

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors February 27, 2024

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 February 27, 2024, at the Cooperative's 287 Highland Street Office in Plymouth, NH.

Directors present were Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Madeline McElaney, and Harry Viens. Directors Alana Albee, Carolyn Kedersha, Thomas Mongeon, and Jeff Morrill participated via Zoom. Others present were Alyssa Clemsen Roberts, President/CEO; Autumn Doan, Budget Executive; Peter Glenshaw, VP of Member Engagement; Michael Jennings, VP of Energy Delivery; Carla Munoz, VP of People and Culture; Paul Phillips, Attorney; Sonja Gonzalez, Chief Information Officer; Ken Colburn, NRECA Director for New Hampshire; Pat Barbour, Cooperative Member; Diane Arsenaault, Cooperative Member; Jim Krull, Cooperative Member; Pete Perney, Cooperative Member; Lonny Sanborn, Cooperative Member; Wharton Sinkler, Cooperative Member; and Edee Murphy, Administrative Assistant (recording). Others participating via Zoom were Kristen Taylor, Chief Financial Officer; Joshua Mazzei, VP of Operations and Brian Norton, Cooperative Member.

Chair Davis called the meeting to order at 8:35 a.m.

Agenda Review and Consent Agenda Approval

Chair Davis stated that depending on the arrival of another member, she may move 'Member Comments' up on the agenda. She next drew attention to the consent agenda for approval of the January 30, 2024, Board of Directors meeting minutes. Mr. Darcy requested those minutes be removed from the consent agenda.

Approval of January 30, 2024, Meeting Minutes

Mr. Darcy had two corrections to the minutes as follows: Page 9, line 22 – change “Alexander” to “Alexandra” and Page 14, line 8 – change the word “he” to “she.” He also requested that these minutes, and future minutes, indicate which board members vote for or against motions, for transparency and accountability.

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

VOTED: That the Board of Directors approves two corrections on the draft minutes of the January 30, 2024, Board of Directors meeting as stated above and to indicate which way directors voted on any motion in the January 30, 2024, minutes and in all future board minutes.

Discussion on the motion:

- ❖ Mr. Mongeon requested the draft board minutes be posted in OnBoard for suggested edits prior to the board packet being posted, as was prior practice. He also stated his board officer's compensation comments were not included in these minutes, as well as in other committee meeting minutes. Ms. Clemsen Roberts commented that draft minutes are not an exact transcript and are already lengthy; NHEC could hire someone to come in and do a transcription of meetings if the board desires.

VOTE was unanimous, except for Ms. Kedersha who had stepped away, and Mr. Morrill who was not present at this time.

Further discussion on the January 30, 2024, minutes:

- ❖ Mr. French had further suggested edits as follows: Page 1, line 37 – change “Chair Davis” to “Mr. French”; Page 2, line 2 – Change “Chair Davis” to “Mr. French”; Page 2, line 37 – change “Corporate Services Committee” to “Executive Committee.”

Upon motion of Mr. French, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors approves the draft minutes of the January 30, 2024, meeting of the Board of Directors as amended.

Vote was 9 to approve, 1 opposed (Director Mongeon – he stated that several of his concerns regarding officer compensation were not recorded in the minutes). Director Morrill was not present at this time. Motion carried.

Director Expense Reports

Upon motion of Mr. Darcy, seconded by Ms. McElaney, it was

VOTED: That the Board of Directors approves the consent agenda item Director Expense Reports as presented in the meeting packet.

Vote was unanimous of Directors present. Director Morrill was not present at this time.

Member Comments

Chair Davis called on Cooperative members present for any comments as follows:

- Pat Barbour: No comments.
- Diane Arsenault: No comments.
- Pete Perney: No comments.
- Jim Krull: No comments.
- Lonny Sanborn: Mr. Sanborn voiced several concerns related to his residential solar system, required meter(s), location/access of the meter(s), and related costs. He requested an exception be granted for the requirement of a second meter and stated that NHEC should not require access to his meter(s) without an appointment and an escort. There was general discussion and explanation from staff on the process of renewable energy credits and the requirement for meter access in cases of emergency. In conclusion, Mr. Sanborn was informed that the NHEC Terms & Conditions requirements will next be reviewed, and any modifications/amendments proposed, at the June 2024 Corporate Services Committee meeting, to then be voted on by the NHEC Board of Directors. Mr. Sanborn then left the meeting.
- Wharton Sinkler: Mr. Sinkler gave a presentation entitled “Request for NHEC Endorsement of Carbon Fee & Dividend” by Citizens’ Climate lobby and provided handouts. He requested NHEC endorsement for this policy and he provided the website link where NHEC may endorse as an organization. There was general discussion and Ms. Albee encouraged Mr. Sinkler to approach NRECA with his request for endorsement.
- Brian Norton: No comments.

BOARD COMMITTEES

Director Compensation Review Committee – Ms. McElaney, Chair. Refer to the meeting packet for January 16, 2024, draft minutes.

Upon motion of Ms. Boisvert, seconded by Ms. Kedersha, it was

VOTED: That the Director Compensation Review Committee approves the draft minutes of the January 16, 2024, Director Compensation Review Committee as presented in the meeting packet.

Committee vote was unanimous.

Upon motion by Mr. Mongeon, seconded by Mr. Darcy, it was

VOTED: That the Board of Directors form a balanced committee of the board with a specific charter to include reviewing the ALDC data and providing recommendations to the full board regarding officer compensation.

Discussion on the motion:

- ❖ Mr. Mongeon stated that the previous work did not include ALDC data which only supports officer compensation of up to \$200/month over other directors; and our current directors receive up to \$600/month over other officers.
- ❖ Chair Davis commented that the ALDC topic is included on the Board Tracking Report to be addressed in March 2024.

VOTE was 6 opposed (Directors Davis, McElaney, Viens, French, Boisvert, and Kedersha) 4 in favor (Directors Mongeon, Albee, Darcy, and Dwyer). Director Morrill was not present at this time. Motion failed.

Executive Committee – Chair Davis reported that the committee met on February 16, 2024, and had conversation related board requests for information. She then drew attention to the Executive Committee's recommended changes to Board Policy B-9 –Board of Directors Stipends and Expenses – as presented in the meeting packet.

Upon motion of Mr. French, seconded by Ms. Boisvert, it was

VOTED: That the Board of Directors approves revisions to Board Policy B-9, Board of Director's Stipends and Expenses, as presented.

Vote was 8 in favor (Directors Davis, McElaney, Viens, French, Boisvert, Darcy, Dwyer and Kedersha), 2 opposed (Directors Mongeon and Albee). Director Morrill was not present at this time. Motion carried.

Cooperative members Wharton Sinkler, Diane Arsenault, and Pete Perney left the meeting.

Chair Davis stated the Executive Committee recommends a six-hour meeting to see if the board can reach consensus on a format regarding Adam Schwartz' scope of work. Mr. Mongeon commented the board needs to start with defining and agreeing on roles and responsibilities of the board. He added that Mr. Schwartz has not been responsive to his requests for information.

Upon motion by Mr. Mongeon, seconded by Mr. Dwyer, it was

VOTED: That the Board of Directors form a balanced committee of the board with a specific charter to include redefining the scope of work and assessing the consultant qualifications to effectively and efficiently perform the work.

Discussion on the motion:

- ❖ Ms. Albee commented that first and foremost there needs to be a detailed discussion about what is meant by “fiduciary responsibility” as a board and come to a consensus in order to move forward on other issues. She mentioned ‘access to information’ would be another topic of discussion.
- ❖ Ms. McElaney voiced she believes forming another committee may slow the process; the six-hour meeting with a facilitator (mentioned by Chair Davis) would be a good time to discuss the topics of board roles, fiduciary responsibilities, and information requests.
- ❖ Mr. Mongeon requested that Chair Davis forward to board members the references for Adam Schwartz. Chair Davis replied she does not have written references.

VOTE was 6 opposed (Directors Davis, McElaney, Viens, French, Boisvert, and Kedersha), 4 in favor (Directors Darcy, Mongeon, Albee, and Dwyer). Director Morrill was not present at this time. Motion failed.

Chair Davis commented she will have a Doodle Poll sent around to see what day is good to meet with Adam Schwartz.

Power Resources and Access Committee – Chair Darcy reported as follows:

Staff presented their progress in providing a renewable energy rate as part of NHEC’s default portfolio; staff will be proposing two additional rates for 50% and 100% renewable content at the next Corporate Services Committee meeting.

Staff hired a consultant, ACES, to help develop power purchase policies and procedures.

Transactive Energy Rate – a detailed update will be provided at the March 2024 board meeting.

- Mr. Jennings clarified there will be four new rate codes because the renewable rate will also be offered for net metering.

Engineering & Operations Committee – Chair Mongeon reported there will an E&O Committee meeting on March 12, 2024, at 9:30 a.m.

General Counsel Review Committee – Chair Davis stated the expected outcome today is to provide clarity of information requests and scope of review. She mentioned Messrs. Darcy and Mongeon worked on a clarity writeup, included as Attachment 3b in the meeting packet and entitled, “Direct access to legal bills by NHEC Directors is needed along with additional easily provided financial information.”

Mr. Mongeon voiced concern about the current process of requesting information.

Mr. Darcy requested the removal of the downloadable restriction on the existing 192 documents in OnBoard, and stated the CEO said she can easily provide the board with financial information by Vendor Code – essentially the name of the law firm or organization that bills NHEC. He then read portions of the Attachment 3b writeup.

Ms. Clemsen Roberts clarified that documents prior to February 2021 are not easily accessible; they were not electronically handled. She added she believes these topics are housed under Board Policy B-3 where it says if the President/CEO considers information to be sensitive and confidential, it will be marked as such and made available; it is up to the board if they want to change, amend, or make an exception to Board Policy B-3. She asked that a motion be made if the board would like her to break the board policy with which she is complying.

Mr. Darcy commented he is not asking for additional documents, just a financial readout of individual firms.

Ms. Clemsen Roberts mentioned that Attachment 3b states documents are easily accessible from 2020; she reiterated that those documents are not easily accessible through NHEC's system.

Upon motion by Mr. Darcy, seconded by Mr. Mongeon, it was

VOTED: That the Board of Directors approves removal of the non-downloadable restriction of 192 legal documents currently posted to OnBoard and waiver of any policy that may appear to restrict that request in any way.

Discussion on the motion:

- ❖ Ms. Kedersha voiced concern the board is going down a rabbit hole and opening up what the board can access. She stated the board is going down a very serious hole and she does not support this level of thoroughly analyzing all of NHEC's legal expenses.
- ❖ Mr. Darcy said he explained why it is needed; he thinks it is necessary for a rational review for cost effectiveness of services; also, we will be doing a separate staff review and that will allow us to find out what people are doing. The information is available, but it takes an extraordinary amount of time if you are using OnBoard as the platform for examining that information.
- ❖ Ms. Kedersha responded that management can summarize that information a lot quicker.
- ❖ Ms. McElaney mentioned that at last month's board meeting there was talk of a survey, etc., but it never went to a level of requesting years of invoices and past legal services. As a board we approve and monitor the budget, and budget includes a line item for legal services. I have not seen anything as a board member that we have strayed from that budget; in fact, I believe we are paying less in legal fees than we were with our last general counsel, so I do not think this degree of scrutiny is necessary at this time. Also, OnBoard has multi-factor authentication to sensitive information.
- ❖ Mr. Darcy pointed out that the scope of work of past general counsel was different than current general counsel; for instance, past legal counsel provided government affairs services. Therefore, it is not established that legal fees are cheaper now.
- ❖ Mr. Viens commented this seems to be audit-level and open to interpretation by the persons viewing the data.

- ❖ Mr. Darcy stated that the board has not reviewed the legal function at all in his 3-1/2 years on the board, which is irresponsible and something that needs to be done.
- ❖ Mr. Mongeon suggested voting and moving on. He added this is a good example of why roles/responsibilities and fiduciary responsibilities of the board need to be addressed.
- ❖ Mr. French commented the board is reviewing the services of the attorney; then there is a discussion about reviewing the cost effectiveness of how those services are provided which is a different thing. It is not the role of the board to look at cost effectiveness; it is the role of the board to say to management – we want this kind of an analysis to understand the cost effectiveness of the current process. He added he thinks the board needs to evaluate whether or not they are happy with the services provided regardless of what the cost might be. He agrees an analysis should be done, but not by the board or a committee of the board; it goes into micromanagement to the nth degree.
- ❖ Ms. Clemesen Roberts asked for clarification if the board is requesting an exception or a change to Board Policy B-3. Messrs. Mongeon and Darcy confirmed that the motion is asking for an exception, and that Board Policy B-3 may be revisited at a later date.

VOTE was 4 in favor (Directors Dwyer, Mongeon, Darcy, and Albee), 5 opposed (Directors Davis, French, McElaney, Kedersha, and Boisvert), 1 abstention (Director Viens). Director Morrill was not present at this time. Motion failed.

NOTE: At this time, responding to Mr. Mongeon’s earlier comment that his remarks continue to be left out of meeting minutes, Ms. Clemesen Roberts read several comments made by Mr. Mongeon regarding ALDC compensation data captured in the January 30, 2024, board minutes. Mr. Mongeon commented that the specific dollar amounts he stated regarding officer compensation were left out.

Chairman’s Report

Chair Davis reminded everyone that it has been the practice for a long time to copy the board chair on requests for information to the NHEC President/CEO and senior leadership team, which has not been happening. Also, direct emails to the senior leadership team has not included the cc to the President/CEO. She asked the board comply with those practices and mentioned she was not aware of the request for information that ended up requiring 100 staff hours.

CEO Report

Ms. Clemesen Roberts reviewed her President/CEO Overview for February 2024, included in the meeting packet. Topics in her report included the following:

- Board Safety Moment – keeping your vehicle in good working order and how to drive safely during weather events.
- Four potential FEMA events – If the December 18, 2023, storm is approved, that would mean NHEC has 3-4 concurrent FEMA claims open, with one more from January 2024 as a possibility and the amount of work required is taking its toll on NHEC staff. In answer to a question, Ms. Taylor replied that anticipated FEMA funds are currently categorized as a deferred debit. Mr. Dwyer requested the expected receivable amounts for declared FEMA events.

- External Events – An NHEC team met with Dennis Ducharme, President of RiverWalk in Lincoln; held a meeting with Brian Norton, President of Loon Mountain Resort; held the first of six community engagement events at Alton Winter Carnival.
- Participated in NRECA Close Up meeting, ALDC Membership Committee meeting, and the NRECA Broadband monthly meeting. She has been selected to participate in the NRECA Broadband Program’s Steering Advisory Group.

Mr. Morrill joined the meeting at 10:05 a.m.

Ms. Clemsen Roberts stated the Directors and Officers (D&O) liability insurance is due for review; the writeup is included in the meeting packet. Last year staff recommended, and the board approved, the increase to the current level of \$15M; this year staff is recommending keeping the level at \$15M. There is a net premium increase of \$72 for the year.

Upon motion by Mr. Darcy, seconded by Mr. French, it was

VOTED: That the Board of Directors authorizes management to renew the Board of Directors’ D&O Insurance with Aegis for \$15,000,000 coverage effective March 1, 2024.

Vote was unanimous.

Any questions/discussion related to materials/attachments:

- ❖ In answer to a question, Ms. Taylor explained intercompany offsetting entries recommended by the financial auditor.
- ❖ After discussion related to Attachment 16 – Board of Directors Monthly Reports and Approvals – Ms. Clemsen Roberts mentioned adding BOD Officer Election (June) as well as Balanced Scorecard and Strategic Planning quarterly reporting.
- ❖ There was discussion and clarification from Ms. Doan that the December 2023 Form 7 is preliminary until the financial audit is finalized in March 2024.
- ❖ Mr. Dwyer commented it would be helpful if staff split out Broadband in the financial forecast. Ms. Doan replied she has that information and will provide it going forward.

Break from 10:18 – 10:28 a.m.

Facilities Plan Discussion

Mr. Mazzei reviewed his presentation – *Facilities Plan 2024-2032* – included in the meeting packet which covered the following:

- Facility Upgrade Schedule
 - Facility Dispositions
 - Renovations
 - New Construction
- Associated Costs Projections

He explained the Plan includes three phases. Some detailed highlights included:

Phase I (2024-2026) – Sale of Ossipee property; Addition to Conway and Meredith District Offices; Building of Sunapee District Office; Building Plymouth District Office and Warehouse; Sale of Andover property; Sale of Pemi property.

Phase II (2028-2029) – Building of fleet garage and electric/meter shop; Sale of former fleet garage and meter shop.

Phase III (2030-2032) – Construction of new Headquarters at the Fairground site; After completion of project, sell existing HQ campus on Tenney Mountain Highway.

He reviewed a spreadsheet – Schedule of Capital Investments – explaining that the Net Facilities Investment is forecasted at \$44M.

Questions/Discussion regarding Facilities Plan:

- ❖ In answer to a question from Ms. Kedersha, Mr. Mazzei commented the new warehouse space is sized for all NHEC needs including broadband equipment.
- ❖ In answer to a question from Mr. Mongeon, Mr. Mazzei commented that because of the phased approach and relatively long-range plan, NHEC will be able to take advantage of emerging technologies and have time to create an efficient set of facilities to serve NHEC for decades to come.
- ❖ In answer to a question about the board's next decision point, Ms. Clemesen Roberts explained that Phase I has been preapproved in the budget, so the next board approval will be for Phase II.
- ❖ Ms. Albee asked that as the Plan progresses, the board be updated on energy efficiency efforts and related financial implications.
- ❖ Ms. Kedersha asked if there is space at Fairgrounds for a solar and battery system, and then fold in heat pump technology, as a demonstration of NHEC energy efficiency incentives. Mr. Mazzei replied there is physical space in acreage as well as rooftop space. Ms. Clemesen Roberts added that NHEC has not done a financial analysis of installing solar or battery there; if that is something the board would like staff to consider, she recommends NHEC look at that as a Phase IV option, as facilities are desperately needed.
- ❖ In answer to questions from Mr. Mongeon, Ms. Clemesen Roberts explained that the Facilities group and NHEC Director of Operations will be very involved in oversight of the project, and NHEC plans on using local resources for the build.
- ❖ In response to comments regarding forecasted costs and asset sales, Ms. Clemesen Roberts pointed out that all of these forecasts are estimates and will be adjusted accordingly.
- ❖ In answer to a question from Mr. Morrill, Ms. Clemesen Roberts commented that there currently is not a need for a member vote, but that NHEC needs to be very clear to its members regarding plans for the new facilities.

Upon motion by Mr. French, seconded by Ms. Boisvert, it was

VOTED: That the Board of Directors authorizes management to take all steps necessary to negotiate and complete the sale of the vacant Ossipee land and building.

Vote was 10 in favor; 1 abstention. Ms. Albee abstained because of her question on energy efficiency, and she wants to wait a full winter to see the impact on Ossipee. Motion carried.

In answer to an earlier question regarding the line of credit balance, Ms. Doan reported that the December 2023 line of credit balance was \$25.3M. She added that NHEC is expecting \$15M in BEA grant funds in April 2024 which will help pay down the line of credit.

Board General Session

Tracking Report – Ms. Clemens Roberts confirmed that the Time of Use (TOU) net metering rate is included on the Tracking Report and is on the March 15, 2024, Corporate Services Committee meeting agenda.

NHEC Foundation Report – Chair Davis stated there is no new report; the next meeting is March 25, 2024.

NRECA Report – Mr. Colburn commented it is a slow time of year for NRECA as they gear up for the annual meeting. He voiced his appreciation for board and staff support for the last decade and mentioned that his email and telephone number remain accessible as he steps down from the NRECA board of directors and Ms. McElaney steps into that role. He listed several positive reasons why NHEC is an unusually good cooperative, including an extraordinary group of employees and management. He encouraged board consensus and sense of common purpose.

Chair Davis presented Mr. Colburn with a plaque of recognition and read the following resolution:

Whereas, Ken Colburn has served with distinction as a member of the Board of Directors of New Hampshire Electric Cooperative (NHEC) from 2006 to 2018, and;

Whereas, Ken Colburn has demonstrated unwavering commitment, dedication, and leadership during his tenure, contributing significantly to the growth and success of NHEC, and;

Whereas, Ken Colburn has represented NHEC with integrity, professionalism, and a deep understanding of the cooperative principles, ensuring the best interests of the members were always at the forefront of decision-making, and;

Whereas, Ken Colburn has furthered his service to the cooperative community by dedicating his time and expertise to the National Rural Electric Cooperative Association (NRECA) from 2014 to 2024, advocating for rural electrification, cooperative governance, and the betterment of cooperative members nationwide, and;

Whereas, Ken Colburn's visionary leadership, strategic insight, and tireless advocacy have significantly contributed to the advancement and prosperity of NHEC and the cooperative movement as a whole;

Now, therefore, be it resolved, that the Board of Directors of New Hampshire Electric Cooperative hereby extends its deepest gratitude and appreciation to Ken Colburn for his exemplary service, commitment, and contributions to the cooperative and its members;

Be it further resolved, that this resolution be duly recorded in the minutes of the Board of Directors, and a copy be presented to Ken Colburn as a token of our enduring appreciation.

Motion to go into Executive Session for the purpose of confidential legal litigation and personnel matters by Mr. Dwyer, seconded by Mr. French at 11:08 a.m.

Adjournment

The board came out of Executive Session at 2:30 p.m. Mr. Mongeon requested the board go into board only executive session and adjourned at 2:40 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Sharon Davis, Chair of the Board