

**Approved 4/28/20**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

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

**March 31, 2020**

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 March 31, 2020. In light of the COVID-19 pandemic and in response to Governor Sununu's Executive Order 2020-04, the meetings was conducted remotely via Zoom videoconferencing.

Directors present were Thomas Mongeon, Alana Albee, Joan Aubrey, Brenda Boisvert, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Jeffrey Morrill, Daniel Senie, and Harry Viens. Others present were Steve Camerino, President/CEO; Jim Bakas, VP of Operations and Engineering; Brian Callnan, VP of Power Resources and Access; Mark Dean, Attorney; Drew Dunagin, VP of Financial Services/CFO; Brenda Inman, Senior Vice President; Steve Kaminski, Power Planning and Policy Advisor; Mike Licata, VP of Member Services/Public Affairs; Pam Ouellette, VP of Human Resources and Organizational Development; Craig Snow, VP of Energy Solutions/Facilities; Geoff Ziminsky, VP of Technology and Business Services/CIO; Scott Davis, Power Resources Administrator; Ken Colburn, NRECA Director for NH and Sharon Yeaton, Executive Services Administrator (recording).

Chair Mongeon called the meeting to order at 8:30 a.m. with only Directors in attendance.

Upon motion of Mr. Senie, seconded by Mrs. Boisvert, it was

**VOTED:** That the Board of Directors move into Executive Session for the purpose of confidential personnel discussions.

Vote for the motion was unanimous and the board moved into Executive Session at 8:30 a.m.

The board moved out of Executive Session at 10:03 a.m. and took a brief break. The meeting reconvened at 10:06 a.m. In addition to those present prior to the recess, Messrs. Camerino, Bakas, Callnan, Dean, Dunagin, Kaminski, Licata, Snow, Ziminsky, and Colburn and Meses. Inman, Ouellette, and Yeaton joined the meeting at this time.

Chair Mongeon indicated that the meeting is being recorded. He thanked those who worked to help coordinate and set up the use of Zoom.

**Agenda Review and Approval of Minutes**

There were no changes to the agenda.

The minutes of the February 25, 2020, Board Meeting were reviewed. Upon motion of Mrs. Aubrey, seconded by Mrs. Boisvert, it was

**VOTED:** To adopt the minutes of the February 25, 2020, meeting of the Board of Directors, as presented.

Vote for the motion was unanimous.

### **Chairman's Report**

Chair Mongeon called for a moment of silence to reflect on our members that have had or may have their health or financial situation impacted by the COVID-19 pandemic.

Chair Mongeon shared remarks, noting that the COVID-19 is an unprecedented crisis impacting our members, the state, the country, and the entire world. He discussed NHEC's purpose and mission, the importance of safety, and thanked Mr. Camerino and the entire staff for their dedication and hard work to protect and support our members. He discussed the board's role to represent the members and provide oversight of the cooperative and noted that board and committee meetings will continue, as will various initiatives currently underway. He thanked the board for their dedication, support, and hard work during these times.

### **President's Report**

Mr. Camerino thanked Chair Mongeon for his remarks and all directors for their support over these past couple of weeks.

Mr. Camerino presented the President's Report and addressed questions. He reviewed a dashboard of key operating metrics for safety, various financial measures, service reliability and the Balanced Scorecard (BSC). He also discussed the purchase of some additional laptops in planning for the pandemic event; the possibility of purchasing additional laptops for business continuity purposes; strategic planning, stating that updates on current initiatives will be provided at either the next Executive Committee meeting or the April Board meeting; the federal stimulus package that was just passed; and a few topics that were planned for discussion this month that are being deferred. He noted that to the extent possible, it is business as usual with guidance being provided to staff to continue with what they are working on, however COVID-related matters come first. He advised that COVID will be discussed further in Executive Session.

Mr. Camerino next recognized Mrs. Inman who is retiring. He mentioned that she started at the Co-op as an intern working on capital credits in June 1980 and was then hired full-time in 1982. He noted that she is an exceptional person and incredible colleague and someone who he could always count on. He thanked her for her service to the organization, for her commitment to our members, and noted that she will be sorely missed. He shared applause for Mrs. Inman.

Mrs. Inman expressed her thanks and indicated she will miss everyone.

Mr. Camerino next drew attention to the broadband petition to amend NHEC's certificate of organization, which was included in the board packet. He reviewed the language and scope of the petition effort to the best of our knowledge, discussed our concerns that the petition materials contain incorrect or misleading information, and provided an overview of the petition process.

Attorney Dean next explained procedurally how the petition process works, as outlined in Article II, Section 3 of NHEC's bylaws. He discussed logistical issues related to the deadline set by the

bylaws for submittal of petitions and the timing required for submittal to Survey & Ballot Systems (SBS), the ballot services vendor, noting the potential need for a special board meeting, or for the April Board meeting to be moved to an earlier date.

Mr. Camerino noted that a summary of the process and the dates as outlined in the bylaws would be provided to the board. He shared management's preliminary view and recommendation that NHEC should not take a formal position on the petition at this time. If and when the petition is received, the board will need to be prepared quickly to discuss and take a formal position and management will provide a formal recommendation and propose a 250-word statement for the board to consider including with the ballot material. Ultimately it is for the board to decide. He noted, as Attorney Dean indicated, in order to meet the timeline we would need to move the April Board meeting up a week, or call a special meeting. Mr. Camerino and Chair Mongeon will discuss a process for enabling the board to meet to take a formal position, if needed.

Messrs. Camerino and Dean next addressed questions and comments.

Mr. Dwyer volunteered to reach out to individuals in Sandwich to contact the initiators of the petition and encourage them to contact Mr. Camerino in hopes of speeding up the process.

### **Capital Credits Update**

Mr. Camerino noted that today's discussion is informational and some guidance from the board would be helpful, but no decisions need to be made until next month. He mentioned that the schedule on capital credit retirements calls for us to make a decision next month on the methodology and the amount we want to begin retiring in November 2020. He mentioned that staff had originally planned to begin that discussion this month, however, given the pandemic and the unknown impact it will have on the economy and the organization's financial planning we felt it made sense to postpone the discussion for a month so we have a better understanding of what we will be facing.

Mr. Camerino reviewed some of the things we should think about as we consider a November 2020 retirement, including the communications resources that will be required to launch a capital credits retirement effort and bringing them to bear during the time of a pandemic, preservation of our capital and understanding what our financial circumstance looks like both near-term and over the next couple of years, what we are trying to do for our members with the retirement of capital credits, will enough members be impacted to make it worth doing, and the education needed for our call center staff at a time when it will be harder for them to train and they may be receiving a high volume of calls from members who are unable to pay their bills. Before we make a decision, we should make sure we are thinking through what it is we are trying to accomplish under the circumstances and have a more informed discussion. Mr. Camerino noted that we propose bringing the issue back to the board in April, as was originally planned. For today, he would like to get a sense of the board as to how critical it is that we continue to make this the top priority of management right now and push full speed ahead with a November 2020 capital credit retirement versus possibly waiting until July 2021. He addressed a couple of questions he thought the board might have in considering the decision and requested that if there is specific information the board would need in April they provide that within the next couple of weeks.

Directors shared their initial thoughts on a November 2020 capital credits retirement and Mr. Camerino addressed questions and comments.

Chair Mongeon noted that the sense of the board at this time is to move forward with the process for a November 2020 capital credit retirement and we will revisit this again next month.

## **Overview of Director Election Process**

Mr. Licata provided an overview of the director election process, reviewing a timeline of key dates and discussing considerations we are thinking about in light of the COVID-19 pandemic. He discussed the effort to get more members to vote electronically versus paper ballot this year; the work with our vendor to provide materials; the extra review time and steps built into our process with SBS this year; and the petition cut-off date and our outreach to SBS to determine if there is some flexibility in the date for materials to be submitted to them, noting that the bylaw timeframe required for the election to open is between May 18 and June 2, so one option we have is to shift the date the election opens.

Mr. Licata noted that a key point he wanted to make the board aware of is that due to COVID-19 there is some uncertainty in the logistics around the ballot counting process as well as the annual meeting. He mentioned that there is a small team reviewing these issues and if any changes are needed in terms of the process or procedures we will report back to the board.

Chair Mongeon mentioned the Annual Report to Members, noting that he will be looking for input from the board on things they think we should emphasize in the report.

## **Strategy and Vision Discussion**

Chair Mongeon noted that this topic was covered during last month's Executive Committee meeting and he wanted to follow up on that discussion. He provided a summary of the results of the discussion at the Executive Committee meeting, noting that the majority of directors continue to feel that the current vision is directionally correct and sufficient for a period of time, a way to continue the vision discussion may be to develop some appropriate scenarios, and a majority of directors feel that what it means to be a cooperative is an important strategic topic for the board to discuss in an upcoming meeting. He shared his reflections, including that we have incrementally advanced some key issues, directors come from a wide variety of perspectives on strategic planning and maybe we should come up with a sheet to agree on terminology, and we should consider engaging a consultant and perhaps other advisory groups and get them involved in the strategic planning process sooner rather than later. He noted that he needs to collaborate more with Mr. Camerino on strategy and planning. He mentioned that we start planning for the August Strategic Planning retreat at the May Executive Committee meeting.

Mr. Camerino recalled the discussion from the last Executive Committee meeting regarding the appropriate time to revisit the Co-op's strategic vision, the preparatory work that would be needed, and the fact that a new vision would require us to come up with a new strategic plan to support it. He noted that in that discussion a majority of directors felt that the current vision is sufficient at least for the next year or two. He mentioned that he had indicated an interest in beginning the process of engaging the board in vision discussions and that in order to do that effectively the board would need to agree that it's worth committing the necessary time and

resources to that effort and recognize that it would not mean we were going to change our current strategic initiatives or take other actions. He discussed the suggestion to start investigating various scenarios and his follow-up discussion with CFC and the possibility of CFC making Larry Makovich of IHS Markit available to assist us with scenario planning. He noted that all of that work and discussion preceded the pandemic response issues we have been dealing with so the timing and focus of those issues will need to be considered by the board. He mentioned that Chair Mongeon was thinking we would bring this to the next Executive Committee meeting for further discussion.

Chair Mongeon confirmed that he would like to have further discussion at the next Executive Committee meeting. He commented that CFC's offer exemplifies the strong partnership that continues to grow between NHEC and CFC. He noted that with the pandemic the pace with which we move forward may change, but he would like to keep all key initiatives moving along, even if incrementally.

Ms. Albee suggested it would be helpful for the board to have Larry Makovich's CV or other background information when discussing him as a possible resource for scenario planning.

### **Board Development Committee**

Chair Mongeon noted that the objective today is to provide an update on the work of the Board Development Committee and to get some feedback on the summary of goals and focus areas.

Chair Mongeon drew attention to the proposed charter for the Board Development Committee, page 10 of the board packet. Upon motion of Mr. French, seconded by Mrs. Kedersha, it was

**VOTED:** That Board Development Committee shall develop proposed board development goals for 2020.

Vote for the motion was unanimous.

Chair Mongeon provided an update on the work on the Board Development Committee, noting that they have identified four focus areas. He reviewed the first two areas: 1) Board and committee meeting performance/effectiveness and 2) Understanding (and discharging) what it means to be a board member. If anyone has additional thoughts or inputs on these first two items, Chair Mongeon requested they email him.

Mr. French next reviewed the third item: Board Education/Development. If anyone has additional thoughts on this item they were requested to provide them to Mr. French.

Mrs. Kedersha next discussed the fourth item: Board communication with its members/member engagement. She noted that the objective today is to get a sense from directors if they want to have a board level communication plan and strategy.

Directors shared their thoughts, including that this needs to be a two-way dialogue with members; it would be helpful if members understood there is diversity on the board; this needs to be part of the overall strategic plan and the overall communication goals of the Co-op and needs to be coordinated with staff; there is a need for a board voice or connection, but it needs to be a

unified approach and needs to come from the organization; one of the most important things we need to do as directors is listen to the members; and a suggestion for interactive sessions with members in different regions of the state with a director there to listen, as well as having a director present during Voice of the Member focus groups to listen and to make it clear to members they are represented by the board.

Mr. Camerino shared his thoughts, noting that this is an issue he has struggled with because on the one hand our watchword has always been that management speaks for the organization and on the other hand we have a board elected by the members and in order to do their job of being the voice of the member they need to speak to members. We have not reconciled those two needs and we have to find an area where it's appropriate for directors to interact with members. He stated that he endorses the approach and the particulars will need to be worked out.

Mr. Licata commented that in concept he thinks it is a good idea and he is happy to assist in any way.

In response to Mrs. Kedersha's request for an indication of how many were interested in moving forward with developing a board communication strategy, the majority expressed an interest.

Chair Mongeon advised that the Board Development Committee, along with management, will continue to work on item #4 (Board communication with its members/member engagement) and will provide updates to the board.

## **Board Committees**

Chair Mongeon drew attention to the consent agenda item to approve minutes from various board committee meetings. Upon motion of Mrs. Kedersha, seconded by Mrs. Boisvert, it was

**VOTED:** To approve the minutes of the February 24, 2020, Executive Committee meeting, the February 24, 2020, Joint Corporate Services and Power Resources and Access Committee meeting, and the March 9, 2020, Engineering and Operations Committee meeting, as presented.

Vote for the motion was unanimous.

## **Audit Committee**

Audit Committee Chair French noted that all directors were present at yesterday's Committee meeting where they received a presentation of NHEC's 2019 audited financial statements by BerryDunn. Upon motion of Mrs. Aubrey, seconded by Mrs. Kedersha, it was

**VOTED:** That the Board of Directors accepts the 2019 audited financial statements as presented by BerryDunn.

Vote for the motion was unanimous.

**Corporate Services Committee**

Corporate Services Committee Chair Kedersha reviewed the items recommended for board approval from the Corporate Services Committee meeting held yesterday, including the accounts receivable write-off, rate changes for the May to November rate period, terms and conditions changes, and the Balanced Scorecard Success Sharing Plan. Upon motion of Mrs. Davis, seconded by Mr. Dwyer, it was

**VOTED:** That the Board of Directors authorizes a write-off for uncollectible electric accounts in the amount of \$82,250.18 for accounts final billed April 2019 to September 2019 as well as bankruptcy filings through February 2020. The write off includes \$6,200.49 for bankruptcies and \$0 for disputed bills. The board directs staff to continue to attempt recovery of these uncollectible accounts.

Vote for the motion was unanimous.

Mr. Davis joined the meeting at 12:04 p.m.

Upon motion of Mrs. Davis, seconded by Mrs. Boisvert, it was

**VOTED:** That the Board of Directors authorizes management to set the Regional Access Charge as recommended in the proposal on a bills-rendered basis effective May 1, 2020.

Vote for the motion was ten in favor and one abstention, the motion carries.

Upon motion of Mrs. Boisvert, seconded by Mrs. Davis, it was

**VOTED:** That the Board of Directors authorizes management to update Terms and Conditions Section B – Obtaining Service, Section C – Security Deposits, Section F – Payment Terms, Section J – Classification of Service, Section L – Meters, Section O – Outdoor Lighting, Section P – Construction of Distribution Facilities, and the Schedule of Fees as proposed.

Vote for the motion was unanimous.

Upon motion of Mrs. Boisvert, seconded by Mrs. Davis, it was

**VOTED:** Based on achievement of 87% of the established 2019 Balanced Scorecard goals, the Board of Directors authorizes the payment of \$396,660 to eligible individuals in accordance with the provisions of the NHEC Success Sharing Plan.

Vote for the motion was ten in favor and one abstention, the motion carries.

**Updates from other Committees**

There were no additional committee updates.

## **Attorney's Report**

Attorney Dean advised he had no items to be addressed in regular session.

## ***Performance Review Committee***

Mr. Morrill mentioned that the Performance Review Committee would like to get approval of its charter as discussed earlier in Executive Session. Upon motion of Mrs. Kedersha, seconded by Mr. Senie, it was

**VOTED:** That the Performance Review Committee shall encourage high quality leadership and performance by the CEO. This will include providing ongoing feedback and guidance on behalf of the Board to the CEO on progress against his annual performance goals as well as facilitating the annual review process.

Vote for the motion was unanimous.

## **Board General Session**

### ***Board Tracking Report***

Chair Mongeon noted that there are a few items on the Board Tracking Report and he encouraged committees to also use tracking reports if they have follow-up items.

### ***Committee Meetings***

Following is a list of upcoming meetings:

- Audit Committee Meeting – April 27<sup>th</sup> at 8:30 a.m.
- Member Services Committee – April 27<sup>th</sup>, following Audit Committee
- Power Resources & Access Committee – April 27<sup>th</sup>, following Members Services Committee

Chair Mongeon stated that the new director orientation meeting will be held on Friday, June 19<sup>th</sup>.

### ***NHEC Foundation Report***

NHEC Foundation Chair Davis reported on the NHEC Foundation Board meeting held yesterday, stating that grants totaling \$48,000 were approved. She noted that a bylaw amendment was also passed reducing the number of NHEC directors on the Foundation board from six to five and increasing NHEC employee board members from one to two. She also reported that an interim board meeting to discuss ways the Foundation can assist our communities during the COVID-19 pandemic will be held in April.

### ***NRECA Report***

Chair Mongeon noted that a written NRECA Report from Mr. Colburn is included in the board packet. Mr. Colburn shared a comment that he spoke with Jim Matheson and reinforced the importance of strategic planning.

Mrs. Aubrey reported on the NRECA bylaw training she attended and indicated she has information to provide to Attorney Dean. She mentioned that many co-ops have more than one level of members and that might be something we want to consider.

***NEAEC Voting Delegate and Alternate***

Chair Mongeon mentioned the need to appoint a voting delegate and alternate for the Northeast Association of Electric Cooperatives (NEAEC). Mrs. Yeaton explained that although the May meeting has been postponed, the NEAEC will try to schedule a conference call in May to remain in compliance with its bylaws. Mrs. Kedersha was appointed as the voting delegate and Mr. Colburn was appointed as the alternate.

***Director Expense Reports***

Chair Mongeon noted that he would work with Mrs. Yeaton on how to handle any director expense reports while we have remote meetings.

The meeting recessed for lunch at 12:20 p.m. Messrs. Colburn and Davis and Mrs. Inman left the meeting at this time. The meeting reconvened at 12:40 p.m.

**Executive Session**

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

**VOTED:** That the Board of Directors move into Executive Session for the purpose of confidential discussion of legal claims/litigation/contract negotiations, confidential personnel matters, confidential security-related matters, and matters relating to preparation for and the carrying out of emergency functions.

Vote for the motion was unanimous and the board moved into Executive Session at 12:41 p.m.

**Adjournment**

The board moved out of Executive Session and Chair Mongeon adjourned the meeting at 3:00 p.m.

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Joan Aubrey, Secretary

A TRUE COPY ATTEST:

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Thomas Mongeon, Chair of the Board