

**Approved 2/23/21**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

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

**January 25, 2021**

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 January 25, 2021. In light of the COVID-19 pandemic and in response to Governor Sununu's Executive Order 2020-04, the meeting was conducted remotely via Zoom videoconferencing.

Directors present were Thomas Mongeon, Alana Albee, Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Jeffrey Morrill, and Daniel Senie. 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; Drew Dunagin, VP of Financial Services/CFO; Steve Kaminski, Power Planning and Policy Advisor; Mike Licata, VP of Member Services/Public Affairs; Pam Ouellette, VP of Human Resources and Organizational Development; Craig Snow, VP of Energy Solutions/Facilities; Geoff Ziminsky, VP of Technology and Business Services/CIO; Bob Cruickshank, Broadband Executive; Kristen Taylor, Financial Services Manager; Scott Davis, Power Resources Administrator; Susan Karkheck, Payroll/Benefits Administrator; Seth Wheeler, Communications Administrator; Ken Colburn, NRECA Director for NH; Tom Ciano and Todd Jacobson, USI; and Sharon Yeaton, Executive Services Administrator (recording).

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

**Agenda Review and Approval of Minutes**

There were no changes to the agenda.

The minutes of the December 29, 2020 Board meeting were reviewed. Upon motion of Mrs. Davis, seconded by Mr. Darcy, it was

**VOTED:** To adopt the minutes of the December 29, 2020 Board meeting, as presented.

Vote for the motion was unanimous.

**Board Safety Moment**

Mr. Wheeler presented the safety moment on the topic of sleep deprivation, sharing tips on how to improve sleep.

Chair Mongeon mentioned that if directors have thoughts on future topics they should send them to him and Mr. Camerino.

Mr. Wheeler left the meeting at 8:35 a.m.

## Chairman's Report

Chair Mongeon presented the Chairman's Report first recognizing Mr. Camerino and his team for their ongoing support of broadband efforts. He discussed strategic planning, indicating that the Executive Committee will address this at its February meeting; the list of strategic topics, noting that he will work with Mr. Camerino on prioritizing the list; the current strategic plan, stating that Mr. Camerino will provide a brief update on progress at next month's board meeting; and the upcoming NRECA Annual meeting, noting the need to appoint voting delegates and alternates for the upcoming NRECA and NRTC annual meetings.

Upon motion of Mrs. Davis, seconded by Mr. Dwyer, it was

**VOTED:** That the Board of Directors appoints Tom Mongeon as the voting delegate and Alana Albee as the alternate for the upcoming NRECA Annual Meeting and appoints Tom Mongeon as the voting delegate and Dan Senie as the alternate for the upcoming NRTC Annual Meeting.

Vote for the motion was unanimous.

Continuing his report, Chair Mongeon discussed efforts to better prioritize and organize board meetings, including prioritization of agenda items and identification of items that can be appended to the board packet without presentation time; the board self-assessment that will be conducted in early February; and asked committee chairs to continue to highlight SMART goals and progress.

## President's Report

Mr. Camerino first expressed his appreciation for the recognition of staff efforts on the broadband initiative. He reviewed a dashboard of key operating metrics for safety, various financial measures, service reliability, the Balanced Scorecard (BSC), and the status of key projects and addressed questions. He mentioned that if there are projects directors would like to see added to the dashboard they should let him know. He noted that he plans to provide a 2020 year-end review at the February board meeting.

Mr. Davis joined the meeting at 8:52 a.m.

Continuing his report, Mr. Camerino discussed Touchstone Energy, reminding directors that we terminated our membership and noting that we will be reaching out directly to the few members who are enrolled in the Co-op Connections Card as that will no longer be available. Messrs. Camerino and Snow addressed questions on Touchstone membership cost and benefits.

Mr. Camerino next discussed his outreach to Senator Giuda in response to the Senator's suggestions regarding recording of votes in board minutes and for a bylaw amendment to limit the scope of the board's expanded authority to just broadband issues. He noted that Senator Giuda raised the possibility of the board considering adoption of a resolution to clarify or limit the scope and this has been added to the Board Tracking Report for follow-up by the Executive Committee. He also reported that the Nominating Committee held its organizational meeting this past week and additional meetings have been scheduled, and mentioned that a proposal for an above the cap net metering distribution credit adjustment will be posted in the OnBoard

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meeting packet and presented at the joint Member Services and Corporate Services Committee meeting on February 1 and if directors have questions in advance of the meeting they should reach out to him and Mr. Dunagin.

Mr. Jacobson and Mrs. Karkheck joined the meeting at 9:15 a.m.

Mr. Dunagin provided a financial update and addressed questions. He reviewed slides on delivery service billed revenue compared to budget, kWh sales by district, accounts receivable aging, accounts receivable aging by number of accounts, accounts receivable by class, disposition of 90-day arrears balance, residential 90-days arrears \$500+ active accounts without payment arrangements, and payment arrangements.

Mr. Ciano joined the meeting at 9:19 a.m.

Mr. Camerino noted that we have begun sending out disconnect notices and will discuss that later in Executive Session.

Mr. Callnan commented on the significance of what Messrs. Dunagin and Camerino shared in their reports, pointing out that ending the year with distribution revenues less than 1% off from budget in an unprecedented year is a phenomenal result.

Mr. Callnan reviewed the monthly Power Resources Variance Report, noting that this is the beginning of the winter period report.

Mr. Camerino closed his report by mentioning that he wants to make sure we are covering the items directors want to hear about. If there are questions, or suggested additions for the dashboard just let him know.

### **Directors and Officers (D&O) Liability Insurance**

Mr. Dunagin introduced Messrs. Jacobson and Ciano of USI, noting that they will provide some background information and discuss coverage limits for D&O insurance, which is an item on the Board Tracking Report. He also mentioned that we have discussed the broadband initiative with them and our controlling interest in the broadband entity provides coverage to that entity unless we choose to exclude it.

Mr. Davis left the meeting at 9:24 a.m.

Messrs. Jacobson and Ciano reviewed a PowerPoint presentation on D&O insurance and NHEC's coverage, addressing questions throughout the presentation. They reviewed a summary of NHEC's coverage, benchmarking data, standard D&O insuring agreements, who is typically covered, what is covered and not covered, what constitutes a claim, and sources of claims.

Mr. Dunagin advised that quotes on the different levels of coverage will be provided for the February board meeting so directors can make a decision on the March 1 renewal.

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The meeting recessed at 9:55 a.m. and reconvened at 10:05 a.m. All those in attendance prior to the recess rejoined the meeting with the exception of Messrs. Ciano and Jacobson and Mrs. Karkheck.

### Broadband

Chair Mongeon commented that a significant amount of work continues on the broadband initiative and he thanked Mr. Cruickshank for his work, as well as Mr. Camerino and his staff. He noted that he wants to make sure the broadband updates are catering to directors who are not on the Broadband Committee so if there are items those directors would like to have reported on a monthly basis they should let him and Mr. Cruickshank know.

Mr. Cruickshank reviewed PowerPoint slides discussing the NH Broadband logo and some of the ongoing efforts, including review and quality checking of the CARES network, identification of risks, recommendations for future builds, development of a 90-day plan, and development of a marketing plan. He thanked the Broadband Committee and staff for their tremendous support.

The NH Broadband, LLC Operating Agreement was next discussed. Mr. Darcy mentioned that Mr. Camerino included comments in his President's Update and the Operating Agreement and a summary from Attorney Dean are included in the board packet. Upon motion of Mr. Darcy, seconded by Mrs. Davis, it was

**VOTED:** That the Board of Directors approves the NH Broadband, LLC Operating Agreement as presented, and authorizes NHEC's CEO to execute the agreement on behalf of NHEC.

Discussion ensued on the motion and questions were addressed by Messrs. Darcy, Camerino, and Attorney Dean.

Vote for the motion was unanimous.

Mr. Cruickshank next reviewed the resolution for the expenditure for the Phase 2 Plan – Expansion of Coverage, noting this is to serve additional addresses in the CARES projects that were not originally identified in the FCC data. A motion was made by Mrs. Davis, seconded by Mr. Darcy that the Board of Directors authorizes Bob Cruickshank and Steven Camerino to sign documents authorizing the expenditure of \$17,164.12<sup>1</sup> for Phase 2 Plan – Expansion of Coverage through Additional Splitter Placement – as outlined in Tilson's proposal letter dated January 8, 2021.

Mr. Cruickshank addressed a question on the number of potential additional services this would cover, noting that he is waiting for specific information from Tilson, but it is around 100 to 150.

Vote for the motion was unanimous.

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<sup>1</sup> It was identified later in the meeting that the correct amount is \$76,164.12 and a corrected motion was adopted.

## Board Skills Assessment

Ms. McElaney reviewed a PowerPoint presentation on the Board Skills Self-Assessment, discussing outcomes, the survey results, and other considerations. She noted that the results show we have a pretty strong board as it relates to hard skills, but mentioned that the survey didn't address soft skills, which she feels are equally important.

Mr. Davis rejoined the meeting at 10:30 a.m.

Directors shared their thoughts, including comments that: soft skills are important, understanding what type of background directors have is important, the board needs to have hard skills in order to perform its role as regulator, and the ability to listen and ask questions are important soft skills.

Mr. Camerino remarked that Ms. McElaney's comments are well put and he would actually put subject matter knowledge at the bottom of the list of things that are important for directors. He mentioned the near-unique nature of this board in that it is a combination of regulator, for profit board, not for profit board, and representative democracy. He noted that we have 11 directors who come to the board with their own assumptions regarding what the role of an NHEC director should be, but we never develop consensus on that issue. He suggested the skills assessment process might tie to that well as part of an effort to understand what is the role of a director.

Mr. Callnan commented that it has been mentioned multiple times that the board is acting as a regulator for NHEC and he suggested that the board clarify their meaning as there are significant differences between the role of the PUC and the role of an elected representative board and that understanding those differences may be helpful for NHEC governance.

Chair Mongeon shared his appreciation for Ms. McElaney's work on the skills self-assessment. He asked her to work with Mr. Dwyer and Mrs. Davis over the next month or two to develop some recommendations for next steps.

## Board Committees

The draft minutes of the December 28, 2020 Executive Committee meeting were reviewed. Upon motion of Mr. Darcy, seconded by Mrs. Kedersha, it was

**VOTED:** To approve the minutes of the December 28, 2020 Executive Committee meeting, as presented.

Vote for the motion was unanimous.

Referring to the earlier broadband resolution authorizing the expenditure for Phase 2 Plan – Expansion of Coverage through Additional Splitter Placement, Mr. Dwyer pointed out there was a typo in the amount and it should have read \$76,164.12 rather than \$17,164.12. Upon motion of Mr. Darcy, seconded by Mrs. Davis, it was

**VOTED:** That the Board of Directors authorizes Bob Cruickshank and Steven Camerino to sign documents authorizing the expenditure of \$76,164.12 for Phase 2 Plan – Expansion of Coverage through Additional Splitter Placement – as outlined in Tilson's proposal letter dated January 8, 2021.

Vote for the motion was unanimous.

***Joint Corporate Services and Power Resources and Access Committee***

Corporate Services Committee Chair French discussed the Co-op Power rate adjustment presented at the joint committee meeting. He noted that there will be discussion at a forthcoming Corporate Services Committee meeting on how we set Co-op Power rates and potentially developing “circuit breakers” for when we consider mid-cycle changes. Upon motion of Mrs. Davis, seconded by Mr. Dwyer, it was

**VOTED:** That the Board of Directors authorizes management to set the Co-op Power Charges as recommended in the proposal on a bills-rendered basis effective February 1, 2021.

Mr. Darcy pointed out that the reduction in Co-op Power cost is 18% for the remainder of the winter period and over the entire rate period was approximately 9%.

Mr. Senie commented that he would not like to see us fall into this situation of mid-cycle changes on a regular basis and he supports the approach to develop some “circuit breakers.”

Vote for the motion was unanimous.

In response to Chair Mongeon’s inquiry regarding lessons learned from PR&A and the PR&A committee on the residential battery project, Mr. Dwyer provided his own perspective, which was that we have to focus on the high level issues and define a high level objective: the question of what ultimately a transactive energy model looks like and do the projects get us there; and we need to look at our power purchase policy in terms of whether we want the profile for future years that we have now or do we want to revisit it. Chair Mongeon indicated that at least some of that is covered in the strategic topics list, but asked Mr. Dwyer to take a look at the list and let him and Mr. Camerino know if he felt an additional item is needed.

***Updates from Other Committees***

Member Services Committee Chair Morrill reviewed the items that will be addressed at the joint Member Services/Corporate Services Committee meeting scheduled for February 1.

Audit Committee Chair Albee reported on the audit, noting that it is on track and remote field work is scheduled for the week of February 22<sup>nd</sup>. She recalled the committee’s prior discussion on critical audit issues training and noted that committee members were tasked with finding some training individually. She also mentioned Enterprise Risk Management (ERM) and Mr. Dunagin provided an update noting that we can have assignment of risks to the committees by spring and have a risk report by January 2022.

Chair Mongeon noted that the next Executive Committee meeting is scheduled for Monday, February 22.

Mr. Davis left the meeting at 10:58 a.m.

## **Attorney's Report**

Attorney Dean provided an update on the Energy Efficiency docket at the Public Utilities Commission, indicating that it still under consideration by the Commission and they issued an order that keeps the system benefits charge (SBC) at its current rate until a final order is issued. He mentioned that a number of bills have been filed in the legislature to modify the power of the PUC concerning energy efficiency and to give the legislature more control over energy efficiency. He next gave a brief overview of the legislative session, which is just getting underway.

## **Board General Session**

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

Chair Mongeon noted that a couple of updates have been made to the Board Tracking Report.

### ***Committee Meetings***

Following is a list of upcoming meetings:

- Joint Member Services/Corporate Services Committee – February 1 at 10:00 a.m.
- Executive Committee – February 22 at 8:30 a.m.

Mr. Callnan mentioned that a Power Resources and Access Committee meeting may need to be scheduled in February or March to discuss an EV bus contract.

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

NHEC Foundation Chair Davis drew attention to her written report, Attachment #9 in the board packet. She noted that the next meeting is March 29.

## **Director Expense Reports**

Chair Mongeon pointed out that director expense reports were included in the board packet.

### ***NRECA Report***

Mr. Colburn shared comments on Touchstone Energy membership and highlighted items from his written report, which was included in the board packet. He drew attention to the Summary of End-of-Year Omnibus Appropriations/COVID Relief package, indicating that some funding may be available.

## **Executive Session**

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

**VOTED:** That the Board of Directors move into executive session for the purpose of discussion of confidential legal claims/litigation/contract matters and confidential personnel matters.

Vote for the motion was unanimous and the board moved into executive session at 11:10 a.m.

**Approved 2/23/21**

**Adjournment**

The board moved out of executive session and Chair Mongeon adjourned the meeting at 2:03 p.m.

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Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

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Thomas Mongeon, Chair of the Board