

Approved 11/2/2022

**New Hampshire Electric Cooperative, Inc.  
Minutes of the Meeting of the Executive Committee  
Remote Zoom Meeting  
August 5, 2022**

**Present:** Committee members: Jeffrey Morrill (Chair), Alana Albee, Brenda Boisvert, Sharon Davis, and Carolyn Kedersha

Other Directors: Bill Darcy, Leo Dwyer, Thomas Mongeon, and Harry Viens

NHEC Employees: Jim Bakas, Brian Callnan, Mike Jennings, Steve Kaminski, Geoff Ziminsky, and Sharon Yeaton (recording)

Others: Paul Phillips, NHEC General Counsel

**Absent:** Committee Member Ed French

Chair Morrill called the meeting to order at 9:00 a.m.

**Agenda Review and Approval of Minutes**

There were no changes to the agenda. Chair Morrill drew attention to the draft minutes of the July 15, 2022, Executive Committee meeting. Upon motion of Ms. Kedersha, seconded by Ms. Davis, it was

**VOTED:** To approve the minutes of the July 15, 2022, Executive Committee meeting, as presented.

Vote for the motion was four in favor and one abstention, with Ms. Albee abstaining as she was not present for that meeting. The motion carries.

**Executive Committee Board Policies**

Chair Morrill noted that this is a continuation of the policy review started at the July 15<sup>th</sup> Executive Committee meeting.

**Board Policy B-1 – Statement of Purpose, Vision, Mission & Values.** Under the Mission and Vision sections “broadband services” was added.

**Board Policy B-2 – Board Committees.** The title of “President” was changed throughout the policy to “President/CEO.”

**Board Policy B-2, Attachment A – Executive Committee.** It was noted that the policy addendum addressing President/CEO compensation, objective setting, and appraisal process guidelines was removed from Board Policy B-3 and added to this policy, and language was added to paragraph II. 4. to call out that the addendum shall be used as a guideline to conduct the CEO review.

Ms. Davis reviewed the other proposed redlined changes that were included in the meeting packet, explaining that her proposed changes would make the Executive Committee more active and similar to the other board committees. There was discussion on the proposed changes and some concern raised that it is like creating a “mini-board” with some of the changes allowing the Executive Committee to usurp the duties of all other committees. To address concerns, proposed changes were recommended to paragraph II. 2. to change “proposals/issues that affect the board” to “proposals/issues referred to the Committee by the Board,” and paragraph II. 3. to change “the agenda” to “the Executive Committee agenda”.

Other proposed policy changes include: 1) the addition of the purpose of the Executive Committee, which is to provide leadership to the Board of Directors and to act on issues between meetings of the full Board of Directors; 2) the addition of a goals section, with the goal to clearly define the functions and authorities of the Executive Committee; 3) additions to the functions and authorities section to add that the Executive Committee: will meet quarterly to act on issues between meetings of the full Board of Directors; is responsible for conducting research of proposals/issues referred to the Committee by the Board; members are responsible to review the Committee agenda, complete any necessary research and come prepared to discuss; will conduct the annual performance review of the President/CEO; and will fulfill its duties with regard to President/CEO Succession Planning.

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

**VOTED:** To recommend Board Policy B-2, Attachment A – Executive Committee to the full board for approval with the proposed changes discussed today.

Vote for the motion was unanimous.

**Board Policy B-3 – Functions and Authorities of the Board of Directors.** The policy addendum addressing CEO compensation was removed from this policy and added to Board Policy B-2, Attachment A and the language under paragraph 13 was changed to reflect that the board will receive the annual performance review of the CEO rather than conduct it, and if acceptable, will approve it. Additional language was also added to the end of the first sentence under the Purpose: “...ensuring that the needs of the membership are met.”

**Board Policy B-3, Attachment A – Nomination, Functions, Authorities and Responsibilities of the Officers of the Board of Directors.** No proposed changes were made.

Mr. Callnan joined the meeting by phone at 9:21 a.m.

**Board Policy B-3, Attachment B – Board/Management Communications.** Mr. Darcy reviewed his proposed changes to remove paragraph II. B. and add “subject to approval of the Executive Committee” at the end of paragraph II. C. He explained that paragraph II. B. puts limitations on the right of directors to access information (which is granted in Board Policy B-3) by requiring them to go through Committee Chairs or the Board Chair with no guarantee their request will be granted, and in most cases it is not currently being followed, and paragraph II. C. gives the President/CEO the unilateral right to determine what information directors have access to in the data repository (OnBoard).

There was discussion regarding paragraph II. B., with various Committee members explaining that the purpose of this policy was to put guardrails and guidelines in place so Senior Management wasn’t overwhelmed with contact from many board members; it helps keep directors from overstepping their bounds and getting into operational items; and it ensures that Committee Chairs and the Board Chair are kept informed. Mr. Darcy suggested those situations could be dealt with if they arise, rather than having everything go through committee chairs. It was mentioned that we have a new CEO coming onboard and she may have some thoughts so perhaps settling this today is not in our best interest.

Following further discussion, it was suggested that instead of deleting paragraph II. B. the requirement to go through board committees be replaced with a provision that committee chairs and the President/CEO should be copied on requests for information and if the request is time sensitive the Board Chair should also be copied.

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

**VOTED:** To recommend the suggested changes to Board Policy B-3, Attachment B – Board/Management Communications to the full Board, which includes the revised language in paragraph II. B. and the added language at the end of paragraph II. C.

Vote for the motion was four in favor and one opposed, with Ms. Kedersha opposing. The motion carries. Chair Morrill asked Attorney Phillips to update the policy with the proposed changes for inclusion in the board packet.

**Board Policy B-4 – Functions and Authorities of the President/Chief Executive Officer (CEO).** The following changes were made: the title “President” was changed throughout the policy to “President/CEO;” “broadband” was added to paragraph II. 4.; and paragraph II. 12. was changed to “consult and coordinate with NHEC’s General Counsel as needed to identify, evaluate, analyze, and/or resolve legal issues that arise in the course of business of NHEC and/or its affiliates and subsidiaries” to be consistent with the recent change made to return responsibility of the general counsel selection to the Board of Directors.

**Board Policy B-9 – Board of Director’s Stipends and Expenses.** No proposed changes were made.

**Board Policy B-31 – Code of Conduct.** Mr. Darcy discussed his proposed changes to 1) eliminate paragraphs III. E. and F., noting that these two provisions attempt to restrict directors from communicating with their constituents and are contrary to their duty to members, and 2) to add a new guiding principle “Directors are elected representatives of members and have the right to inform members of their activities and positions on issues important to members.” Following discussion, Attorney Phillips suggested that instead of deleting paragraph E, the word “advocacy” could be removed and on paragraph F, the text after the last comma could be replaced with “they shall not do so publicly without stating that they are not speaking on behalf of NHEC or its Board of Directors.” Mr. Darcy indicated he was fine with the amendment to paragraph F and on paragraph E his objection is to the language agreeing not to take any board matter or issue to SMT, employees or any part of the membership. There was additional discussion both for and against removing paragraph E.

With regard to the additional guiding principle, Attorney Phillips suggested a minor change to replace “important to members” with “that affect the members.” Mr. Darcy indicated he was fine with the proposed amendment.

Chair Morrill asked if the Committee was comfortable removing paragraph E, Attorney Phillips’ amendments to paragraph F, and the additional guiding principle. No objections were stated.

**Board Policy B-30 – Communications.** Chair Morrill noted that this policy is not on the agenda or included in the meeting packet. Mr. Darcy discussed his proposed changes to 1) add that directors can discuss or advocate issues affecting NHEC during their re-election campaigns, and 2) directors who are elected public officials are not prohibited from communications on issues affecting their constituents and NHEC, provided they do not represent that they are speaking on behalf of NHEC or the Board of Directors, noting that these changes are consistent with what was just voted on for changes to Board Policy B-31. A concern was expressed that by virtue of being a director it may be perceived that what a director is saying is NHEC’s position.

It was noted that while Board Policies B-30 and B-31 are interrelated, Board Policy B-30 is the responsibility of the Member Services Committee. Mr. Darcy indicated he was fine referring his proposed changes to the Member Services Committee. Attorney Phillips indicated he would work with Mr. Darcy on some wordsmithing of the proposed changes. He mentioned that the proposed addition of a goal to ensure that members are fully informed on director candidates' positions on issues seems to set the Co-op up to provide candidate information and is not a responsibility the Co-op should take on. Mr. Darcy replied that he has no problem modifying that.

Chair Morrill advised that this policy would be moved over to the Member Services Committee for discussion.

**Board Policy B-36 – President/CEO Succession.** The title “President” was changed to “President/CEO” throughout the policy and “and relevant board policies (particularly B-4)” was added after “reviewing the job description” to paragraph II. A. 1.

**Board Policy B-38 – Director Electric Accounts.** No proposed changes were made.

**Board Policy B-40 – Nominating Committee.** The title “CEO” was changed to “President/CEO.”

**Board Policy B-41 – Project Justification and Approval Guidelines.** Ms. Albee mentioned that there is nothing in the policy that addresses how projects that are approved under this policy are monitored by the board and she shared her screen to review her proposed change to add a paragraph for board monitoring calling for an annual summary report on projects costing over \$1 million. There was discussion on the proposal, including acknowledgement that currently projects are reviewed with the appropriate board committees, a suggestion to limit the summary to projects under this policy so those approved through the budget process would not be included, and a suggestion that an overall summary report of all projects over \$1 million would be useful.

Following discussion, upon motion of Ms. Albee, seconded by Ms. Davis, it was

**VOTED:** To recommend to the full board a change to Board Policy B-41 – Project Justification to add a paragraph at the end of Section III: “Board monitoring: An annual summary report on incremental projects under this policy costing over \$1 million should be presented by management and discussed with the Executive Committee and presented to the Board. This should include achievements, costs to date, projected costs to end of project, revenue to date, and next steps/plans. This should inform budgeting.”

In response to a request for further board discussion on the suggestion for an overall summary report of all projects over \$1 million, Chair Morrill indicated that this item would be added to the Board Tracking Report.

Vote for the motion was unanimous.

### **Strategic Planning**

Chair Morrill noted that the goal and outcome of this topic is to identify a pathway forward. He mentioned that this would not be a refresh, but rather a major redo of the Strategic Plan and he wanted to make sure everyone was aligned with that assumption. There were no objections noted. He mentioned that he spoke to Ed French since he was unable attend today's meeting and Mr. French wanted to make sure we had input from Ms. Clemens Roberts. Chair Morrill stated that he did talk with

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Ms. Clemens Roberts this week and she is supportive of the approach not knowing the Strategic Plan; he has since provided her with the 2018 and 2019 Strategic Plans.

Chair Morrill noted that from a key issues and assumptions standpoint there will be a lot of homework to be done. He led a discussion on topics and issues to be addressed in the Strategic Plan, suggestions included: Member WOW!, climate initiative, Transactive Energy, broadband, technology advancement, succession planning/human resource planning, and remote work and what impact it has on the organization in terms of the culture.

It was suggested that when we decide what some of our goals are we consider and implement the idea of scale. We have a limited amount of money to spend on initiatives so we want to make sure they have scale and can impact our members.

There was discussion regarding the Strategic Plan setting the vision and overarching goals and principles, with the board heavily involved in that process, and then the responsibility of how to execute the plan is that of the CEO and management. There was also discussion regarding the process of setting priorities, with it being suggested the board determines the priority of the goals and there would be a discussion with management providing input on whether the priorities can be met, or if additional funding and/or resources would be needed.

Mr. Dwyer stated that a fundamental upfront statement in the Strategic Plan has to be what business we are in. Are we in the distribution business or are we in the energy business? There was discussion regarding having a white paper that describes the implications of each so there is a starting point for the discussion. Chair Morrill suggested a combination of board and staff, given the knowledge across the teams, might be best for preparing the white paper.

It was suggested that as a first step, a survey with the topics mentioned today be sent to members of the board and senior management to prioritize as this will help guide us on areas where we may need more information prior to having a deeper discussion. Chair Morrill indicated that he would take a stab at getting that out so we can have input back by the board meeting.

It was mentioned that results from the Member Prioritization Survey will be presented at the upcoming Member Services Committee meeting and that information may help guide the prioritization and formulation of the Strategic Plan.

There was discussion regarding the timing for completion of the Strategic Plan and using 2023 as a transition year, with the current Plan being extended through the end of March 2023, at which time the new Plan would be completed. There was recognition that the 2023 budget will need to be based on the current Strategic Plan and so full implementation of the Plan would take place in 2024. It was suggested that this would also give us time to do an independent evaluation of our implementation of the current Plan, which could give us valuable information and insights going forward.

Chair Morrill asked for thought on whether we handle Strategic Planning on our own or with an independent facilitator. One comment was offered suggesting that unless we have someone who knows us, and we know is a good facilitator, we should just do it internally.

Chair Morrill stated that he would work on the survey to get out to the Board and SMT.

Chair Morrill left the meeting at 11:01 a.m. and Ms. Davis took over the Chair role.

## **CEO Goals**

Ms. Davis reviewed proposed goals for the new CEO, including a 6-month strategic goal, which includes development of a plan for the Strategic Planning process and finalizing the Strategic Plan and Balanced Scorecard goals to support the Plan by March 31, 2023; a 6-month broadband goal to have 900 paying subscribers in Sandwich and Acworth; a 12-month financial performance goal to keep current 2022 financials on track through year-end and to keep 2023 financials on track through the first half of 2023 in accordance with the 2023 budget and BSC to be adopted by the board in November 2022; and a 12-month broadband goal to have 900 miles of fiber strung with 75% strung fiber spliced, lighted and ready for drop installation.

Following discussion on the two six-month goals, a change was recommended to the broadband goal to say, "during the 6-month period, successfully manage the transition from Granite State to Conexon Connect and achieve 900 paying subscribers." Mr. Darcy will send the revised language to Ms. Davis.

Chair Morrill rejoined at the meeting at 11:11 a.m.

There was discussion on the financial goal and finding a way to modify it to be through year-end 2023 to be on a full-year budget cycle. Ms. Davis indicated she would work on some language to revise this goal.

Following discussion on the 12-month broadband goal, it was suggested we keep it as proposed and then discuss a customer service goal for the following year.

Ms. Davis indicated she will work on revisions and have them ready for discussion at the August Board meeting.

## **Discussion of Expanding Language in Board Resolutions**

Chair Morrill discussed Ms. Albee's request at the last board meeting to expand upon the language included in board resolutions.

Ms. Albee noted that her concern is that currently most resolutions don't provide enough detail on the action taken and you are forced to go beyond the board minutes to determine what changes were made.

Attorney Phillips shared that in the case where a resolution is adopting a recommendation from a committee, it is best not to try to summarize the committee's recommendation in the board's resolution as you run the risk of mischaracterizing what the committee did and creating conflict or confusion. He suggested that it is better to refer back to the committee minutes for the purpose of providing the details.

It was agreed that including an additional sentence in resolutions to identify that additional details can be found in the minutes of the committee meeting would be helpful.

## **Adjournment**

Upon motion of Ms. Albee, seconded by Ms. Davis, it was unanimously voted to adjourn the meeting. Chair Morrill adjourned the meeting at 11:35 a.m.