

MINUTES OF THE
REGULAR MEETING OF THE
BUDGET & FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

April 30, 2020

A Regular Meeting of the Joint Budget & Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” and “Transco”) was held at the CMEEC Offices located at 30 Stott Avenue, Norwich, CT and telephonically on Thursday, April 30, 2020 at 10:00 a.m.

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

The following Committee Members participated via telephone:

Groton Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Jewett City Department of Public Utilities: Kenneth Sullivan
Norwich Public Utilities: Christopher LaRose, Stewart Peil
Norwich Municipal Representative: David Eggleston
East Norwalk, Third Taxing District: Kevin Barber

The following CMEEC Staff participated:

Dave Meisinger, CMEEC CEO
Michael Lane, CMEEC CFO
Robin Kipnis, Esquire CMEEC General Counsel (via telephone)
Patricia Meek, CMEEC Financial Planner and Analyst
Joanne Menard, CMEEC Controller (via telephone)
Margaret Job, CMEEC Executive Assistant and Paralegal

The following individual also participated via telephone:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Christopher LaRose called the meeting to order at 10:02 a.m., noting for the record that the meeting is being held telephonically with some CMEEEC staff participating in person at the CMEEEC offices located at 30 Stott Avenue, Norwich, CT.

Specific Action Item

A Public Comment

No public comment was made.

B Approve Minutes of the January 14, 2020 Regular Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Ronald Gaudet to approve the Minutes of the January 14, 2020 Regular Meeting of the Joint Budget & Finance Committee. Committee Member Stewart Peil abstained.

Motion passed.

C Update on Liquidity Forecasting / Covid-19 CMEEEC Load / Cost Forecast

Michael Lane, CMEEEC CFO, provided a brief overview of the liquidity analysis and revenue forecast in connection with Covid-19 that F&A was developing. He explained that CMEEEC will conduct stress testing associated with reduction of cash reserves based upon various hypothetical scenarios related to reductions in load and potential delays in cash receipts. He added that the results of the analysis will be brought to the MEUs and will be summarized for the Joint Risk Management Committee and will become part of CMEEEC's all-in forecast.

D Review of First Quarter Income Statement and Balance Sheet

Patricia Meek, CMEEEC Financial Planner and Analyst Manager, walked the Committee through a slide deck which contained the CMEEEC and Transco first quarter Income Statement and Balance Sheets year to date through March 2020 that had been provided to the Committee prior to today's meeting. She provided a thorough review of the materials contained in the presentation. Very good discussion followed at each interval. Ms. Meek asked if there was a need for further discussion regarding any specific item she had covered. Questions were asked for clarity on some of the items. Upon inquiry by Committee Member Barber regarding the provision of a quarterly update on capital projects, Mr. Lane stated that such an update will be conducted at the next financial quarterly update meeting of this Committee in July.

E Timeline for Five-Year Financial Plan

Mr. Lane explained that a five-year financial plan was developed in or around 2015 – 2016, and was endorsed by this Committee in or around 2016 – 2017. He added that the

plan now needs to be reviewed and updated. He explained that a revised financial plan will follow and incorporate items from the strategic plan.

Upon Committee Chair LaRose's inquiry, Mr. Lane explained that rather than garner Committee approval of individual sections of the financial plan, and the difficulty of doing so given that the process involves the interrelationship of different projected numbers and assumptions, the plan will be completed by CMEEC staff and the final full plan will be brought before this Committee for review. Lengthy discussion followed.

F CMEEC Policies Endorsed by Budget & Finance Committee

Mr. Lane provided a brief overview of the policies provided to this Committee in advance of today's meeting (the CMEEC Capital Policy, CMEEC/Transco Investment Policy and CMEEC Prepaid Policy). He asked if the Committee would like to review each policy at today's meeting or if they preferred to read them at their leisure and discuss them at a future meeting of this Committee.

Committee Member Barber inquired if the policies had been endorsed previously by this Committee. Mr. Lane explained that the policies had been endorsed by both this Committee and the full Board as of the date set forth in the policies. Upon further inquiry by Committee Member Barber, Mr. Lane explained that no changes had been made to any of the attached policies and that CMEEC is not recommending changes to them now. After discussion it was agreed that the Committee would first review the Capital Policy and bring it back to the next meeting of this Committee for further discussion.

G Impact of MTUA Deferment

Mr. Lane provided an overview of the request by MTUA for a two-month deferral on payment of its April and May invoices to July and August. He added that this item was discussed fully at the Board of Directors' meeting held on April 23, 2020. Mr. Lane informed this Committee that no material impact should be realized on the days cash on hand or the liquidity metrics by granting the MTUA request for deferment.

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

A motion was made by Committee Member Barber, seconded by Committee Member Mark Oefinger to adjourn.

Motion passed unanimously.

The meeting adjourned at 11:18 a.m.