

Approved 9/28/21

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

August 31, 2021

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 August 31, 2021. In light of the COVID-19 pandemic and in response to the NHEC Board Chair's COVID-related Emergency Determination, the meeting was conducted remotely via Zoom videoconferencing.

Directors present were Jeffrey Morrill, Alana Albee, Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Thomas Mongeon, and Daniel Senie. Others present were Jim Bakas, Interim General Manager; Brian Callnan, VP of Power Resources and Access; Mark Dean, Attorney; Drew Dunagin, VP of Financial Services/CFO; 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; Matthew Babcock, Safety Administrator; Ken Colburn, NRECA Director for NH; Michael Jennings, Engineering Manager; Kristen Taylor, Financial Services Manager; Scott Davis, Power Resources Administrator; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Morrill called the meeting to order at 8:30 a.m.

Agenda Review

There were no changes to the agenda.

Approval of Consent Agenda

Chair Morrill drew attention to the items to be approved as part of the consent agenda. Upon motion of Mr. Darcy, seconded by Mr. French, it was

VOTED: That the Board of Directors approves the consent agenda items: July 26, 2021 Audit Committee Meeting Minutes, July 26, 2021 Corporate Services Committee Meeting Minutes, July 26, 2021 Member Services Committee Meeting Minutes, July 27, 2021 Board Meeting Minutes, CFC Voting Delegate Resolution, and Director Expense Reports.

Vote for the motion was unanimous.

Individual motions approved through the consent agenda are as follows:

VOTED: That the Board of Directors appoints Madeline McElaney as the voting delegate for CFC's 2021 District Meeting.

Board Safety Moment

Mr. Babcock presented the safety moment on the topic of safe driving and reminded everyone that as schools go back in session we need to pay close attention and be extra cautious on the roads, especially in school zones.

Mr. Babcock left the meeting and Mr. Dunagin joined the meeting at 8:33 a.m.

NRECA Director Election

Chair Morrill recessed the NHEC Board meeting at 8:33 a.m. so the election for the NRECA Director for New Hampshire could be conducted. Mr. Colburn was unanimously elected to serve as the NRECA Director for New Hampshire for the next two-year term. Mr. Colburn commented that he is pleased to serve for the next two years, or hand the reins over to someone else as soon as they are ready to take over.

The NHEC Board meeting reconvened at 8:35 a.m.

Chairman's Report

Chair Morrill presented the Chairman's report, mentioning the return to a virtual meeting this month, noting that we will continue to monitor the COVID situation to determine when we can return to in-person meetings; and recognizing and congratulating Michael Jennings on being selected as one of RE Magazine's Rising Stars.

Chair Morrill next outlined some of the Executive Committee tasks, advising that governance and risk are at the top of the list and citing three elements of governance (the board and its operations, CEO leadership, and management operations and results). He mentioning the committee pilot discussed at the Executive Committee meeting to continue to address more effective committee operations, and remarked that his mantra is alignment and we need to continue to work on that between the board and the Senior Management Team (SMT). He commented on the "workforce changes" item in the Enterprise Risk Management (ERM) report, noting that it is on the Executive Committee's radar, but suggesting that he and Mrs. Ouellette have a call to discuss this since it falls under Organizational Effectiveness.

Chair Morrill next called attention to two items on the Board Tracking Report, advising that the Board Succession Planning item will be targeted for October and if anyone has thoughts they should let him know, and Director Compensation, noting that this will be addressed in quarter four of 2021 rather than the first quarter of 2022 as he had indicated at the Executive Committee meeting in case there are any budget impacts.

It was requested that two items be added to the Board Tracking Report: 1) an overview of litigation and a comprehensive review of general counsel activities, and 2) a check-in on capital credits to discuss how things went this year and strategy going forward. It was pointed out that capital credits is covered in the Upcoming Approvals/Presentations on Pending Matters document.

Chair Morrill stated that the litigation/general counsel activities item could be discussed in executive session and he will follow up with Messrs. Bakas and Dunagin regarding timing for the capital credits item.

Interim General Manager's Report

Mr. Bakas presented the Interim General Manager's Report highlighting some of the items in his written report in the board packet, including the broadband resolution to be addressed in executive session, the new financial report, the second quarter Capital Construction Budget

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Report, the Estimated Time of Restoration (ETR) results, and recognition of Michael Jennings as an NRECA Rising Star.

Addressing the new financial report, Mr. Dunagin pointed out that page one is related to the distribution business and page two shows the different pieces of the business to show more granularity of the results. He also noted that we will look to use this report format for the quarterly projections provided to the board so we have consistency.

Questions were next addressed on the timing for completion of mid-year performance reviews for non-union employees, items related to COVID, including plans for return to work and NHEC's protocols, AMI meter outage notifications, and the items that make up the favorable financial variance.

There was discussion regarding the Moultonborough Battery Project item on the Dashboard Report, including the ability to forecast monthly peaks and the value we are getting. It was suggested this would be an appropriate topic for further discussion at a Power Resources and Access Committee meeting.

Strategic Topic Discussion - Broadband

Chair Morrill noted that there may be some level of detail from this discussion that will need to be addressed further in executive session.

Mr. Dwyer shared his screen and reviewed slides. He noted that for the public session there are ground rules on what we share since this is a competitive RFP and competitive marketplace. He reviewed the goal to ensure that all NHEC members have access to affordable, reliable, functional, internet as soon as possible while protecting the electric business and discussed the definitions related to the goal.

There was discussion on the definitions related to the goal and Mr. Dwyer addressed questions.

Attorney Dean cautioned against talking about specific broadband strategy outside of executive session. It was agreed to move the remainder of the broadband discussion to executive session.

Board Committees

Executive Committee

Chair Morrill reported on the Executive Committee meeting held on August 27 and discussed the Committee Pilot, drawing attention to the resolution in the board packet. Upon motion of Mr. Senie, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors adopts the Board Committee Pilot, as presented at the August 27, 2021 Executive Committee meeting, to become effective September 1, 2021 and continue for the remainder of the year. Specifics of the proposal include:

- Seek Board and Senior Management Team (SMT) input prior to committee meetings.
- Leverage subject matter experts at committee meetings.
- Let the committees do their job independently (and trust them).
- Committee report out of key findings.

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- Committee compensation would move from a pay for attendance policy to a monthly fixed fee of \$425 a month for September - December.
- Regular and Special Board meetings and special board committee meetings (e.g. Broadband LLC, Performance Review Committee, etc.) would be paid at current rates.

NOTE: Under Board Policy B-13, II, B, 4, all board and committee meetings are open to the public; however, the committee can manage the flow of information and is not required to allow non-committee members to speak or otherwise participate in committee meetings.

Vote for the motion was unanimous.

Mr. Scott Davis joined the meeting at 9:23 a.m.

Chair Morrill noted that one of the goals is to move committee meetings to earlier in the month and he asked committee chairs and SMT leads to work on scheduling beginning with October meetings. He also mentioned that proactively getting input is part of the pilot and part of the onus is on directors to provide their input to committee chairs.

Ms. Albee reminded committee chairs of the need to put a discussion of the ERM areas they are responsible for on their committee agendas for September or October.

There was discussion regarding director attendance/participation at committee meetings. Chair Morrill stated that the goal of the pilot is to let the committees do their work and let committee members rise to their obligations.

There was a request for committee chairs to allow all board members the opportunity to speak at their meetings on the ERM topic. Chair Morrill noted that there are several different options for feedback and he hesitates to make it a mandate for committee chairs and suggested it be left to the chairs to determine a way to get that input.

Power Resources Forward Prices

Mr. Callnan called attention to the Power Resources Variance Report, Attachment #9 in the board packet. He called the directors attention to item G in the report showing higher forecasted costs for the upcoming winter period than what our members saw in the previous winter period. This report gives directors a preview of expected member impact for the winter rates that will be discussed at the Corporate Services Committee meeting on September 27. He addressed questions and pointed out that the costs for this upcoming winter period are similar to costs we saw in the 2017/2018 and 2018/2019 winter periods.

Facilities/Building Working Group Update

Messrs. Senie and Snow provided an update on the Facilities Working Group, discussing the presentation from Cooperative Building Solutions (CBS) to share preliminary results from the needs assessment data collection along with preliminary master site plan layouts. Mr. Snow advised that we are working with a local real estate firm to identify additional potential site options. CBS will continue to define NHEC's future facility needs and we plan to have a report out for the full board at the October meeting.

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Mr. Snow addressed questions stating that we are moving forward with improvements to our existing facilities and he will have a brief update next month of the items that have been accomplished and what is planned going forward. He also confirmed that CBS did provide written clarification regarding life safety issues as requested last month and a copy of the addendum to the report will be posted in OnBoard.

Additional Committee Items – Audit Committee

Ms. Albee drew attention to the resolution on the Enterprise Risk Management (ERM) approach, which Mrs. Davis read. Upon motion of Mr. French, seconded by Mr. Senie, it was

VOTED: That the Board of Directors agrees for its Committees to review sections of the 2021 Enterprise Risk Management (ERM) Report as specified in, and following the process of, the “Board Committee Review” grid submitted by the Audit Committee on August 30, 2021; and that a compilation of these Board Committee reviews be put on record to accompany the 2021 ERM report.

Vote for the motion was unanimous.

Board General Session

Board Tracking Report

Chair Morrill indicated that the Board Tracking Report was addressed earlier in the meeting.

Committee Meetings

Following is a list of upcoming meetings:

- NHEC Foundation Board – September 27, 8:30 a.m.
- Power Resources & Access Committee Meeting – September 27, 10:00 a.m.
- Corporate Services Committee – September 27, 11:45 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis advised that the next quarterly meeting of the NHEC Foundation is September 27th.

NRECA Report

Mr. Colburn presented the NRECA report and addressed questions. He shared highlights from his written report and mentioned additional entries to his bibliography, both of which were included in the board packet.

Mr. Scott Davis left the meeting at 10:01 a.m.

Miscellaneous Items

Responding to an inquiry for an update on the Dartmouth study on renewables, Mr. Licata advised that it is a facilitation of goal setting and the timeline would be the end of the year before we have anything to report.

Mr. Darcy shared slides discussing electric grants available under the Infrastructure Bill. He called out Section 40101 “Preventing Outages and Enhancing Grid Resilience” and reviewed

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activities that could be funded, the amount of funds available, and NHEC funding limits. He noted that we will need to prepare for this and get data together to be able to apply for these grants. In response to a question on the timeline for applying, Mr. Darcy indicated that it would likely be sometime in 2022, noting that the bill has passed the Senate and is scheduled for House vote on September 27.

CEO Search Process

Mrs. Kedersha reviewed the recruitment timeline for the CEO search and addressed questions on the process. She noted that everyone on the board will be involved in the screening and ranking process as well as the semi-finalist and finalist candidate interviews. She also mentioned the minutes from yesterday's Search Committee meeting would be posted to OnBoard.

The meeting recessed at 10:23 a.m. and reconvened at 10:36 a.m. with all those in attendance prior to the recess rejoining the meeting, with the exception of Mr. Colburn.

Executive Session

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

VOTED: That the Board of Directors move into executive session for the purpose of confidential discussion of legal claims/litigation, contract procurement, personnel matters, and other confidential matters covered by the freedom of information statute.

Vote for the motion was unanimous and the board moved into executive session at 10:37 a.m.

Adjournment

The board moved out of executive session and Chair Morrill adjourned the meeting at 1:39 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Jeffrey Morrill, Chair of the Board