Committee meeting, Attachment #15 in the Board packet. Upon motion of Mrs. Thomas, seconded by Mr. Talbot, it was

**VOTED:** To approve the minutes of the April 23, 2018, Audit Committee meeting as presented.

Vote for the motion was unanimous.

Committee Chair Braxton referred to the red-lined copy of the Audit Committee Charter, Attachment #16 in the Board packet. It was noted that under item V. Meetings, it should indicate four meetings a year instead of three. Upon motion of Mrs. Davis, seconded by Mr. Talbot, it was

**VOTED:** To adopt the changes to the Audit Committee Charter as amended.

Vote for the motion was unanimous.

### **Power Resources and Access Committee**

Committee Chair Viens stated that the Power Resources and Access Committee has not met since the last Board meeting, but called on Mr. Kaminski for an update. Mr. Kaminski drew attention to his detailed written report included in Attachment #2.

In response to a question regarding the development of a dashboard of metrics for Power Resources and Access, Mr. Kaminski stated that it is a lengthy process that will be worked through the committee and it will be discussed at the July 30<sup>th</sup> committee meeting.

Mr. Kaminski reported on the April NRCO board meeting, which included discussion on some wind and solar projects and the efforts of NRCO in helping systems, including NHEC, in the battery storage pilot.

Committee Chair Viens announced that Mr. Kaminski received the Aiken Award from the Northeast Association of Electric Cooperatives (NEAEC) last week.

### **Attorney's Report**

Attorney Dean reported that HB324, to establish a commission to study utility property valuation, is now on the Governor's desk for signature.

## **Engineering and Operations Committee**

Committee Chair Mongeon noted that the Engineering and Operations Committee has not met since the last Board meeting. He mentioned that it looks like the meeting rescheduled for June may need to be moved to July.

Mrs. Thomas made a motion, seconded by Mr. Talbot, that the Board approve the direct buried cable project.

Committee Chair Mongeon stated that he has confirmed with Mr. Bakas that there is no pressing need to approve this project and waiting until July will not create any issues. Discussion ensued with directors expressing differing views regarding whether additional information is needed prior to approval of the project.

Vote for the motion was four in favor and six opposed, the motion fails.

## **Board General Session**

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

The Board Tracking Report, Attachment #7 in the Board packet, was reviewed. It was noted that item #5, Director Qualifications, will be updated and item #4, Tracking Reliability, will be removed.

### ***Committee Meetings***

Following is a list of upcoming committee meetings:

- Corporate Services Committee – July 30<sup>th</sup> at 8:30 a.m.
- Audit Committee – July 30<sup>th</sup> following Corporate Services Committee
- Power Resources & Access Committee – July 30<sup>th</sup> following Audit Committee
- Engineering & Operations Committee – July 30<sup>th</sup> following Power Resources & Access
- Member Solutions Committee – August 27<sup>th</sup>

In response to a question regarding committee structure, Mrs. Kedersha mentioned that the six options that were identified at the April 23<sup>rd</sup> Governance Team meeting will be considered further.

Mr. Kaminski left the meeting at 11:00 a.m.

### ***NRECA Report***

Mr. Colburn presented the National Rural Electric Cooperative Association (NRECA) Report and addressed questions. He mentioned that Mr. Camerino had the opportunity to meet with NRECA CEO Jim Matheson and COO Jeffrey Connor while at the NEAEC meeting last week. He advised that the NRECA summer board meeting coincides with NHEC's June board meeting so to the extent possible, he will participate by phone for the NHEC meeting.

Mr. Mongeon shared his thoughts that we should continue to push NRECA to do more globally and that they should take on more of a role with broadband. He indicated that he plans to follow-

up with Jeffrey Connor. There was a brief discussion on broadband and in response to a question, Mr. Camerino mentioned some work CFC has done in putting together a due diligence list of questions that should be considered. He also mentioned that we will be receiving the Broadband feasibility study back from Conexon soon. As requested, a copy of the CFC document will be provided to directors.

There was discussion on the NRECA resolution process and Mr. Colburn will report back at the July Board meeting if he feels NHEC should consider putting forth a proposed resolution.

***NHEC Foundation Report***

NHEC Foundation Chair Davis reported on the Foundation, advising that the next meeting is Monday, June 25<sup>th</sup>, 9 – 11:30 a.m. and will be the regular and annual meeting. She also mentioned that they still need some director volunteers to show interest in serving on the Foundation board.

***Expense Reports***

A director expense report was circulated for review.

***Executive Session***

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

**VOTED:** That the Board of Directors move into Executive Session for the purpose of confidential discussion of legal claims/litigation, confidential contract negotiations, confidential cyber security information and confidential personnel matters.

Vote for the motion was unanimous and the Board moved into Executive Session at 11:21 a.m. Messrs. Fall, Irvine and Lamb left the meeting at this time.

***Adjournment***

The Board moved out of Executive Session and Chair Kwasnik adjourned the meeting at 1:25 p.m.

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Joan Aubrey, Secretary

A TRUE COPY ATTEST:

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Joseph Kwasnik, Chair of the Board