

Approved 1/31/23

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

December 20, 2022

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 December 20, 2022, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Jeffrey Morrill, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Madeline McElaney, and Harry Viens. Directors Alana Albee, Brenda Boisvert, Carolyn Kedersha, and Thomas Mongeon participated via Zoom. Others present were Alyssa Clemsen Roberts, President/CEO; Jim Bakas, Chief Operating Officer (COO); Brian Callnan, VP of Power Resources and Access; Steve Kaminski, Power Planning and Policy Advisor; Kristen Taylor, Interim CFO; Dustin Ryan, Safety Manager; Jeremy Clark, Financial Planning, Analysis, and Rates Manager; Ken Colburn, NH NRECA Director; Cooperative Members Brenda Inman and Bruce Jenket; and Sharon Yeaton, Executive Services Administrator (recording). Others participating via Zoom were Michael Jennings, Director of Engineering; Paul Phillips, Attorney; Cooperative Members Richard Knox, Steve Merrill, and Jeanne Ryer; Troy Dresser, Wes Pauls, Michael Rawlings, and Jeff Stevens of Conexon; and Jason Baxter and David Girvan of Conexon Connect.

Chair Morrill called the meeting to order at 8:30 a.m. He noted that several guests have joined the meeting.

Agenda Review and Consent Agenda Approval

Chair Morrill asked for any comments on the agenda and drew attention to the consent agenda items, including board meeting minutes of November 29, 2022, as well as a director expense report. Upon motion of Mr. Darcy, seconded by Mr. French, it was

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

Vote for the motion was unanimous.

Board Safety Moment

Mr. Ryan first mentioned the storm over the past weekend and the great job everyone did working safely to restore power. He next shared a PowerPoint presentation sharing lessons learned related to a contractor incident.

Mr. Jennings added that the lessons learned are also an opportunity to reinforce this training with internal staff.

Mr. Ryan left the meeting at 8:38 a.m. and Messrs. Dresser and Pauls joined the meeting by Zoom at this time.

Board Operations Moment

Ms. McElaney presented the Board Operations Moment drawing attention to the quote included in the board packet. She discussed challenging yourself to control how you respond to what is happening when you can't control what is happening.

Member Comments

Chair Morrill recognized the guests in attendance both in-person and via Zoom.

Ms. Inman indicated it has been three years since she retired and she is just visiting. Mr. Merrill stated that he is listening in to learn.

Messrs. Rawlings, Stevens, and Baxter joined the meeting via Zoom at 8:43.

Ms. Ryer first thanked the crews for the rapid restoration during the recent storm. She suggested NHEC think about providing member incentives for backup batteries. She next discussed NHEC's broadband efforts and suggested a more aggressive offline outreach, as well as marketing of the Affordable Connectivity Program (ACP) and Lifeline program so individuals are not discouraged from signing up thinking they can't afford broadband. She also mentioned the importance of educating individuals on what they can do with broadband service.

Mr. Knox shared comments on broadband efforts, mentioning a desire for information to include in the Sandwich Town Report on the number of those in town receiving service, indicating that they are trying to keep track of questions and problems that arise, and suggesting that it is premature to declare broadband victory for Sandwich as their mission statement calls for a fast reliable network for 100% of the town at an affordable cost, and echoing Ms. Ryer's remarks about getting the word out on ACP and Lifeline.

Mr. Jenket shared that he is interested in understanding what the board does and how they do it.

Chair Morrill thanked everyone for their comments and suggestions.

Chairman's Report

Chair Morrill shared his thanks for the hard work restoring power this past weekend. He next shared some highlights from the year, including the hiring of a CEO, the progress made on broadband efforts, and strides made in the financial arena. He congratulated the board and management on a good year and noted that he is looking forward to next year with the strategic plan as a top priority.

Chair Morrill next mentioned the appointment of the 2023 Nominating Committee. Upon a request for a discussion in executive session, Chair Morrill indicated this item would be deferred to executive session at the end of the meeting.

President's Report

Ms. Clemens Roberts presented the President's Report, discussing items included in her written report, including community aggregation, noting that NHEC has filed for an exemption with the Public Utilities Commission (PUC); a member letter regarding a tree trimming issue, mentioning that staff is reviewing our trimming policy and what it would look like to move to a five-year trim

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cycle and hopes to report to the board on that in the second quarter of 2023, and work is being done to make the right-of-way clearing notification letter that goes to members prior to cutting more clear and concise; and strategic planning, commenting that with five vacant vice president positions she recommends postponing the strategic planning process for at least six months.

Mr. Merrill left the meeting at 9:02 a.m.

There was discussion regarding postponing the strategic planning process, including support for pausing the process, a question on what steps could be taken in the interim, a question of whether a delay of six months is long enough, a suggestion to revisit in six months and if needed an additional delay could be considered, and a suggestion that the Strategic Planning Steering Committee come up with a more detailed timetable so an informed decision can be made on the length of delay and preparation work that could be done in the interim.

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

VOTED: That the Strategic Planning process be paused for six months and revisited at that time.

Discussion ensued on the motion. Ms. Albee suggested an amendment to add to the motion that a timetable would be developed by the Strategic Planning Steering Committee in the first two months of 2023. Ms. Clemsen Roberts commented that she is asking for six months and would rather not have another meeting to discuss the timeline. She mentioned that in the 17 weeks she has been at NHEC there have been 17 committee, broadband, or board meetings and there is a lot of staff time and preparation involved. She stated that she would appreciate the grace of six months, but if the board requires a meeting of the Strategic Planning Steering Committee staff will be prepared and will attend.

Vote on the motion was ten in favor and one opposed, with Director Albee opposing. The motion carries.

Ms. Clemsen Roberts next drew attention to the resolution required to change the authority granted to Mr. Bakas last year as the Interim General Manager to her so that she may sign the application for a training grant from the State of NH. Upon motion of Mr. Darcy, seconded by Mr. French, it was

VOTED: That Alyssa Clemsen Roberts, President/CEO, is duly authorized to enter into contracts or agreements on behalf of New Hampshire Electric Cooperative, Inc. with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any documents which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

Vote for the motion was unanimous.

Continuing her report, Ms. Clemsen Roberts discussed other items included in her written report, including the Grid Resilience and Innovation Partnerships (GRIP) Program, noting that it is more advantageous for NHEC to pursue resources through the State of NH so we won't be pursuing these Department of Energy (DOE) funds at the federal level; two recent substation attacks in North Carolina, discussing security measures NHEC has taken; board committee minutes, reviewing the new process to get draft committee minutes posted to OnBoard in a timely manner;

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Power Resources and Access rate period variances, advising that any variance of 10% will require a discussion of the Senior Management Team of the primary reasons and any proposed action, and the board will be updated with a summary at the monthly board meeting; and the NHEC organizational chart, noting that it is included as Attachment #27 in the board packet.

Ms. Albee commented that she is not looking for resolution, but mentioned that an important consideration is whether draft minutes that go to committee chairs include redlined changes made by staff or the edited version with changes accepted.

Addressing a question on how NHEC can get information to members on the low-income programs available for broadband, Ms. Clemsen Roberts explained that until we have full management by Conexon we are unable to do a full launch to all communities so this presents some challenges. She added that while we are hesitant to do a full advertising campaign, there is some soft launch outreach we are working through.

Mr. Mongeon thanked Ms. Clemsen Roberts, noting that this is the most comprehensive report he has seen.

Director Election

Attorney Phillips mentioned that he was asked to review the options for the 2023 director election. He shared his screen and reviewed the PowerPoint presentation that was included as Attachment #10 in the meeting packet. He reviewed the director terms expiring in 2023, the bylaw articles related to both the regular election and the election to fill a vacancy, and options NHEC has used. He noted that his recommendation is option 1, which is to use a single ballot with separate sections listing candidates for the three-year term and candidates for the one-year term. He next reviewed the proposed resolution including in the meeting packet. Addressing a question, Attorney Phillips advised that it would be up to the candidate to determine whether they are seeking the one or three year term.

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

VOTED: That for the 2023 Director Election, New Hampshire Electric Cooperative, Inc. shall utilize a one-page ballot with separate sections listing those candidates nominated for a three-year term and those candidates nominated for a one-year term, and that no candidate shall be allowed to appear on both sections of the ballot.

Vote for the motion was seven in favor and four abstentions, with those directors eligible for reelection (Directors Darcy, Dwyer, McElaney, and Viens) abstaining. The motion carries.

Broadband Update

Mr. Jennings provided an operational update, reporting that broadband restorations following the storm this past weekend are being finished up in Acworth and Lempster; discussing some recent connectivity issues in Sandwich following a server upgrade where a bad jumper was found, advising that the issue has been fixed; noting that make ready and design work is well underway for the Grafton County build; and discussing take rates in Sandwich and systemwide.

Mr. Darcy next addressed the 2023 Broadband Budget, noting that staff did a great job on improvements to the budget and it is more consistent with the broadband business plan and

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negotiations with Conexon. He noted that the Broadband LLC managers recommend that the board adopt the budget. Upon motion of Mr. Mongeon, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors approves the proposed 2023 NH Broadband LLC budget as presented at the December 14, 2022, NH Broadband LLC Managers' Committee meeting.

Ms. Clemsen Roberts noted that the budget presented to the Broadband LLC was available to all directors in OnBoard.

Vote for the motion was ten in favor and one abstention, with Mr. Dwyer abstaining indicating that he has not had a chance to review the budget. The motion carries.

Messrs. Dresser, Pauls, Rawlings, and Stevens left the meeting at 9:43 a.m.

Mr. Darcy next drew attention to the Broadband LLC Operating Agreement and the summary of proposed changes included in the meeting packet, discussing the proposed changes.

Attorney Phillips mentioned that the Broadband LLC managers appointed a committee who proposed revisions which the managers committee approved and is recommending for board approval.

Upon motion of Mr. French, seconded by Mr. Morrill, it was

VOTED: That the Board of Directors approves the Amended and Restated Operating Agreement of the NH Broadband LLC as presented at the December 20, 2022, Board of Directors meeting.

Vote for the motion was unanimous.

Mr. Darcy mentioned Mr. Dwyer's resignation as the chair of NH Broadband LLC and subsequently from the LLC Managers Committee as well. He called attention to the resolution he circulated to the board thanking Mr. Dwyer for his contributions.

Mr. Dwyer left the meeting and Mr. Girvan joined the meeting via Zoom at 9:47 a.m.

Mr. Darcy drew attention to the proposed resolution, which was shared on screen. The resolution was moved by Mr. Darcy and seconded by Mr. Mongeon:

Whereas, as soon as Leo Dwyer was elected to the New Hampshire Electric Cooperative (NHEC) Board of Directors in 2017 he began advocating for NHEC to assist members seeking high speed internet services (broadband); and

Whereas, Leo Dwyer supported the Conexon feasibility study in 2018 for NHEC's provision of broadband services to members; and

Whereas, Leo Dwyer supported the member petition to have NHEC "facilitate" the provision of broadband services to members in April 2020, against the wishes of the administration and a Board majority; and

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Whereas, the Board soon thereafter appointed Leo Dwyer to lead NHEC's first ad hoc committee to explore options to assist members in need of adequate broadband;

Whereas, after the member broadband petition received the support of 64.5% of members the Board of Directors created a formal Broadband Committee in June 2020 and funded the effort with a \$1 million appropriation, and Leo Dwyer was appointed to the Committee; and

Whereas, the Broadband Committee immediately seized on a funding opportunity for broadband offered by the State of New Hampshire using Coronavirus Aid, Relief, and Economic Security Act (CARES) federal funds and decided to apply for funds to serve members in the Colebrook area and Lempster; and

Whereas, there were strict grant application deadlines that required an expedited procurement process, and Leo Dwyer stepped into the breach and found a qualified company, Tilson, with the resources to quickly implement the Broadband Committee's CARES funding objectives; and

Whereas, because the administration was reluctant to negotiate a design and construction contract with Tilson, Leo Dwyer again stepped up and negotiated a contract with Tilson with the assistance of another Director; and

Whereas, the Tilson contract had numerous risks for the contractor and NHEC, including the financial risk of not completing the work in accordance with a strict grant completion deadline and the need to guard against a negative member vote on the revision in the NHEC Bylaws to permit broadband capital expenditures, and

Whereas these contract difficulties were surmounted by Leo Dwyer and he succeeded in getting the construction contract approved by the Board of Directors, thereby enabling the Board to accept a \$6.7 million broadband grant from the State of New Hampshire; and

Whereas, after the construction and grant contracts were finalized, Leo Dwyer was designated the Chairman of the Broadband Committee; and

Whereas, later in 2020 NHEC successfully bid and won 70 census blocks in the FCC's Rural Digital Opportunity Fund (RDOF) auction and was awarded \$6.5 million; and

Whereas, in January 2021 the NHEC Board created NH Broadband LLC with Leo Dwyer as the Chair of its governing body, thus formally commencing NHEC's broadband business; and

Whereas, in the Spring of 2021 the administration recommended that NHEC provide fiber internet service to Acworth and Sandwich and the Broadband Committee recommended that Conexon construct the project, which recommendation the Board adopted; and

Whereas, when there was no NHEC or NH Broadband LLC chief executive officer in the summer of 2021, Leo Dwyer was given the additional responsibility of administering the affairs of NH Broadband LLC until a new NHEC CEO started work; and

Whereas, Leo Dwyer convinced a majority of the Board in November 2021 to contract with Conexon to design NHEC's fiber internet systems and to manage the construction of whatever fiber projects the Board chose to build; and

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Whereas, Leo Dwyer, another Director and two senior management staff drafted the 2022 Broadband Business Plan which the Board accepted in February 2022; and

Whereas, as a part of the 2022 Broadband Business Plan the Board decided to build a broadband system to service over 16,000 members in Grafton County; and

Whereas, the Acworth and Sandwich broadband builds are now complete and the Grafton County project construction has commenced;

Whereas, to help fund NHEC's broadband efforts Leo Dwyer during 2021 and 2022 advocated with state officials in the newly created Office of Broadband Initiatives in the Department of Business and Economic Affairs (BEA) that it devote a substantial amount of American Rescue Plan Act (ARPA) Capital Projects Fund resources to NHEC broadband projects; and

Whereas the two-year advocacy project culminated in BEA issuing a \$50 million, winner-take-all, request for proposals that played to NHEC's strengths of building broadband to serve the areas of the state most in need of upgraded internet services; and

Whereas, Leo Dwyer with another Director led the effort to apply for the competitive \$50 million grant, with Leo Dwyer providing essential strategic, budgetary and mapping support for that effort; and

Whereas, the BEA in September 2022 awarded a \$50 million broadband grant to NHEC and Leo Dwyer assisted in the negotiations for the grant contract which was successfully consummated;

Whereas, as a result of Leo Dwyer's efforts over the last five years NHEC's broadband business was launched, significant construction has been completed and the broadband effort is financially sound as a result of the award of more than \$64 million in grant funds; WHEREFORE

IT IS VOTED:

That the Board of Directors thanks Leo Dwyer for his devotion to NHEC's broadband efforts, his success in starting NHEC's broadband business, his leadership in providing high-speed fiber internet to many members and the successful grant funding for those efforts and future efforts that will assure that all NHEC members who need high speed internet will be provided it in the future.

Discussion ensued on the proposed resolution, with it suggested that the goal is to recognize the time, passion, and success of Mr. Dwyer and that is covered in the "voted" portion of the resolution. Mr. Darcy suggested including the history is also important, but he is willing to make some changes to the resolution.

Discussion on the proposed resolution ensued with suggestions to remove the negative aspects and focus on the positive. It was proposed that the resolution be amended to include just the last "voted" section, with it noted that the important thing is to recognize Mr. Dwyer's time, passion, and success in our broadband efforts. Mr. Darcy indicated that he felt it was important to include greater detail.

Upon motion of Ms. McElaney, seconded by Ms. Davis, it was

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VOTED: To amend the motion to “that the Board of Directors thanks Leo Dwyer for his devotion to NHEC’s broadband efforts, his success in starting NHEC’s broadband business, his leadership in providing high-speed fiber internet to many members and the successful grant funding for those efforts and future efforts that will assure that all NHEC members who need high speed internet will be provided it in the future.”

Vote on the motion to amend was nine in favor and one opposed, with Mr. Darcy opposing.

Vote on the amended main motion was unanimous among directors present.

Mr. Dwyer rejoined the meeting at 10:00 a.m. Chair Morrill reviewed the board’s motion with Mr. Dwyer’s.

The meeting recessed at 10:01 a.m. Messrs. Baxter, Girvan, and Ms. Ryer left the meeting at this time. The meeting reconvened at 10:12 a.m.

Board Committees

Joint Corporate Services and Power Resources and Access Committee

Corporate Services Committee Chair French noted that a number of items were addressed at the joint committee meeting held last Tuesday. He first drew attention to the 2023 Balanced Scorecard and Success Sharing Plan. Ms. Clemsen Roberts mentioned that a question at the committee meeting led to further review and a change in the broadband metric related to miles of line built, as reflected in the board packet attachment.

Upon motion of Mr. French, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors approves the 2023 Balanced Scorecard and Success Sharing Plan as presented in the board meeting packet.

Vote for the motion was unanimous.

Committee Chair French next drew attention to the 2023 Power Resources and Access Budget Resolution, noting that this is primarily made up of power costs which are a passthrough, with additional items amounting to roughly \$2.5 million which were presented with backup at the joint committee meeting. Power Resources and Access (PR&A) Committee Chair Darcy added that this is a positive development for transparency and staff did a great job with a quick turnaround and the PR&A Committee recommended approval.

Upon motion of Mr. Darcy, seconded by Mr. Viens, it was

VOTED: That the Board of Directors approves the 2023 Power Resources & Access Operating Budget as recommended by staff in the 2023 Power Resources & Access Budget Package as presented at the joint Corporate Services Committee and Power Resources & Access Committee meeting on December 13, 2022. Further details will be available in the joint committee meeting minutes.

Vote for the motion was unanimous.

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Committee Chair French next discussed the Co-op Power and Regional Access Rate Change Resolution, noting that the proposed change will result in a total bill reduction of 11% for a basic rate member using 500 kWh and a 12% reduction for 1,000 kWh. He mentioned that information on the proposal was included in the joint committee meeting packet and this is being recommended by the Corporate Services Committee.

Upon motion of Mr. Viens, seconded by Mr. Davis, 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 February 1, 2023 as recommended in the February 1, 2023 Co-op Power and Regional Access Rate Change Proposal presented at the joint Corporate Services and Power Resources and Access Committee meeting on December 13, 2022. Further details will be available in the minutes of the joint committee meeting.

In response to a question, Mr. Clark stated that NHEC's rate for residential power costs will be 13.8 cents/kWh compared to Eversource's rate of 20 cents/kWh. Mr. Callnan added that rate for Liberty Utilities is 22 cents/kWh and for Unitil is 26 cents/kWh.

Ms. Clemens Roberts recognized the great job by Mr. Callnan and team on keeping member rates stable. She mentioned that being an unregulated utility allows us more flexibility in how we handle our power.

Vote for the motion was unanimous.

Power Resources and Access Committee Chair Darcy reported on the two Co-op Power Renewable Power Options discussed at the committee meeting, advising that no action was taken and this will be discussed further at the next Power Resources and Access Committee meeting.

With regard to the Power Resources and Access Variance discussion held at the committee meeting, Ms. Clemens Roberts noted that she covered this earlier in her report and the focus will be on any cost variance of 10% or more rather than a set dollar amount.

Additional Committee Items

Chair Morrill recognized that Ms. Albee is stepping down from the policy committee and noted that he will talk to someone else about chairing that committee.

Audit Committee Chair Albee provided an update on audit related items, mentioning the transition to the new external auditors and noting that they have begun interim audit steps. She also advised that the calendar has been set for next year's Audit Committee meetings with items that will be covered in each meeting identified; this calendar will be shared with the full board and these dates will also be added to the board calendar.

Member Services Committee Chair McElaney announced that a Member Services Committee meeting has been scheduled for January 24 and has been added to the board calendar.

Board General Session

Board Tracking Report

Drawing attention to the Board Tracking Report, Chair Morrill noted that several edits have been made and follow ups identified.

In response to a question, Ms. Clemens Roberts confirmed that the herbicides item on the tracking report is scheduled for January and noted that the deeper dive on vegetation management practices that she mentioned earlier is separate from this and will take place in the April/May timeframe.

Committee Meetings

Following is a list of upcoming committee meetings:

- Power Resources and Access Committee – January 17, 8:30 a.m.
- Member Services Committee – January 24, 1:00 p.m.

NHEC Foundation Report

NHEC Foundation Chair Davis reported that the Foundation's fourth quarter meeting will be held on January 4, 2023.

NRECA Report

Mr. Colburn presented the NRECA Report, sharing highlights from his written report and additions to the bibliography. He discussed the NRECA budget, the status of retirement and health plans, the positive shift to more focus on Business and Technology Services (BTS), NRECA Broadband, NRECA's five member consortia, and physical and cyber security.

Addressing a question on NRECA Broadband, Ms. Clemens Roberts mentioned that she reached out to NRECA with a number of questions related to membership and governance and suggested a discussion at a NH Broadband, LLC meeting on whether or not NHEC should join. She mentioned that should NHEC join, she feels there should be a consortium and not the NRECA board providing governance.

Executive Session

Upon motion of Ms. Davis, seconded by Mr. Dwyer, 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 10:45 a.m. Messrs. Clark, Colburn, and Jenket and Ms. Inman left the meeting at this time.

The board moved out of executive session at 11:13 a.m.

The board acted on the motion to appoint the Nominating Committee, which was deferred from earlier in the meeting. Upon motion of Mr. French, seconded by Ms. Davis, it was

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VOTED: That the Board of Directors appoints Paul Bolduc, Michael Clark, Virginia Erickson, Joanne Haight, Evan Kaplan, Lori Saleski, Michael Stiebitz, and William Webb to the 2023 Nominating Committee.

Vote for the motion was six in favor (Directors Albee, Boisvert, Davis, French, Mongeon, and Morrill), four abstentions (Directors Darcy, Dwyer, McElaney, and Viens who are all eligible for reelection) and one opposed (Director Kedersha). The motion carries.

Mr. Jennings shared positive comments on NHEC’s restoration efforts during the past weekend’s storm with peak outage numbers of 16,500, noting that in total 36,500 members lost power with 230 separate events across the system. He noted that staff is currently preparing for the next storm event with high winds forecast for Friday into Saturday.

Upon motion of Mr. Darcy, seconded by Mr. French, the board unanimous voted to move back into executive session at 11:16 a.m. for the purposes previously noted.

The board moved out of executive session at 1:48 p.m.

Ms. Davis acknowledged that this was Mr. Kaminski’s last board meeting before his retirement and suggested that since the board didn’t have an opportunity to recognize him while he was present they do so in the form of a board vote. Upon motion of Ms. Davis, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors provides their well wishes and thanks to Steve Kaminski for his many years of service to New Hampshire Electric Cooperative.

Vote for the motion was unanimous.

Adjournment

Upon motion of Ms. McElaney, seconded by Mr. Darcy, it was unanimously voted to adjourn the meeting. Chair Morrill adjourned the meeting at 1:49 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Jeffrey Morrill, Chair of the Board