

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors May 27, 2025

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 May 27, 2025, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were William Darcy (Chair), Leo Dwyer, Harry Viens, Alana Albee, Thomas Mongeon, Pat Barbour, Carolyn Kedersha, Jerry Stringham, Peter Laufenberg, Jeffrey Morrill (via Teams), and John Goodrich.

Others present were Michael Jennings, Interim President/CEO; Todd Fahey, Attorney; Peter Glenshaw, VP of Marketing Experience; Josh Mazzei, VP of Operations; Kristen Taylor, Chief Financial Officer; Maida Lessard, Executive Services Administrator (recording); Madeline McElaney, NRECA Director for New Hampshire; and Nancy Isikoff, NHEC Member.

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

Agenda Review and Consent Agenda Approval

Chair Darcy asked if there were any changes to the agenda. There were none.

Chair Darcy then drew attention to the consent agenda which included the minutes from the April 29, 2025, Board of Directors Meeting and director expenses, and asked for a motion to approve.

Upon motion of Mr. Mongeon, seconded by Mr. Goodrich, it was

VOTED That the Board of Directors approve the consent agenda item as presented in the board packet.

Vote for the motion was unanimous.

Chairman's Report

Officer Election – Preliminary Statements of Intentions

Chair Darcy introduced the annual pre-election declaration process, a standing practice in the month preceding elections. Directors were asked to state their intentions regarding candidacy for officer positions.

- **Chairman:** Chair Darcy expressed intent to seek reelection as Chair. No other interest declared.

- **Vice Chair:** Ms. Albee shared she would like to serve again if reelected. No other interest declared.
- **Secretary:** Mr. Morrill shared he is likely to run again. No other nominations or declarations were made.
- **Treasurer:** Mr. Stringham stated his intention to run again. No other interest declared.
- **Assistant Treasurer:** Mr. Mongeon nominated Mr. Dwyer. Mr. Dwyer indicated he had not previously considered running but would now give it consideration. Mr. Mongeon stated that if Mr. Dwyer is not interested, he will give it consideration also.

Chair Darcy then referred to a memo circulated the previous day addressing several regulatory issues, specifically highlighting the significant PUC rate case involving Eversource's proposed 47% increase in distribution rates. He clarified the discrepancy between the 47% figure and the publicly cited 9%, explaining that they throw in energy costs and transmission costs to make it look like when it's combined it's only 9% but it is a large distribution rate increase. Testimony referencing data from both government sources and Eversource on fixed vs. variable rates, especially in relation to the Electric Assistance Program (EAP). Insights on the broad eligibility for EAP subsidies, which range from 6–86% of electricity costs and may include households with incomes up to \$120,000, depending on family size.

Historical practices when budgeting for storm expenses at NHEC included either projecting specific storm costs within the annual budget or increasing margin buffers to account for potential weather events. Due to the precedent set by the Eversource rate case, he suggested instead of anticipating unknown storm expenses, utilities like Eversource amortize actual post-storm costs (excluding FEMA reimbursements) across future rate periods. This model could warrant exploration by the board, as it avoids preemptive rate increases while addressing real, incurred costs in a structured manner.

He further referenced the Public Utilities Commission's recent decision regarding the treatment of default energy supply over/under-collections. Unlike Unitil and Eversource—who proposed shifting unrecovered default energy costs into distribution rates to avoid under-recovery spirals—the current approach used by the board (adjustments in future rate periods) was reaffirmed. The decision not only supports the board's methodology but also aligns the board with the interests of competitive suppliers, who voiced concerns over cost-shifting and rate distortion.

Board Committees

Executive Committee

Chair Darcy reported that the Executive Committee had completed a comprehensive nine-month review of all board policies. This marked the first such full review in recent memory and uncovered several outdated provisions and inconsistencies:

- The charitable giving policy was revised to reflect the establishment of a formal foundation.
- Service territory policy was updated to eliminate obsolete financial thresholds and geographic language.
- Additional policies were revised to reflect current operations and governance needs.

The committee recommended board approval of revisions to the following policies: B-2, B-4, B-7, B-8, B-9, B-10 (deleted), B-13, B-17, B-19, B-20, and reaffirm policies B-21 and B-22.

He requested that the board approve the revised and reaffirmed policies as recommended by the Executive Committee on May 21, 2025 and presented at the May 27, 2025 Board of Directors meeting, as presented in the meeting packet.

Upon motion made by Mr. Laufenberg, seconded by Mr. Stringham, it was

VOTED That the Board of Directors approves revised Board Policies B-2, B-4, B-7, B-8, B-9, B-10 (delete), B-13, B-17, B-19, B-20, B-21, and B-22 as recommended at the May 21, 2025 Executive Committee Meeting and presented at the May 27, 2025 NHEC Board of Directors Meeting in the meeting packet.

Vote for the motion was unanimous.

Ms. Albee proposed a friendly amendment to temporarily pause approval of Policy B-13 to allow board members sufficient time to review the Employee Handbook, given the policy's reference to procedures in the handbook. She emphasized the importance of board due diligence in understanding the policy's implications before ratifying it.

Chair Darcy acknowledged the concern and noted that revisions to B-13 as well as other related policies would be reviewed in the upcoming Executive Committee meeting. The current revision would be adopted for now, with reconsideration and potential amendment of B-13 at the committee's next meeting.

Mr. Jennings confirmed that the Employee Handbook had been updated within the past six months, and he ensured consistency between the handbook and board directives.

Chair Darcy commented that the Executive Committee reviewed the organizational chart and non-union compensation data for informational purposes to use as a reference point should future structural changes be proposed by the CEO.

Also presented was the board budget, which will be looked at again during the Budget, Finance, and Rates Committee review of the next year's budget. He also noted that board's budgeted expenditures have decreased over the past three years.

Mr. Mongeon commented that there is currently \$4,400 annually per director allocated, and \$6,400 per new director, for training and education that is not taken advantage of.

Audit Committee

Ms. Albee reported that the only items for the Audit Committee at this meeting were the approval of minutes from two prior meetings:

- March 21 Audit Committee Meeting
- April 18 Audit Committee Meeting

These consecutive sessions addressed the completion of the external audit and approval of IRS Form 990.

Upon motion of Ms. Kedersha, seconded by Mr. Mongeon, it was

VOTED That the Board of Directors approve the March 21, 2025, and April 18, 2025, as presented in the board packet.

Member Comments

NHEC member and President of the White Oak Pond Watershed Association, Nancy Isikoff from Holderness, NH was in attendance.

She addressed the board regarding proposed herbicide spraying along Perkins Lane and Valley Stream Road in Holderness which areas are adjacent to Little Swamp and White Oak Pond, and feeds into Big Squam Lake. She expressed concern about phosphorus-based herbicides contributing to cyanobacteria blooms, a known issue in White Oak Pond, and cited a recent \$100,000 grant awarded to develop a watershed management plan to learn how to prevent excess nutrients from going into the pond.

She requested that the board exclude environmentally sensitive areas near water bodies from herbicide application this summer, or alternatively delay spraying for several months to allow further stakeholder engagement and review.

Ms. Isikoff noted that seasonal residents may not be aware of opt-out procedures and referenced past communications sent to homeowners on this issue. She circulated maps and documentation and referenced EPA research on the phosphorus content of specific herbicides (including Preen and Dicamba), asserting their potential to worsen lake nutrient loads and runoff risks, especially during increasingly severe storm events.

She also noted the alignment between her concerns and statewide initiatives, including the 2023 legislative creation of the Cyanobacteria Mitigation Fund, and shared support from local representatives Peter Lovett and Bill Bolton. Ms. Isikoff offered to return to a future meeting with additional voices from Squam Lake associations and other stakeholders.

Chair Darcy acknowledged the concern and thanked her for her presentation. While emphasizing the board's standard practice of deliberative action, he stated that no immediate action would be taken. However, staff would review the situation and come back with a recommendation at the next board meeting.

She was invited to share her email to receive follow-up communications. She emphasized the urgency of the request given the fast-approaching July 1 herbicide notification deadline. and noted that many seasonal residents may not yet be in town to opt out. Board members affirmed their interest in revisiting the issue, and staff confirmed that pending permit information would guide timing and options.

Ms. Isikoff expressed appreciation and committed to returning with additional stakeholder input at the next meeting.

President/CEO Report

Mr. Jennings provided a brief safety moment on the dangers of distracted driving.

He provided two key updates on power supply:

- Under-Recovery Status: Current under-recovery is down approximately \$500,000 from previous projections which is an encouraging trend for the rate period outlook.
- Updated CELT Report: The Capacity, Energy, Load, and Transmission (CELT) report from ISO-NE indicates ongoing load growth, though at a moderated pace compared to prior projections. Electrification trends such as increased deployment of heat pumps and solar PV remain influential, but expectations have become more realistic.

Additional financial highlights:

- S&P Credit Rating: The Co-op's A rating was reaffirmed with a negative outlook—a positive result amid broader market downgrades, including the U.S. government.
- Tier Ratio: Now stands at 2.23, solidly in the green. This shift reflects the removal of spring storm “Vicky” from the 12-month rolling margin calculations.
- Reliability Dashboard: Reliability metrics have declined, primarily due to the March ice storm, which raised outage duration (CAIDI). Safety frequency of outages targets remain on track.

Grant Submission Update

The Co-op has partnered with the University of Connecticut to apply for a \$1 million Department of Energy JARVIS grant. This initiative would allow the Co-op to integrate weather and GIS mapping data to better predict damage severity and storm impact instead of relying on prior experiences. The grant requires only a \$200,000 cost share, achievable via engineering labor contributions. Notification of the award is expected within 1–2 months. This program represents one of the few DOE utility-focused opportunities currently active, and it offers strong value for minimal cost.

Mr. Laufenberg asked what the ultimate deliverable will be and will it include being able to forecast high impact storms such as hurricanes.

Mr. Jennings replied the deliverable would enable the Co-op to quantify and forecast storm damage severity by incorporating vegetation, LIDAR, asset condition data, and historical weather patterns. High impact storms are within the scope and can simulate stress-testing scenarios to reveal high-risk zones in the distribution system, potentially down to the street level.

Ms. Kedersha asked if this will be used to pre-stage those suspected locations well in advance of the storm as well as the future possibility of pre-hardening those vulnerable areas.

Mr. Jennings replied the model will help prioritize areas to be possibly pre-staged based on impact and resilience value. The model will allow different scenarios and sensitivity analysis to be run to see what areas are vulnerable on the system to storm damage.

Mr. Mongeon asked what kind of workload impact this will have on staff.

Mr. Jennings replied the impact should be relatively minimal as it would be mostly transferring data and interpreting the data we get back and the University of Connecticut will conduct the modeling.

He also noted that the Co-op's participation, as a small utility, has been specifically sought out to enhance model scalability and national visibility. This partnership could elevate the Co-op's role in industry best practices and support outreach through NRECA channels.

He reported he has visited all nine district offices and traveled as far as Pittsburgh, NH to present to the Leadership New Hampshire Class of 2025. His remarks focused on the Co-op's progress in expanding broadband access, particularly in the underserved North Country, and the Co-op's renewed mission to bridge connectivity gaps statewide.

He met with business leaders across New Hampshire to build support for ongoing initiatives and raise awareness of organizational priorities.

He reported that Kristen was reelected as Treasurer of the Northeast Association of Electric Cooperatives (NAEC) and requested that the board approve the annual voting delegates for the CFC and NCSC meetings. The resolution, included in the packet, designates Mr. Jennings as the voting delegate and Ms. Taylor as the alternate delegate.

Upon motion of Mr. Mongeon, seconded by Ms. Barbour, it was

VOTED That the NHEC Board of Directors appoint Michael Jennings as NHEC's voting delegate and Kristen Taylor as the alternate voting delegate for the 2025 CFC and NCSC Annual Meetings.

Vote for the motion was unanimous.

Annual Meeting Update

Mr. Glenshaw presented an overview on the Annual Meeting scheduled on June 17, 2025 at the Owl's Nest Resort in Thornton, NH. Events will span from midday through early evening, with the formal meeting held at the Lake House, like last year.

- Reception and displays (4:30 PM), including broadband, energy efficiency exhibits, line trucks, and other member engagement opportunities.
- Formal meeting (5:30 PM), also remote-streamed.
- Board organization meeting to follow adjournment, along with raffle prizes to close the event.
- Elected officials will submit quotes in lieu of prerecorded videos.
- Opening remarks will be given by the BEA Commissioner and the Owl's Nest principal.
- Chair Darcy will declare the winners of the election after Mr. Wheeler reads the results.

Chair Darcy commented that, according to recent data, the national average turnout for cooperative board elections is 6.2%, this Co-op currently achieves closer to 10%, due in part to expanded promotion and remote participation. Some cooperatives still require in-person

attendance at annual meetings, often with very low turnout unless supplemented with food and drink. The board acknowledged that while the numbers may not compete with civic elections, turnout rates here are above average for the sector.

Mr. Glenshaw noted that over \$16,000 has been raised to support this year's annual meeting, with sponsorships expected to fully cover event expenses. At the time of reporting, 74 individuals had registered, including 18 children, with additional registrations expected to exceed 100 total attendees. Board members were reminded to register themselves and any guests to ensure accurate headcounts for catering and logistics.

Mr. Mongeon commended Mr. Glenshaw and the communications team for elevating the event's quality and visibility, particularly through donations, promotional efforts, and an energized partnership with Owl's Nest Resort. The board expressed appreciation and interest in rotating venues in future years to sustain member engagement.

Bill Redesign Update

Mr. Glenshaw presented the new bill print redesign, part of the Co-op's strategic goal to make services and information more accessible to members. This complex project required tight coordination with NISC and print vendors and represents the first comprehensive billing overhaul in many years.

- The Co-op runs 17 billing cycles monthly.
- Roughly 84% of members still receive paper bills.
- While many members have SmartHub accounts, only 22% use it as their sole method for receiving and paying bills.

The updated bill format is intended to improve clarity, usability, and consistency across platforms. It also lays the foundation for broader digital engagement, though printed bills remain the primary interface for member communication.

Mr. Glenshaw noted that a very extensive internal testing process will need to happen in Q4 of this year and then we can roll it out.

Ms. Barbour suggested putting together a member focus group to hear their feedback.

Mr. Jennings and Mr. Glenshaw agreed a member focus group over the summer is a good idea.

NRECA Report

Ms. McElaney drew attention to her report in the meeting packet.

She highlighted the Cooperative Family Fund, an initiative started by former NRECA Board President Tony Anderson. Although not an NRECA program, it supports lineworker families by

allocating \$10,000 per child into a dedicated account for those who lose a parent in the line of duty. Funds are accessed when the child turns 18. Co-ops are encouraged to donate \$1,000 annually, either through organizational contributions or individual donations.

Mr. Jennings noted NHEC has supported the NEPPA Benevolent Fund in the past, particularly in response to a recent staff loss, but participation in the Cooperative Family Fund is worth consideration also.

Ms. McElaney mentioned that Jim Matheson has been engaging in FEMA-related testimony and outreach and she will include it in next month's report.

NRECA's international projects remain active, especially in Central and South America. Discussion has begun among Northeast Co-ops (New Hampshire, Vermont, New York) about the potential for a regional delegation to support field work abroad, a collaboration that could amplify regional impact while managing participation scale.

An updated 2025 broadband benchmarking report from NRTC and NRECA was released this month and will be included in next month's report. Some key takeaways:

- Co-ops continue expanding broadband networks and delivering strong community impact.
- Competition and operating costs are increasing.
- Members are leveraging broadband networks to enhance smart grid functionality, reinforcing long-term value.

The 2025 Regional Meeting will be held in September in Providence, RI. Chair Darcy will serve as the voting delegate. The board may designate an alternate delegate at a later date, though this is optional.

A new class is coming in the near future regarding the oversight of broadband and the board's role in the broadband business. She will forward the information to the board when she receives it.

Chair Darcy noted he will be scheduling an Executive Committee Meeting next month to fine tune some policies.

He asked for a motion to go into executive session.

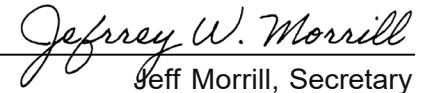
Upon motion of Mr. Mongeon, seconded by Mr. Laufenberg, it was

VOTED That the Board of Directors go into executive session for the purposes of discussion of confidential legal, litigation, and personnel matters.

Vote for the motion was unanimous.

The Board of Directors went into executive session after a brief break at 10:15 a.m. and Ms. McElaney left the meeting.

The Board of Directors came out of executive session at 11:29 a.m. A motion was made to close the public session by Mr. Mongeon and seconded by Ms. Barbour, and unanimously approved.


Jeff Morrill, Secretary

A TRUE COPY ATTEST:


William R. Darcy, Chair of the Board