

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors September 24, 2024

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 September 24, 2024, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were William Darcy (Chair), Leo Dwyer, Jeff Morrill (via Zoom), Harry Viens, Alana Albee (via Zoom), Thomas Mongeon (via Zoom), Pat Barbour, Jerry Stringham, Peter Laufenberg, and John Goodrich.

Absent: Carolyn Kedersha

Others present were Alyssa Clemens Roberts, President/CEO; Carla Munoz, VP of People and Culture; Kristen Taylor, Chief Financial Officer; Maria Stella, Assistant Controller (via Zoom); Joshua Mazzei, VP of Operations; Jeremy Clark, Financial Planning, Analysis, and Rates Manager; Paul Phillips, Attorney; Sonja Gonzalez, Chief Information Officer; Rob Howland, Director of Power, Resource and Access; Maida Lessard, Executive Services Administrator (recording); Madeline McElaney, NRECA Director for New Hampshire (via Zoom); Brenda Inman, Cooperative Member; and Jerry Beck, Cooperative Member.

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

Agenda Review and Consent Agenda Approval

Chair Darcy then drew attention to the consent agenda items. No changes were made to the agenda. He then asked for a motion to approve the consent agenda.

Upon motion of Ms. Barbour, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors approve the consent agenda items as presented in the board packet.

Vote for the motion was unanimous with the exception of Ms. Kedersha who was absent.

Ms. Barbour asked for clarification on activities that board members are paid a \$250 fee.

Chair Darcy replied there are some specifically listed in the board policies, but if it is legitimate board business and requires travel the \$250 fee and mileage would be paid.

Chairman's Report

Chair Darcy noted we are consummating the resolution passed last month to reduce and consolidate board committees. It is hopeful this will reduce costs and staff time as well as other benefits.

New board members are getting well acquainted with NHEC as facility tours have been scheduled for all four new members in the beginning of October. A tour of the Moultonborough Solar facility is in the process of being scheduled for all board members that are interested.

There is an NRECA weeklong online director training coming up in November that Chair Darcy, Mr. Laufenberg, and Ms. Barbour have been registered to attend.

Board Committees

Chair Darcy drew attention to the Executive Committee Meeting minutes from August 21, 2024 and September 13, 2024 and moved to approve them, seconded by Mr. Stringham, it was

VOTED That the members of the Executive Committee approve the minutes of the August 21, 2024 and September 13, 2024 Executive Committee Meeting as presented in the board packet.

Vote for the motion was unanimous with the exception of Ms. Kedersha who was absent.

Chair Darcy requested a motion to approve the resolution for policy changes changing the names of the committees and functions as discussed at the Executive Committee meeting.

Upon motion of Mr. Goodrich, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors approve the resolution for policy changes as recommended by the Executive Committee.

Vote for the motion was unanimous with the exception of Ms. Kedersha who was absent.

Ms. Albee reported on the results of the special Audit Committee meeting on September 9th which the postponements in updates, record retention, inspection oversight, easements, pole testing and DOT compliance were discussed. It was agreed that in the October meeting a full MAPS framework update including those delayed in their compliance testing by June 2025 as requested. The procedures will be updated by the 2nd quarter of 2025.

Ms. Taylor clarified that the procedures that are going to be deferred due to the rewrite and update will have the compliance testing integrated and Ms. Hanks will report out of her internal audit into her cycle so as to not overload the 2025 audit year. These will be ranked by risk and priority level.

Member Comments

NHEC member, Jerry Beck commented on his concerns with the continuing climate changes and the need to have an all hands approach.

President/CEO Report

Ms. Clemesen Roberts drew attention to her report in the board packet and started with the safety message. As school started last month, she reminded everyone that it is illegal to pass a school bus that is loading or unloading children, or if the stop sign is out.

Power Supply

With an increase in warm weather in July that also impacted August, there was a variance of -2% as opposed to -4% in June. The total cost for the rate period were 2% lower than anticipated when the rates were set, and overall costs are forecasted to be 14% lower than the previous fall period from August to January. We are seeing increased transmission costs due to higher regional network service rates. We have also seen some movement on how we treat RECs and how they will be reconciled.

External Events

Ms. Clemesen Roberts noted that she met with Loon Mountain and CoBank and participated in the quarterly roundtable of the Northeast Association of Electric Cooperatives.

She met with commissioner Taylor Caswell as he stopped into the Co-op on his way home.

We also participated in an event with some electric vehicle charging stations in the north country that came online.

We have completed our SCADA expansion build out this year ahead of schedule. This marks the completion of the 5th year of a 7 year SCADA project.

The Alexandria distribution point transformer has been upgraded. Many years ago, it was designed with a spare transformer that took anywhere from 12 to 16 hours to transfer the load over through that transformer. With the upgraded transformer it will only take 30 to 60 minutes for that transfer which will positively impact member reliability.

The ERM exercise is complete and we will be presenting the areas we identified to the Audit Committee in October.

Chair Darcy asked what our financial arrangement is with the EV charging station.

Ms. Clemesen Roberts replied we are just the energy provider.

Chair Darcy asked what CoBank's interest was and are they a competitor of CFC.

Ms. Clemens Roberts replied that right now we are a 100% a CFC borrower and we are starting to look into other opportunities in terms of competitive rates as well as line of credit interest rates. We have been working on meeting with CoBank, who is a competitor of CFC, for awhile and they have a great program that we are interested in exploring.

Chair Darcy encourages staff to explore other opportunities and inquired if CoBank offers discounts the more business you do with them.

Ms. Clemens Roberts replied their discounts are their discounts and has nothing to do with the amount of business we do. We wanted to explore our options especially with the amount of capital that we're outlaying on our electric side and broadband.

She also drew attention to the updated dashboard and the addition of a second page listing the monthly goals and trends. If this is something the board would like to see as a quick snapshot from January to the current month, we can implement it for next month and also create a dashboard for broadband as well.

Mr. Mongeon asked if we informed CFC we are looking at other lenders as a courtesy, and are they on board with the suggested category changes regarding the ERM.

Ms. Clemens Roberts replied that we informed CFC that we are continuing to evaluate our options. The ERM categories change every year based on the survey of the staff that participates. We tried to incorporate what was done through surveys as well as align some of it with our strategic plan. We have been doing this every year instead of every other year and they felt it was a good suggestion.

Mr. Mongeon commented it should be reviewed by the board on a yearly basis so it's fresh.

Ms. Albee asked that a lender strategy topic be put on the board tracking report for the first quarter of 2025 and secondly, is the CFC survey normally shared with the board and will it be shared at the audit committee meeting in October.

Ms. Clemens Roberts replied we can put together a lending strategy by the end of the first quarter of 2025. We did not do a survey this year for the ERM but instead completed a two-day face-to-face meeting.

Mr. Goodrich asked how the safety goals are determined on the dashboard.

Ms. Clemens Roberts responded there are formulas used for the metrics and we can provide going forward.

Mr. Goodrich commented that it appears we are performing worse on the SAIDI, SAIFI, and CAIDI metrics. He asked if we are getting better or worse in spite of not meeting our individual goals.

Ms. Clemens Roberts replied that is correct. The Co-op has not met these goals for the last several years and there are a number of factors that affect this such as aging infrastructure, location of our lines, and the vegetation. We do have some planned upgrades and direct bury that we are working on and we have applied for some FEMA mitigation funds. We can provide some yearly trends for comparison.

Ms. Barbour asked if we keep the reliability goals internally on a more detailed basis by geographic area.

Ms. Clemens Roberts replied that we do keep some of that data and we are able to retrieve it in our NISC system and see where we have recurring outages. Some of the areas we have upgraded substations and moving lines out of the right of ways and onto the side of the road. Other areas are heavily wooded and some we can impact and some we cannot. We keep the communication with members open and keep them updated.

Mr. Dwyer commented that he is surprised that most of our lines are not along roadways.

Mr. Mazzei replied about 40% of our lines are not along roadways.

Financials

Ms. Taylor presented a brief summary of the August financials. She noted that last month there was a question about the thresholds for each county and that information is available should there be an interest in viewing it.

Board General Session

NRECA Report

Ms. McElaney noted she attended the NRECA Regional Meeting along with Mr. Viens and Ms. Clemens Roberts. She mentioned the breakout sessions that focused on artificial intelligence, cybersecurity, and stories of innovation. She noted that Jim Matheson was not at the regional meeting as he was with the president in Wisconsin announcing \$7.3 billion in grants and loans through the Dept. of Agriculture being gifted and loaned to cooperatives throughout the US. The U.S.D.A. Rural Development website states that these projects will keep electricity costs low for hardworking families, farmers, and small business owners and prevent power outages in the face of extreme weather intensified by the climate crisis.

She further noted that she updated the event list to include the 2025 Directors Conference in Florida in January with CoBank the major sponsor.

She drew attention to the information in her report about the youth tour offered by NRECA and in the past years has not had a representative from New Hampshire participate.

Board Tracking Report

Chair Darcy proposed to move the review of the board tracking report to the Executive Committee Meeting to be scheduled in October to review and revise for this month.

Mr. Laufenberg commented that the December Board Meeting is on New Year's Eve day and could it be rescheduled.

Chair Darcy replied that a Doodle Poll can be sent out with some different dates.

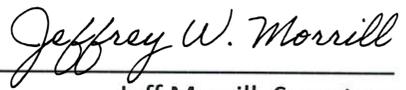
Chair Darcy made a motion to move into Executive Session for the purposes of legal litigation, personnel, and other appropriate matters, seconded by Mr. Goodrich, it was

VOTED That the Board of Directors move into Executive Session for purposes of discussion of confidential legal litigation, personnel, and other appropriate matters.

Vote for the motion was unanimous with the exception of Ms. Kedersha who was absent.

The Board of Directors came out of Executive Session at 1:09 p.m.

Chair Darcy adjourned the meeting at 1:12 p.m.



Jeff Morrill, Secretary

A TRUE COPY ATTEST:



William R. Darcy, Chair of the Board