

Approved 7/28/20

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

June 30, 2020

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 June 30, 2020. In light of the COVID-19 pandemic and in response to Governor Sununu's Executive Order 2020-04, the meeting was conducted remotely via Zoom videoconferencing.

Directors present were Thomas Mongeon, Alana Albee, Brenda Boisvert, William Darcy, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Madeline McElaney, Jeffrey Morrill, and Daniel Senie. Others present were Steve Camerino, President/CEO; Jim Bakas, VP of Operations and Engineering; 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; Geoff Ziminsky, VP of Technology and Business Services/CIO; Scott Davis, Power Resources Administrator; Josh Mazzei, Manager of Operations; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Mongeon called the meeting to order at 8:33 a.m.

Agenda Review and Approval of Minutes

No changes were made to the agenda.

The minutes of the May 26, 2020, Board Meeting were reviewed. Upon motion of Mr. French, seconded by Mrs. Boisvert, it was

VOTED: To adopt the minutes of the May 26, 2020, meeting of the Board of Directors, as presented.

Vote for the motion was nine in favor and two abstentions, the motion carries.

Board Safety Moment

Mr. Callnan presented the safety moment sharing a video on reducing the likelihood of becoming infected by ticks.

Chairman's Report

Chair Mongeon presented the Chairman's Report, mentioning that Harry Viens is still interested in serving as NHEC's representative on the NRECA Board when Ken Colburn's term expires so this will be something for the board to consider; thanking directors for reelecting him to serve as board chair; and discussing broadband, including member feedback, board agreement to create an entity and fund up to \$1 million, the press release issued, and additional meetings of the Broadband Committee. He expressed gratitude to Mr. Dwyer for his presentation at the April board meeting and all of his efforts to further broadband for our members. He called for a round of applause for Mr. Dwyer.

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

VOTED: That the Board of Directors expresses their appreciation to Leo Dwyer for his contributions to the board in general and for his broadband efforts in support of NHEC's members.

Vote for the motion was unanimous.

Chair Mongeon welcomed Ms. McElaney and Mr. Darcy to their first official monthly meeting and noted that staff would be in touch with them regarding orientation and he would reach out regarding training opportunities. He noted that he would be in touch with other directors by the end of October regarding their educational plans.

Chair Mongeon next shared thoughts about this next year, mentioning the strategic plan and noting that in July the board will discuss and prioritize a list of focus areas. He mentioned there are a number of major issues, including broadband, capital credits, the collective bargaining agreement, rates, member engagement, and our strategic plan with focus areas of Voice of the Member, Organizational Effectiveness, Financial Stability, and the Business Model. He mentioned the session to review the strategic plan, currently targeted for August, noting that we may decide to move it by a month or two. He noted that to help inform the discussion and prioritization of focus areas, he is asking committee chairs to provide him with one to three SMART goals they feel their committees should accomplish in the next 11 months. He also asked them to identify one to three ways they could operate their committees more effectively/efficiently. He asked committee chairs to have this information to him within three weeks.

Chair Mongeon commented that he looks forward to a year of unity and progress on strategic initiatives.

President's Report

Mr. Camerino presented the President's Report and addressed questions. He reviewed a dashboard of key operating metrics for safety, various financial measures, service reliability, and the Balanced Scorecard (BSC). He noted that Mr. Callnan will address a couple of Power Resources and Access follow-up items and Mr. Dunagin will discuss financials.

Mr. Davis joined the meeting at 8:58 a.m.

Mr. Camerino discussed Capital Credits, noting that we had originally planned a discussion for this month, but we are ahead of schedule and decided to move it to July in light of other matters on the agenda. He noted that a memo will be included in next month's board packet and the board will be asked to make a determination on the payment methodology so work can start on developing the messaging campaign to members. He also mentioned that the substation transformer replacement program will be discussed at the next Engineering and Operations Committee meeting; advised that 85% of the construction deposits which were unable to be refunded will be going to Project Care; and discussed a project with the Irving Institute at Dartmouth to determine if there is a way for us to model or develop some scenarios of collectability of delinquent accounts arising from the economic changes related to COVID-19.

Mr. Callnan next reviewed the Power Resources Variance Report, highlighting variances from the last rate period; discussed and addressed questions on the upcoming rate period and the Eversource true-up for Local Network Service, which will be spread over 24 months; and

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discussed the residential battery storage program, noting that this will be on the agenda for the next Power Resources and Access Committee meeting in August.

Mr. Dunagin provided a financial update, reviewing slides on year-to-date financial results through May compared to budget; year-to-date financial results through May without the variance related to demand side management and social and environmental responsibility, since these have no impact to the bottom line margins; and May delivery service revenue compared to budget.

Mr. Ziminsky joined the meeting at 9:26 a.m.

Mr. Dunagin next reviewed slides showing non-residential kWh sales by sector, changes in metered load, accounts receivable aging, accounts receivable arrearage data, accounts receivable by class, and accounts receivable by sector.

Annual Meeting Review and Follow-up

Chair Mongeon commented on the member questions, noting that he was impressed with the number and quality of questions from members. He asked for feedback on the meeting.

In response to a question on the number of members attending the meeting, excluding staff and directors, Mr. Licata indicated that he would obtain that information and share it with the board.

Directors shared comments, including appreciation for a well-run meeting; a suggestion that it is important as the board considers issues that it does so in relation to the full membership and not just those who attend the meeting; discussion of potential material to be included on the website for which it was agreed Mr. Camerino would report back to the board on the resolution of the suggestions; recognition of the great job Lynne Turmel did in hosting the meeting and the many hours of preparation she put in to make it run smoothly; a suggestion that in the future the meeting notice be more prominently displayed on the website; and acknowledgement that last minute changes to have several people at one location created some challenges.

Capital Credits

Chair Mongeon mentioned that he would like to have a placeholder of 10 minutes for capital credits on the monthly board agendas. Mr. Camerino indicated he would provide Ms. McElaney and Mr. Darcy with the capital credits information previously provided to directors.

Update on Collections Process

Mr. Camerino advised that this would be addressed in executive session.

Board Committees

The draft minutes of the May 6, 2020, Power Resources and Access Committee meeting and the May 20, 2020, Executive Committee meeting were reviewed. Upon motion of Mrs. Kedersha, seconded by Mrs. Boisvert, it was

VOTED: To approve the minutes of the May 6, 2020, Power Resources and Access Committee meeting and the May 20, 2020, Executive Committee meeting, as presented.

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Vote for the motion was nine in favor and two abstentions, motion carries.

Updates from Other Committees

Audit Committee Chair Albee mentioned that the next Audit Committee meeting is scheduled for the end of July and she will be reaching out to committee members on their views of what the committee should focus on.

Corporate Services Committee Chair French reported that he has had a preliminary discussion with Mr. Dunagin and the next Corporate Services Committee meeting will be held in July.

Engineering and Operations Committee Chair Senie noted that he is working with Mr. Bakas on scheduling an Engineering and Operations Committee meeting.

Member Services Committee Chair Morrill noted that we will be moving forward with a broadband survey and will have an update before the next board meeting.

Power Resources and Access Committee Chair Dwyer indicated that he would be reaching out to Mr. Callnan and members of the committee to get their thoughts on what the committee should focus on. Mr. Callnan added that the next committee meeting is scheduled for August.

Chair Mongeon noted that the Executive Committee meeting scheduled for June was postponed and a Doodle poll with potential dates to reschedule has been sent out.

Ms. Albee inquired about the Zoom meeting links for all committee meetings. Mrs. Yeaton advised that the links are available in OnBoard and are generally sent out as a meeting request also.

Attorney's Report

Attorney Dean provided an update on a Public Utilities Commission docket to investigate the response of utilities to COVID-19, noting that NHEC is a mandatory party to the docket and Messrs. Dunagin, Bakas, and Licata made a presentation to the PUC and addressed questions on NHEC's operations and finances related to the COVID-19 pandemic.

Board General Session

Board Tracking Report

Chair Mongeon noted that there are no changes to the Board Tracking Report.

Committee Meetings

Following is a list of upcoming committee meetings:

- Executive Committee – July 21 at 8:00 a.m.
- Audit Committee – July 27 at 8:30 a.m.
- Corporate Services Committee – July 27 following Audit Committee
- Member Services Committee – July 27 following Corporate Services Committee

NHEC Foundation Report

NHEC Foundation Chair Davis reported on yesterday's NHEC Foundation meeting, noting that grants totaling \$54,395 were awarded. She reviewed the Foundation Grant Summary. She also

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discussed the Foundation's Annual Meeting, including new directors, recognition of departing directors, and election of officers. She noted that there is an opening for an NHEC directors and anyone interested should contact Sara Thielbar.

Ms. Albee asked if the Foundation Board meetings are open for NHEC directors to observe. Mrs. Davis replied that NHEC directors are welcome to observe the meetings and indicated that she would ask Sara Thielbar to include NHEC directors who are not members of the Foundation Board in the meeting notifications.

Director Expense Reports

Chair Mongeon noted that a director expense report was included in the board packet. There were no questions on the report.

Mr. Camerino discussed director fees, mentioning that there were two Broadband Committee meetings on the same day and he felt it was better not to pay two separate fees for the same day so he directed payment to be made for just one, however, the board could choose to do otherwise. Chair Mongeon commented that he wants to make sure we follow policy and suggested he and Mr. Camerino discuss this.

NRECA Report

Chair Mongeon pointed out that a written report from Ken Colburn was included in the board packet. He noted that Mr. Colburn is attending the NRECA board meeting and unable to join us today.

Broadband Ad Hoc Committee Update

Chair Mongeon mentioned the broadband press release and suggested the committee work with staff to put together a communications calendar for press releases.

The meeting recessed at 10:12 a.m. Mr. Davis left the meeting at this time. The meeting reconvened at 10:22 a.m.

Messrs. Morrill and Dwyer provided an update on the work of the Broadband Ad Hoc Committee. Mr. Dwyer reviewed slides, noting that broadband is a system-wide effort and the two projects for discussion today are the Coronavirus Aid, Relief, and Economic Security (CARES) Act RFP response and consortium options in relation to the Rural Digital Opportunity Fund (RDOF). He first discussed the CARES applications for Colebrook and Lempster, reviewing project costs and number of members to be served. He reviewed the action being sought today to submit CARES proposals for Colebrook and Lempster. Mr. Morrill discussed the caveats related to the structure for how service may be provided and additional steps that would need to be taken, which would be included as part of the applications.

There was discussion on the structure and whether a member vote would be required. Attorney Dean discussed the requirements, and items that would be excluded from the requirement, for a member vote included in Article X of NHEC's bylaws. He noted that it does not appear that any of the exclusions would apply and so it is likely a 2/3 vote of the members would be required. He noted that this is an evolving proposal, so it may be that there is a way to move forward without a member vote, but as it is currently proposed he believes it would be required.

Upon motion of Mr. Morrill, seconded by Mrs. Kedersha, it was

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VOTED: That the Board of Directors move into executive session for the purpose of discussion of confidential contract negotiations and attorney/client consultation.

Vote for the motion was unanimous and the board moved into Executive Session at 10:36 a.m. The board moved out of executive session at 11:20 a.m.

Upon motion of Mrs. Davis, seconded by Mr. Senie, it was

VOTED: That the Board of Directors delegate authority to the CEO/NHEC Chairman to sign and submit CARES Proposal for constructing Fiber to the Home network applications (Colebrook and Lempster) to be broadly in line with the scope and budget presented at today's board meeting.

Vote for the motion was unanimous.

Upon motion of Mrs. Davis, seconded by Mr. French, it was

VOTED: That the Board of Directors delegate authority to the CEO/NHEC Chair to sign the consortium agreement with NRTC.

Vote for the motion was eight in favor and three abstentions, the motion carries.

Executive Session

Upon motion of Mrs. Davis, seconded by Mrs. Kedersha, it was

VOTED: That the Board of Directors move into Executive Session for the purpose of confidential discussion of legal claims/litigation/contract negotiations, confidential personnel matters, and confidential matters relating to preparation for and the carrying out of emergency functions.

Vote for the motion was unanimous and the board moved into executive session at 11:28 a.m.

Adjournment

The board moved out of Executive Session and Chair Mongeon adjourned the meeting at 2:30 p.m.

Brenda Boisvert, Secretary

A TRUE COPY ATTEST:

Thomas Mongeon, Chair of the Board