

**Approved 8/29/23**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

**Minutes of the Meeting of the Board of Directors**

**July 25, 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 July 25, 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, and Harry Viens. Directors Alana Albee, William Darcy, Thomas Mongeon, and Jeffrey Morrill, participated via Zoom. Others present were Alyssa Clemens Roberts, President/CEO; Peter Glenshaw, VP of Member Engagement; Sonja Gonzalez, VP of Information Technology/CIO; Michael Jennings, VP of Engineering and Operations; Jonathan Nelson, VP of Broadband; Paul Phillips, Attorney; Rob Howland, Interim VP of Power Resources and Access; Jeremy Clark, Financial Planning, Analysis, and Rates Manager; Autumn Doan, Budget Executive; Ken Colburn, NRECA Director for New Hampshire; Jerry Beck, Cooperative Member; Keith Kaderly of Inside Information; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Carla Munoz, VP of Human Resources and Joe Raia of Glimmerglass Consulting.

Chair Davis called the meeting to order at 8:33 a.m.

**Agenda Review and Consent Agenda Approval**

Chair Davis asked for any changes to the agenda. Mr. Mongeon mentioned that there used to be a brief public session for a broadband update and asked if that could be added back to our agendas for the benefit of any members present. Chair Davis replied in the affirmative.

Chair Davis next drew attention to the consent agenda items for approval, including draft minutes of the June 27, 2023, Board meeting and director expense reports.

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

Chair Davis called attention to the new agenda format, noting that this is the direct result of comments and feedback during the CFC Commitment to Excellence training.

Chair Davis recognized that we have one member in attendance, Jerry Beck.

## Items Requiring Board Action/Resolutions

### **Board Goals**

Chair Davis drew attention to the goals that resulted from the CFC Commitment to Excellence training, Attachment #3 in the board packet, noting that they were unanimously adopted by those present at the meeting. She reviewed the goals and current status for the three areas identified:

- Board Meeting Effectiveness: 1) develop presentation and packet materials with summarized key take-aways, 2) develop strategic topic discussion plan for monthly board meetings to include structure (purpose/outcomes/method) with point/counter-point arguments, 3) change agenda item - 'Board Moment' to 'Board Policy/Bylaw Review', with each board member to take a turn to assist in reviews, 4) add standard agenda item for reporting out on board education, and 5) conduct a board performance "check-in" during executive session;
- Board/CEO Communication Plan: develop protocol related to delivery and receipt of message considering "tone and receptiveness;" and
- Define Board Success: 1) Develop/define/monitor metrics, 2) craft communication protocol among board members during meetings, and 3) create and communicate expectations of staff/board.

Mr. Darcy noted that he was not present for the training and he has no problem with the first subset of goals, but he has concerns with the Board/CEO Communications Plan goal and suggested that it serves to restrain board discussions and discourage questions because tone and receptiveness are inherently ambiguous. With regard to the third set of goals, he stated that he is in favor of defining more metrics and everything we do should be defined in metrics. He indicated that he has a problem with crafting communications protocols for the same reasons he expressed earlier, the ambiguity of that and it has a tendency to restrain discussion and debate among board members.

Attorney Phillips cautioned directors not to refer to communications that are confidential during public session.

Chair Davis indicated that there are backup materials to these goals in the executive session materials that provide more explanation.

At 8:39 a.m. the Zoom connection was lost and the meeting recessed. The connection was reestablished at 8:47 a.m. and the meeting reconvened.

Chair Davis continued discussion of the board goals and asked for any additional input. Upon motion of Mr. Viens, seconded by Ms. Boisvert, it was

**VOTED:** That the Board of Directors adopts the goals developed at the July 12, 2023, CFC Commitment to Excellence training, as presented in the July 25, 2023, board meeting packet.

Vote for the motion was eight in favor (Directors Boisvert, French, Kedersha, McElaney, Mongeon, Morrill, Viens, and Davis), two opposed (Directors Darcy and Dwyer), and one abstention (Director Albee). Mr. Darcy noted he was opposing the goals he mentioned earlier for the reasons he cited. The motion carries.

### ***CFC Financing***

Ms. Clemsen Roberts drew attention to the CFC documents included in the board packet. She first reviewed the renewal of a \$20 million line of credit which expires on September 4. She noted that in the past we have received dispensation from CFC to also use some of this for our power supply when we have an under collection, but this is not traditionally allowed so we have a specific line of credit for power supply later in the packet. She next discussed the \$20 million long-term borrowing for broadband, mentioning that NH Broadband, LLC, will need to act on this but there are supporting documents for this as NHEC will need to be the guarantor. She explained that this will support broadband activities as we move forward. She next reviewed the \$15 million line of credit for power supply as she mentioned earlier. Lastly, she addressed the \$30 million letter of credit we provide when we purchase power should a vendor not accept our credit rating as credit.

Responding to a question, Ms. Clemsen Roberts confirmed that the cost of the letter of credit and financing for any power supply under collection are allocated to power supply and the regional access charge.

Ms. Doan and Ms. Clemsen Roberts addressed questions on the broadband financing. Ms. Doan explained that when we applied for financing in March of 2022, we assumed that the Sandwich/Acworth project would qualify for funding under the Department of Business and Economic Affairs (BEA) grant, but because it was already being built it did not qualify so additional funding is needed. Ms. Clemsen Roberts added that it was a timing issue from when the loan was completed, the Sandwich/Acworth project was agreed upon, and the BEA grant process began. Ms. Doan advised that we are currently working with Conexon to revise the budget for the Grafton County build. She reported that the documents she shared with CFC for approval of the financing were an updated financial forecast to include an inflation adjustment, the \$7 million cost for the Sandwich/Acworth project that didn't qualify for the BEA grant, and an adder for expenses that will take place at some of the substations that was not included in the original financial forecast, the current financials, and the credit agency rating report. Ms. Clemsen Roberts confirmed that we believe the project is still financially viable, noting that we have done sensitivities far beyond what was originally planned in the business plan, and this has been through CFC's full credit review. Ms. Doan advised that with these added loan funds it will take us through the BEA grant build out, we will not advance any of the funds until needed, and we only pay interest to the extent we draw down funds.

Mr. Mongeon stated he had some of the same questions as Leo and Bill and requested that whatever written information is provided to CFC for their approval also be provided to the board as backup to help address questions and as described, there is a question and answer session with CFC and NHEC staff so just to help the board keep up to speed in the future that the treasurer or assistant treasurer be part of those conversations just in the unique situation it goes beyond documentation. Chair Davis shared that she feels this is overreach. Mr. French commented that he doesn't think that is a role for the board, it is clearly a management function and shouldn't

involve the treasurer. He noted that the decision was made by the board to move forward with the project and the process of how we do that as Ms. Doan described is not a board function; it is CFC as the lender that needs to do all the due diligence and get the information they need to make a good solid credit decision. He stated that he has no concern over what is being presented.

Ms. Doan pointed out that with these four facilities the only thing we pay for upfront is the \$30 million letter of credit, the rest is financing that is available when we need it. In response to a question, she stated that when we draw down long-term debt it will be on the liability side of the balance sheet. Mr. French added that commitments outstanding will show up in the footnotes of the financial statements.

Mr. Mongeon suggested because there were three of us that had questions on the board, that maybe in the future with these types of requests staff consider providing the board with additional information in the future as appropriate, to head off questions.

Mr. French moved and Ms. Kedersha seconded the following three resolutions:

**Resolution 1**

"WHEREAS, the Cooperative has previously established a line of credit and authorized borrowing from the National Rural Utilities Cooperative Finance Corporation ("CFC") in the aggregate amount of Twenty Million and 00/100 Dollars (\$20,000,000.00) (the "Line of Credit Amount") having a maturity date of September 4, 2023 (the "Line of Credit"); and

WHEREAS, the Cooperative wishes to extend the date up to which the Cooperative may borrow, repay, and re-borrow funds under the Line of Credit;

NOW THEREFORE BE IT RESOLVED, that the Cooperative authorizes the execution and delivery of an amendment to the Revolving Line of Credit Agreement governing the Line of Credit (the "Agreement"), substantially in the form of the amendment submitted to this meeting (the "Amendment") to extend the date up to which the Cooperative may borrow, repay, and re-borrow funds under the Line of Credit to September 4, 2028.

RESOLVED, that except as set forth in the Amendment, all terms, conditions and provisions of the Agreement shall remain in full force and effect, and the same are hereby ratified and confirmed as valid and binding agreements between CFC and the Borrower, enforceable in accordance with their terms; and

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver the Amendment and all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to the Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
President/CEO	Alyssa Clemsen Roberts
Chief Financial Officer	Kristen Taylor

**Resolution 2**

WHEREAS, the Cooperative and National Rural Utilities Cooperative Finance Corporation (“CFC”) are parties to that certain Letter of Credit Application and Agreement, dated November 28, 2005, as amended by the Amendment to Letter of Credit Application and Agreement, dated as of June 12, 2007, the Second Amendment to Letter of Credit Application and Agreement, dated as of March 31, 2009, the Third Amendment to Letter of Credit Application and Agreement, dated as of October 29, 2013, the Fourth Amendment to Letter of Credit Application and Agreement, dated as of November 29, 2016, and the Fifth Amendment to Letter of Credit Application and Agreement, dated as of November 26, 2019 (collectively, the "Letter of Credit Agreement"), providing for letter of credit facility to be made available to the Cooperative by CFC in the aggregate amount of Thirty Million and 00/100 Dollars (\$30,000,000.00) (the “Letter of Credit Facility”), and having an Expiration Date of January 10, 2024; and

WHEREAS, the Cooperative wishes to have an extension of the period during which Applicant may request the issuance of Letters of Credit under the Letter of Credit Agreement and during which Letters of Credit under the Letter of Credit Agreement are outstanding.

NOW THEREFORE, BE IT RESOLVED, that each of the individuals listed below be, and each of them is, authorized in the name and on behalf of the Cooperative, to execute and deliver the Amendment in order to provide for an extension of the period during which Applicant may request the issuance of Letters of Credit under the Letter of Credit Agreement to January 9, 2029, and during which Letters of Credit under the Letter of Credit Agreement are outstanding to no later than January 10, 2029;

RESOLVED, that all other terms, conditions and provisions of the Letter of Credit Agreement shall remain in full force and effect, and the same are hereby ratified and confirmed as valid and binding agreements between CFC and the Cooperative, enforceable in accordance with their terms; and

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said Letter of Credit Agreement as such individual may deem appropriate within the Letter of Credit Facility authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
President/CEO	Alyssa Clemsen Roberts
Chief Financial Officer	Kristen Taylor

**Resolution 3**

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation (“CFC”), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$20,000,000.00, as set forth in the loan agreement with CFC governing such loan, substantially in the form of the loan agreement presented to this meeting (the “Loan Agreement”);

RESOLVED, that the proceeds of this loan be used for the purposes set forth in the Loan Agreement;

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from CFC in an amount which shall not at any one time exceed \$15,000,000.00 (the "Line of Credit Amount"), subject to the provisions of the Revolving Line of Credit Agreement, substantially in the form of the line of credit agreement presented to this meeting (the "Line of Credit Agreement"); and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents (including as many counterparts as may be required):

- (a) the Loan Agreement;
- (b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$20,000,000.00, substantially in the form of the note presented to this meeting; and
- (c) the Line of Credit Agreement;
- (d) If required by CFC, as many counterparts as shall be deemed advisable of a mortgage and security agreement with CFC as mortgagee, for purposes of securing the loans provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement and Line of Credit Agreement, as such individual may deem appropriate within the amount of the promissory notes and the Line of Credit Amount, so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
President/CEO	Alyssa Clemesen Roberts
Chief Financial Officer	Kristen Taylor

Votes for all three resolutions were unanimous.

***June 16, 2023, Corporate Services Committee Minutes***

Corporate Services Committee Chair French drew attention to draft minutes of the committee’s June 16, 2023, meeting. He noted that this meeting was with prior committee members. Upon motion of Ms. Boisvert, seconded by Mr. Dwyer, it was

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

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

***June 26, 2023, Strategic Planning Steering Committee Minutes***

Strategic Planning Steering Committee Chair Mongeon drew attention to draft minutes of the committee’s June 26, 2023, meeting. Upon motion of Ms. McElaney, seconded by Mr. Viens, it was

**VOTED** That the Strategic Planning Steering Committee approves the minutes of its June 26, 2023, meeting as presented in the board packet.

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

***NRECA and CFC Voting Delegate and Alternate***

The appointment of voting delegates and alternates for NRECA and CFC was addressed. Upon motion of Ms. McElaney, seconded by Mr. Viens, it was

**VOTED:** To appoint Harry Viens as NHEC’s voting delegate and Alyssa Clemsen Roberts as the alternate voting delegate for the 2023 NRECA Region 1 Business Meeting and the 2023 CFC District Meeting.

Vote for the motion was unanimous.

**Member Comments**

Mr. Beck shared that he is interested in the strategic topic discussion today and wants to encourage the board to strongly support decarbonization in both operations and Co-op Power. He mentioned how the Cooperative went out of its “lane” to provide its members with broadband and stated that he would like to see the same thing happen with the adoption of green energy. He noted that there are several federally funded programs to help cooperatives cut greenhouse gas emissions and make energy more affordable and accessible and he hopes NHEC is taking full advantage of those.

**Chairman’s Report**

Chair Davis presented the Chairman’s Report, discussing the CFC Commitment to Excellence Board training held on July 12, noting that the goals developed at that session were discussed and approved earlier and a follow-up session is scheduled for July 17, 2024; the commitment to pursue Diversity, Equity, and Inclusion (DEI) training agreed to at last month’s meeting,

advising that a call is scheduled with an outside firm to discuss options; director training, sharing a reminder that directors are expected to check with the Chair for approval to attend training, seminars, and conferences not sponsored by NRECA or related electric cooperative/public power entities, and confirming that as long as they are within their budgeted allotment directors do not need prior approval to take NRECA training; board committees, stating that Bill Darcy is once again the Chair of the Power Resources and Access Committee and additional members are needed for the Committee Structure Team (Madeline McElaney and Ed French volunteered to participate on this team); and information requests for board meetings, advising that any requests for information need to be provided to the Board Chair at least four business days prior to the meeting to give staff sufficient time.

Mr. Dwyer shared that he thinks the number of protocols surrounding simple questions is unacceptable.

In closing her report, Chair Davis discussed dates for the second strategic planning retreat this fall, noting that none of the proposed dates seem to work so we will contact Mr. Raia for some additional dates.

## **President's Report**

Ms. Clemsen Roberts presented the President's Report, sharing highlights from her written report. She discussed the board safety moment, noting that it will now be included in the board packet each month instead of presented at the meeting and this month's topic is Flash Flood Safety; CFC financing, indicating that this was covered earlier; capital credits, noting that we successfully ran the general retirement; the appointment of NRECA and CFC voting delegates/alternates that were addressed earlier; and the Moultonborough Selectboard meeting she and staff will be attending to share NHEC's vegetation practices.

Ms. Clemsen Roberts next addressed questions on the Transactive Energy Rate (TER) Pilot, explaining that the maximum number of participants we will allow on the pilot is 50 and currently 7 have signed up, the pilot is set to end in September with a determination of whether or not we roll it out to the whole membership and since we have had a number of glitches her recommendation to the TER Team will be to continue with the pilot for another 6 months before making a decision. She also stated that we do not own the software.

Addressing a question on the Moultonborough Selectboard meeting, Ms. Clemsen Roberts advised that we reached out and asked if we could come give a presentation on our vegetation practices and how they work; it is an educational opportunity to talk about our practices and make sure everyone has a clear understanding.

Responding to a request to separate out the net metering projected savings reported under the Social and Environmental Responsibility programs in the Board Report, Attachment #16 in the board packet, Ms. Clemsen Roberts indicated she would come back with a proposal on how we can change it. She also mentioned that staff is aware the board packet is unwieldy and will bring a proposed board packet of things we think would be of value by the end of the year.

Mr. Clark addressed questions on the Financial Report, Attachment #17 in the board packet, advising that he would come back with an answer on the reason for the decline in TIER, and



explaining that the increase in the 90-day arrears is because we are now only doing a write-off once a year and last year it was twice.

## **Broadband Update**

Ms. Clemsen Roberts asked if this could be deferred until next month to allow staff time to discuss what information can be shared in public session. Mr. Mongeon indicated he would be fine with that.

The meeting recessed at 9:40 a.m. and reconvened at 9:56 a.m. Mr. Kaderly joined the meeting at this time.

Mr. Clark provided a response to the earlier question regarding the reason for the decline in TIER. He noted that this is a rolling 12-month number and as a result included December of 2022 where we had expenses from a number of storms.

## **Strategic Topic Discussion – Presentation of Member and Employee Survey Results**

Mr. Kaderly introduced himself and shared his background.

Mr. Raia joined the meeting at 10:01 a.m.

Mr. Kaderly reviewed a presentation on the results of the member and employee survey conducted in the spring of 2023. He noted that the results can be broken up to look at different portions of the membership or different demographics. He covered slides on response density; demographics - including length of service, education, occupancy type, respondent age, and household income; ratings of importance and satisfaction for the following questions: offer programs to help members save on their electric bill, provide high speed internet service, offer various electric rate options, provide non-carbon sources of energy even if it costs more, and utilize a balance of energy sources with an emphasis on controlling rates; a ranking of the rating of importance for reliable electric service, affordable electric rates, responsive member service, quality member service, stable electric rates over many years, concern for the environment, and renewable energy; individual ratings for reliable electric service, affordable electric rates, stable electric rates over many years, concern for environment, renewable energy, quality member service, and responsive member service; ratings of how concerned are you about increased cost for renewable energy; ratings on the cooperative's overall performance during the past winter storms; ratings on the reliability of electric service from NHEC; a graph on reliability during the past two years; net promoter score; NHEC's net promoter score for members and employees compared to other utilities; ratings of likely to recommend co-op to friend or relative; program awareness of members; and program participation.

Questions and comments were shared during and after the presentation, including:

- Mr. Kaderly responded to how you avoid adverse selection in the 1,340 responses by doing a random selection from the entire residential member list.
- Mr. Kaderly confirmed that the margin of error does not include employee responses, and employee responses are excluded from information presented unless otherwise noted.

- Discussion on the demographics for education and income, which shows NHEC's membership is highly educated and has a high income. Mr. Kaderly noted that a data append of household income was conducted as part of the project and income was matched to over 60,000 member accounts. He also mentioned that the higher income and education group typically has a higher expectation of the cooperative, and they have found that statistically people respond equally across all demographics. He stated that the source of the append data is Data Axle and it can be tied to a meter. Ms. Clemsen Roberts mentioned that she was mistaken at a previous meeting when she reported that income was one of the questions on the survey, and this is extra data that she requested Mr. Kaderly add in.
- It was suggested that it would be interesting to look at kWh consumption tied to income.
- Concern that the income demographics are higher than what NH has for various counties in which we have a high concentration of members. Ms. Clemsen Roberts pointed out that the survey still shows that nearly one-quarter of our members live at what the national government considers income poverty, so they are economically challenged, and this is not an insignificant number.
- Mention that two-thirds of our members responded by mail in the recent director election, which suggests a different reaction than this if you are highly educated.
- Discussion of the results of the ratings for "provide non-carbon sources of energy even if it costs more." Mr. Kaderly explained that what you look for in the results is the gap between importance and satisfaction and there is no gap in this question. It means it is of average importance to members and they feel like you are doing what they expect you to do; members are very pragmatic and realistic about what can be done. This doesn't say that no one wants green energy options, this says we can have reasonable and educated conversations about how we accomplish goals that are best for our whole membership and not for just a few people.
- Discussion on the broadband participation numbers and potential reasons it is showing higher than the current number of members who are signed up, including some people may not be aware of who their service provider is, and we have a couple thousand who have done the pre-signup.

Mr. Kaderly closed out his presentation noting that it has been great working with the NHEC team.

In response to a question on next steps, Ms. Clemsen Roberts indicated that we haven't gotten to that point yet as staff just saw the results last week. We need to parse some of the data and as we come out of the first strategic planning session that will tell us what more needs to be parsed. We have contracted with Mr. Kaderly's firm for the survey and data reclassification, and if we need further services, we'll contract for those. She mentioned that we will want to do a net promoter score on broadband eventually. Based on what comes out of strategic planning we will then put a communications plan together.

Directors shared feedback on the survey, including that it was the best NHEC survey they have seen in terms of asking the right questions and in a neutral format; it contains some very helpful information; and encouragement to do more digging and analyzing of the data.

Additional questions and comments were shared, including:

- Staff responses to the question of what data in the survey initially surprised them, including income, age, and occupancy type demographics; and a pleasant surprise that it was a reaffirmation of the pragmatic part of NH.
- A caution to not just look at the numbers on the slides, but to also keep in mind the adoption curve, how long technology has been available, and how we are communicating with and educating our members.
- Interest in the process for designing questions and whether some of the base demographics like age, income, and education were correlated with other secondary data sources, such as census bureaus. Mr. Kaderly explained that income was brought in from third party data and census data is not used as it has a tendency to not reflect rural areas very well. He also advised that his firm has a lot of experience with writing questions and has a proprietary database.
- In response to a request for his perspective on whether he sees any weaknesses we should be aware of in the net promoter score metric, Mr. Kaderly explained that while there are no inherent weaknesses and net promoter has its place, it is more about overall satisfaction. He noted there is a lot of information out there on benchmarking and mentioned that Inside Information offers their own metric called Cooperative Attitude and Performance Score to test the culture of the cooperative and there is the ASCI to test the retail side. Ms. Clemens Roberts commented that she would like to see us do some ACSI benchmarking so we have more data.

Mr. Kaderly left the meeting at 11:04 a.m.

## **Board Committees**

### ***Strategic Planning Steering Committee***

Mr. Raia introduced himself and mentioned that this is the third time he has assisted NHEC in its strategic planning process. He mentioned that he conducted interviews with almost everyone on his list.

Mr. Raia reviewed the three items to be addressed today: 1) discussion around what is a strategic plan and how is it used, 2) directors and staff to share a brief highlight of a recent experience they have had with strategic planning and discuss one thing that worked well (a “glow”) and one thing that didn’t work well (a “grow”), and 3) discussion around information requests for strategic planning.

Mr. Raia shared his screen and reviewed three definitions of strategic planning, asking what phrases pop out in each of the definitions. Directors shared phrases from each of the definitions and there was a discussion of the similarities and consistencies, including mission, data knowledge and reasoning, allocation of resources, commitment, responsive to environment, and prioritization. Mr. Raia asked if there is anything missing in terms of what a strategic plan is for NHEC. It was suggested that we change “shareholders” to “key stakeholders and members.” It was mentioned that almost all of these definitions would apply to an organization that is facing a stable future and electric utilities do not have that luxury so perhaps something about the challenging future and difference in technology ahead. Mr. Raia noted that some of that comes up in environment and the data, but it is good to highlight that. It was suggested that a precursor

to any strategic plan is agreement on the mission. Mr. Raia noted that it is a core component to a strategic planning process and we need to have that discussion, but it won't be today.

Mr. Raia next reviewed slides on the objectives of strategic planning, strategic planning and operational planning, and driving principles of our approach.

Ms. Clemens Roberts drew attention to Attachment #12 in the board packet, information request for strategic plan draft 2023-07-20. She noted that there were some great questions and statements received and as a committee we agreed that many of the questions would be discussed at strategic planning. She pointed out that the list put together is what we felt was a good balance to provide everyone with some building blocks to base their decisions on. In response to an inquiry, she mentioned that some of the requests were questions or things we want to discuss as part of strategic planning and that was provided to Mr. Raia. The list provided is information that staff can gather and provide. She reviewed each of the items on the list included in the board packet. She advised that a folder for all of the materials for strategic planning will be set up in OnBoard for easy access.

Mr. Mongeon commented that this is quite a bit more information than was provided for the previous strategic planning process as we are looking to take it to the next step. He noted that we want to hear from other directors if there are questions or concerns or if they feel something is missing.

In response to a question, Mr. Raia stated that the report from his interviews will be discussed at the retreat and provided to everyone a few days prior.

In response to a request for data related to where we are with grid modernization and what the next five years looks like, Mr. Jennings noted that there are a lot of different variables and that would be a core of our discussion during strategic planning. He suggested that if there is anything more specific that we can address and provide information for to please let us know.

There was discussion around whether any pre-reading material would be provided prior to the strategic planning retreat. Mr. Raia commented that we want to be cautious that any pre-reading doesn't steer in one direction or another and overburden everyone. He suggested letting the Strategic Planning Steering Committee review this further.

Mr. Raia again shared his screen and gathered input on past experiences with strategic planning, including what worked (the "glows") and what didn't work (the "grows"). The following feedback was shared:

**The “Glows”: What Worked**

- Strong healthy give and take; respect for other opinions
- Upfront time to solicit input
- Small group analysis on specific topics that feed into the strategic plan
- Laser focus on the most important problems/core mission
- Putting metrics and timeline for goals
- Agreement to reach consensus on strategic points
- Opportunity to have a facilitator there
- Use of devil’s advocate on bigger issues to bring out the pros and cons
- Discussion of and decision on what business we’re in
- Use of 3 flipcharts – including a parking lot
- Having Facilitation and being off-site
- Discussion of pros and cons
- Plan was lived after creation
- When the Strategic Plan is done, there’s a focus on support for departments in implementing the plan
- How it is written matters!

**The “Grows”: What Didn’t Work**

- Blinders... parochial views rather than broader
- We reach consensus on what to do – and we don’t specify why we’re not doing other items
- Games and gimmicks
- Getting side lighted by focusing on the ‘bright shiny object/toy’
- Having a set goal and then getting too operational
- We did not incorporate forward thinking
- Excessive time wordsmithing
- Personal biases – need to check them
- Costly mistakes of going beyond their core competencies
- Not adhering to rules of the day
- Getting into the weeds
- Plan sat on the shelf

Mr. Raia suggested the Strategic Planning Committee review the list so we can make sure we are incorporating much of this into the process we will use.

Mr. Raia left the meeting at 12:02 p.m.

**Board General Session**

***Board Tracking Report***

Chair Davis noted that items on the Board Tracking Report are being addressed.

***Committee Meetings***

Mr. Mongeon advised that the Engineering and Operations Committee will be planning a meeting for October. He requested committee members email him and Mr. Jennings if they have any topics. It was noted that the first part of the meeting would be joint with the Corporate Services Committee to review the capital construction budget.

Mr. Darcy mentioned that he would be working with others to change the date of the September Power Resources and Access Committee meeting.

***NHEC Foundation Report***

NHEC Foundation Chair Davis drew attention to the written report included in the board packet and offered to address any questions; none were noted.

***NRECA Report***

Chair Davis noted that the NRECA Report is included in the board packet and Mr. Colburn has one additional item to share.

Mr. Colburn pointed out a change in the deadline for concept papers from August 2 to September 15 under the NRECA Research Consortium Proposals graphic in his report.

There was discussion on items included in Mr. Colburn's report, including NRECA Broadband, NRECA's emphasis on reliability, and NRECA's Retirement Security Plan.

***Director Training Feedback***

Chair Davis noted that this agenda item will kick off next month with Mr. Mongeon sharing feedback from an NRECA Rates Strategies course he attended.

The meeting recessed at 12:17 p.m. Mr. Clark and Ms. Munoz left the meeting at this time. The meeting reconvened at 12:38 p.m.

**Executive Session**

Upon motion of Ms. Kedersha, 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 12:38 p.m.

The Board moved out of executive session at 2:02 p.m.

**Adjournment**

Chair Davis adjourned the meeting at 2:02 p.m.

\_\_\_\_\_  
Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

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Sharon Davis, Chair of the Board