

SUBJECT TO BOARD APPROVAL

MINUTES OF THE REGULAR MEETING OF
THE BOARDS OF DIRECTORS OF

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

May 25, 2023

The Regular Meeting of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held telephonically and via Zoom on Thursday, May 25, 2023 at 10:00 a.m.

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

The following Member Representatives / Alternate Member Representatives / Municipal Representatives participated:

Groton Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: William Ballinger, Scott Barber
South Norwalk Electric & Water: Alan Huth, David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District, East Norwalk: Kevin Barber
East Norwalk Municipal Representative: Pete Johnson
Jewett City Department of Public Utilities: Louis Demicco (joined at 10:23 a.m.)
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff participated:

Shadaya Bransford, CMEEC Lead Accounts Payable Accountant
Bella Chernovitsky, CMEEC Director of Business Intelligence
Michael Cyr, CMEEC Director of Portfolio Management
Candice DiVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Manager
Ellen Kachmar, CMEEC Office & Facility Manager
Yuxin Liu, CMEEC Utility Business Analyst
Patricia Meek, CMEEC Director of Finance & Accounting
Dave Meisinger, CMEEC CEO
Joanne Menard, CMEEC Controller

The following CMEEC Staff participated:

Hao Ni, CMEEC Asset Performance Manager
Walter Szymanski, CMEEC Conservation & Load Management Specialist
Gabriel Stern, CMEEC Director of Technical Services
Leslie Williams, CMEEC Principal Accountant
Heidi Winnick, CMEEC Financial & Treasury Analyst

Others participated:

David Silverstone, Esquire, Municipal Electric Consumer Advocate
Brenton Terry, Norwich Public Utilities
Laura Huren, Norwich Public Utilities
Steve Sinko, Norwich Public Utilities
Jeff Brining, Norwich Public Utilities
Valerie Kent, Norwich Public Utilities
Tom Finn, Norwich Public Utilities
Eric McDermott, Norwich Public Utilities
Yi Xiang, Groton Utilities
Aaron Brooks, Groton Utilities
John Babb, South Norwalk Electric & Water
Timothy Trelease, South Norwalk Electric & Water
Ruth Ouimett, Bozrah Light & Power

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 devices unless speaking to eliminate confusion and background noise. He requested that those present state their name and where they are from for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call / Voting Roster

Ms. Job conducted roll call identifying voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the May 18, 2023 Special Meeting of the Joint Boards of Directors

A motion was made by Municipal Representative Johnson, seconded by Member Representative Huth to Approve the Minutes of the May 18, 2023 Special Meeting of the Joint Boards of Directors. Member Representative Peil abstained.

Motion passed.

23-05-08

D Accounting 101

Chair Barber explained that this agenda item was inserted at the beginning of the meeting so that any non-Board members from the member utilities and CMEEC staff could participate. He noted that at the conclusion of the presentation those non-Board members may leave the meeting if they so choose. He added that a similar presentation can be offered at a future meeting of the Board and/or staff of the member utilities.

Ms. Meek explained that at meetings of the CMEEC Joint Audit Committee and the CMEEC Joint Budget & Finance Committee, each of the Committees discussed the results of their annual self-evaluation where both Committees concluded that additional Board education about the CMEEC accounting process would benefit both the Board and staff at the member utilities.

Ms. Meek then walked the attendees through the slide deck provided to the Board in advance of today's meeting. She explained that today's presentation represents a high-level view of the CMEEC accounting process. At the conclusion of her presentation, Ms. Meek shared the contact information of the staff members of CMEEC's Finance & Accounting Department, encouraging those in attendance during today's presentation to contact any one of them with questions. She also added that she and her staff can make themselves available to meet with the member utility staff to provide more details of "CMEEC Accounting 101" if they wish.

Chair Barber added that a tutorial to review CMEEC billing practices focusing on how they are calculated would also be helpful. Ms. Meek added that individual meetings can be held with each of the MEUs to discuss CMEEC billing. She added that she will email today's presentation to any of today's meeting participants who wish to receive a copy.

E April 2023 Master Dashboard

Mr. Meisinger explained that Member Power Cost with Member Return came in at \$105/MWh which was slightly below the budget of \$108/MWh, with projected year-end also coming in slightly under budget at \$119/MWh versus the target of \$120/MWh. He noted that lower than budgeted load, weather, lower forward and spot energy prices were the primary drivers for these results.

Regional Competitiveness with Member Return came in at 58% compared to the 17% target, with a projected year-end result at 43% lower than the in-state EDC rate versus the original 21% target. Mr. Meisinger explained that the same factors affecting the Member Power Cost with Member Return were the key drivers, in addition to solid hedging practices and higher EDC rates during the first half of 2023 and slightly higher than expected EDC rates that were recently announced for the second half of 2023.

F April 2023 Project Portfolio

Mr. Meisinger explained that Ms. Ni will be presenting the project portfolio results in Mr. Rall's absence.

Ms. Ni proceeded to report that the project portfolio came in slightly below budget. She explained the key drivers for that result were MicroGen coming in below budget due to lower than budgeted peak load reduction and higher than budgeted fuel expense resulting from higher than budgeted runtime. Transmission Project #1 came in below budget due to lower than budgeted pool network peak load during the monthly peak. Subase Fuel Cell net benefit came in higher than budgeted due to lower than budgeted PPA and gas expenses. Hydro Quebec came in higher than budget due to lower than budgeted support payments. Energy Storage came in below budget due to lower than budgeted peak load reduction. Community Solar Garden also came in lower than budgeted due to lower than budgeted LMPs during operation.

Discussion followed.

G April 2023 Energy Market Update

Mr. Cyr provided a high-level overview of the Energy Market Analysis for April highlighting the results of the previous month and how they were impacted by load, Energy Costs, weather, Natural Gas Costs, and Oil Costs. Mr. Cyr then explained the mitigation actions taken to remain in compliance with the Enterprise Risk Management Policy.

Mr. Cyr then answered a few questions that were raised about his presentation.

H Committee Reports

Chair Barber explained that this agenda item is different from previous meetings in that all the Committee reports have been listed under one agenda item. Each of the Committees will report on discussions that took place at their respective meetings since the last Board meeting. He added that most of the Committee reports for today were tabled at the April 27, 2023 Board meeting.

- **Ad Hoc CEO Performance and Compensation Committee**

Chair Barber, Chair of the Ad Hoc CEO Performance and Compensation Committee, explained that the Committee met on March 23, 2023, immediately following the March Board meeting; as well as on April 4, 2023. He explained that Winston Tan of InTandem, LLC joined the Committee at each of these meeting to help facilitate discussion of the results of the Board survey of Mr. Meisinger's calendar year 2022 performance which was provided to him. Goals for calendar year 2023 were attached and discussed. The 2023 goals were included in today's meeting materials. Chair Barber stated that next steps include reviewing the results of Mr. Tan's compensation survey in June, which will aid in determining compensation decision for Mr. Meisinger.

- **Risk Management Committee**

Member Representative Gaudet explained that this Committee met on April 20, 2023 at which meeting he was nominated Chair of the Committee. He added that the Committee discussed the Enterprise Risk Management Policy (ERMP) and potential changes which may be considered later this year, which included review of the Regional Competitiveness metric and review of various obligations associated with special contracts member utilities and some of their larger customers. The Committee also discussed the working draft of the decarbonization policy, which will be brought to the Board for approval at a future meeting.

Mr. Meisinger added that the Committee entered Executive Session to discuss the status of potential new projects and the existing Hydro Quebec project. He went on to report that the Committee had also discussed the Municipal Competitive Trusts and determined that the Budget & Finance Committee will discuss this topic at a future meeting. Finally, the Committee conducted new Committee Member onboarding with presentations by Mr. Cyr and Mr. Rall.

Chair Barber encouraged all members of the Board to attend the next Risk Management Committee meeting at which the decarbonization policy will be discussed.

- **Legislative & Governmental Affairs Committee**

Member Representative Demicco, Chair of the Legislative & Governmental Affairs Committee, explained that the Committee met on April 20, 2023 and stated that he was re-elected Chair, and that Timothy Shea from Brown Rudnick provided an overview of legislation with potential impact on CMEEC and the member utilities.

Mr. Meisinger added that the Committee conducted its triennial review of the CMEEC Lobbying Policy as required by its Charter. He noted that from that discussion he was asked to review the terms of the current agreement with Brown Rudnick. He confirmed that the agreement term is on a month-to-month basis.

- **Budget & Finance Committee**

Member Representative LaRose, Chair of the Budget & Finance Committee, explained that the Committee met on April 26, 2023. He stated that the Committee reviewed the first quarter financial results with Ms. Meek presenting this topic using the Master Dashboard. He mentioned that if any of the Board still feels uncomfortable using the Master Dashboard to please reach out to Ms. Meek for a tutorial as this is an excellent tool developed by CMEEC for the Board's use.

The Committee also received a review of the Capital Project Status and the new All-In Forecast Report which is part of the Board material uploaded to SharePoint. Member Representative LaRose added that the Committee discussed the CMEEC five-year financial plan as well as proposed topics for the CMEEC Accounting 101 overview.

Finally, the Committee received a final Pierce accounting close out. Member Representative LaRose added that Ms. Meek has already contacted the General Managers who provided her with instructions on how they will pay their debt.

- **Audit Committee**

Member Representative Peil, Chair of the Audit Committee, explained that this Committee held a Special meeting on May 15, 2023 to discuss the scope of, and Request for Proposal for, the 2023 internal audit of the CMEEC Safety Manual and CMEEC Safety Guidelines. He added that Mr. Rall is the lead on this audit who walked the Committee through the scope and RFP. The Committee made some edits to the Scope of Work and after discussion, the Committee agreed that staff can move forward with engaging the preferred contractor whose proposal is within budget as well as within the scope of the modified RFP.

I Possible Executive Session Pursuant to §§ 1-210(b)(4) and 1-210(b)(10) for Attorney-Client Privilege Material Relating to the Criminal Trial Proceedings and on-going National Union Insurance Litigation

Mr. Meisinger explained that this agenda item will be discussed in Public Session, while reserving the right to enter Executive Session should the direction of the discussion deem it appropriate to do so.

Mr. Meisinger then began a high-level review of recent events stating that at its Special Board meeting held on May 18, 2023, this Board voted not to advance appellate legal fees for the defendants if they decide to appeal their convictions. He added that a letter was developed highlighting the Board's decision and mailed to the convicted defendants' counsel the same day.

Mr. Meisinger also explained that the judge issued an order allowing the convicted defendants to remain out on bond until their appeals are resolved. He noted that although sentencing occurred last week, the restitution order was deferred to a later date, with a restitution hearing now scheduled to take place on July 12, 2023 in federal court.

J MEU Roundtable

Member Representative Huth provided an update on activities in the SNEW territory.

K New Business

Mr. Meisinger explained that that he was encouraged to apply for an open seat on the NEPPA Board, however he was not selected. He will continue to seek opportunities to serve on similar boards.

Ms. Meek explained that the Member Delegation met on May 4, 2023 to discuss the excess equity distribution. She stated that the Member Delegation agreed to adopt a resolution on Excess Equity Distribution at the twenty (20%) percent level for calendar and fiscal year 2022.

Ms. Meek stated that she received instruction from each member utility on how they wanted to receive their allocation.

L Adjourn

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

Motion passed unanimously.

23-05-09

The meeting was adjourned at 11:27 a.m.