

Approved 6/27/23

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

May 30, 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 May 30, 2023, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Jeffrey Morrill, Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Thomas Mongeon and Harry Viens. Director Alana Albee participated via Zoom. Others present were Alyssa Clemsen Roberts, President/CEO; Michael Jennings, VP of Engineering and Operations; Carla Munoz, VP of Human Resources; Jonathan Nelson, VP of Broadband; Paul Phillips, Attorney; Kristen Taylor, Interim CFO; Rob Howland, Interim VP of Power Resources and Access; Matt Babcock, Safety Administrator; Ken Colburn, NH NRECA Director; Cooperative Members, Pat Barbour, Jerry Beck, Brenda Inman, and Lee Pierhal; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Seth Wheeler, Communications Administrator.

Chair Morrill called the meeting to order at 8:30 a.m. He mentioned that several guests are in attendance and there will be an opportunity for introductions later in the meeting.

Agenda Review and Consent Agenda Approval

Chair Morrill asked for any changes to the agenda, and a motion to approve the agenda and consent agenda items, which include the minutes of the April 25, 2023, board meeting and a director expense report.

In response to a question of what would be covered during the environmental topic discussion, Ms. Clemsen Roberts explained that it was requested that staff put together a summary paper of the efforts NHEC has taken, which is included in the board packet along with a number of attachments. She noted that this is not a deep dive discussion, but a summary of what has been done to help the board get prepared for strategic planning, which will kick off in July.

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

VOTED: That the Board of Directors approves the consent agenda items as presented in the meeting packet.

Vote for the motion was unanimous.

Board Safety Moment

Mr. Babcock presented the Board Safety Moment sharing a PowerPoint presentation on NHEC's Monthly Safety Briefings, which are sent out to managers and supervisors to share with their employees.

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

Board Operations Moment

Ms. Davis presented the Board Operations Moment sharing a PowerPoint Presentation, Risk Tips for Managing Board Liability. She reviewed slides addressing board orientation, regular communications, steps taken to protect NHEC and governing team, holding every board member accountable, potential conflict of interests, and a recommendation to expand board orientation to cover governing function, current board policies, NHEC Bylaws and oversight role of the Board.

In response to a question on who would provide the orientation, Ms. Davis explained that senior management usually provides orientation on their areas of the business, but she doesn't recall there being much covered on board governance and suggested that would be addressed by the Board Chair or officers of the board.

Member Comments

Chair Morrill called on guests in attendance to introduce themselves and offered them an opportunity to make comments.

Mr. Beck offered comments on the issue of climate change, noting that we have a climate emergency that demands attention now. He stated that the climate crisis is the responsibility of all segments of society. He mentioned federal funding available for cooperatives to invest in renewable energy, grid efficiency, and other measures. He encouraged the board to think beyond business as usual and to include addressing the climate crisis in their strategic plan.

Chairman's Report

Chair Morrill indicated he had nothing to report this month.

President's Report

Ms. Clemsen Roberts presented the President's Report, sharing highlights from her written report, including discussion of the Independent System Operator-New England (ISO-NE); the need to appoint voting delegates and alternates for the upcoming National Rural Utilities Cooperative Finance Corporation (CFC) and National Cooperative Services Corporation (NCSC) meetings; the environmental topic memo and attachments put together by Brian Callnan, noting that this information is provided for the board to review in preparation for strategic planning; efforts being undertaken for FEMA reimbursement for winter storms Elliot and Sage, as well as mitigation grants for both storms; the Cooperative Family Fund, noting that she will follow up in June; the discovery that the under-collection balance in our Power Resources division on the Form 7 was understated; completion of the board tracking report "investigative process" item; several external meetings she attended over the past month; and member correspondence related to the financial information of NH Broadband.

Addressing a question, Ms. Clemsen Roberts confirmed that we have communicated our concerns to ISO-NE that they need to address consumer cost, reliability, and resource adequacy and we will continue discussing our concerns at the NEPOOL Participants Committee summer meeting.

In response to a question on the FEMA mitigation grants, Mr. Jennings advised that all projects must be completed within 18 months of the first meeting with FEMA.

Appreciation was expressed for the information Mr. Callnan put together on the environmental topic, with it noted that it shows the evolution of a process that has spanned several years and we are not starting from scratch when we get to strategic planning; for the approach being taken with ISO-NE; and for the transparency on Form 7, with it encouraged that as we look at process improvements this is an area that may benefit.

Ms. Clemesen Roberts addressed additional questions and comments, noting that she has not received any feedback from employees on the ethics hotline and calling attention to the Whistleblower Policy for examples of reportable conduct; advising that talking points could be put together for directors related to member questions that have been received on the broadband financials and she will give some thought to whether we should make a public statement; and commenting that how we provide education versus what is considered marketing of power supply product offerings will be something we should discuss in strategic planning. She also mentioned that she will have information available at strategic planning on the impact to Co-op Power rates should a majority of members choose another provider with scenarios for 25%, 50%, and 75%.

Mr. Beck asked if the memo and attachments are available to members. Chair Morrill requested Attorney Phillips review the information and redact any confidential information so it can be shared.

Upon motion of Ms. Davis, seconded by Mr. French, it was

VOTED: To appoint Alyssa Clemesen Roberts as NHEC's voting delegate and Autumn Doan as the alternate voting delegate for the 2023 CFC and NCSC Annual Meetings.

Vote for the motion was unanimous.

Officer Elections – Preliminary Statements of Intentions

Chair Morrill offered directors interested in running for officer positions an opportunity to declare their intention to run. Indications of interest and brief remarks were shared for each officer position. It was noted that indications of interest are voluntary and not binding at this time. If other directors decide they would like to run for an officer position they may do so at the Board Organizational Meeting.

Strategic Topic Discussion – Environmental

Ms. Clemesen Roberts indicated that she covered this topic as part of her CEO report and offered to address any questions.

Comments were shared on the memo and attachments that were provided, with it noted that it provides the foundational information from which we can ask ourselves what are the best optimal strategic ways forward for the next five year strategic plan.

Addressing a question regarding the member survey, Ms. Clemesen Roberts stated that the previous survey was conducted by the Taylor Group. She noted that a new survey, which is a little different than the last one, has been sent to a random selection of members and to employees and the results will be presented at the July board meeting.

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A comment was shared that with about one-third of our membership being low income it will be important to understand their input as we go into strategic planning.

There was discussion regarding the strategic planning process. It was noted that the strategic topic discussion for June is preparation for strategic planning. Ms. Clemsen Roberts will be meeting with Joe Raia, the strategic planning consultant, prior to the June board meeting and there will be a draft proposal of what the process will look like and a proposed timeline included in the board packet for discussion.

Ms. Clemsen Roberts confirmed that the plan is to have a Strategic Planning Steering Committee.

Board Committees

Power Resources and Access Committee

Power Resources and Access Committee Chair Darcy mentioned the Community Power Coalition of NH (CPCNH) that just launched this month with 65,000 customers, noting that by the end of the year they will likely be larger than NHEC; discussed the Twin States Transmission Project proposal to bring hydro power to New England as outlined in the memo he sent; and drew attention to the Power Resources Variance Report, Attachment #23 in the board packet, highlighting the projected 11% reduction in rates for the upcoming rate period compared to the equivalent period 2022 costs.

Committee Chair Darcy next drew attention to the revised draft minutes of the January 17, 2023, Power Resources and Access Committee meeting that were included in the board packet. Upon motion of Mr. Darcy, seconded by Mr. Mongeon, it was

VOTED: That the Power Resources and Access Committee approves the minutes of its January 17, 2023, meeting as presented in the board packet.

Discussion ensued on amending minutes, the review process for draft board and committee minutes, guidelines in Robert's Rules of Order for the level of detail included in minutes, and NHEC's level of detail in minutes.

Following discussion, Chair Morrill requested the subject of how we take, review, revise, and approve board and committee minutes be added to the board tracking report to be revisited after officer elections.

Vote for the motion to approve the January 17, 2023, Power Resources and Access Committee minutes, among committee members, was three in favor (Directors Darcy, Mongeon, and Viens) and one opposed (Director Kedersha). The motion carries.

Member Services Committee

Member Services Committee Chair McElaney called attention to the draft minutes of the committee's January 24, 2023, meeting. Upon motion of Ms. Albee, seconded by Mr. Viens, it was

VOTED: That the Member Services Committee approves the minutes of its January 24, 2023, meeting as presented in the board packet.

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Vote for the motion was unanimous among committee members (Directors Albee, Boisvert, McElaney, and Viens).

Executive Committee

Chair Morrill drew attention to the draft minutes of the February 28, 2023, Executive Committee meeting. Upon motion of Mr. French, seconded by Ms. Kedersha, it was

VOTED: That the Executive Committee approves the minutes of its February 28, 2023, meeting as presented in the board packet.

Vote for the motion was unanimous among committee members (Directors Albee, Boisvert, Davis, French, Kedersha, and Morrill).

Engineering and Operations Committee

Engineering and Operations Committee Chair Mongeon called attention to the draft minutes of the committee's March 13, 2023, meeting. Upon motion of Mr. Darcy, seconded by Mr. Dwyer, it was

VOTED: That the Engineering and Operations Committee approves the minutes of its March 13, 2023, meeting as presented in the board packet.

Vote for the motion was unanimous among committee members (Directors Darcy, Dwyer, Kedersha, and Mongeon).

Corporate Services Committee

Corporate Services Committee Chair French drew attention to the draft minutes of the committee's March 16, 2023, meeting. Upon motion of Ms. Davis, seconded by Mr. Dwyer, it was

VOTED: That the Corporate Services Committee approves the minutes of its March 16, 2023, meeting as presented in the board packet.

Vote for the motion was unanimous among committee members (Directors Boisvert, Davis, Dwyer, and French).

Committee Chair French mentioned that the next Corporate Services Committee meeting is scheduled for June 16th.

Audit Committee

Audit Committee Chair Albee called attention to the draft minutes of the committee's April 21, 2023, meeting. Upon motion of Mr. French, seconded by Ms. Davis, it was

VOTED: That the Audit Committee approves the minutes of its April 21, 2023, meeting as presented in the board packet.

Vote for the motion was unanimous among committee members (Directors Albee, Davis, French, and McElaney).

Board General Session

Board Tracking Report

Chair Morrill drew attention to the Board Tracking Report. He asked Attorney Phillips if the items he has responsibility for with second quarter timeframe are on track. Attorney Phillips stated that he needs to schedule a meeting of the Board Policy Committee.

Committee Meetings

Following is a list of upcoming committee meetings:

- Corporate Services Committee – June 16, 8:30 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis reported that several events have been held recently with the support of Foundation grants, including a smoke alarm installation event in the Plymouth area and a Mobile Food Pantry drive in Rumney. She noted that the next meeting is scheduled for June 26th and will also be the annual meeting.

NRECA Report

Mr. Colburn presented the NRECA Report, noting that he will not be able to attend NHEC's Board meeting next month since the NRECA Board is scheduled to meet at the same time. He next shared highlights from his written report included in the board packet, additions to his bibliography, and addressed questions.

Mr. Colburn mentioned that he and Mr. Mongeon discussed the idea of presenting a resolution related to NRECA's strategic planning process, as discussed last month, and decided on a different strategy.

Mr. Mongeon shared that instead of the two-pronged approach he mentioned at last month's meeting of using the NRECA resolutions process and bringing a resolution to the next NRECA board meeting, he and Mr. Colburn decided to first see if Mr. Colburn can get NRECA support to have a committee study the strategic planning process and make a recommendation. He noted that if it doesn't look like this approach will be successful, we will go back to the idea of presenting a resolution to NRECA and we will have a year to plan for that and to understand the NRECA process.

Miscellaneous Additional Items

No additional items were noted.

The meeting recessed at 10:29 a.m. Ms. Barbour, Mr. Beck, Ms. Inman, Mr. Pierhal, and Mr. Wheeler left the meeting at this time. The meeting reconvened at 10:42 a.m.

Executive Session

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

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

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Vote for the motion was unanimous and the board moved into executive session at 10:42 a.m.

The Board moved out of executive session at 12:49 p.m.

At the Chair's discretion, the Board announces the following action taken in executive session:

Whereas, Director communication has been most damaging to the Director/CEO relationship over the last six months; and

Whereas, the Directors believe that a change in the flow of communication would be in the best interest of Board governance, the membership of NHEC, and customers of NH Broadband;

Now, therefore, be it resolved, that Directors shall immediately cease and desist from all direct communication to the President/CEO and her staff. All Director communication for staff will be directed to the Chair and Vice Chair of the Board, who will consult as needed with the General Counsel and will forward communications to the President/CEO and/or staff if deemed proper and appropriate within 24 hours. This resolution will take effect immediately and will continue in force for six months, unless the Board votes earlier to change the method of communication required hereby.

The vote for the motion was eight in favor and three opposed.

Adjournment

Upon motion of Mr. French, seconded by Mr. Dwyer the board unanimously voted to adjourn the meeting. Chair Morrill adjourned the meeting at 12:49 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Jeffrey Morrill, Chair of the Board