

Approved 3/28/23

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

February 28, 2023

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 February 28, 2023, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Sharon Davis and Leo Dwyer. Directors Alana Albee, Brenda Boisvert, William Darcy, Edward French, Madeline McElaney, Carolyn Kedersha, Thomas Mongeon, and Harry Viens participated via Zoom. Director Jeffrey Morrill was absent. Others present were Alyssa Clemsen Roberts, President/CEO; Jim Bakas, Chief Operating Officer (COO); Michael Jennings, Director of Engineering; Paul Phillips, Attorney; Kelley Achenbach, Controller; Dustin Ryan, Safety Manager; Cooperative Member Jerry Beck; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Brian Callnan, VP of Power Resources and Access; Kristen Taylor, Interim CFO; Seth Wheeler, Communications Administrator; Ken Colburn, NH NRECA Director; Cooperative Members, Pat Barbour, Evan Kaplan, and Lori Saleski; Joel Maiola and Richard Sigel of McLane Middleton GPS; and David Cuzzi of Prospect Hill Strategies.

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

Agenda Review and Consent Agenda Approval

Vice Chair Davis asked for any changes to the agenda; none were noted. She next drew attention to the draft meeting minutes of the January 31, 2023, board meeting. Upon motion of Mr. Darcy, seconded by Ms. Kedersha, it was

VOTED: That the Board of Directors approves the minutes of the January 31, 2023, board meeting as presented in the meeting packet.

Vote for the motion was nine in favor and one abstention, with Mr. French abstaining as he wasn't in attendance.

Board Safety Moment

Mr. Ryan presented the Board Safety Moment sharing a PowerPoint on the topic of island safety. He discussed a recent island incident involving a contractor and reviewed NHEC's safety protocols and procedures when working on islands.

Mr. Ryan left the meeting at 8:40 a.m.

Board Operations Moment

Ms. McElaney first thanked those who responded and committed to present the Board Operations Moment at a future meeting, and adding that the door is open if others would like to share, but there is no pressure and she will cover if no one is signed up. She next drew attention to the graphic in the board packet and discussed the concept of armored leadership vs. daring leadership, sharing that when we feel threatened we armor up and when we have grounded confidence we

feel daring. She challenged everyone to think about how and when they might armor up, what things trigger them, and what are their thoughts, words and actions when they armor up. She mentioned there is a lot more information on this and suggested Googling Brene Brown.

In response to a question asking if there is a way to pull people back into the moment when this happens, Ms. McElaney commented that she thinks some of these behaviors are more systemic than in the moment, but she is open to others' thoughts. She noted that she would see if she can find a good summary with maybe some comparisons.

Member Comments

Vice Chair Davis recognized the guests in attendance and offered each of them an opportunity to make comments.

Mr. Beck and Ms. Saleski shared that they are here to observe and get a better sense of how the board operates.

Ms. Barbour shared that she enjoyed her meeting with the Nominating Committee and continues to be impressed with the process they have for finding board members.

Chairman's Report

Vice Chair Davis noted that she is filling in for Chair Morrill today as he is away with family on vacation. She mentioned that she met with the Nominating Committee on February 8 since Chair Morrill was not available, and noted that the committee must complete its nominations by March 9. With regard to the Board Operations Moment, she encouraged directors to sign up if they hadn't yet done so. Vice Chair Davis next advised that she has a meeting scheduled with Ms. Clemsen Roberts with regard to CEO goals and she will then discuss with the board in March.

President's Report

Ms. Clemsen Roberts presented the President's Report, discussing items from her written report, including the need for a new certificate of vote for railroad crossings; renewal of NHEC's D&O insurance, drawing attention to the information in the board packet and the recommendation to increase coverage to \$15 million; and the environmental strategic topic scheduled for discussion at the May board meeting, calling on Mr. Callnan to review.

Mr. Callnan drew attention to the environmental topic outline, attachment #7 in the board packet. He walked through the draft agenda, which includes an objective review, discussion of environmental tools available, and power supply considerations, noting that there would be 40 minutes for this discussion at the May board meeting.

Directors shared their thoughts. Mr. Callnan then summarized that what he heard from the board was that for this topic discussion in May was the board would like additional data for the May board meeting, including: 1) some history and an understanding of the environmental resolution passed by the board in August 2022, 2) how the member prioritization survey plays into this topic, 3) a grid of NHEC environmental programs, program costs and number of beneficiaries, 3) how does the state energy plan fit, 4) what do grants look like in the inflation reduction act, and 5) a gap analysis of what the board wants vs. what we have. He noted that he thinks the

information we have laid out here is in itself a gap analysis – what do we have today (history of the topic) and what do we want to review for discussion during this topic. He commented that the May topic was not to dive into coming to an answer for the strategic plan but to focus on the data we need in order to help us with our strategic planning effort.

Ms. Clemsen Roberts stated that she would like to provide the board with information and have discussion in May, but wait until strategic planning before making any decisions. She noted that staff would be happy to put together a summary with some historical context, factual information, and a wrap up without staff providing any opinions.

Additional comments from directors included agreement that we should wait until strategic planning to make any decisions as there are a number of initiatives and they need to be addressed in a holistic sense; a thought that it would be helpful to look at the big ticket programs such as electric vehicles and heat pumps to see how broadly or concentrated they are in terms of the member population they serve; and a suggestion that we look at what programs actually move the needle.

Continuing her report, Ms. Clemsen Roberts discussed the newsletter notification on the herbicide opt out; a new ransomware we were notified of and steps NHEC has taken to mitigate this vulnerability; physical inventory, mentioning the change in timing; Cat Z mitigation funds from FEMA, noting that our reimbursement request was approved and monies will be spent for SCADA devices to improve reliability; the letter from Governor Sununu to President Biden requesting a disaster declaration for the December storm; the progress being made to fill the open VP positions, sharing the status of each of the positions; and the member email to the board included in the meeting packet, for which Vice Chair Davis indicated she would follow up with Chair Morrill on how he would like to address this and Ms. Clemsen Roberts stated she would provide them both with a draft response and staff would notify the member that they will receive a response by March 10.

Ms. Clemsen Roberts addressed questions, advising that she would follow up and send the board an email as to whether our managed security service provider has reviewed NHEC's mitigation steps; and confirmed that NHEC had about \$6 million in expenses related to the winter storm that were submitted to FEMA.

Mr. Darcy noted that the board needs to act on the certificate of vote, first mentioning that the certificate refers to Mr. Bakas as the Chief Operating Officer (COO) suggesting he is second in command and he hadn't seen that previously identified in the organizational chart or other documents. He stated that there is a board policy that says the President shall identify a current employee of NHEC to act as the Acting President when the President/CEO is temporarily unable to perform their duties and that such person shall be approved by the Board of Directors by resolution. He suggested that if the title of COO is suggesting to the board that Mr. Bakas be the Acting President/CEO then the board ought to pass a resolution to follow up on that.

Ms. Clemsen Roberts stated that she made Mr. Bakas the COO back in October and he has been using that title since that time.

Attorney Phillips questioned the connection between the new title given to Mr. Bakas and the policy mentioned. He asked if the board has adopted those resolutions in the past to which Vice Chair Davis replied that they have not and went on to explain that in the past the board has

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appointed someone if there is a vacancy, as they did when they appointed Mr. Bakas upon Mr. Camerino's departure.

Mr. Darcy read the wording of item #27 in Board Policy B-4, commenting that the policy says there shall be a person designated in the absence of the President/CEO and he thought it was relevant. Attorney Phillips shared that his interpretation is that what triggers the policy is when the President/CEO is temporarily unable to perform the duties of President/CEO. Mr. Darcy disagreed with the meaning, but suggested moving on the certificate of vote resolution.

Vice Chair Davis drew attention to the certificate of vote resolution, attachment #5 in the board packet. Upon motion of Mr. Darcy, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors authorizes James T. Bakas, Chief Operating Officer (COO), and/or Alyssa Clemsen Roberts, President/CEO, for the New Hampshire Electric Cooperative (NHEC), to enter into all contracts on behalf of NHEC with the State of New Hampshire Department of Transportation (NH DOT) for a crossing of, or temporary access to, NH DOT railroad property.

Vote for the motion was unanimous.

Vice Chair Davis reviewed the resolution for directors and officers insurance, attachment #6 in the board packet. Upon motion of Mr. French, seconded by Ms. Kedersha, it was

VOTED: That the Board of Directors authorizes management to renew the Board of Director's D&O Insurance with Aegis for \$15,000,000 coverage effective March 1, 2023.

Vote for the motion was unanimous.

The meeting recessed at 9:23 a.m. and reconvened at 9:36 a.m.

Strategic Topic Discussion – Legislative Report

Messrs. Cuzzi, Maiola, and Sigel joined the meeting at 9:36 a.m.

Ms. Clemsen Roberts introduced NHEC's lobbyists Messrs. Cuzzi, Maiola, and Sigel and thanked them for joining the meeting. She mentioned that Messrs. Dwyer, Morrill, and Darcy started having calls with them when we wanted to start the broadband business. She noted that we are also using them now for the electric side of the business and she has calls with them every week. She commented that they provide good counsel and she thought it would be good to have them talk with the board.

Messrs. Sigel, Maiola, and Cuzzi each introduced themselves and discussed their backgrounds.

Mr. Siegel noted that they have been working with the Cooperative since 2021 and were initially brought in to help with broadband funding. They have been working closely with Ms. Clemsen Roberts over the last few months and started covering issues on the energy side as well. They are

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currently monitoring 30 – 35 bills and they weigh in on bills as directed by Ms. Clemens Roberts.

Mr. Maiola discussed the makeup of the both the NH Senate and House of Representatives, noting that the balance in the House changes weekly due to absences so it is hard to predict where things will go.

Mr. Cuzzi mentioned that in a budget year no bill is really dead until they have adjourned for the year, which makes things a little more difficult and is why it is important for them to be able to have conversations on both sides of the aisle. He noted that the collaborating they are doing with Ms. Clemens Roberts and her team real time is effective and important.

Mr. Siegel added that the NH legislature is one of largest in the world and every bill gets a hearing on the floor and gets a vote on house floor. He noted that with 1,300 bills for consideration this year, for a session that ends in June, it is an enormous undertaking.

Mr. Cuzzi provided an update on broadband, advising that there is still a lot of attention on NHEC's broadband efforts and we are in consistent communication with the Governor's office and the NH Department of Business and Economic Affairs (BEA) and they like hearing the good news we are providing. He discussed the BEA grants awarded and noted that the next wave of funding from the infrastructure bill will be \$100 - \$120 million that will all go into a broadband matching grant program and they are still working out the rules on how that will be administered. He mentioned that there is one broadband-related bill, SB222, which looks to remove all of the matching requirements for municipalities who would be receiving funds through the matching program, noting that it is likely this bill will reemerge in the spring.

Mr. Siegel advised that the overall strategy is to be deliberate and focus on key bills impacting NHEC. He mentioned that the Cooperative has been represented at the House Science, Technology, and Energy Committee (ST&E) with Ms. Clemens Roberts providing an update to the committee. He shared examples of some of the legislation they are tracking, including HB251, which requires customers be notified on their bills about the cost of compliance with renewable portfolio standards, noting that we expressed concern about the burdens it would create and the bill was amended and we can now support it; HB381, which provided that the system benefits charge (SBC) funding level could only be increased through legislation and we weighed in opposing; HB558, which establishes authority and procedures for adoption of electric microgrids and we weighed in opposing; SB113, which protects the NH Saves program by making clear it is "annual" saving, signing in support; HB257, which allows for a telecom provider to be relieved of its carrier of last resort obligations, and Ms. Clemens Roberts wrote a letter to the House ST&E Committee to clarify the record and respond to criticisms of NHEC and its broadband grant from CCI and the cable association; and SB255, which creates a new law around consumer privacy, monitoring to ensure it will work for us.

Mr. Maiola mentioned that NHEC has a good reputation in Concord for its prior work and it has been helpful to have Ms. Clemens Roberts be able to jump on calls to talk with the Governor's office and the BEA, noting that the comfort elected officials have with NHEC enables us to be successful.

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Messrs. Cuzzi, Maiola, and Sigel addressed questions, confirming that SB222 is the only broadband-related legislation pending; advising that the three of them work together as a team; and discussing various points that were raised regarding potential future grant funds.

In response to a question, Ms. Clemsen Roberts explained the process for determining whether we weigh in and take a position on a bill or we just monitor.

Messrs. Cuzzi and Kaplan left the meeting at 10:25 a.m.

In response to a request, Ms. Clemsen Roberts agreed to email the list of bills we support and oppose to the board.

In response to a question, Mr. Siegel provided a summary of the process a bill can go through and the lexicon used for the various actions that can be taken on a bill.

Vice Chair Davis shared her thanks for the report. Messrs. Maiola and Sigel left the meeting at 10:30 a.m.

Board Policy Consolidation

Attorney Phillips shared his screen and reviewed the Summary of Proposed Reorganization of NHEC Board Policy Manual, attachment #8 in the meeting packet. He noted that Phase I is the original request to streamline and consolidate policies and mentioned that over the past few months additional policies have been identified for consideration of substantive changes and this will be addressed in Phase II by the Policy Committee.

Attorney Phillips reviewed the Phase I recommendation to reorganize the policy manual into six functional areas and to consolidate overlapping policies, reducing the overall number of policies from 24 to 18. He reviewed the policies that are proposed to be consolidated and noted that additional consolidation is possible as we work through Phase II.

Directors shared their appreciation for this work and shared additional suggestions, including a desire to see the Audit Policy and Audit Charter pulled together, a request to keep policy subtitles as they are consolidated since the policies will become longer, and a desire to have all of the fiscal spending policies in one place.

Attorney Phillips noted that the next step will be to convene the Policy Committee to consider substantive changes to board policies, consolidate content, and identify where there are conflicts and make sure there is consistency.

Board Committees

Discussion of Meeting Purpose and Frequency

Vice Chair Davis opened the topic of meeting purpose and frequency. All directors commenting felt there was a need for committee meetings and shared additional thoughts, including that the purpose of committees is to allow a subset of the board to do a deeper dive on subject matter and there should be enough meetings during the year to accomplish that; we are in a transition period as we will be looking at committee structure; the board should keep in mind its oversight role and be sensitive to how heavily loaded staff is and have clear objectives for meetings; we should be challenging ourself to identify the committee topics early in the year so we know why we are

having the meetings; the challenge put to committee chairs was to think about why we are having a meeting and determine if there are any that can be eliminated by shifting things around; committee meetings could look differently than they do now, with a question of whether it is the best use of our time and member money for all directors to attend all committee meetings; committee meetings should be purpose driven; and process improvement should happen at every level and efficiency of committee work is a good place to start.

Ms. Clemsen Roberts commented that staff is not anti-committee, but she is concerned with the number of meetings staff is having to prepare for. She noted that with 48 meetings scheduled this year, not including strategic planning or policy committee, we are rapidly approaching over one meeting a week and she doesn't feel that is sustainable or necessary.

In response to a comment that committee meetings do not require the participation of all directors or staff, Ms. Clemsen Roberts agreed, but noted that when preparing for meetings it requires multiple members of staff. She stated that she would just like to challenge us to look at our committee meetings and determine the purpose and if it requires a meeting.

It was suggested that some of what is discussed in committee meetings could instead be handled by reporting in the meeting packet. Ms. Clemsen Roberts noted that there are things we could do in terms of reporting and what is included in the meeting packet and she is hoping to have a proposal on what we would like the packet to look like by the June meeting.

Other Committee Items

Mr. Callnan mentioned that last month he reported that Unitil might be adjusting rates come April and that was incorrect. They are adjusting their rate in Massachusetts, but not New Hampshire.

Board General Session

Board Tracking Report

Addressing a question on item #1, investigative process, on the Board Tacking Report, Attorney Phillips confirmed that this item would be completed by the end of first quarter.

Ms. Clemsen Roberts confirmed the status of additional items on the tracking report. She also received an indication from Mr. Dwyer that item #8, board director candidate night, could be removed from the report.

Committee Meetings

Following is a list of upcoming committee meetings:

- Engineering and Operations Committee – March 13, 10:00 a.m.
- Corporate Services Committee – March 16, 8:30 a.m.
- Audit Committee – March 24, 10:00 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis noted that the next Foundation meeting is scheduled for March 27. She drew attention to the article on the Wentworth School winter program, attachment #10 in the board packet.

Mr. Viens and Ms. Saleski left the meeting at 11:06 a.m.

NRECA Report

Mr. Colburn presented the NRECA Report, sharing highlights from his written report and additions to the bibliography. He discussed the upcoming annual meeting and recent federal activity. Referring to Mr. Colburn's report on federal activities, Ms. Clemesen Roberts advised that we don't believe the Federal Energy Regulatory Commission's (FERC's) directive to the North American Electric Reliability Corporation (NERC) to develop reliability standards requiring internal network security monitoring impacts NHEC. She also noted if there were not supply chain issues, she could support the transformer efficiency improvements, but currently it could add anywhere from 6 to 18 months of further delay in getting transformers if this were to pass.

Mr. Colburn drew attention to the proposed NRECA resolutions. It was agreed that if anyone has input on any of the resolution they will provide it to Ms. McElaney and Ms. Clemesen Roberts as NHEC's voting delegate and alternate.

Ms. Clemesen Roberts mentioned that she would like to talk with Mr. Colburn about NRECA and their diversity work.

Executive Session

Upon motion of Mr. Mongeon, seconded by Ms. Boisvert, it was

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

Vote for the motion was unanimous and the Board moved into executive session at 11:17 a.m. Ms. Achenbach, Mr. Beck, Ms. Barbour, Mr. Colburn, and Mr. Wheeler left the meeting at this time.

The Board moved out of executive session at 12:35 p.m.

Mr. French noted that the Executive Committee meeting would be starting at 12:45 p.m.

Adjournment

Vice Chair Davis adjourned the meeting at 12:36 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Jeffrey Morrill, Chair of the Board