

**New Hampshire Electric Cooperative, Inc.  
Minutes of the Meeting of the Executive Committee  
Pemi Board Room  
February 28, 2023**

**Present:** Committee members: Sharon Davis; Via Zoom - Alana Albee, Brenda Boisvert, Ed French, and Carolyn Kedersha

Members Absent: Jeff Morrill

Other Directors: Via Zoom - Bill Darcy, Madeline McElaney, and Tom Mongeon

NHEC Employees: Alyssa Clemsen Roberts, Jim Bakas, Mike Jennings, and Sharon Yeaton (recording); Via Zoom – Brian Callnan

Others: Paul Phillips, NHEC General Counsel

Mr. French called the meeting to order at 12:45 p.m., noting that he is filling in since Mr. Morrill is on vacation and Ms. Davis will need to leave before the meeting ends.

### **Agenda Review and Approval of Minutes**

Mr. French asked for any changes to the agenda. None were noted. He next drew attention to the draft minutes from the November 2, 2022, Executive Committee meeting. Upon motion of Ms. Boisvert, seconded by Ms. Kedersha, it was

**VOTED:** To approve the minutes of the November 2, 2022, Executive Committee meeting, as presented in the meeting packet.

Vote for the motion was unanimous.

### **Review and Discussion of Proposed Bylaw Changes**

Attorney Phillips drew attention to his memo in the meeting packet, noting that this is in response to the Executive Committee's request for recommendations regarding possible revisions to the Bylaws. He reviewed the two recommendations he is making, noting that they would need to be approved by a member vote. He first discussed his recommendation to clarify NHEC's authority to conduct member elections by electronic ballots, noting that this issue initially came up in 2020 due to COVID. He read his proposed amendment to Section 7 of Article III to add a sentence "In implementing electronic voting under this Section, the Board may alter or suspend any or all of the balloting requirements for voting by mail set forth in Section 4 of this Article." He noted that this language gives the Board flexibility to establish procedures for electronic voting and eliminates the need for separate Board resolutions. He next mentioned that his second recommendation is to update pronoun references to eliminate gender-specific language.

Mr. French noted that a recommendation would need to be presented at the March board meeting. Attorney Phillips noted that the board will also have to adopt the same two resolutions they previously approved again this year.

Upon motion of Ms. Kedersha, seconded by Ms. Albee, it was

**VOTED:** That the Executive Committee recommends the Board of Directors present the proposed bylaw amendments, as presented, to the membership for approval.

Vote for the motion was unanimous.

### **Board Policy B-3, Attachment B**

Mr. French noted that this policy was discussed by the Executive Committee and they asked Ms. Clemens Roberts to weigh in with her recommendation, which is included in the meeting packet. He advised that this needs to be approved by the full board so the committee would be making a recommendation to the board for approval.

It was mentioned that the purpose of committees is to do the deep dive on policies and bring recommendations to the full Board for vote, and the Board should be supporting that work, and that has not been happening.

Mr. Darcy suggested removing the sentence “A director may request information directly from the CEO during a Board meeting” from Section A, suggesting that is already provided for in Section B. He also commented that Section B is a little ambiguous, mentioning that sometimes the request may just be for a document and not detailed background information.

Mr. French stated that this policy has percolated several times and just because the committee recommends it does not mean the full Board needs to accept it, but we need to move this forward to full Board and then they need to make a decision and not keep kicking it back to committee.

Upon motion of Ms. Albee, seconded by Ms. Boisvert, it was

**VOTED:** That the Executive Committee recommends the Board of Directors approve the proposed changes to Board Policy B-3, Attachment B – Board/Management Communications, as included in the meeting packet.

Vote for the motion was unanimous.

### **Review of Director Compensation**

Mr. French shared that there is no recommendation being proposed, but Chair Morrill felt it was important for the Executive Committee to discuss whether they want to revisit director compensation and do a deeper dive.

There was discussion on the average NHEC director compensation for 2022 and the averages in the 2020 NRECA National Directors Study for cooperatives in Region I and those with over 40,000 meters; previous compensation reviews and adjustments; the increase in meetings last year that increased the total compensation for 2022; a suggestion that before addressing

compensation we first discuss the number of meetings, how we can be more efficient with committees, and whether non-committee members are paid for attending; a suggestion to consider switching from a per meeting structure to a monthly stipend; and a recommendation that compensation be reviewed every two years.

Mr. French recapped that he did not hear there was a need to do a deep dive into compensation this year for several reasons, including that we are relooking at what we are doing with committees and how that might change, and it is something we should look at periodically, but we made an adjustment last year. He suggested we not do anything this year and add an item to the Board Tracking Report for a deeper dive for next year and that the Board Chair appoint a smaller group to do the heavy lifting to develop a recommendation.

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

**VOTED:** That there not be an increase in director compensation for 2023 and it be reviewed again in 2024.

Ms. Albee suggested that part of the analysis consider what it would look like if we just gave an across the board stipend so we stop incentivizing committee meetings, and that the timing for completion be noted on the Board Tracking Report as Q4 2023 so the information is available for 2024.

Vote for the motion was unanimous.

Mr. French noted that there would be a recommendation to the Board to include an item on the Board Tracking Report for Q4 2023 to review the director compensation system and to review compensation compared to peers.

Ms. Davis left the meeting at 1:27 p.m.

Mr. Mongeon encouraged that we look at what are the objectives of compensation, what are we trying to achieve, and take a look at the options and analyze it from there. He also suggested that the data from previous years be pulled together and sent back out to the board as he believed we were behind the curve on compensation based on our size, number of meters, etc. and he would like to put the concern that the board is being overpaid to bed, or if that is the reality then address it.

Mr. French mentioned that when compensation was reviewed in the recent past we were not looking at total compensation as reported on the IRS Form 990; we were looking at individual items such as stipends and meeting fees and that may or may not make a difference.

Ms. Clemens Roberts commented that she would anticipate that the number of meetings is probably what is making overall compensation higher. She reviewed NHEC's total director compensation for the years 2018 – 2022. She next drew attention to page 10 of the NRECA 2020 National Directors Study included in the meeting packet, noting that 80% of boards meet 12

times per year, 5% meet less than 12 times per year, and 15% meet more than 12 times per year. She suggested that there likely are not many cooperatives having the same number of meetings as NHEC is having, which she thinks is a direct reflection of the growing compensation. She also mentioned that the NRECA Director Compensation Toolkit included in the meeting packet covers why you compensate, how you compensate, etc. She added that if you look at NHEC director compensation for 2018 and 2019 it is in line with what other electric cooperatives are doing.

Mr. French commented that he believes the challenge has been appropriately identified and we will recommend no change to compensation now and that we do a deep dive based on information we have historically received and maybe new information before any future recommendation is made.

In response to a suggestion that the analysis be in the first quarter of 2024 so that we have a full year of data from 2023, Mr. French indicated that at the board meeting he will suggest 4<sup>th</sup> quarter of 2023 as was discussed by the committee and if directors want to make it 1<sup>st</sup> quarter of 2024 that suggestion can then be made.

#### **Adjournment**

Upon motion of Ms. Boisvert, seconded by Ms. Albee, it was unanimously voted to adjourn the meeting. Mr. French adjourned the meeting at 1:36 p.m.