

Approved 7/25/23

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

June 27, 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 June 27, 2023, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Sharon Davis, Brenda Boisvert, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Jeffrey Morrill, and Harry Viens. Directors Alana Albee, William Darcy, and Thomas Mongeon participated via Zoom. Others present were Alyssa Clemsen Roberts, President/CEO; Peter Glenshaw, VP of Member Engagement; Sonja Gonzalez, VP of Information Technology/CIO; Carla Munoz, VP of Human Resources; Jonathan Nelson, VP of Broadband; Paul Phillips, Attorney; Rob Howland, Interim VP of Power Resources and Access; Kelley Achenbach, Controller; Jeremy Clark, Financial Planning, Analysis, and Rates Manager; Dustin Ryan, Safety Manager; Dennis Western, Director of Engineering; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Kristen Taylor, Chief Financial Officer, and Seth Wheeler, Communications Administrator.

Chair Davis called the meeting to order at 8:30 a.m. She noted that no guests were present.

Agenda Review and Consent Agenda Approval

Chair Davis asked for any changes to the agenda; none were noted. She next drew attention to the consent agenda items for approval, including draft minutes of the May 30, 2023, Board meeting, the June 7, 2023, Board Organizational meeting, and director expense reports.

Mr. Darcy requested removal of the May 30, 2023, Board meeting minutes from the consent agenda. Upon motion of Mr. French, seconded by Ms. McElaney, it was

VOTED: That the Board of Directors approves the consent agenda items as presented in the meeting packet, excluding the minutes of the May 30, 2023, Board of Directors meeting.

Vote for the motion was unanimous.

With regard to the minutes of the May 30, 2023, Board of Directors meeting, Mr. Darcy stated that procedurally under Roberts Rules of Order you cannot put into the minutes things that did not occur at the meeting. Upon motion of Mr. Darcy, seconded by Mr. Dwyer, it was

MOVED: To delete all matters that did not occur in the public session of the May 30, 2023, Board of Directors meeting from the minutes, specifically the reference to actions taken in executive session.

Mr. Darcy noted that the board could include this information in this month's minutes, if desired, by someone making a motion to include it.

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Chair Davis explained the reason for adding this to the minutes, noting that a director brought up the point that the action should be in the public session minutes. Attorney Phillips then did some research and recommended it be added at the end of the minutes.

Attorney Phillips explained that the rationale was that we had a request to include it in the public session minutes and an analogy was made to the NH Right-to-Know Law, which says that a governmental body can take action in executive session as long as they announce it publicly within a certain amount of time. The decision was made to put it in the public session minutes as a means to comply.

Mr. Darcy indicated that he is not objecting to including it in the public record, but you can't reference something that did not occur at that meeting.

Mr. Mongeon stated that he supports Mr. Darcy's motion and mentioned that how we typically would handle something we want included in the public session minutes is to have that discussion when we come out of executive session so it can be entered into the public meeting minutes. This follows the proper rule of order and is the custom we have been using through the years.

Various directors shared that they were in favor of keeping the language in the minutes based on the explanation provided by Attorney Phillips.

Attorney Phillips stated that the provision of the statute he was looking at was an exception to that rule where the body has not taken that action when back in public session and there is a provision that says that in that circumstance the action in executive session is still valid as long as there is public disclosure within a reasonable timeframe.

Responding to a question as to whether the public disclosure should be included in the minutes and written as if it happened, or addressed separately, Attorney Phillips advised that the way it is written in the minutes reflects that the Chair has, in her discretion, announced that an action was taken in executive session, it is not saying an action was taken in public session, this is the public disclosure that in his view the statute contemplates. He added that it seems appropriate to include it in the minutes of the meeting where it occurred rather than a month later if the point is letting the public know in an orderly way what happened.

Vote for the motion was three in favor (Directors Darcy, Dwyer, and Mongeon), six opposed (Directors Boisvert, French, Kedersha, McElaney, Viens, and Davis), and two abstentions (Directors Albee and Morrill). Mr. French commented that he was opposed based on the explanation provided by Attorney Phillips. Mr. Mongeon indicated he was voting in favor for the reasons he stated earlier. The motion failed.

Mr. Darcy requested that Attorney Phillips provide the exception by which something that did not happen at the meeting can be included in the minutes. Attorney Phillips noted that it is the disclosure of the action, the minutes is just the most readily available place for that disclosure. Chair Davis will share the statutory analysis that Attorney Phillips provided to her with directors.

Upon motion of Mr. Dwyer, seconded by Ms. Albee, it was

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MOVED: To amend the minutes of the May 30, 2023, Board of Directors meeting to include the outcome of the executive session vote, including disclosure of how each director voted.

Discussion ensued on the motion both in favor and opposed to adding the vote outcome.

Attorney Phillips noted that because the action took place in executive session the disclosure is simply that the action occurred and there are no details about the debate, vote, or vote tally.

Mr. Darcy suggested that confidentiality has to do with the content of the discussion and not how one voted. He added that it has been our practice to indicate the outcome of votes both in executive and public session and he is concerned that counsel is overruling the practice of the board on a case-by-case basis; it is a good practice of transparency.

Attorney Phillips advised that he is not overruling anything he is just sharing what led to his determination to do what was done and it is the Board's decision how they would like to proceed.

Vote for the motion was five in favor (Directors Albee, Darcy, Dwyer, Mongeon, and Morrill) and six opposed (Directors Boisvert, French, Kedersha, McElaney, Viens, and Davis). The motion fails.

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

VOTED: That the Board of Directors approves the minutes of the May 30, 2023, Board of Directors meeting, as presented in the meeting packet.

Vote for the motion was six in favor (Directors Boisvert, French, Kedersha, McElaney, Viens, and Davis), three opposed (Directors Darcy, Dwyer, and Mongeon), and two abstentions (Directors Albee and Morrill). Mr. Mongeon commented that he would encourage that if counsel has recommendations or information for the board the information be provided ahead of time in the spirit of transparency and to make things more efficient. The motion carries.

Board Safety Moment

Mr. Ryan presented the Board Safety Moment sharing a PowerPoint presentation on the dangers of riding with your feet on the vehicle dashboard. He asked that everyone share this message with their family and friends.

Mr. Ryan left the meeting at 8:58 a.m.

Board Operations Moment

Ms. McElaney presented the Board Operations Moment on the topic of physiological safety, discussing how it effects a workplace and how it relates to the topic of implicit bias that she addressed a few months ago. She mentioned that Ms. Munoz and Attorney Phillips would be good resources if people have follow-up questions. She shared two suggestions, 1) that we consider an annual implicit bias training for employees and the board, and 2) as we start our strategic planning efforts we consider diversity, equity, inclusion, and access (DEIA) as a whole part of our

organization and part of our strategic planning. She mentioned that she spoke with Ms. Munoz and NHEC is working on a DEIA statement.

Member Comments

There were no members in attendance.

Chairman's Report

Chair Davis presented the Chairman's Report, first drawing attention to the Board Committee list. She noted that for the special and ad hoc committees she has only included the Strategic Planning Steering Committee at this time and the Broadband LLC listing will be added after today's election. She mentioned that there are items on the Board Tracking Report for the Committee Structure Team and Policy Committee. Following discussion, Chair Davis noted that the Committee Structure Team, Policy Committee, and Building Feedback Committee would be added to the listing of ad hoc board committees.

As a follow up to the duty of care discussion from last month, Chair Davis addressed director fiduciary duties reading excerpts from Board Policy B-3, Functions and Authorities of the Board of Directors, on the duties of care, loyalty, and obedience. She highlighted the importance of each director to maintain confidentiality and the Board Chair's responsibility to set a high standard for board conduct and to address any issues. She discussed the directors' duty of confidentiality, mentioning that the outcome of the elections were announced to directors in confidence and a public announcement is not made until the annual meeting, however, this year's results were posted on the Sandwich Online Board and published in an article in two papers prior to the annual meeting. She noted that the Chair has the authority to address a breach of confidentiality by a director and the affected director could face the possibility of not being allowed to participate in executive sessions. She stated that she wants to convey that confidentiality is a key fiduciary duty.

Chair Davis next discussed the protocol for board communications and the resolution adopted last month. She advised that committee chairs are permitted to contact the VP staff coordinator to work on agendas and materials for their committee meetings. She noted that all other communications are to continue to be emailed to the Chair and Vice Chair of Board and actions will be taken within 24 hours. She commented that the process seems to be working well.

Mr. Darcy stated that he has objections to the procedure and supporting documentation for that procedure and he will be submitting some objections to that policy. Chair Davis noted the procedure is in place for six-months, so there is a sunset.

Chair Davis discussed the need to focus on director training, encouraging directors to sign up for some of the NRECA online courses. She mentioned that in addition to the NRECA training and the training the board has scheduled with CFC for July 12th, we will be working on diversity and sensitivity training.

In response to a question regarding the agenda and objective for the CFC training, Chair Davis recalled that all directors answered a questionnaire, and these have been analyzed to set up a program where there will discussions on topics and breakout sessions with the hope of establishing some goals for directors to improve governance.

Election of Broadband Managers

Chair Davis mentioned that NHEC is the sole member of NH Broadband, LLC and under the operating agreement the NHEC Board elects the LLC managers annually. She noted that under the agreement the LLC Managers must have the opportunity to provide their recommendation. She shared the recommendation from the LLC that five members be elected by public ballot from a list of six directors (the five incumbents and Leo Dwyer). She stated that she would like to address the manner of election and the number to be elected separately. With regard to the manner of election she mentioned the traditional method of using a secret ballot.

Attorney Phillips commented that he and the Chair discussed the LLC Managers' recommendation for a public ballot. He noted that it is entirely up to the board and shared that the committee recommendation is to elect five of the six recommended directors so it will be a contested election and that should be noted. He shared that the typically benefits of a secret ballot are that it avoids divisiveness and achieves harmony, and the benefits of a public ballot are that you have more transparency and accountability.

Chair Davis indicated she would like a motion to proceed with the voting using a secret ballot like we do for the annual officer elections. Upon motion of Ms. McElaney, seconded by Mr. Viens, it was

VOTED: That the election of Broadband Managers be conducted by secret ballot, consistent with NHEC's officer elections.

Mr. Darcy remarked that the original designation of the managers was done publicly and included in the operating agreement and during discussion of the revised operating agreement it was proposed by Attorney Phillips that the election be held in the same manner as the NHEC officer elections and that was rejected by the LLC and the NHEC Board ratified that agreement.

Vote for the motion was six in favor (Directors Albee, Boisvert, Kedersha, McElaney, Viens, and Davis) and five opposed (Directors Darcy, French, Mongeon, Morrill, and Dwyer). Mr. French indicated he was opposed because it wasn't the recommendation of the Broadband LLC, and Messrs. Mongeon and Morrill indicated they were opposed for reasons of transparency and accountability. The motion carries.

Chair Davis next addressed the number of LLC Managers, noting that the Operating Agreement indicates there shall be no less than three nor more than six, one of which is the President/CEO of NHEC. She noted that there are currently six LLC Managers, with five of them being directors, and the LLC recommends we keep this same number. Upon motion of Mr. Darcy, seconded by Mr. French, it was

VOTED: That the Broadband LLC Managers Committee consist of five NHEC directors.

Discussion ensued on a suggestion that the entire board should be members of the LLC. Attorney Phillips discussed legal considerations, noting that NHEC is subject to the Right-to-Know Law as it applies to meetings and records of its board and committees and the LLC was established as a separate entity and is not subject to the Right-to-Know and so long as there is not a majority of the NHEC directors on the LLC board you eliminate any argument that the Right-to-Know would apply to the LLC.

It was noted that the broadband business is of a competitive nature which is different than NHEC and there is value in keeping the information confidential.

It was pointed out that if we were to move to an 11-person board that discussion of strategy, legal, and personnel matters could be done in executive session, maintaining confidentiality, and this would provide the full board, as well as the membership, more transparency.

It was recommended that since this suggestion has just come to the board today, that there be careful consideration of the issues, and this be added to the Board Tracking Report for further review.

Vote for the motion was unanimous.

The election of NH Broadband Managers was next addressed. Chair Davis noted that the LLC Managers Committee has recommended six individuals for the five seats and any NHEC director can also nominate themselves. She asked for a show of hands from anyone interested in serving and then called on each of them to make a brief statement.

Following statements of interest, Attorney Phillips distributed ballots with the names of all 11 NHEC directors. He announced the eight candidates for the five seats and instructed directors on Zoom to send their five votes to him in a private chat and he would include them in the tally.

Attorney Phillips tallied the ballots and announced three directors, Jeff Morrill, Tom Mongeon, and Leo Dwyer, elected to the LLC Managers committee. He reported that there was a five-way tie for the remaining two seats. He distributed round two of ballots, instructing directors to vote for two. Attorney Phillips tallied ballots advising that he had one ballot with three votes, which it was agreed would be disqualified as a spoiled ballot. He announced Bill Darcy and Carolyn Kedersha elected to the LLC Managers Committee.

The meeting recessed at 10:00 a.m. and reconvened at 10:11 a.m.

President's Report

Ms. Clemens Roberts presented the President's Report, sharing highlights from her written report. She first mentioned the request for a letter of support from NHEC for the Twin States Clean Energy Link project and her desire to provide support, asking if the board had any concerns or objections. Following discussion of some of the benefits of the project, including the lower prices it would provide for the region and the fact that it is dispatchable clean energy, there were no concerns noted with NHEC providing a letter of support to the United States Department of Energy.

Continuing her report, Ms. Clemens Roberts discussed the other items in her written report, including the NRECA Cooperative Family Fund, noting that she has a follow-up call with NRECA next week and she suggests we continue to watch the program and if we would like to contribute we put something in the budget next year; strategic planning, commenting that Joe Raia was not able to be here today due to another commitment; the Enterprise Risk Management work completed with CFC, stating that staff is working to finalize the report which will be

shared with the board as an educational tool; and the panel she participated on at the CFC Forum, mentioning her presentation on NHEC's Transactive Energy Rate pilot.

Ms. Clemsen Roberts closed her report with introductions of two new members of senior management, Sonja Gonzalez (VP of Information Technology/Chief Information Officer) and Peter Glenshaw (VP of Member Engagement), as well as Dennis Western (Director of Engineering), who is representing Mike Jennings.

Addressing a question on why the Average Speed to Answer (ASA) Balanced Scorecard goal is below target, Ms. Clemsen Roberts stated that we currently have three vacant Member Solutions Representative positions and when we set goal, we did not exclude major storms. She added that this was the first time setting this metric so there is some tweaking we need to do, and this may not be the right metric for us.

Strategic Topic Discussion – Strategic Planning Process Overview

Strategic Planning Steering Committee Chair Mongeon provided a recap of yesterday's committee meeting and an overview of the strategic planning process. He shared his screen and reviewed information on the purpose and role of the Steering Committee, Joe Raia's role, and the information-gathering process.

In response to a question on the measurement for success, Committee Chair Mongeon suggested there could be a few, including final delivery of the strategic plan. He noted that he has asked Joe Raia to help define the deliverables for each step of the process.

With regard to Joe Raia's proposal, Ms. Clemsen Roberts reviewed the fee structure and total charges, noting that if this is something Committee Chair Mongeon would like to manage she can turn it over. Committee Chair Mongeon indicated he would like to follow normal practice and have Ms. Clemsen Roberts manage it.

Committee Chair Mongeon reviewed the strategic planning process: high-level process and timeframes document. He discussed the interviews Mr. Raia will be conducting in July, noting that the committee reviewed the interview guide and provided some input; and the first retreat scheduled for August 17, indicating that the deliverables from this meeting should be the strategic priorities, mission/visions/values, and strategic principles to guide the decision making.

In response to a suggestion to have some guiding principles to assist us, Committee Chair Mongeon shared that one input into the interview guide was to ask questions around what people see as strategic issues so we should collect those through the interview process.

There was discussion regarding what information is needed for strategic planning. It was suggested that we look at what items we used last time to use as a straw dog. Committee Chair Mongeon requested that any questions or request for information that would be helpful for the strategic planning process be emailed to him, Mr. Viens, Ms. Clemsen Roberts and Ms. Davis.

Committee Chair Mongeon mentioned that a second retreat would be held in the October timeframe. Ms. Clemsen Roberts added that we will get some potential dates from Mr. Raia and then do a poll.

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In response to a request to have the strategic planning meetings available on Zoom, Chair Davis stated that the meetings will be offsite so we will see what we can do.

Discussing the October retreat, Committee Chair Mongeon noted that this is where we act on the strategic priorities, and we'll need to have discussion on the implication on resources (people or dollars) as we won't be able to accomplish everything. This meeting will set us up for staff to kick off the writing of the strategic plan.

Mr. Viens noted that the materials reviewed onscreen today are included in the board packet. He suggested when people send in their requests for information needed for the strategic planning process, it would be helpful if they also add a sentence of the value of having that information and where they see it fitting in.

Board Committees

Corporate Services Committee

Corporate Services Committee Chair French reported on the June 16th Corporate Services Committee meeting, noting that there are four resolutions to be voted on today and all were recommended for approval by the committee. He noted that information on each of these is also included in the board packet. He first reviewed details of the proposed inventory adjustment. Upon motion of Mr. Darcy, seconded by Mr. Viens, it was

VOTED: That the Board of Directors authorizes management to adjust the physical inventory as a result of the April 2023 inventory in the amount of \$27,763.38.

Vote for the motion was unanimous

Committee Chair French next addressed the semi-annual Co-op Power and Regional Access rate change, noting that this is good news with an overall decrease of 7% for the typical member using 500 kWh and 8% for a member using 1,000 kWh per month. Upon motion of Ms. McElaney, seconded by Ms. Kedersha, it was

VOTED: That the Board of Directors authorizes staff to set the Co-op Power and Regional Access Charges on a bills-rendered basis effective August 1, 2023, as recommended in the August 1, 2023, Co-op Power and Regional Access Rate Change Proposal presented to the Corporate Services Committee on June 16, 2023, and included in the June 27, 2023, board meeting packet

In response to a question, Mr. Clark shared the default service rates of Eversource and Unitil, noting that NHEC's rate will be below both of them.

Mr. Darcy commented that he will support the motion, but he is disappointed that we couldn't include a 100% renewable offering.

Vote for the motion was unanimous among directors voting. It was noted that Director Albee's camera and microphone were off, and she did not vote.

Committee Chair French discussed two items related to net metering, a change to the Terms and Conditions to create an Interconnection Site Visit Fee that would apply when a new solar

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installation fails the initial site inspection and a follow-up visit is required, and a change from 10 to 20 business days for the completion of the Interconnection Application review. Upon motion of Mr. Darcy, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors authorizes management to update the Schedule of Fees and Terms and Conditions Section X effective July 1, 2023, as recommended in the Interconnection Site Visit Fee Proposal as presented to the Corporate Services Committee on June 16, 2023, and included in the June 27, 2023, board meeting packet.

Ms. McElaney indicated she is in support of this and thinks it will come up in strategic planning as category of what has changed since the last strategic plan as it seems net metering and its purpose and usage has evolved quite a bit in last five years.

Vote for the motion was unanimous.

Addressing the last committee recommendation for approval, Committee Chair French discussed the signatory authority list. He mentioned that Ms. Taylor will work on streamlining this list for the future. Upon motion of Ms. Kedersha, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors approves NHEC Signatory Authority List with recommended changes as presented at the June 16, 2023, Corporate Services Committee meeting and included in the June 27, 2023, board meeting packet.

Vote for the motion was unanimous.

Committee Chair French noted the October Corporate Services Committee meeting date has shifted by a week and is reflected on the board calendar.

Other Committee Updates

Chair Davis asked for any additional committee items; none were noted.

Mr. Clark left the meeting at 11:07 a.m.

Board General Session

Board Tracking Report

Chair Davis drew attention to the Board Tracking Report and asked for any questions. She noted that all the items on the report are for third and fourth quarter achievement.

Committee Meetings

Following is a list of upcoming committee meetings:

- Audit Committee – July 21, 8:30 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis reported on yesterday's NHEC Foundation meeting, sharing that 11 grants were awarded totaling \$56,250. She mentioned that the Foundation will be working with applicants who do not receive funding to help them improve their application to better

describe how they benefit the community to increase their chances of receiving grants in future. She also reported on the Foundation's Annual meeting, including the officer elections, new trustees joining the Foundation, recognition of departing trustees, and changes to the bylaws.

NRECA Report

Chair Davis noted that there is no NRECA report this month.

Miscellaneous Additional Items

No additional items were noted.

Executive Session

Upon motion of Ms. Boisvert, seconded by Ms. Kedersha, 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 11:12 a.m. Messrs. Howland, Western, and Wheeler and Ms. Achenbach left the meeting at this time.

The Board moved out of executive session at 12:51 p.m.

Chair Davis advised that while in executive session the board unanimously adopted the following resolution:

VOTED: That the Board of Directors is not in favor of using racial slurs, and as a board will attend training.

Adjournment

Chair Davis adjourned the meeting at 12:52 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Sharon Davis, Chair of the Board