

Approved 6/30/20

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Minutes of the Meeting of the Board of Directors

May 26, 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 May 26, 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, Joan Aubrey, Brenda Boisvert, Sharon Davis, Leo Dwyer, Edward French, Carolyn Kedersha, Jeffrey Morrill, Daniel Senie, and Harry Viens. 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; Craig Snow, VP of Energy Solutions/Facilities; Geoff Ziminsky, VP of Technology and Business Services/CIO; Scott Davis, Power Resources Administrator; Ken Colburn, NRECA Director for NH; Cooperative Members Jorge and Mary Dominguez; and Sharon Yeaton, Executive Services Administrator (recording).

Chair Mongeon called the meeting to order at 8:31 a.m.

Chair Mongeon presented a plaque and letter to Mr. Camerino expressing the board's appreciation for his five years of service to NHEC and recognizing his accomplishments, as well as those of the senior management team and all of NHEC's employee.

Mr. Camerino expressed his appreciation and noted that the list of accomplishments was a team effort, and he looks forward to continuing and adding to the list.

Agenda Review and Approval of Minutes

No changes were made to the agenda.

The minutes of the April 21, 2020, Special Meeting and the April 28, 2020, Board Meeting were reviewed. Upon motion of Mrs. Kedersha, seconded by Mr. French, it was

VOTED: To adopt the minutes of the April 21, 2020, Special meeting and the April 28, 2020, meeting of the Board of Directors, as presented.

Vote for the motion was unanimous.

Board Safety Moment

Mr. Camerino presented the safety moment discussing the importance of everyone abiding by the public health guidelines and caring for one another by wearing masks during the time of this public health situation.

Chairman's Report

Chair Mongeon presented the Chairman's Report, first providing directors an opportunity to express interest in running for officer positions, noting that indications of interest are voluntary and not binding at this time. Indications of interest were shared for each officer position.

Mr. Colburn joined the meeting at 8:42 a.m.

Continuing with his report, Chair Mongeon discussed last month's board meeting, the NRECA director education training being offered by WebEx, and an NRECA technology survey mentioned in RE Magazine, noting that an executive summary of the survey can be downloaded from cooperative.com.

Chair Mongeon next recognized and honored Joan Aubrey for her dedication and service as an NHEC director for the past nine years and as Secretary for the past seven years.

Chair Mongeon, Mr. Camerino, and directors shared remarks on behalf of the board and management regarding Mrs. Aubrey's dedication to NHEC and its members, noting her keen ability to see the big picture and think strategically to get at what is important for the members, sharing that Mrs. Aubrey has been an exceptional director who exemplifies what it means to be an effective director, expressing utmost respect and admiration for Mrs. Aubrey, voicing appreciation for the experience, insight, and balance she has brought to the board, and indicating that she will be truly missed.

Mrs. Aubrey expressed her thanks and indicated that it has been an incredible experience and she has learned from everyone. She noted that she is still a member and here to support the Co-op.

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 also discussed financials from a COVID perspective and reviewed steps being taken on the expense side to prepare for a shortfall of revenues at year-end. He next asked Mr. Dunagin to discuss the debt repricing, as well as the COVID revenue tracking.

Mr. Dunagin reviewed details of the long-term debt repricing, discussing both the process for repricing, as well as the savings achieved. He next showed slides and reviewed information for the month of April on delivery service revenue compared to budget, kWh sales by district, non-residential kWh sales by sector (including a breakout of kWh sales for some of the sectors), changes in metered load, accounts receivable data, account receivable aging (including a breakdown by class and by sector) and addressed questions.

Mr. and Mrs. Dominguez joined the meeting at 9:25 a.m.

With regard to members who take energy service from a competitive supplier, Mr. Senie asked if NHEC holds payment to the competitive supplier until it is received from the member.

Following a brief discussion, Mr. Camerino indicated he would email directors with a response to the question.

Broadband Ad Hoc Committee

Chair Mongeon noted that a couple of guests have joined the meeting for the broadband discussion and we will provide an opportunity at the end of that discussion for any questions.

Chair Mongeon provided background on the formation of the Broadband Ad Hoc Committee and noted that minutes from those committee meetings were included in the board packet for information.

Broadband Ad Hoc Committee Chair Dwyer reported on the meetings of the committee and noted that he emailed a summary memo to directors. He mentioned that the National Rural Telecommunications Cooperative (NRTC) has been engaged to conduct an analysis of the cost and economics of building out a system and should have a report back to us shortly. He next discussed the committee's mandate to explore how our members could benefit from the Rural Digital Opportunity Fund (RDOF) auction and discussed the three options that were reviewed, noting that the committee agreed that NHEC should not file an application for the RDOF auction, but should continue to consider either joining a consortium or working with a third party who is participating in the RDOF auction.

Directors shared appreciation for the work of the Broadband Ad Hoc Committee. There was discussion regarding the potential for a broadband effort to become all-consuming and impact our ability to achieve our strategic plan initiatives. Mr. Camerino noted that we are trying to drive the concept forward as quickly as possible so it is an intensive process over the next several months. Ultimately, if we decide to move forward with a partnership for broadband we should be realistic that we will need to have a discussion on the strategic plan and where we are headed, but that is not a decision we need to make today.

There was discussion regarding what the structure might look like and the best way to keep the process moving forward. Upon motion of Mrs. Aubrey, seconded by Mrs. Davis, it was moved that the Board of Directors authorizes the Broadband Ad Hoc Committee to continue its work until the July board meeting and authorizes Mr. Camerino to continue to talk to NRTC and third parties to advance the efforts to take advantage of the Rural Digital Opportunity Funds (RDOF).

Mr. Morrill offered an amendment, which was seconded by Mr. French, to add that the Broadband Ad Hoc Committee would identify a deliverable for the July board meeting within the next week. The revised motion reads:

VOTED: That the Board of Directors authorizes the Broadband Ad Hoc Committee to continue its work until the July board meeting, identifying a deliverable for that meeting within the next week, and authorizes Mr. Camerino to continue to talk to NRTC and third parties to advance the efforts to take advantage of the Rural Digital Opportunity Funds (RDOF).

Vote for the motion was unanimous.

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Mrs. Aubrey mentioned that she will be leaving the board on June 22nd and suggested another director be appointed to the Broadband Ad Hoc Committee to take her place. Chair Mongeon appointed Mr. French to take Mrs. Aubrey's place and noted that, if needed, Mr. Viens would be a backup.

Mr. and Mrs. Dominguez introduced themselves. Mrs. Dominguez expressed thanks for all the work being done on broadband and encouraged moving as quickly as possible.

Broadband Petition Messaging

Mr. Camerino indicated that at the April board meeting it was requested that there be discussion this month on messaging around the broadband petition. He described the current situation, noting that there is a lot of misinformation being put out by others.

Mr. Licata discussed the direction from the board last month that any messaging would stick to the facts as published. He mentioned that the only messaging NHEC has initiated is an announcement of the election opening. He mentioned that management would like guidance from the board on whether we should be doing anything proactively to address the information that is being put out by others.

Following discussion, there was general agreement that NHEC should be proactive in its messaging and should get something out quickly with factual information. Chair Mongeon indicated that he would look to Mr. Camerino and his team to develop a short plan to address this and he and Mr. Camerino will discuss if and how the board needs to be involved.

The meeting recessed at 10:41 a.m. and Mr. and Mrs. Dominguez left the meeting at this time. The meeting reconvened at 10:51 a.m.

Annual Meeting

Mr. Camerino noted that Mr. Licata will discuss preparations for the virtual Annual Meeting and Attorney Dean will discuss the process to conduct the officer elections.

Mr. Licata shared his screen showing a detailed agenda for the meeting, noting that the flow of the meeting will be similar to past meetings, just conducted virtually. He discussed the functionality of the Zoom Webinar platform we will be using to conduct the meeting and mentioned that a "dry run" will be scheduled to allow those with a speaking role to see how the platform works.

Attorney Dean next discussed the officer voting process to be used at the board organizational meeting, which will be a separately scheduled Zoom meeting following the Annual Meeting. He described how the process would work using the polling feature in Zoom. He discussed backup plans to use the chat feature in Zoom or communicate with him by text message if a director is unable to use the polling feature for any reason.

Chair Mongeon drew attention to the resolution in the board packet to appoint ballot counters. Upon motion of Mrs. Davis, seconded by Mr. Senie, it was

RESOLVED, that in accordance with Article III, Sections 4, 5 and 7 of the New Hampshire Electric Cooperative's Bylaws the ballots shall be opened and counted in the manner to be designated in the annual meeting notice, by a committee of tellers as appointed herewith:

NHEC Employees: Doug Bergholm (Chair), Seth Wheeler, Patti Corbeil, Shauna McNair, Robyn Sarette, Kristie Saulnier, Daron Whitehouse, Autumn Doan, Sharon Yeaton, Sara Thielbar, Kristen Taylor, Kathryn Smith, Lisa Sheehy, Sharyn-Lynn Gilpatric, Mike Licata, and Edee Murphy; and Survey and Ballot Systems Employees: Leigh Peroutka, Jenny Gerling, Kristin Bunkenburg, Greg Westerhaus, Gina Westerhaus, Carrie Claus, Tyler Oppenheimer, Adam Fleischhacker, Ryan Smith, Missy Fiala, and Mary Jo Harrington.

Vote for the motion was unanimous.

Mr. Camerino provided a response to the question asked during his report with regard to members who take energy service from a competitive supplier. He noted that the accounts receivable numbers presented do not include amounts that would be due to competitive suppliers, and the competitive suppliers are paid after NHEC receives payment from the member.

Community Aggregation

Chair Mongeon mentioned that Mrs. Davis first brought community aggregation activity to the board's attention several month ago and recently there has been increasing activity.

Mr. Camerino stated that we thought it would be helpful to review what community aggregation is and what it means to NHEC.

Mr. Davis joined the meeting at 11:17 a.m.

Mr. Licata reviewed a PowerPoint providing an overview of Community Aggregation, noting that there is a lot of interest in community aggregation throughout NH. He reviewed history, stating that the law allowing municipalities to aggregate has been in effect since 1996 and the primary goal was to make sure small customers were provided with the same opportunities to participate in competitive electricity markets as larger customers. He discussed 2019 changes to the law (SB 286) and reviewed key differences. He noted that SB 286 is currently the subject of NH Public Utilities Commission (NHPUC) rulemaking. Mr. Licata next reviewed NHEC considerations, including Co-op Power planning, enablement of communities to achieve aggressive environmental goals, the consistency with NHEC's Strategic Plan and our transactive energy business model goal, and the concern for potential member confusion with the municipal aggregation opt-out provision. He mentioned that given we are in a restructured environment this is just a furthering of the existing paradigm that we have, to be the default service provider.

Attorney Dean added that with the opt-out arrangement it means that once there is community aggregation that becomes the default service provider. He explained how it would work.

Messrs. Licata and Dean next addressed questions.

Mr. Camerino suggested this topic could be added to a Power Resources and Access Committee agenda for a more dynamic discussion. Directors were asked to email any questions they may have to Messrs. Licata and Callnan so they can have answers prior to the meeting.

Board Committees

The draft minutes of the April 24, 2020, Executive Committee meeting and the April 27, 2020, Audit and Member Solutions Committee meetings were reviewed. Upon motion of Mr. French, seconded by Mrs. Kedersha, it was

VOTED: To approve the minutes of the April 24, 2020, Executive Committee meeting and the April 27, 2020, Audit and Member Solutions Committee meetings, as presented.

Vote for the motion was unanimous.

Power Resources and Access Committee

Power Resources and Access Committee Chair Viens mentioned that questions that weren't addressed during the last committee meeting were compiled and responses were posted in the resource section in OnBoard.

Mr. Callnan reported on the three remaining questions to be answered. He also mentioned the annual environmental disclosure statement, noting that we are reviewing what the cost would be to bring us to the regional average.

Executive Committee

Chair Mongeon reported on the May 20th Executive Committee meeting, noting that the Committee was in agreement with holding steady with the current strategic plan for the coming year. They also discussed doing some work prior to the August retreat and that will be a topic for the June Executive Committee meeting.

Corporate Services Committee

Corporate Services Committee Chair Kedersha drew attention to the revised resolution for the accounts receivable write-off, explaining that it addresses the treatment of bankruptcies. Upon motion of Mr. French, seconded by Mr. Viens, it was

VOTED: That the Board of Directors authorizes a write-off for uncollectible electric accounts in the amount of \$82,250.18 and miscellaneous accounts receivable in the amount of \$5,696.55 for accounts final billed April 2019 to September 2019 and directs staff to continue to attempt recovery of these uncollectible accounts. The Board of Directors also authorizes a write-off of \$6,200.49 for bankruptcies through February 2020.

Vote for the motion was unanimous.

Updates from Other Committees

Engineering and Operations Committee Chair Senie noted that there will be one item for discussion in Executive Session.

Audit Committee Chair French called on Mr. Dunagin who addressed a question raised at the Committee meeting related to petty cash.

Attorney's Report

Attorney Dean advised he had no items to be addressed in regular session.

Board General Session

Board Tracking Report

Chair Mongeon noted that an item has been added to the Tracking Report for the Executive Committee to develop a plan in August to hire a board development consultant by year-end.

Committee Meetings

Following is a list of upcoming committee meetings:

- Executive Committee Meeting – June 29 at 10:00 a.m.

NHEC Foundation Report

NHEC Foundation Chair Davis noted that the next meeting is scheduled for June 29th. She mentioned that they will miss those leaving the board, Joan Aubrey and Scott Knapp. She noted that with a recent bylaw change they we will now be nominating two NHEC employees to serve on the board.

Director Expense Reports

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

NRECA Report

Mr. Colburn shared a couple of highlights from his written report. He noted that the NRECA board is having a call today to discuss the status of the regional meetings scheduled to be held in the fall. He mentioned that there are a lot of good resources on cooperative.com.

Miscellaneous

Mrs. Aubrey expressed appreciation for the work of Ms. Albee and Mr. Dwyer related to low income households and asked about plans for that information. Ms. Albee discussed the information and Chair Mongeon indicated that he would talk to Mr. Camerino to make sure what the board is doing is in concert with staff and within the board's role.

The meeting recessed at 12:00 p.m. and reconvened at 12:18 p.m. All those in attendance prior to the recess, with the exception of Messrs. Colburn and Davis rejoined the meeting.

Executive Session

Upon motion of Mrs. Boisvert, seconded by Mr. Viens, it was

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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 12:18 p.m.

Adjournment

The board moved out of Executive Session and Chair Mongeon adjourned the meeting at 2:15 p.m.

Joan Aubrey, Secretary

A TRUE COPY ATTEST:

Thomas Mongeon, Chair of the Board