

New Hampshire Electric Cooperative, Inc.
Minutes of the Meeting of the Broadband Committee
Remote Zoom Meeting
November 16, 2020 1:00 – 3:00 p.m.

Present:

Committee Members: William Darcy, Dan Senie, Leo Dwyer, Tom Mongeon, Alana Albee, Carolyn Kedersha, Jeff Morrill

Other board members: Sharon Davis, Madeline McElaney, Ed French

NHEC Employees: Steve Camerino, Geoff Ziminsky, Drew Dunagin, Jim Bakas, Craig Snow, Mike Licata and Edee Murphy (recording)

Others Present: Bob Cruickshank (Contractor), Mark Dean-NHEC Counsel, Mike Reed (Mission Broadband), John Dougherty (Mission Broadband)

Chair Dwyer called the meeting to order at 1:05 p.m.

Mr. Dunagin presented an in-depth concept overview on possible entity structures for broadband including:

- Transaction assumptions
- Concept overview
- Potential structures
- Key considerations
- Recommendations

In summary, NHEC management recommends a single member LLC taxed as a partnership for the following reasons:

- Provides legal formality
- Minimizes tax
- Can elect corporation later if necessary
- No 85/15 concern with projected scope

There was discussion with Mr. Dean and the committee regarding different types of entities and tax ramifications and other liabilities of each.

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

VOTED: That the Broadband Committee move into executive session at 1:42 p.m. for the purpose of attorney/client privilege.

The vote was unanimous.

The committee moved out of executive session at 2:04 p.m.

There was general discussion of how different entity structures may affect insurance and benefit plans. Mr. Darcy commented that many questions including economic arrangements between NHEC and the broadband entity, an operating agreement, internal governance, broadband board of directors, etc., that will need to be addressed in the future; not everything needs to be decided today.

Upon motion of Mr. Darcy, seconded by Mrs. Kedersha, it was

VOTED: That the Broadband Committee makes a base recommendation to the full board to approve a single member LLC formation, treated as a partnership, to be voted on at the November 24, 2020, board meeting.

The vote was unanimous.

During discussion regarding branding the new entity, Mr. Licata mentioned that the committee had decided on the temporary use of “NHEC Broadband” as a placeholder. Messrs. Darcy, Leo and Cruickshank are to meet and discuss the timeline(s) for filing the LLC formation and the marketing/branding/logo.

Mr. Camerino explained that for the broadband LLC, the “member/shareholder” is NHEC; the manager is the person who has day-to-day operational authority of the business. There are certain issues that will need to come back to the full board of NHEC. These decisions can be made after the LLC formation has been filed.

There was general discussion regarding the need to form a governing board for the broadband LLC.

Adjournment

Chair Dwyer adjourned the meeting at 2:47 p.m.