

MINUTES OF THE
REGULAR MEETING OF THE

JOINT BUDGET AND FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

April 26, 2023

A Regular Meeting of the Joint Budget and Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held in hybrid format and via Zoom and in person on Wednesday, April 26, 2023 at 10:00 a.m.

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

The following Committee Members participated:

Bozrah Light & Power: William Ballinger
Groton Utilities: Ronald Gaudet, Yi Xiang (Non-Board Member)
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley
Norwich Municipal Rate Payer: David Eggleston
South Norwalk Electric & Water: David Westmoreland
Third Taxing District, East Norwalk: Kevin Barber
East Norwalk Municipal Representative: Pete Johnson

The following Non-Voting Members participated:

Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy
South Norwalk Electric & Water: Alan Huth

The following CMEEC Staff participated:

Dave Meisinger, CMEEC CEO
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Candice DiVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Leslie Williams, CMEEC Principal Billing & Rate Analyst

Others participated:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Committee Chair Christopher LaRose called the meeting to order at 10:00 a.m. noting for the record that today's meeting is being held in hybrid format and via Zoom and telephonically. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested that participants state their names before speaking for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call. Committee Chair LaRose confirmed a quorum of the Committee was present.

C Approve the Minutes of the January 17, 2023 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Robert Staley to approve the Minutes of the January 17, 2023 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

Motion passed unanimously.

D Review First Quarter Financial Results

Ms. Meek walked the Committee through the First Quarter Financial Results using the Master Dashboard PowerBI file. She provided a tutorial on how the Master Dashboard is organized, how to navigate the file, access detail within the report, see variance explanations, and access the definitions for the metrics used in the report.

Ms. Meek highlighted the metrics for which this Committee has oversight responsibilities, specifically discussing Non-Fuel Operating Expense (NFO). She explained that for the first quarter NFO is 12% below budget and that the current projection is for NFO to be 2% below budget for the year. Ms. Meek walked the Committee through each of the remaining metrics showing how each is drilled down on the PowerBI Master Dashboard platform to reveal supporting information.

E Review of Capital Project Status

Ms. Meek provided a status update of the CMEEC capital projects noting that the two Asset Management projects related to replacement of CMEEC fleet vehicles have been completed. She further explained that the Computer Room Fire Suppression System project is expected to be completed in the second quarter of 2023 and the WWTP Transfer to MicroGen is expected to be completed in the second quarter of 2024.

F All In Forecast Report

Ms. Meek explained that this is a new report included with the Board materials that are uploaded to SharePoint each month. She walked the Committee through the April All In Forecast report for both the Total CMEEC View and the Rate 9 View highlighting that each provide a comparison of the approved budget, the prior month's forecast, and the most recent forecast, with variance columns and explanations of the variances. Ms. Meek further explained that the inclusion of this report in the Board materials is to share with the Board the monthly forecast update completed by staff. She added that as discussed at previous meetings of this Committee, due to the monthly forecast update, there is not the need to revise the approved budget, unless conditions in CMEEC governing documents, which call for a budget revision, occur.

G CMEEC 5-Year Financial Plan Discussion

Ms. Meek explained that the initial plan was created in 2017 to support the 2016 Strategic Plan, however it was never finalized. She further explained that revisions were made in 2019 with metrics updated to include metrics used by rating agencies however this version was tabled until completion of the current Strategic Plan. Ms. Meek stated that the 5-Year Financial Plan is expected to be completed prior to work beginning on the 2024 budgets.

Ms. Meek further stated the 5-year Financial Plan is being reviewed to address any new metrics that may be needed for initiatives completed under the current Strategic Plan. She noted finally that guidelines for balances held in the Municipal Competitive Trust accounts are being considered for inclusion in the 5-year Financial Plan.

Lengthy discussion followed.

H "Accounting 101"

Ms. Meek explained that at their meetings in January, this Committee and the Audit Committee requested a learning session related to CMEEC accounting. She noted that a learning session, or "CMEEC Accounting 101", might be held during the May Board of Directors meeting, or at some other time in the near future. Ms. Meek added that the session will be open to all Board members as well as any Member Utility staff interested in attending.

Ms. Meek then walked the Committee through proposed topics to be covered in the learning session and asked if the Committee had any additional topics they would like included. Committee members offered suggestions.

Ms. Meek stated that the education session will be kept at a high level and that a separate session could be held for Member Utility staff and any Board members who would like more detail. She added that a draft presentation would be shared with the Member Utility General Managers and their accounting staff to see if any other additional topics should be included.

I Final Pierce Accounting Close Out

Ms. Meek walked the Committee through the spreadsheet of amounts to be collected for Pierce debt explaining each line item and identifying what each Member Utility owes to close out the Pierce accounting. She stated that she will contact each of the General Managers to discuss how they want to pay the debt.

Discussion followed.

J New Business

There was no new business.

K Adjourn

A motion was made by Committee Member Barber, seconded by Committee Member Pete Johnson to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:22 a.m.