

**Approved 12/30/19**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

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

**November 26, 2019**

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 November 26, 2019, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Thomas Mongeon, Alana Albee, Joan Aubrey, Brenda Boisvert, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Daniel Senie, and Harry Viens. Others present were Steve Camerino, President/ CEO; Jim Bakas, VP of Operations and Engineering; Brian Callnan, VP of Power Resources and Access; Mark Dean, Attorney; Brenda Inman, VP of Financial Services/CFO; Steve Kaminski, Power Planning and Policy Advisory; Mike Licata, VP of Member Services/Public Affairs; Pam Ouellette, Director of Human Resources; Craig Snow, VP of Energy Solutions/Facilities; Geoff Ziminsky, Director of Information Technology; Josh Mazzei, Manager of Operations; Scott Davis, Power Resources Administrator; Ken Colburn, NRECA Director for NH; Madeline McElaney, NHEC member; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Mongeon called the meeting to order at 8:30 a.m. and introduced guests Madeline McElaney and Ken Colburn.

**Agenda Review and Approval of Minutes**

There were no changes to the agenda.

The minutes of the October 29, 2019, Board Meeting were reviewed. Upon motion of Mr. French, seconded by Mrs. Boisvert, it was

**VOTED:** To adopt the minutes of the October 29, 2019, meeting of the Board of Directors, as amended.

Vote for the motion was unanimous.

**Board Safety Moment**

Mr. Camerino presented the safety moment, distributing an article and discussing the importance of drinking enough water so you stay hydrated.

**Chairman's Report**

Chair Mongeon congratulated Mr. Camerino on being named a New Hampshire Business Review Top 200 Business Leader in New Hampshire and presented him with a framed article recognizing his achievement. Mr. Camerino expressed his appreciation.

Chair Mongeon presented the Chairman's Report, discussing the Board and committee meeting start times for the winter months. It was agreed to move the start time to 9:00 a.m. for the

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January and February meetings. The Power Resources and Access Committee meeting on December 17<sup>th</sup> will remain at 8:30 a.m. and the December Board meeting will remain at 9:30 a.m., following the NHEC Foundation meeting which will begin at 8:00 a.m.

Chair Mongeon continued his report, discussing the subject of governance and an article he shared with directors. He also mentioned a new analytics tool being offered in OnBoard and discussed the reasons we do not plan to add the tool at this time. It was mentioned that it would be helpful to have the ability to complete the Director's Information for Form 990 in OnBoard and Mrs. Yeaton will share this request with her contact at OnBoard.

As a follow-up from the last Board meeting, Chair Mongeon requested that committee chairs let Mr. Camerino know by February 1<sup>st</sup> if there are past presentations or reports they would like to have added to OnBoard.

Mr. Dwyer provided an update on the Board Skills Survey and Mrs. Kedersha volunteered to put the document into Survey Monkey.

Chair Mongeon thanked Mr. Dwyer for collecting information from directors on rate design questions, scenarios, etc.

Chair Mongeon next mentioned an exercise directors and staff will be asked to complete ranking governance processes and practices and discussed board development goals.

### **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, service reliability and the Balanced Scorecard (BSC). He also discussed a letter from NRECA regarding an increase in membership dues; and broadband initiatives, including efforts being undertaken by the town of Bristol and the letter from the town of Sandwich withdrawing their request for NHEC's participation.

Discussion ensued on the topic of broadband and NHEC's level of involvement and communications. Mr. Camerino mentioned the detailed broadband update and next steps document provided to the Board about a year ago and suggested he update that with where we are today and bring it back to the Board for further discussion no later than January.

Continuing his report, Mr. Camerino discussed NHEC's attendance as an observer at Eversource's GridEx event; member correspondence included in the Board packet; a recorded member call that will be shared with directors per the member's request; and the NH Solar Shares project benefiting low and moderate income members.

In response to an inquiry regarding whether NHEC has the census statistics relating to income that the National Rural Electric Cooperative Association (NRECA) has compiled for co-ops, Mr. Camerino advised that we could look into that, however, it is unlikely that it is specific to NHEC's service territory. It was also mentioned that the Environmental Systems Research Institute (ESRI) has a breakdown that would be specific.

Mr. Camerino reminded everyone that the December Board meeting will be on Monday, December 30<sup>th</sup>, and mentioned that the holiday breakfast for employees and retirees is scheduled for December 10<sup>th</sup> and 11<sup>th</sup> and directors are welcome to attend.

### **Proposed Charlestown Substation Site Property Purchase**

Mr. Kaminski drew attention to the Charlestown Substation Site Purchase Executive Summary and resolution, Attachment #2 in the Board packet, and provided background information and addressed questions. He noted that management is seeking Board authorization to purchase the property. Upon motion of Mrs. Davis, seconded by Mr. Senie, it was

**VOTED:** That the Board of Directors hereby authorizes management to negotiate and enter into a purchase and sale agreement, in an amount not to exceed \$60,000, for land and land rights associated with delivery point, substation and distribution facilities currently owned by National Grid in the town of Charlestown, NH.

Vote for the motion was unanimous.

### **Strategic Topic Discussion**

Chair Mongeon noted that he would like to have the Board select one to three topics today that management could choose from to present for discussion at the December Board meeting. He stated that the purpose is to encourage more discussion at Board meetings around strategy and less on tactics.

Mr. Camerino added that it is highly valuable to have these discussions and the purpose is to form our long-term thoughts rather than to bring a topic to conclusion; no near-term action is intended to come out of these discussions. He drew attention to the list of topics provided in the Board packet, as well as those in the e-mail distributed this morning, noting that these are meant to kick-off the discussion.

Directors shared their feedback on the list of topics, including: there are a lot of linkages and there seem to be three themes: rates, business model and managerial; the Board needs a consistent “self-image” of who we are and what we’re trying to do as a business (vision); we should put more emphasis on long-term issues (5 – 10 years out), what do we need to do to be ready; we have a Strategic Plan and goals and we should be careful that everything is aligned; address some of the “low hanging fruit” as a first step, and then focus on the business model; we need to articulate a clear vision of what we are trying to do as a business; once we have a vision we all embrace that will inform what the strategic discussions should be; and we should look at how the strategic plan goals fit with rates, programs, distributed energy, etc. as a whole rather than separately.

Discussion ensued on which items to address first. In response to an inquiry, Mr. Camerino noted that the first six items on the list are things that won’t require a lot of background information or upfront preparation by management and could be discussed, if they are sufficiently meaningful to the Board.

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There was discussion on the residential battery project and Mr. Callnan reviewed his approach of having three committee meetings before any Board action is requested.

There was discussion on the topic of rate design, which Mr. Camerino noted is planned for Board discussion in January. He noted that we could start that discussion in December, but it would be more about the concepts and getting general feedback. Mr. Dwyer will provide his summary of the feedback he collected from directors to the whole Board.

The meeting recessed at 10:19 a.m. During the recess, NHEC's Electric Vehicle video was played. The meeting reconvened at 10:32 a.m. Mr. Davis joined the meeting at this time.

### **Crisis Communication Plan**

Mr. Licata shared a presentation and addressed questions on NHEC's Crisis Communication Plan. He discussed his work on the plan, reviewed what a crisis is, who the audiences are, various communication methods, the response team, the steps taken to respond to a crisis, managing communications, and the role of the Board. He also discussed the importance of training on the plan, noting that a tabletop exercise with the core response team will be conducted in December.

There was discussion regarding communications with the Board, including timing and how they will be kept informed. This will be discussed further at another time.

Referring to the EV video played during break, Mr. Licata noted that Lynne Turmel and Andrew Fenn did a phenomenal job of putting this together.

### **Board Committees**

Chair Mongeon drew attention to the consent agenda item to approve minutes from various Board committee meetings. Upon motion of Mrs. Davis, seconded by Mr. French, it was

**VOTED:** To approve the minutes of the October 8, 2019, Engineering and Operations Committee meeting, October 28, 2019, Member Solutions Committee meeting, October 28, 2019, Audit Committee meeting, and October 29, 2019 Executive Committee meeting, as presented.

Vote for the motion was unanimous.

### ***Engineering and Operations Committee***

Mr. Bakas provided an update on the direct buried project, noting that it is going well. He stated that next year will be the first year of construction and bids are currently being awarded.

Mr. Mazzei provided an update on the Charlestown Substation project, discussing transformer issues we have been working through with the vendor and manufacturer.

In response to a question, Mr. Bakas stated that the meter replacement project is on schedule.

**Executive Committee**

Chair Mongeon drew attention to the proposed revisions to Board Policies B-2, Attachment A and B-9, Attachments #8 and #9, respectively, in the Board packet.

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

**VOTED:** That the Board of Directors adopts the changes to Board Policies B-2 Attachment A, Executive Committee, and B-9, Board of Director's Stipends and Expenses, as presented.

Vote for the motion was unanimous.

**Corporate Services Committee**

Committee Chair Kedersha reported on yesterday's Corporate Services Committee meeting, noting that the main topic was the presentation of the 2020 budget. Upon motion of Mrs. Davis, seconded by Mrs. Aubrey, it was

**VOTED:** That the Board of Directors approves the 2020 budget as recommended by Management.

In response to a request to see the budget presented in a more functional manner next year, Mr. Camerino commented that staff has plans to work on how the budget can be presented differently going forward.

Vote for the motion was unanimous.

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

**VOTED:** That the Board of Directors approves the 2020 Balanced Scorecard and Success Sharing as presented.

Vote for the motion was unanimous.

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

**VOTED:** That the Board of Directors approves the NHEC Signatory Authority List with recommended changes as presented, effective December 2, 2019.

Vote for the motion was unanimous.

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

**VOTED:** That the Board of Directors approves the extension of the Letter of Credit Agreement between New Hampshire Electric Cooperative, Inc. and National Rural Utilities Cooperative Finance Corporation as outlined in the Fifth Amendment to Letter of Credit Application and Agreement and reaffirms the November 29, 2016

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authorization of Steven V. Camerino, President/CEO and Brenda C. Inman, Vice President of Financial Services/CFO, to enter into, execute and deliver all such documents and instruments as may be necessary or appropriate.

Vote for the motion was unanimous.

Mr. Camerino followed up on the discussion from yesterday's Corporate Services Committee meeting on Medium Term Notes (MTN), sharing both history of the MTNs as well as plans to continue looking at this as we go forward.

### ***Audit Committee***

Audit Committee Chair French reported that the BerryDunn audit team has completed its interim work. He will be speaking to Julie Keim and will report back next month if there is anything to note.

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

Committee Chair Viens noted that the next Power Resources and Access Committee meeting is scheduled for December 17<sup>th</sup>.

### **Attorney's Report**

Attorney Dean presented his report, sharing a presentation and addressing questions on the NHEC General Counsel's Functions and Duties. He discussed the attorney-client relationship and reviewed general counsel functions, including governance, operations, advocacy, and the primary audience for each. He also addressed other counsel which may be retained and the general counsel's role in that relationship.

### **Board General Session**

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

Chair Mongeon noted that there are currently no items on the tracking report.

#### ***Committee Meetings***

Following is a list of upcoming meetings:

- Power Resources and Access Committee – December 17<sup>th</sup> at 8:30 a.m.
- Executive Committee – December 17<sup>th</sup> at 11:30 a.m.
- Member Solutions Committee – January 27<sup>th</sup> at 9:00 a.m.

### ***NRECA Report***

Mr. Colburn presented the NRECA Report, drawing attention to his written report that was included in the Board packet and sharing some highlights. He mentioned that the next NRECA board meeting will be the week of December 9<sup>th</sup>.

### ***NHEC Foundation Report***

NHEC Foundation Chair Davis reminded everyone that the next meeting is scheduled for December 30<sup>th</sup> at 8 a.m.

**Director Expense Reports**

Chair Mongeon noted that Director Expense Reports were circulated for review.

**Miscellaneous**

Mr. Camerino recognized this as Mrs. Inman’s last week as Vice President of Financial Services/ CFO, noting that she will move into the role of Senior Vice President until her retirement in April. He extended his thanks and appreciation to Mrs. Inman. The Board extended their thanks and appreciation as well.

The meeting recessed for lunch at 12:02 p.m. Mr. Davis, Ms. McElaney and Mr. Colburn left the meeting at this time. The meeting reconvened at 12:20 p.m.

**Executive Session**

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

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

Vote for the motion was unanimous and the Board moved into Executive Session at 12:20 p.m.

**Adjournment**

The Board moved out of Executive Session and Chair Mongeon adjourned the meeting at 2:15 p.m.

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Joan Aubrey, Secretary

A TRUE COPY ATTEST:

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Thomas Mongeon, Chair of the Board