

Amended and Approved 4/21/26

**NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.**

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

**March 31, 2026**

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, 2026, 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, Robert MacLeod, Jerry Stringham, Jeffrey Morrill, Peter Laufenberg, Pat Barbour (Teams) and John Goodrich.

Others present were Michael Jennings, President/CEO; Todd Fahey, Attorney; Kristen Taylor, Chief Financial Officer; Josh Mazzei, Chief Operating Officer, Terry McMichaels, and Maida Lessard, Executive Services Administrator (recording).

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

Chair Darcy asked for any changes to the agenda and there were none.

He asked for a motion to approve the consent agenda items.

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

**VOTED** That the Board of Directors approve the consent agenda items as presented in the meeting packet.

Vote for the motion was unanimous.

**Chairman's Report**

Chair Darcy reported attending an ISO New England listening session and raised questions regarding regional approaches to long-term contracts for dispatchable baseload resources.

The Board reviewed a short statement for inclusion with the ballot materials related to the recently approved bylaw amendment proposal. Chair Darcy emphasized the importance of clear, brief ballot-question wording with reference to the fuller explanation in the packet.

He asked for a motion to approve the statement from the Board of Directors to be included with the proposed ballot/bylaw amendment.

**Amended and Approved 4/21/26**

Upon motion of Mr. MacLeod, seconded by Mr. Viens, it was

**VOTED** That the Board of Directors approve the statement from the Board of Directors to be included with the proposed ballot/bylaw amendment as presented in the meeting packet.

Vote for the motion was unanimous.

**Board Committees**

Executive Committee

Chair Darcy reported that the committee unanimously recommended reaffirmation of the policies within its jurisdiction. After the meeting, a recommended refinement to two policies were incorporated providing that the Treasurer is not required to serve as Chair of the Budget, Finance & Rates (BFR) Committee, while remaining entitled to serve on both the BFR Committee and the Audit Committee.

He asked for a motion to approve the Executive Committee's policy recommendations, including the change regarding the BFR Committee Chair eligibility.

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

**VOTED** That the Board of Directors reaffirms Board Policies B-1, Statement of Purpose, Vision, Mission & Values, B-3, Attachment B – Board Access to Information, B-6, Board and Staff Expenses and Board Stipends, and approves of the changes proposed to B-3, Attachment A – Nomination, Functions, Authorities & Responsibilities of the Officers of the Board of Directors as presented in the meeting packet.

Vote for the motion was unanimous.

Chair Darcy also noted the committee reviewed Mr. Jennings redlined draft of the strategic plan applicable to the electric side of the business, as well as the 2026 CEO Goals.

Strategic Planning Committee

Chair Darcy asked for a motion to approve the February 13, 2026 Strategic Planning Committee Meeting minutes.

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

**Amended and Approved 4/21/26**

**VOTED** That the Board of Directors approve the minutes of the February 13, 2026 Strategic Planning Committee Meeting minutes as presented in the meeting packet.

Vote for the motion was unanimous.

Chair Darcy stated that prior to the next Strategic Planning Committee meeting, five documents from Mr. Dawson and Mr. Jennings are expected to be provided to support strategic planning discussions related to the broadband business and overall strategic priorities.

Mr. Dwyer requested the consultant's initial draft be distributed to the board for review.

Mr. Mongeon asked what the timeline for the next meeting is and suggested at that meeting to clarify roles, steps, and expectations among the committee members, the Board, and staff to support an aligned strategic planning process.

Funds Management Committee

Mr. Laufenberg asked for a motion to approve the March 5, 2026, Funds Management Committee Meeting minutes.

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

**VOTED** That the Board of Directors approve the minutes of the March 5, 2026 Funds Management Committee Meeting minutes as presented in the meeting packet.

Vote for the motion was unanimous.

Mr. Laufenberg reported progress on transitioning legacy retiree benefit trust assets (approximately \$2.627 million) into committee-governed accounts and presented documents for Board approval. The proposal allocates the funds evenly between (1) an account dedicated to continuing the retiree health benefit obligations and (2) a major storm reserve fund.

He asked for a motion to approve the Committee Report, the retiree health benefit plan document updates (non-material changes; governance reference updates) and the reserve fund use policy, as presented in the meeting packet.

Upon motion of Mr. MacLeod, seconded by Mr. Morrill, it was

**VOTED** That the Board of Directors accepts and approves the Report of the Funds Management Committee, the Amended Retiree Health Benefits Plan, and the Reserve Funds Use Policy as presented in the meeting packet.

Vote for the motion was unanimous.

**Amended and Approved 4/21/26**

Ms. Albee drew attention to a typo in the Funds Management Investment Policy on page 50 and 51 that should be \$1 million, and it appears to be missing a zero.

Budget, Finance and Rates (BFR) Committee

Mr. Stringham asked for a motion to approve the reaffirmation and changes of Board Policies within the jurisdiction of the committee.

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

**VOTED** That the Board of Directors reaffirms Board Policies B-13 Capital Credits with Attachments A-C, and B-14 Equity Management Policy, and approves of the changes proposed to B-2, Attachment B (Budget, Finance and Rate Committee), B-10, Default Service Power Procurement & Risk Policy as presented in the meeting packet.

Vote for the motion was unanimous.

Mr. Stringham noted that the committee recommended a performance factor of 79.25% (versus management's 76.75%), citing timing-related events outside staff control which contributed to the adjustment in percentage of payout.

Mr. Goodrich questioned if there was an error in the calculation.

Chair Darcy noted any errors would be corrected and amended.

He asked for a motion to approve the resolution in the meeting packet.

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

**VOTED** Based on achievement of 79.25% of the established 2025 Balanced Scorecard (BSC) goals, the Board of Directors authorizes the payment of \$478,921 to eligible individuals in accordance with the provisions of the NHEC Success Sharing Plan as presented to the Budget, Finance, and Rates Committee on March 13, 2026 and amended at the meeting of the Board of Directors of the New Hampshire Electric Cooperative, Inc. held on March 31, 2026.

Vote for the motion was unanimous.

Mr. Mongeon asked what the typical bonus given out at other cooperatives compared to investor-owned utilities and questioned if the Co-op was in line with other cooperatives at 2 ½%.

**Amended and Approved 4/21/26**

Mr. Jennings noted that investor-owned utilities are generally 10% or more and executives are much higher. He has not looked into other cooperatives but those he has had experience with increases based on seniority.

Mr. Stringham noted that the committee reviewed the variances on the Capital Construction Budget actuals and asked for a motion to approve.

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

**VOTED** That the Board of Directors approves the 2025 Capital Construction Budget actual of \$23,000,632.00 as presented in the meeting packet.

Vote for the motion was unanimous.

Chair Darcy asked why the Board is asked to approve this when it was already approved last year.

Mr. Jennings explained he is only authorized to approve up to 5% over and the variance is just over that, so it needs Board approval.

Mr. Goodrich asked if the safety code violations that are listed on the sheet are due to inspections that we get.

Mr. Jennings responded they are sometimes due to inspections and sometimes it is while doing other work and someone sees something in the field.

Mr. Stringham drew attention to the equity management plan and noted that the committee reviewed the equity plan and debt service with the goal of achieving a modified debt service coverage of 1.5 to 1.75. The plan includes a 10-year schedule of capital improvements which drive the targeted net margin goal for the distribution business. The overall analysis called for a rate trajectory of about 4% per year during this period of time noting certain broadband related financials details were reserved for the executive session.

He asked for a motion to approve the resolution.

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

**VOTED** That the Board of Directors approves the 2026 Equity Management Plan as presented in the meeting packet.

Vote for the motion was unanimous.

**Amended and Approved 4/21/26**

Mr. Stringham noted there is a comprehensive statement to indicate how we maintain our financial strength while charging minimum fair and equitable rates and charges to all members within a competitive environment.

There were discussions about the cost-of-service considerations, including discussions of residential rate structure, simplicity vs. granularity, under/over recovery among customer groupings, and competitive/public perception factors. It was suggested to revisit this further during the next committee meeting.

Chair Darcy asked for a motion to approve the guiding principles.

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

**VOTED** To set forth NHEC's priorities in balancing competing rate design principles for purposes of making changes to NHEC's existing rates and charges, consistent with the strategic objectives of the cooperative, the Board of Directors adopts the following Rate Design Guiding Principles as recommended by the Budget, Finance, and Rates Committee on March 13, 2026 and presented in the meeting packet:

1. NHEC's rates and charges should provide the revenue needed to meet the cooperative's operating costs and maintain its financial strength.
2. NHEC's rates and charges should be fair and equitable to all members. All rate classes should contribute to the margin.
3. When making significant changes to its existing rates and charges, NHEC should seek to make those adjustments gradually over time unless doing so would unduly undermine the objective of making the change.
4. NHEC should seek to make its rates and charges simple and understandable for its members.
5. NHEC's rates and charges should be premised on the cost of providing the relevant service and, to the extent deemed advisable, be structured in a manner that reflects how those costs are caused.
  - a. All members should pay a Member Service Charge informed by cost.
  - b. Rates should be structured in a way that they serve as an effective price signal to members while considering the rates of other New Hampshire utilities.

Vote for the motion was 9 in favor, 1 opposed (Mr. Dwyer), and 1 abstention (Ms. Albee).

Audit Committee

Ms. Barbour reported the Audit Committee met on March 20, 2026, and topics discussed included the 2025 audit, and in executive session discussions with the auditors regarding financial and internal controls took place. Ms. L'Heureux presented a cybersecurity report.

Ms. Barbour introduced the external auditor, Terry McMichael, who joined the meeting to answer questions about the audit findings and noted the committee recommended that the Board accept the audit.

Mr. McMichael reported that he went over the results of the audit as well as the required communications at the committee meeting and reported the audit was complete with an unmodified opinion and no audit issues requiring Board attention.

Chair Darcy asked for a motion to approve and release the audited financials.

Upon motion of Ms. Albee, seconded by Mr. Laufenberg, it was

**VOTED** That the Board of Directors accepts the 2025 audited financial statements as presented by McNair, McLemore, Middlebrooks & Company, LLC in the meeting packet.

Vote for the motion was unanimous.

Mr. McMichael left the meeting.

Mr. Mongeon noted that the E&O Committee Meeting meets on April 7<sup>th</sup> at 11:00 a.m.

**President/CEO Report**

Dashboard/Safety

Mr. Jennings highlighted strong year-to-date results, including safety performance and emphasized continued focus on proactive leading indicators and encouraged incident reporting.

Transmission Cost Advocacy

He noted ISO New England activity related to review of asset-condition projects and cost justification, describing it as a positive step toward controlling pass-through costs.

Mr. Dwyer asked if the current energy spikes are going to impact electric costs.

Mr. Jennings it is mostly impacting the Asian markets more than our market right now. The power purchases will be spread over the next rate period to be able to take a weighted cost average.

Mr. Mongeon asked if directors can attend the ISO New England listening sessions.

Mr. Jennings replied he will check into that and let him know.

Member Communications

Mr. Jennings reported expanded communications efforts including digital distribution of the member newsletter (“Stay Current”), increased use of texting, and continued focus on paperless billing to reduce costs and improve email coverage.

Government Affairs

Mr. Jennings reported a successful visit with Congresswoman Goodlander at the Co-op and noted discussions of NTIA/BEAD and New Hampshire’s electric market. She also shared her comments with us before sending them to the NTIA. He also noted that Governor Ayotte wrote a letter urging ISO New England to review the ancillary services market costs.

Community Power Coalition of NH (CPCNH)

Mr. Jennings noted the recent scrutiny of CPCNH rates and onboarding issues in certain municipalities and the ongoing efforts to address factual inaccuracies and provide member-town communications as needed.

Mr. Laufenberg suggested that everyone should check their town committee report for accuracy if the town has CPCNH.

America’s Electric Cooperatives (PAC) Delegate

Mr. Jennings brought forward the resolution designating Chair Darcy for the voting delegate for the America’s Electric Cooperatives (PAC) meetings, held concurrently with NRECA meetings.

Mr. Dwyer voiced concern about the Chair’s increasing workload.

Chair Darcy commented the role is expected to add minimal incremental time due to the overlap with existing travel/meetings.

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

**VOTED**

WHEREAS, America’s Electric Cooperatives Political Action Committee (the “PAC”) provides an opportunity for electric cooperatives to engage collectively in federal advocacy efforts; and

WHEREAS, each state with an electric cooperative is entitled to designate a voting delegate to represent that state with respect to matters related to the PAC; and

## Amended and Approved 4/21/26

WHEREAS, New Hampshire Electric Cooperative, Inc. (“NHEC”) is the only electric cooperative in the State of New Hampshire; and

WHEREAS, the Board of Directors of NHEC desires to appoint a voting delegate to represent New Hampshire for purposes related to the America’s Electric Cooperatives PAC;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of New Hampshire Electric Cooperative, Inc. hereby appoints William Darcy as New Hampshire’s representative on the Board of Directors of the America’s Electric Cooperatives PAC; and that this appointment shall remain in effect until modified or rescinded by subsequent action of the Board of Directors.

Vote for the motion was 8 in favor, 3 opposed (Mr. Dwyer, Mr. Stringham, Mr. Morrill)

Mr. Laufenberg requested ancillary service charges be labeled as “ISO New England ancillary service charges” or an asterisk for better clarification in the PR&A Variance Report going forward.

### **NRECA Report**

Chair Darcy noted that NRECA sends out a monthly update report to board members and shared the following:

- NRECA reported the U.S. House Energy and Commerce Committee passed the *Rural Municipal Utility Cyber Security Act* by a vote of 49–0, proposing a grant program (reported at \$250M) for cooperatives and municipal utilities focused on cybersecurity.
- NRECA reiterated heightened cybersecurity vigilance in light of global conflict conditions.
- NRECA reported success in advocacy efforts resulting in reversal of a prior decision not to declare a major disaster for a significant Michigan ice storm, enabling access to substantial FEMA-related support for affected cooperatives.
- No material update was available on the status of FEMA-related legislation previously advanced in committee.

### **Conference Presentations**

Chair Darcy reported on the Fiber in the Electric Business seminar he and Mr. Mazzei attended and noted discussions about the potential operational benefits of fiber for electric utility communications (reliability, security, and expansion optionality), noting that pure financial cost-justification may be challenging absent broader broadband buildout synergies.

He also reported he has been attending all of the NH Network seminars and specifically one on offshore wind farms. Discussions on the energy-market impacts of offshore wind, including the distinction between energy-price impacts and capital cost recovery mechanisms in other states’

contracts, and potential “free-rider” effects for non-contracting states. Directors also discussed reliability considerations associated with increasing penetration of non-dispatchable generation.

**NHEC Foundation**

Mr. Viens presented a resolution to consider providing direction to the Foundation regarding focus areas and a biannual giving approach, with emphasis on achieving manageable operations before pursuing expanded corporate sponsorship efforts.

Mr. Jennings noted the resolution references the change was recommended at the December board meeting and it should say November board meeting.

Upon motion of Mr. McLeod, seconded by Mr. Viens, it was

**VOTED**

WHEREAS, the Board previously received and discussed a memorandum presented by Peter Laufenberg at the November Board meeting outlining the purpose, priorities, and long-term role of the Foundation; and

WHEREAS, the Board wishes to reaffirm the direction and intent of that memorandum and provide clear guidance to focus the Foundation’s efforts on long-term sustainability; and

WHEREAS, stabilizing and strengthening recurring revenue sources is critical to ensuring the Foundation’s ability to support its mission over time;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby reaffirms the principles, direction, and intent set forth in Peter Laufenberg’s memorandum presented at the November Board meeting; and

BE IT FURTHER RESOLVED, that the Board directs the Foundation to prioritize efforts over the next twenty-four (24) months on stabilizing and strengthening its revenue base, including a focused effort to bring the Round Up program to a sustainable, steady-state level of participation and performance; and

BE IT FURTHER RESOLVED, that at the conclusion of this twenty-four-month period, the Board will evaluate the effectiveness of these efforts and determine whether the Foundation has made sufficient progress toward achieving stable, sustainable revenue in alignment with its mission and long-term objectives.

Vote for the motion as amended was unanimous.

**Approved**

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

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

Vote for the motion was unanimous.

The board went into executive session at 10:37 a.m.

The Board of Directors came out of executive session at 11:52 a.m. and the meeting was adjourned.

*Jeffrey W. Morrill*

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Jeff Morrill, Secretary

A TRUE COPY ATTEST:

  
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William R. Darcy, Chair of the Board