

Approved 10/31/23

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

September 26, 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 September 26, 2023, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Sharon Davis, Brenda Boisvert, William Darcy, Leo Dwyer, Edward French, Madeline McElaney, and Harry Viens. Directors Alana Albee, Carolyn Kedersha, Thomas Mongeon, and Jeffrey Morrill participated via Zoom. Others present were Alyssa Clemsen Roberts, President/CEO; Peter Glenshaw, VP of Member Engagement; Sonja Gonzalez, VP of Information Technology/CIO; Michael Jennings, VP of Engineering and Operations; Carla Munoz, VP of Human Resources; Jonathan Nelson, VP of Broadband; Paul Phillips, Attorney; Kristen Taylor, Chief Financial Officer; Rob Howland, Interim VP of Power Resources and Access; Kelley Achenbach, Controller; Ken Colburn, NRECA Director for New Hampshire; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Pat Barbour, Cooperative Member.

Chair Davis called the meeting to order at 8:31 a.m.

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 August 17, 2023, Strategic Planning meeting, draft minutes of the August 29, 2023, Board of Directors meeting, and director expense reports. Upon motion of Ms. Boisvert, 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.

Items Requiring Board Action/Resolutions

Power Resources and Access Committee Board Policies

Chair Davis drew attention to the Power Resources and Access Committee Board Policies included in the meeting packet. Upon motion of Ms. McElaney, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors approves the changes to Board Policies B-2, Attachment E – Power Resources & Access Committee and B-27 – Wholesale Power Resources and Related Environmental Products and Risk Policy, as present in the board packet.

Vote for the motion was unanimous.

Executive Committee Board Policies

Chair Davis drew attention to the Executive Committee Board Policies included in the meeting packet. Upon motion of Mr. French, seconded by Ms. Brenda, it was

Approved 10/31/23

VOTED: That the Board of Directors approves the changes, as presented in the board packet, to Board Policy B-2, Attachment A – Executive Committee, and reaffirms Board Policies B-1 - Statement of Purpose, Mission, Vision & Values, B-2 - Board Committees, B-3 - Functions and Authorities of the Board of Directors, B-3 Attachment A - Nomination, Functions, Authorities and Responsibilities of the Officers of the Board of Directors, B-4 - Functions and Authorities of the President/CEO, B-5 – General Counsel Functions, B-31 - Code of Conduct, B-36 - President/CEO Succession, B-38 - Director Electric Accounts, and B-41 - Project Justification and Approval Guidelines.

Vote for the motion was unanimous.

NRECA Broadband Membership

Ms. Clemsen Roberts mentioned that this has been a topic of discussion for a couple of months, has been presented to the NH Broadband Managers, and is now coming to the board for approval. She noted that the cost to join is \$12,000 per year and \$1 per subscriber, which would be \$13,517. This allows us to attend and engage with the NRECA Broadband group. Upon motion of Mr. Darcy, seconded by Mr. French, it was

VOTED: That the Board of Directors approves NHEC's membership in NRECA Broadband.

Mr. Darcy pointed out that this was studied closely and the NH Broadband, LLC Managers approved management's recommendation to join.

Vote for the motion was unanimous.

Reconnect Program RUS Sandwich Project Grant

Chair Davis drew attention to the resolution for the Reconnect Program grant for the Sandwich project. Upon motion of Mr. Dwyer, seconded by Mr. Darcy, it was

RESOLVED that the Corporation accept a grant from the United States of America (the "Government,") acting through the Administrator of the Rural Utilities Service ("RUS,") an amount not to exceed \$1.65 million, ("Grant") to be used for such purposes as approved by RUS, and

RESOLVED that the President/CEO is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest, as many counterparts, respectively, as shall be deemed advisable of grant documents, including a Grant and Security Agreement, as required by RUS; and

RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions.

Vote for the motion was unanimous.

Recess for NRECA Director Election

Chair Davis recessed the NHEC Board meeting at 8:35 a.m. so the election for the NRECA Director for New Hampshire could be conducted. Madeline McElaney was elected to serve as the NRECA Director for New Hampshire for the next two-year term beginning on March 3, 2024.

The NHEC Board meeting reconvened at 8:40 a.m.

Member Comments

Pat Barbour shared that she is here to observe the meeting.

Bylaw Topic

Mr. Dwyer reviewed a proposal to change from 3-year to 4-year director terms and to change to a 12-year lifetime term limit, as outlined on attachment #9 in the board packet. In response to a question, Mr. Dwyer explained how the transition would work. He suggested some wordsmithing is needed around the transition and this isn't something to be voted on today. Chair Davis noted that this can be recommended to the Executive Committee during the bylaw review process.

In response to a question, Chair Davis explained the bylaw review process, noting that proposed changes will be reviewed by the Executive Committee at the end of the year and they will make a recommendation to the full board, which would then go to the members for vote during the next election.

Chair Davis noted that this item will be put in the parking lot for further consideration.

Chairman's Report

Chair Davis presented the Chairman's Report. She reminded everyone that since the last Tuesday in December is the day after Christmas, the December board meeting will be December 19th and this is reflected on the board calendar.

Chair Davis mentioned that the process of preparing draft minutes was discussed at the Executive Committee meeting and she shared the proposed resolution recommended by the committee. Upon motion of Mr. Viens, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors agrees that directors will not view the meeting recordings for the purpose of providing input into the drafting of minutes.

Vote for the motion was unanimous.

In response to a question regarding the process if a director wants to watch the meeting video, Chair Davis stated that they should send her an email. Ms. Clemens Roberts noted that to review the executive session recording a director would need to come into the office.

Chair Davis mentioned that Board Policy B-40 – Nominating Committee was tabled at the Executive Committee meeting and has been included in the board packet for discussion. She noted that the optimal outcome would be for the board to agree on conceptual changes which could be drafted into specific amendments for the October meeting. She mentioned that there is a short timeframe to keep the process on schedule.

Approved 10/31/23

Discussion included a suggestion that the briefing of the Nominating Committee should be done in a written document that is shared with board members who are not up for reelection; comments on the focus of interview questions from the Nominating Committee during the last election with concern that they were not consistent with all candidates (Ms. Clemsen Roberts indicated that she sat in on one day of interviews and the same questions were used for each candidate and based on their responses follow-up questions varied); acknowledgement that the CEO makes a presentation to the Nominating Committee about the Cooperative prior to them beginning their process; confirmation that the Nominating Committee did not ask the CEO to comment on what was said by directors; a suggestion that everything that is communicated to the Nominating Committee from the board or staff should be compiled in writing and shared with directors who are not up for reelection, as well as anything that is shared by the Nominating Committee with directors and staff; and a suggestion that there be term limits for Nominating Committee members.

Attorney Phillips mentioned that he just learned of the desire to amend Board Policy B-40 at Friday's Executive Committee meeting and noted that the timing is going to be very tight. He read the language in the bylaws relating to the appointment and duties of the Nominating Committee and commented that what he takes away from that is the board should have very little input, management control, or oversight of the Nominating Committee and he suggested everyone keep that in mind.

When asked about her experience with the Nominating Committee, Ms. Barbour stated that she felt the process was appropriate and the questions were well thought out.

Chair Davis requested that anyone who has proposed changes to either the board policy or the bylaws send them to her no later than October 10th and she will share them with Attorney Phillips and the Executive Committee so they can work on this.

President's Report

Ms. Clemsen Roberts presented the President's Report, sharing highlights from her written report. She reviewed items from the Safety Brief attached to the board packet; discussed membership in NRECA Broadband approved by the board earlier today; mentioned the completion of the Webster Substation rebuild, and the Jackson Substation rebuild to begin this month; provided an update on broadband, including construction, splicing, and preparation of an application for Broadband Matching Grant Initiative (BMGI) funds; discussed the outages resulting from Hurricane Lee; addressed plans to transition from Zoom to Teams for remote meeting participation; and noted that she attended the NRECA Regional meeting in September.

There was discussion regarding the transition to Teams for remote meeting participation, including a concern that Teams has often presented difficulties, and a comment that a hurdle that will need to be addressed is when someone has multiple Teams accounts from multiple organizations. Ms. Gonzalez noted that we would be spending the next three months testing and working through any issues and making sure everyone can use these tools effectively.

In response to an inquiry about the opportunity for technical assistance for board members, Ms. Gonzalez advised that her team is flexible and can work around directors' schedules. She noted that directors can contact Karl DeMarchi, her, or the Service Desk for assistance.

Strategic Topic Discussion – Strategic Planning Update

Each of the subgroup leaders provided an update on their group's progress. Ms. Taylor reported on the Affordability Subgroup, Mr. Nelson reported on the Broadband Buildout Subgroup, Ms. Munoz reported on the Employee Experience Subgroup, Mr. Glenshaw reported on the Member Experience Subgroup, and Mr. Jennings reported on the Reliability Subgroup.

Mr. Mongeon discussed the number of strategic goals, noting that there is not a set number of goals expected from each subgroup and it could be 1 or it could be 5, but it shouldn't be 20; requests for additional information, mentioning that requests should be strictly to support the development of the SMART goals; and a personal request that subgroups have their updates to templates and notes posted within a week of their meeting.

Mr. Mongeon next mentioned that he would like to get input/closure on what we should do with the overarching principles from one of the groups at the August Strategic Planning meeting. He shared his screen to show the principles and asked if we should allocate additional time to get to consensus on these principles and their utilization. It was agreed that each of the subgroups would discuss the principles in their next meeting and report back to Mr. Mongeon and Chair Davis on whether or not they think the principles fit and how they would be utilized.

A concern was shared that if each subgroup comes back with five goals it will not be focused enough. It was suggested that with the extent of effort required for the broadband buildout and the opportunity for federal grants for both broadband and electric, it will be burdensome to staff and the board. Mr. Mongeon commented that there is no preset number of goals and the fewer the better for the reasons mentioned.

Mr. Mongeon next discussed board resolutions that would be relevant to the strategic planning process, mentioning the environmental resolution as an example (he displayed onscreen), and asking if there are others that we should keep in mind. Other suggestions were any resolutions related to broadband, which Mr. Mongeon request Mr. Darcy locate; SAIDI and CAIDI, with it explained that these are balanced scorecard goals rather than resolutions; and rates, for which Ms. Taylor offered to provide information on rate design guiding principles and reasonable rate trajectory.

Mr. Mongeon mentioned that we have an updated timeline he will send to everyone, pointing out that the end date is still the same; noted that a template on goals and initiatives to guide further subgroup work was sent out yesterday; stated that when doing subgroup work the mission and vision elements should be kept in mind; advised that he will also send out the strategic definition that was shared a few months ago; and mentioned that Ms. Clemesen Roberts will be working with staff on proposed values with the plan to present those at the November Strategic Planning retreat.

Ms. Clemesen Roberts addressed comments and questions. She agreed that a demonstration showing what the member service representatives see in iVue could be provided at the October or November board meeting; explained that there are a number of things that drive the number of employees needed, not just miles of line and number of meters; clarified that she believes the 5,696 miles of line includes secondary as well as primary lines; and advised that we are reviewing the process for requests for new solar installations and will be making changes so it is more efficient.

Approved 10/31/23

Referring to the CFC interest rates in the Operations Report, Mr. Dwyer request staff look back a year or two to see if CFC has raised rates faster than the Treasury.

The meeting recessed at 10:03 a.m. and reconvened at 10:20 a.m. All those in attendance prior to the recess rejoined the meeting.

Board Committees

Power Resources and Access Committee

Power Resources and Access Committee Chair Darcy reported on items covered at the committee's September 18th meeting, including review of two board policies, a report on a new ISO-NE winter reliability initiative, presentation of summary dashboards, and an update on Community Power Coalition of NH.

Strategic Planning Steering Committee

This item was covered under the Strategic Topic Discussion and Mr. Mongeon indicated he had nothing additional to add.

Executive Committee

Chair Davis reported on the September 22nd Executive Committee meeting, noting that topics covered included the minutes resolution addressed earlier in today's meeting; the review of NHEC's Bylaws, which will revert back to the Executive Committee; and a recommendation for a communications consultant to work with the board, which she will pursue further with a proposal to be presented to the Executive Committee in October.

Chair Davis addressed questions regarding a communications consultant for the board. She explained how she learned of Stefanie Borsari and noted that she would also be reaching out to CFC to see if they provide this service.

Ms. Clemens Roberts mentioned that there was also discussion on Board Policy B-3 – Functions and Authorities of the Board of Directors. Referring to Section III. A. 5., she indicated that it would be helpful if she had some clarification on whether there are any contracts, plans, work plans or programs for which authority has been expressly reserved to the Board of Directors.

Feedback shared included a comment that there is a policy that anything that increases operating expense by \$1 million a year would need to be approved by the board; a question on when the annual summary report on incremental projects over \$1 million would be presented to the board (it was pointed out this is on the board calendar for November); a suggestion that anything that would fall under the Project Justification Policy would be included, such as the broadband contract; mention that it is good practice that the board be given a heads up for any major contract of significance; a remark that the language in the policy is standard for a CEO and standard practice would be that anything significant would be brought to the board for approval; and a statement that an item that still needs to be addressed is the CEO's bounds of authority for power purchase contracts.

Chair Davis reiterated that the question being asked is if there is knowledge of any contract or plan that the board is responsible for managing, noting that she doesn't believe there are any.

Approved 10/31/23

Mr. Morrill agreed, with one exception being the contract for the General Counsel who reports to both the CEO and board so they are jointly responsible.

Mr. Dwyer mentioned the instance of a power purchase contract where the exiting of that contract came to the board for approval. Ms. Clemsen Roberts asked if we have a contractor we want to terminate does that require board approval? Mr. Dwyer replied that, like the power purchase agreement, he believed it would if it was of a scale.

Attorney Phillips noted that his recollection is that board approval was required for payout of a separation fee associated with the contract Mr. Dwyer is referring to, not approval to exit the contract.

Board General Session

Board Tracking Report

Chair Davis drew attention to the Board Tracking Report and asked if there were any questions.

Addressing a question of when the Enterprise Risk Management Report would come to the board, Ms. Clemsen Roberts noted that it was presented to the Audit Committee and Board in July for educational purposes as it does not require board approval.

A question was raised asking if the annual work program, referred to in Board Policy B-4 – Functions and Authorities of the President/CEO, is part of the budget. Chair Davis indicated we would need to revisit what that is referring to.

It was asked if an update on where we are with the employee performance management system could be provided in October, with it noted that this used to be covered in the board report. Ms. Clemsen Roberts stated that this is part of the discussion that Ms. Munoz has been having with the Employee Engagement subgroup and she would need to go back and look at what used to be included in the board report.

Mr. Jennings addressed a question on what would trigger board notification of an outage, explaining that there are three main criteria: 1) if we enact the Incident Command System to prepare for an upcoming storm, 2) if we hit major storm criteria of 75 concurrent outages affecting 5% of members, or 3) a major substation outage for more than four hours. In addition, he noted that directors are always welcome to ask about any outage event they have encountered.

With regard to contracts, there was a suggestion that board approval would be required for something like a decision to bring all tree trimming or bill generation inhouse since these are major issues. A counter comment suggested those are management decisions. Another point suggested the board should be involved in all strategic level decisions so something like this would potentially be part of a strategic planning process with board involvement. A counter to the point suggested that those items seem operational.

Committee Meetings

Following is a list of upcoming committee meetings:

- Engineering and Operations Committee – October 4, 9:30 a.m.
- Executive Committee Meeting – October 20, 8:30 a.m.
- Audit Committee Meeting – October 20, 10:00 a.m.

Approved 10/31/23

- Corporate Services Committee Meeting – October 26, 8:30 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis reported on the September 25, 2023, Foundation meeting, mentioning that 14 grant requests were received and 10 were awarded for a total of \$51,000. She noted that the next meeting will be in December.

NRECA Report

Mr. Colburn’s written report was included in the board packet. Mr. Colburn expressed his appreciation to Mr. Viens and Ms. Clemsen Roberts for joining him at the NRECA Regional meeting.

Director Training Feedback

Mr. Darcy reviewed PowerPoint slides, sharing highlights from presentations he attended at the Northeast Public Power Association (NEPPA) conference and the Electric Cooperative Bar Association Seminar.

Mr. Viens reviewed a PowerPoint presentation, sharing information on the NRECA course he recently attended "The Road to Resilience: The Board’s Responsibility.”

Miscellaneous Additional Items

No additional items were mentioned.

Executive Session

Upon motion of Mr. French, 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 11:13 a.m.

The Board moved out of executive session at 1:30 p.m.

Adjournment

Chair Davis adjourned the meeting at 1:30 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Sharon Davis, Chair of the Board