

SUBJECT TO BOARD APPROVAL
MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

January 28, 2021

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, January 28, 2021 telephonically and via Zoom at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions thereafter recorded occurred in 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
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Richard Tanger
South Norwalk Electric & Water: Alan Huth, Scott Murphy, David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco
East Norwalk, Third Taxing District: Kevin Barber, Michele Sweeney
East Norwalk, Third Taxing District 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 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
Gabriel Stern, CMEEC Director of Technology Services
Heidi Winnick, CMEEC Financial & Treasury Analyst
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Executive Assistant / Paralegal
Ellen Kachmar, CMEEC Office and Facilities Manager

Other participants:

David Silverstone, Esquire Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Kevin Barber called the meeting to order at 10:00 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.

Standard Agenda Items

A Public Comment Period

No public comment was made.

B Conduct Roll Call / Voting Roster

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 the Minutes of the Regular December 17, 2020 Board of Directors' Meeting

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Jeffrey Godley to Approve the Minutes of the Regular December 17, 2020 Board of Directors' Meeting.

Motion passed unanimously.

21-01-01

D December 2020 Objective Summary

Mr. Meisinger explained that Regional Competitiveness Deviation to Benchmark TMR View realized a good month overall coming in at 50% versus a target of 29%. He added that TMR for this month reflects the release of \$1.3 million into margin. He also added that the year-end projection has improved to 34% for the year versus a 31% target.

Mr. Meisinger further explained that CMEEC received notification from Eversource of their estimated annual true-up for Local Network Service, indicating an under recovery for 2020. Eversource performs this true up each year, reflecting either an under recovery or an over recovery. CMEEC does not separately budget for the true up because the amount is always an unknown. CMEEC will start to expense the estimated total

\$840,000) of CMEEC's share of the true-up over the first six months of 2021, as is our typical practice. Ms. Meek explained how the monies will be accrued.

Mr. Meisinger explained that the Customer Fulfillment "All In" Cost TMR View realized a positive month as a result of the release of the \$1.3 million in margin as explained above. December ended strongly at \$54/MWh versus a target of \$78/MWh, for the same reasons. Year-end projection came in strong at \$79/MWh which was below the target of \$80/MWh.

E December 2020 Project Portfolio Performance

Michael Rall, Director of Asset Management, walked the Board through the project portfolio performance for December 2020 highlighting budget versus actual results for the month and year end identifying drivers affecting portfolio results including lower fuel costs, higher capacity reserve margin and lower than budgeted LFR rates. He summarized that excluding the fuel cell project, the project portfolio performed 5% below what was budgeted.

F December 2020 Energy Market Update

Michael Cyr, Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for December, highlighting that actual loads came in at 76,996 MWh which was 507 MWh higher than budget. Actual Energy Cost was \$38.00/MWh, which was \$5.34/MWh lower than budget. Weighted Average Energy Cost at LMPs was \$40.30/MWh and Actual Average Daily Hub Day Ahead LMPs was \$40.15/MWh, which ranged from \$21.22/MWh to \$102.20/MWh.

Henry Hub Gas Price was \$2.59/MMBTU, which was \$0.02/MMBTU lower than budget and ranged from \$2.33 to \$2.88/MMBTU. Algonquin Citygate Gas Price was \$4.05/MMBTU which was \$4.27/MMBTU lower than budget and ranged from \$2.15 to \$12.21/MMBTU.

West Texas Intermediate Oil price was \$47.02/Barrel, which was \$6.08/Barrel higher than the previous month. Ultra-Low Sulphur Diesel Oil price was \$11.00/MMBtu which was \$2.41/MMBtu lower than budget.

Discussion followed related to forecasting and planning for the winter months and the volatility that normally occurs during the winter months.

G Special Audit Committee Meeting Report

Member Representative Stewart Peil, Audit Committee Chair, provided a report of the Audit Committee's activities. He explained that at its last special meeting on January 15, 2021, the Committee completed their annual onboarding session prior to their meeting, and then during the meeting considered proposed changes to the Committee Charter that will be brought back to the Committee for final review at its next scheduled meeting, and

then to the Board for approval at its next scheduled meeting. Mr. Peil also stated that they reviewed topics for a potential internal audit per the Special Committee recommendations. He reported that the Committee chose “Employee Benefits Administration” as the focus of the 2021 internal audit and that it may be combined with the audit of NRECA benefits that is conducted every five years, and which is due in 2021. He stated that the Committee approved the selection of the firm of Brady Martz & Associates to conduct the NRECA participant review, subject to staff reconsidering the possibility of engaging one firm to conduct both benefits-related audits.

For informational purposes, Ms. Menard explained to the Committee that, effective January 1, 2021, Blum Shapiro has merged with Clifton Larson Allen, LLP. She further explained that the team conducting CMEEC’s external audit will remain the same and that their services and pricing will remain unchanged.

H Budget & Finance Committee Report Possible Vote to Approve Revised Charter

Member Representative Christopher LaRose, Budget & Finance Committee Chair, explained that this Committee held a meeting on January 12, 2021. He stated that prior to the meeting, a new Committee Member Onboarding session took place for members new to this Committee. He explained the Committee reviewed their Charter and made edits to language related to new committee member onboarding. He further explained the Committee reviewed the self-evaluation results and established goals for 2021 and their connection associated with the timing of the completion of some of the Action Plans of the Strategic Plan. The Committee discussed the reporting structure of trusts and funds held by CMEEC and the timing and to whom they are reported. The Committee also discussed the renewal of the Wells Fargo Line of Credit. Ms. Meek added that the Line of Credit is due to be renewed in April 2021, however the Committee is reviewing whether to renew at the full amount, which will depend on a few different factors. She explained that initiatives in the Strategic Plan as well as the Five-Year Financial Plan will need to be reviewed in order to make that determination. She added that a special meeting of this Committee may need to be held to discuss this topic. Finally, Ms. Meek made a brief presentation regarding the status of 2020 Capital Projects.

Member Representative LaRose reviewed the proposed revisions to the Committee’s Charter, provided to the Board in advance of today’s meeting, identifying the language added to include new committee member onboarding.

Chair Barber entertained a motion to adopt the revised Budget & Finance Committee Charter.

A motion was made by Member Representative Ronald Gaudet, seconded by Municipal Representative Pete Johnson to Adopt the Revised Budget & Finance Committee Charter.

Motion passed unanimously.

21-01-02

I Compensation Committee Report

Member Representative Alan Huth, Compensation Committee Chair, explained that the Committee met on January 12, 2021, after first completing their annual onboarding session. The Committee reviewed minutes from the December 9, 2019 and January 16, 2020 meetings and reviewed the Committee Charter. Mr. Meisinger added that the Committee made several additional edits to its Charter and that it will be brought to its next meeting on February 11, 2021 for further review and then to the Board for approval at its meeting on February 25, 2021.

Mr. Meisinger explained that the Committee discussed the Board compensation structure related to meeting participation in 2020. He added that due to the pandemic, all Board and Committee meetings have been held via Zoom after March 13, 2020. After discussion, the Committee recommended that compensation for participation at Board and Committee meetings in 2020, commencing for meetings occurring after March 13, 2020, would be treated as in-person participation, and compensated accordingly.

Mr. Meisinger also explained that the Committee discussed CEO compensation and a CEO incentive for 2020 which this Committee is charged with reviewing and ultimately proposing to the Board for approval. Mr. Meisinger further explained that the Committee has asked him to create a document highlighting his performance in 2020 which he will provide to the Committee in advance of their meeting in February. He added that based on that document and discussions, this Committee, along with members of the Board involved in his hiring process as well as the Board officers, will make a recommendation to the Board at its meeting in February.

The Committee will also work this year with the CEO to create on a longer-term CEO compensation and incentive plan for use in 2021 and beyond, subject to Board approval. A staff incentive plan will also be developed by staff working in conjunction with this Committee this year and brought to the Board for their consideration at a future meeting.

J Governance Committee Report

Possible Vote to Approve Revised Charter

Discussion: Board Member Dual Fiduciary Duty

Member Representative Gaudet, Governance Committee Chair, explained the Governance Committee met on January 14, 2021, after first completing their annual onboarding session. After discussing proposed edits to the Committee Charter, the Committee discussed goals for 2021, including discussions on committee structure, CEO authority to enter into employment agreements, Cost of Service Study and potential impact it may have on Power Purchase Agreements, Member Agreements and others that may be similarly impacted, and others. The Committee also received a memo from Ms. Kipnis related to Board Member dual fiduciary duties which will also be discussed briefly at today's meeting.

Ms. Kipnis walked the Board through the memo provided to the Board in advance of today's meeting addressing CMEEC Board Member Fiduciary Duty. She explained that this discussion stems from an inquiry from Alternate Member Representative Bob Staley related to Board member responsibility in the event a conflict arises and what a Board member's fiduciary duty is as a member of a municipal utility commission upon which they serve and also serve on the CMEEC Board. She explained that the fiduciary duty of all Members of the CMEEC Board, including Ratepayer Representatives, is to CMEEC when sitting on the CMEEC Board and any CMEEC Board Committee as a Member of that Board or Committee.

Ms. Kipnis stated that CMEEC's enabling legislation states that the CMEEC Board Member's fiduciary duty is to CMEEC when acting in their capacity as a Member of the CMEEC Board. She highlighted that a fiduciary duty consists of a duty of care and loyalty to the corporation as well as a duty of good faith and fair dealing and what that means. Discussion followed.

The Board was provided an opportunity to review the proposed revisions to the Charter, that was provided to them in advance of today's meeting, to ask any questions. Hearing no questions, Chair Barber entertained a motion to adopt the revised Governance Committee Charter.

A motion was made by Municipal Representative Johnson, seconded by Member Representative Godley, to Adopt the Revised Governance Committee Charter.

Motion passed unanimously.

21-01-03

**K Legislative and Governmental Affairs Committee Report
Possible Vote to Approve Revised Charter
Discussion: DEEP 2020 IRP Proposed Comments**

Member Representative Louis Demicco, Legislative and Governmental Affairs Committee Chair, explained that the Committee met on January 14, 2021 and conducted an onboarding session of new Committee members prior to the start of the meeting. He noted that Timothy Shea, Brown Rudnick, provided an overview of legislative activities and information related to proposed bills that might be of interest to CMEEC. Ms. Kipnis provided a brief overview of some of those proposed bills. The Committee also discussed the CT DEEP's draft 2020 Integrated Resource Plan that will be discussed with the Board today.

Member Representative Demicco further explained that the Committee reviewed proposed revisions to its Charter.

Ms. Kipnis walked the Board through the memo related to the CT DEEP's draft 2020 Integrated Resource Plan (Draft IRP). She provided a summary of the Draft IRP, and highlighted the six objectives of the IRP being 1) Decarbonization of the Electric Sector;

2) Securing the Benefits of Competition and Minimizing Ratepayer Risk; 3) Ensuing Energy Affordability and Equity for all Ratepayers; 4) Optimal Siting of Generation Resources; 5) Transmission Upgrades and Siting of Variable Energy Distributed Energy Resources; and 6) Balancing Decarbonization and other Public Policy Goals. Ms. Kipnis then discussed the four proposed areas for CMEEC comments. She explained that CMEEC will draft comments around these topics and the memo as a whole for review by the Legislative and Governmental Affairs Committee at its special meeting scheduled for February 8, 2021. All Board Members were encouraged to attend.

Ms. Kipnis then reviewed the proposed sample form of portfolio resource report attached to her memo, noting that Portfolio Management is working on refining the report for future use. Discussion followed.

Mr. Meisinger stated that the draft CMEEC comments will be provided to the Legislative and Governmental Affairs committee sometime next week in advance of the Special meeting scheduled for February 8.

The Board was provided an opportunity to review the proposed revisions to the Charter, that was provided to them in advance of today's meeting, to ask any questions. Hearing no questions, Chair Barber entertained a motion to adopt the revised Legislative and Governmental Affairs Charter.

A motion was made by Member Representative Demicco, seconded by Municipal Representative Johnson to Adopt the Revised Legislative and Governmental Affairs Charter.

Motion passed unanimously.

21-01-04

Following the above motion, Member Representative David Eggleston questioned the proposed revision to the first bullet under paragraph 1 in Section I of the Charter. Discussion followed.

The Committee agreed that the proposed edit was incorrect based on discussion at its meeting on January 14, 2021 and that it would be revised to read: "Overseeing the development of the most appropriate strategies to support **low cost, environmentally conscious** power and supply and the overall long-term effectiveness and influence of CMEC and Transco and the municipal electric utilities;"

Chair Barber entertained a motion to amend the Charter to include the above highlighted language.

A motion was made by Municipal Representative George Kennedy, seconded by Municipal Representative Mark Oefinger to amend the Charter to include "low cost, environmentally conscious" to the first paragraph of paragraph 1 in Section I.

Motion passed unanimously.

21-01-05

Chair Barber entertained a motion to adopt the Charter as amended.

A motion was made to Adopt the Legislative and Governmental Affairs Charter as amended.

A motion was made by Municipal Representative Oefinger, seconded by Municipal Representative Johnson to Adopt the Legislative and Governmental Affairs Charter as amended.

Motion passed unanimously. 21-01-06

L Proposed Executive Session to Discuss Insurance Claim Mediation Pursuant to C.G.S. Section 1-210(b)(4)

Chair Barber entertained a motion to enter Executive Session to discuss insurance claim mediation pursuant to C.G.S. Section 1-210(b)(4).

A motion was made by Municipal Representative Dawn DelGreco, seconded by Member Representative Godley to enter Executive Session.

Motion passed unanimously. 21-01-07

The basis for entering Executive Session is pursuant to C.G.S. Section 1-210(b)(4). Members of the Board, Mr. Meisinger and Mses. Kipnis, Meek and Job remained.

The Board entered Executive Session at 11:48 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 12:16 p.m. at which time it took a short break to allow additional CMEEC staff to join for the next agenda item.

**M Proposed Executive Session pursuant to C.G.S. Section 1-200(6)(D)
Discussion re: Pierce Generation Station**

Chair Barber entertained a motion to enter Executive Session to discuss Pierce Generation Station.

A motion was made by Municipal Representative Kennedy, seconded by Municipal Representative Johnson to enter Executive Session.

Motion passed unanimously. 21-01-08

The basis for entering Executive Session is pursuant to C.G.S. Section 1-200(6)(D). Members of the Board, Messrs. Meisinger, Rall, Stern and Mses. Kipnis, Meek and Job remained.

The Board entered Executive Session at 12:26 p.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 1:02 p.m.

N Vote Adopting Resolution for Authorized Persons: Black Rock Liquidity Funds

Ms. Kipnis explained that CMEEC has an account with Black Rock Bank which requires an updated resolution updating the authorized signatories on the account in the manner provided in the Resolution before the Board.

Chair Barber entertained a motion to adopt the Black Rock Liquidity Funds Accounts Resolution.

A motion was made by Member Representative Gaudet, seconded by Member Representative David Westmoreland to Adopt the Black Rock Liquidity Funds Accounts Resolution.

Motion passed unanimously.

21-01-09

O MEU Roundtable

Mr. Meisinger explained that Board and Committee meetings will continue to be held by Zoom and telephone until it is appropriate to meet in person. He added that four meetings are scheduled in February. The February 18, 2021 Legislative and Governmental Affairs Committee has been cancelled and a Special meeting of the Committee has been scheduled for February 8, 2021 in its place. The Compensation Committee is scheduled to meet on February 11, 2021 and the Governance Committee is scheduled to meet on February 18, 2021. The Board has its regular meeting scheduled for February 25, 2021.

Upon Chair Barber's inquiry if any of the General Managers had any updates from their utilities, Board Member Huth stated that he has not heard anything about utility workers being able to receive the Covid-19 vaccine during Phase 1b. Discussion followed with respect to inquiries made with Connecticut legislative constituents about moving utility workers to Phase 1b. Ms. Kipnis urged each of the General Managers to reach out to their representatives to inquire about utility workers being added to the list of essential workers to receive the Covid-19 vaccine during Phase 1b.

Ms. Kipnis then provided a brief overview of the energy agenda coming from the Biden Administration which includes efforts related to clean electricity by 2035 and net zero emissions by 2050.

Ms. Kipnis also explained that a Connecticut-specific seat will become available on the NEPPA Board in June 2021 and that it is for a term of one year. She encouraged the

Board, particularly the General Managers, to consider any interest they may have to facilitate a nomination. Mr. Meisinger added that the seat had been held by Justin Connell. He also noted that Connecticut has two seats on that Board, with the second seat being held by Rick Hendershot from Wallingford. Ms. Kipnis further explained that NEPPA would like a nomination by April and that this topic will be fully discussed at this Board's meeting on February 25, 2021.

P New Business

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

A motion was made by Member Representative Gaudet, seconded by Municipal Representative Johnson to adjourn.

Motion passed unanimously.

21-01-10

The meeting was adjourned at 1:20 p.m.