

SUBJECT TO BOARD APPROVAL

MINUTES OF THE  
ANNUAL AND REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

November 19, 2020

The Annual and Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, November 19, 2020 telephonically and via Zoom.

The meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions thereafter recorded occurred during the publicly open portions of the meeting.

**The following Member Representatives / Alternate Member Representatives / Municipal Representatives participated telephonically or via Zoom**

Groton Utilities: Ronald Gaudet, Jeffrey Godley, Keith Hedrick  
Groton Municipal Representative: Mark Oefinger  
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley  
Norwich Municipal Representative: David Eggleston  
Bozrah Light & Power: Scott Barber  
South Norwalk Electric & Water: Alan Huth, Eric Strom, David Westmoreland  
South Norwalk Municipal Representative: Dawn DelGreco  
Third Taxing District, East Norwalk: Kevin Barber, Michele Sweeney  
East Norwalk Municipal Representative: Pete Johnson  
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe  
Jewett City Municipal Representative: George Kennedy

**The following CMEEC staff participated telephonically or via Zoom:**

Dave Meisinger, CMEEC CEO  
Robin Kipnis, Esquire, CMEEC General Counsel  
Patricia Meek, CMEEC Interim Director of Finance & Accounting  
Bella Chernovitsky, CMEEC Director of Business Intelligence  
Michael Cyr, CMEEC Director of Portfolio Management  
Joanne Menard, CMEEC Controller  
Michael Rall, CMEEC Director of Asset Management  
Gabe Stern, CMEEC Director of Technical Services  
Scott Whittier, CMEEC Director of Enabling Services  
Margaret Job, CMEEC Executive Assistant / Paralegal  
Ellen Kachmar, CMEEC Office and Facilities Manager

**Others participating telephonically or via Zoom:**

Claire Bessette, Reporter, The Day  
David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded

Chair Kevin Barber called the meeting to order at 10:01 a.m. He stated for the record that today's meeting is being held telephonically and via Zoom. Chair Barber requested all participants mute their audio unless speaking to eliminate confusion and background noise. He requested those present state their name and where they are from when speaking for clarity of the record.

Chair Barber entertained a motion to amend today's Agenda by adding new Agenda Items H, I and J, to follow existing Agenda Item G, for the discussion of the October 2020 Objective Summary Review; October 2020 Project Portfolio Performance; and the October 2020 Energy Market Update, respectively, with the remaining Agenda items to be renumbered accordingly.

**A motion was made by Municipal Representative Pete Johnson, seconded by Member Representative Louis Demicco to Amend today's Agenda by adding new Agenda Items H, I and J as noted.**

**Motion passed unanimously.**

**20-11-01**

**Standard Agenda Items**

**A Public Comment Period**

No public comment was made.

**B Conduct Voting Roster / Roll Call**

Ms. Job conducted roll call with each member responding individually as their names were called. Following roll call, Ms. Job identified the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

**C Approve Minutes of the CMEEC Regular October 22, 2020 Board of Directors' Meeting**

**A motion was made by Member Representative Jeffrey Godley, seconded by Municipal Representative George Kennedy to approve the Minutes of the CMEEC Regular October 22, 2020 Board of Directors' Meeting, with Municipal Representative Johnson abstaining.**

**Motion passed.**

**20-11-02**

**D Governance Committee Report  
Possible Vote to Approve the 2021 Joint Officers and Joint Committee Members  
Possible Vote to Approve the 2021 CMEEC Board of Directors' Scheduled Meeting  
Dates and Joint Committee Meeting Dates**

Member Representative Ronald Gaudet, Governance Committee Chair, explained that the Governance Committee met on November 6, 2020 to discuss and make recommendations for the proposed slate of Board Officers and Joint Committee Members. He noted that the Strategic Planning Committee had been added to the list of Joint Committees so that Committee would remain active to ensure and monitor the Strategic Plan's continued administration and implementation. Member Representative Gaudet stated that the Governance Committee strived to ensure each Member Utility was represented on each of the Committees.

Member Representative Gaudet reviewed the Slate of Joint Officers identifying each of the proposed Board Members proposed to fill those officer positions.

He added that the Governance Committee discussed Committee goals and structure of Joint Committees including whether there could be a consolidation of the Committees. After lengthy discussion at their meeting, the Governance Committee agreed it will not take any action at this time, but will continue to evaluate the possible consolidation of Committees.

Member Representative Gaudet next explained that at its previous meeting and as reported to the Board at its October meeting, the Governance Committee recommended eliminating one of the two Alternate Board Members serving on the Board of Directors. He noted that the Committee reviewed the bylaw change that accomplishes that and that it would recommend that the Member Delegation Board approve the Bylaw change at today's Member Delegation meeting eliminating one of the two Alternate Board Members, stating the amended Bylaws would not be effective until January 1, 2022.

The Governance Committee also discussed onboarding new Committee members. Member Representative Gaudet explained that Ms. Kipnis developed a process for onboarding new Committee members that includes receipt of a packet of materials containing specific information related to the Committee on which he or she will serve. The onboarding sessions would take place either via telephone, Zoom or in person with the CEO, Committee Chair and the CMEEC Staff Lead on the Committee. The purpose of the onboarding sessions will be to provide a brief summary of what the Committee does and any potential upcoming Committee work. Ms. Kipnis added that this proposed orientation process will be incorporated into each Committee Charter as they get reviewed in 2021.

Member Representative Gaudet added that as each new Board member is appointed, the Governance Committee will ensure that new member is queried and placed on one or more of the Joint Committees.

The Governance Committee also discussed tasking itself with ensuring the resulting policies and procedures developed from Special Committee recommendations, continue to be reviewed and tracked.

Lastly, Member Representative Gaudet identified parking lot items the Governance Committee will consider for review including review of the Board package; CEO authority in connection with employment agreements; and the Cost of Service Study being conducted by CMEEC as that relates to possible new CMEEC members and ensuring participation is fair and equitable.

**Chair Barber entertained a motion to Approve the 2021 Joint Officers and Committee Members.**

**A motion was made by Municipal Representative Kennedy, seconded by Member Representative Godley to Approve the 2021 Joint Officers and Committee Members.**

**Motion passed unanimously. 20-11-03**

**Chair Barber entertained a motion to Approve the 2021 CMEEC Board of Directors' Scheduled Meeting Dates and Joint Committee Meeting Dates.**

**A motion was made by Member Representative Kenneth Sullivan, seconded by Municipal Representative Mark Oefinger to Approve the 2021 CMEEC Board of Directors' Scheduled Meeting Dates and Joint Committee Meeting Dates.**

**Motion passed unanimously. 20-11-04**

**E Budget & Finance Committee Report  
Possible Vote to Approve the 2021 CMEEC Operating and Capital Budgets**

Member Representative Christopher LaRose, Budget & Finance Committee Chair, explained that the Committee met on October 30 and November 6, 2020 to review and answer questions related to the proposed 2021 CMEEC Operating and Capital Budgets. He praised Ms. Meek and CMEEC staff in creating the detailed and transparent budget that is before the Board today for approval. Ms. Meek thanked the Committee for its input as well as their engagement and feedback. She also thanked CMEEC staff for their participation in the budget process.

Ms. Meek explained that the Budget is before the Board today as a requirement of Section 8 of the Member Agreement that it be approved on or before December 1 each year. She added that Section 8.3 of the Member Agreement provides the CMEEC CEO authorization to execute and administer the budget. She further noted that, as required by section 8.4 of the Member Agreement, should the Non-Fuel Operating (NFO) costs exceed the approved Budget by more than ten (10%), the budget would require re-approval by the Board. Ms. Meek explained that the Board receives a monthly report

reflecting budget versus actual expense for the NFO, and the Budget & Finance Committee meets quarterly to review budget versus actual performance in more detail.

Ms. Meek then walked the Board through the proposed 2021 CMEEC Operating and Capital Budget slide deck provided to the Board in advance of today's meeting.

Ms. Meek discussed the proposed budget related to the Community Solar Garden and Energy Storage projects, noting that the underlying Purchase Power Agreements (PPAs) with the vendor are currently subject to a dispute in which CMEEC claims the PPAs are no longer valid or in effect. She stated that because the matter has not been resolved, CMEEC conservatively budgeted for these projects by using the rates (and other terms and conditions) from the prior PPAs.

Member Representative LaRose thanked Ms. Meek and staff for creating a streamlined and transparent budget. Chair Barber also commented that the Budget review has become very transparent each year and thanked the Budget & Finance Committee, Ms. Meek and staff. Mr. Meisinger echoed those statements and added that the process will continue to be improved.

**Chair Barber entertained a motion to Approve the 2021 CMEEC Operating and Capital Budgets.**

**A motion was made by Member Representative Demicco, seconded by Municipal Representative Johnson to Approve the 2021 CMEEC Operating and Capital Budgets.**

**Motion passed unanimously.**

**20-11-05**

## **F Risk Management Committee Report**

Mr. Whittier explained that the Risk Management Committee met on October 23, 2020 to discuss commercial insurance marketing results and coverage with USI Insurance Services. He stated that USI walked the Committee through current insurance market conditions and its marketing strategy and activities. Mr. Whittier added that the insurance market was somewhat more difficult than in the past stating that insurance coverage CMEEC purchased last year was more difficult to procure for the renewal year, however coverages were secured.

Mr. Whittier further explained that the Committee discussed potential short-term steps to take in connection with the Alfred L. Pierce Generating Station and the Subase Fuel Cell projects which included potential short-term cost management and mitigating steps related to each project, including but not limited to review of gas transportation costs.

## **G Legislative and Government Affairs Committee**

Member Representative Louis Demicco, Legislative and Government Affairs Committee Chair, explained that the Committee met on November 10, 2020. Discussion included a legislative update from Timothy Shea of Brown Rudnick which focused on possible matters before the legislature when the session begins in January 2021. Mr. Shea explained that decarbonization and renewables may be on the Legislature's agenda as the state seeks to ensure that its policy goals are not blocked by market rules.

Mr. Whittier added that Mr. Shea discussed possible topics that will be addressed by the Energy & Technology Committee and their impacts on municipal electric utilities. He further explained that Mr. Shea informed the Committee that PURA will be reviewing Community Choice Aggregation (CCA). Ms. Kipnis added that Mr. Shea will monitor bills that come out of the Legislative Session related to CCA so that CMEEC is poised to respond.

Ms. Kipnis explained that FERC had denied ISO-NE's Energy Security Improvements filing, citing CMEEC's opposition filed jointly with New Hampshire Electric Cooperative (NHEC) and Massachusetts Municipal Wholesale Electric Company (MMWEC). She added Brian Forshaw was also a contributor to the CMEEC Joint opposition. Ms. Kipnis shared that FERC quoted Mr. Forshaw's testimony in its denial.

Ms. Kipnis further explained that the Committee will look for a proposed bill to serve as a vehicle to address some FOIA issues.

## **H October 2020 Objective Summary Review**

Mr. Meisinger explained that Regional Competitiveness came in at 23% resulting in a 5% variance on a month-to-month target stating it is reflective of a reduction in overall load versus anticipated energy use as adjusted by the Covid impact. At year-end, projection is anticipated to be 32% actual versus a target of 31%.

Customer Fulfillment month-to-month came in at \$85/MWh versus a target of \$79/MWh due to the same reasons noted above. Mr. Meisinger added that year-end projections remained at \$81/MWh, a variance of \$1 above target.

## **I October 2020 Project Portfolio Performance**

Michael Rall, CMEEC Director of Asset Management, walked the Board through the project portfolio performance for October highlighting budget versus actual results for the month for each project.

## **J October 2020 Energy Market Update**

Michael Cyr, CMEEC Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for October, highlighting that actual loads came in at

60,269 MWh, which was 4,305 MWh lower than budget. Actual Energy Cost was \$34.89/MWh which was \$0.28/MWh higher than budget. Weighted Average Energy Cost at LMPs was \$25.48/MWh and Actual Average Daily Hub DA LMPs came in at \$24.78/MWh, ranging from \$16.60 /MWh to \$55.95/MWh. Henry Hub Gas Price was \$2.27/MMBTU coming in \$0.14/MMBTU lower than budget and ranging from \$1.34 to \$3.08/MMBTU. Algonquin Citygate Gas Price was \$1.69/MMBTU, which was \$1.65/MMBTU lower than budget and ranging from \$0.81 to \$6.54/MMBTU. West Texas Intermediate Oil Price was \$39.40/Barrel which was \$0.23/Barrel lower than the previous month. Ultra-Low Sulphur Diesel Oil Price was \$9.00/MMBtu which was \$4.22/MMBtu lower than budget. The Forward Capacity Clearing Price was \$5.30/kW-Mo for the month and Actual Net Regional Capacity Clearing Price was \$5.71/Kw-Mo which was \$0.07/Kw-Mo lower than previous month.

Mr. Cyr walked the Board through the other materials included in the Board package.

**K Possible Vote to Approve Amendment to the Comprehensive Management Services Agreement between CMEEC and Transco**

Ms. Kipnis provided the Board with a brief background to the purpose of the Comprehensive Management Service Agreement (CMSA). She explained that CMEEC provides labor services to Transco to allow Transco to perform its obligations of management and operation of certain electric transmission assets that it acquired on June 1, 2011. Ms. Kipnis explained that the CMSA currently includes language for a fixed 100% overhead adder on labor services. Since CMEEC evaluates and adjusts the labor overhead adder annually during its budget process, an amendment to the CMSA is being proposed to replace the language for the fixed 100% labor overhead adder with language providing that the labor overhead adder rate will reflect the labor overhead adder as calculated annually by CMEEC during the annual budget process. She added that Transco will vote to approve the amendment at its Annual and Regular meeting.

**Chair Barber entertained a motion to Approve the Amendment to the Comprehensive Management Services Agreement between CMEEC and Transco.**

**A motion was made by Member Representative Kenneth Sullivan, seconded by Municipal Representative Pete Johnson to Approve the Amendment to the Comprehensive Management Services Agreement between CMEEC and Transco.**

**Motion passed unanimously.**

**20-11-06**

**L MEU Roundtable**

Mr. Meisinger explained that CMEEC will continue with the Zoom format for Board and Committee meetings into early 2021 and will re-evaluate the format on a regular basis. He further explained that the December Board meeting falls a week early due to the holiday and the Board will receive materials in a time and manner similar to the process used for the November Board meeting. He stated that a Legislative Committee meeting

is scheduled for December 3, 2020 and Risk Management Committee and Audit Committee meetings are scheduled for December 10, 2020.

Mr. Meisinger noted that at each month's meeting of the Board, the General Managers provide an update on the impact of Covid-19 at their respective utilities and invited them to do so today. Brief discussion followed with each General Manager providing a further update.

## **M New Business**

Ms. Kipnis was asked to provide updates on two topics. She explained that a Motion for Summary Judgment was filed in late October in connection with CMEEC's claim against National Union Insurance Company's denial of reimbursing CMEEC for advancement of attorney fees in connection with the inditees. She further explained that the insurance company has until December 9, 2020 to respond, with CMEEC's reply to their response due at the end of December. The court's ruling is anticipated in late March 2021.

Ms. Kipnis also provided a brief update on the status of the renewal of the Transfer of Use Rights agreement with Hydro-Quebec. She stated that the agreement has been approved by FERC thereby providing CMEEC with the ability to transfer its use rights under this Agreement. The Agreement went into effect on November 1, 2020.

## **N Adjournment**

There being no further business to come before this Board, Chair Barber entertained a motion to adjourn.

**A motion was made by Member Representative Louis Demicco, seconded by Member Representative Ronald Gaudet to adjourn the meeting.**

**Motion passed unanimously.**

**20-11-07**

The meeting was adjourned at 11:06 a.m.