

APPROVED
03.31.2026

New Hampshire Electric Cooperative, Inc.

Minutes of the Meeting of the Funds Management Committee

Teams Meeting

March 5, 2026, at 9:30 a.m.

Committee Members Present: Peter Laufenberg (Chair), Bill Darcy

Committee Members Excused: Pat Barbour

Other Board Members Present: Robert MacLeod

NHEC Employees Present: Michael Jennings, Kristen Taylor, Christine Parent (Recording)

Others Present: NA

Meeting Called to Order

Chair Laufenberg called the meeting to order at 9:30 a.m.

Agenda Review and Approval of 02.06.2026 Minutes

There were no changes to agenda.

Mr. Darcy stated a revision to the 02.06.2026 minutes. On page 2, lines 25 and 26, the sentence repeats and should end on line 25.

Upon Motion by Mr. Darcy, second by Chair Laufenberg, it was

VOTED that the Committee approves the revised 02.06.2026 minutes.

Vote was unanimous.

Update on Homestead as new custodian

Ms. Taylor stated we have been working on filling out the entity account opening documents. Some decisions need to be made in order for us to submit the application. There are two copies for both reserve accounts. Required information includes the initial investment amount, fund selections and cost basis selection.

Discussion:

Mr. Darcy stated we shouldn't make any decisions until the Board acts on the package that will be presented at the March meeting.

Mr. Jennings agreed since we will need to determine the amount of the initial investment and will need Board approval before the Committee can determine the balance.

Ms. Taylor stated we will defer this until after the Board votes and discuss it at the next Funds Management meeting.

Mr. Darcy stated we should include what the investment choices are in the Board packet.

Chair Laufenberg stated there is a document from a previous meeting that showed the funds and what the returns were with a brief description of each that should be re-sent to the Committee. Ms. Taylor will share that document again.

Chair Laufenberg asked if Homestead would not open the account without the exact amount of what the mix will be. Ms. Taylor confirmed that is correct.

Mr. Jennings added we need to tell them how much we are putting in initially. It doesn't have to be the full amount, and we could use the daily income fund to start until we determine what investment mix we want.

Mr. Darcy stated we should wait until after the Board approval to open the account.

Chair Laufenberg agreed.

Mr. Jennings stated we could make the initial deposit of \$500.

Chair Laufenberg stated it will only be a few more weeks at this point, so we should do it all in one fell swoop. The Committee agreed.

Review Draft Investment Policy

Mr. Darcy changed some wording to be consistent with the other documents. He stated this is not a Board policy, it is a Committee policy, as were the prior investment policies. The Board will see it, but it will be within the Committee's discretion.

Mr. Jennings stated his only concern is where we will keep the policy so that it is well-documented and easy to find.

Mr. Darcy suggested including it in Funds Management in OnBoard. Mr. Jennings agreed.

Chair Laufenberg stated this does not need to be recommended to the Board, but it will be included in the Board package. Mr. Darcy agreed.

Review Reserve Funds Use Policy and Retiree Health Benefit Plan

Retiree Health Benefit Plan

Mr. Jennings stated Mr. Darcy put the Retiree Health Benefit Plan together, and Mr. Jennings added a few additions. Mr. Fahey reviewed it and did not have any substantive changes.

Mr. Darcy stated the plan is the same as discussed previously, with the following amendments:

- No reference to trust or trust fund or the trustees
- Shortening the provisions that have to do with appeals of employees to eligibility determination

APPROVED
03.31.2026

- Transfer to staff of the initial eligibility requirement
- There is no change to the benefits we are giving employees, which are based on the collective bargaining agreements and personnel policies

Mr. Darcy added he would like to make one additional change to give the Committee the ability to amend the appendix. Board approval is not needed because the Board approves the collective bargaining agreements. He will add a sentence that states that appendix one may be changed from time to time to be consistent with the labor contracts and personnel policies.

Mr. Jennings agreed.

Chair Laufenberg asked if this would go to the Board for approval. Mr. Darcy replied, yes.

Upon motion from Chair Laufenberg, seconded by Mr. Darcy, it was

VOTED that the Committee will recommend the amended Retiree Health Benefit Plan to the Board for approval.

Vote was unanimous.

Reserve Funds Use Policy

Mr. Darcy shared changes to the Reserve Funds Use Policy as follows:

- Eliminate extra zero from what is supposed to read \$1,000,000 under Withdrawal Authority and Thresholds
- Add sentence to the Storm Reserve Fund Permitted Uses that says “support of storm costs in years with negative or materially reduced operating margin or to mitigate rate increases” to be consistent with the other fund.
 - The idea here is that if a rate increase is expected in the next year, the Committee could choose to cover retiree fund costs directly from the fund instead of paying them as we go. Doing so would allow the BFR Committee to count that revenue and help soften the rate increase, though this is only a potential approach, not a decision.
- Mr. Darcy noted he originally had lower limits on the Storm Reserve Fund and Mr. Jennings stated we should make the limits the same limit that he has.
- He also added language to make it clear that the \$1,000,000 cannot be spent on anything. It will either be moved between funds or given to NHEC to mitigate rate impacts or increase margins or reach margins

Mr. Jennings added that the auditor’s suggested amendment to positive annual margins “in excess of minimum mortgage covenant requirements” needs to be added.

Mr. Darcy made the following motion, seconded by Chair Laufenberg:

APPROVED
03.31.2026

The Committee will recommend the Reserve Funds Use Policy with three amendments to the Board as follows:

1. Add to the Storm Reserve Fund Permitted Uses: “Support of storm costs in years with negative or materially reduced operating margin or to mitigate rate increases.”
2. Delete from the Withdrawal Authority and Thresholds one zero in the million-dollar authorization.
3. Add the sentence the auditors suggested to positive annual margins “in excess of minimum mortgage covenants requirements.”

Discussion on the motion:

Mr. Darcy stated, regarding Mr. Jennings comment on the auditor’s suggested amendment, those indicia are not dependent on having a particular margin level. You could have no margin and improve your tiers if you are not increasing your debt in the future. He added it will not restrict us in any way unless it is a situation where we would not want to make any transfers, and he supports the addition.

VOTE: For the motion was Chair Laufenberg and Mr. Darcy in favor.

The motion carries.

Chair Laufenberg reviewed the materials that are going to the Board:

- Memo from Chair Laufenberg stating what was done
 - Include the 50/50 spilt
- Reserve Funds Use Policy
- Retiree Health Benefit Plan
- Investment Policy
- Board Policy B-2, Attachment E
- Homestead account applications

Action Items

- Ms. Taylor will share the Homestead document that shows the funds and what the returns are with a brief description with the Committee.

Adjournment

Upon motion from Chair Laufenberg, seconded by Mr. Darcy, Chair Laufenberg adjourned the meeting at 9:54 a.m.