

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

July 25, 2022

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 via Zoom and telephonically on Monday, July 25, 2022 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 telephonically or via Zoom:

Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley
South Norwalk Electric & Water: Scott Murphy, David Westmoreland
Third Taxing District, East Norwalk: Kevin Barber

The following Non-Voting Members participated telephonically or via Zoom:

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

The following CMEEC Staff participated telephonically, Zoom or in person:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Candice DaVita, CMEEC Lead Accounts Payable Accountant
Margaret Job, CMEEC Paralegal and Compliance Specialist
Yuxin Liu, CMEEC Utility Business Analyst

Others participated telephonically or via Zoom:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

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 telephonically and via Zoom. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested participants state their names before speaking for clarity of the record.

Specific Agenda Items

A Public Comment Period

No public comment was made.

B Roll Call

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

C Approve Minutes of the Regular April 25, 2022 Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Robert Staley to Approve the Minutes of the Regular April 25, 2022 Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee. Committee Member Kevin Barber abstained.

Motion passed.

D Review Second Quarter Operating Results

Ms. Meek walked the Committee through the slide deck highlighting the second quarter operating results. On the CMEEC Statement of Net Position, she explained that Accounts Receivable from Related Parties and Accounts Payable reflect the current increase in power costs that New England is experiencing. She provided an update on total reimbursements received to date from CMEEC's D&O insurer, National Union Fire Insurance Co., in connection with CMEEC's lawsuit filed against them to honor CMEEC's claim for payment of trial-related costs. She also informed the Committee that \$4 million of the \$15 million drawdown on the line of credit was paid in June, and another \$4 million was made in July.

Ms. Kipnis provided an updated on the status of the insurance litigation in response to an inquiry by Mr. Silverstone.

Ms. Meek then discussed CMEEC's Statements of Revenues, Expenses and Changes in Net Positions by highlighting, as mentioned above, that purchased power and generation costs are currently above budget year to date. She further informed the Committee that both Transmission Costs and Administrative & General expenses are below budget in this second quarter. Ms. Meek added that Administrative & General expenses are projected to stay below budget for the year.

Ms. Meek explained that Accounts Receivable from Related Parties on Transco's Statement of Net Position is currently showing negative due to a pass through of an LNS true-up credit from Eversource. She further explained that transmission costs are below budget on Transco's Statement of Revenues also due to the LNS true-up.

Finally, Ms. Meek provided a brief highlight of the capital projects stating that the Virtual Infrastructure Upgrade has begun. She updated the Committee on the status of the MicroGen fleet truck replacement reminding them that with the sale of the Pierce plant the truck with a plow and sander, purchased as part of the 2020 Capital budget, was no longer needed for the purpose it was purchased. She added that Michael Rall, CMEEC Director of Asset Management, plans to list that truck for sale. Ms. Meek added that the purchase of an electric truck will be evaluated for the 2023 budget.

E Review Proposed Reorganization of Format of CMEEC Monthly Board Reports

Ms. Meek introduced Ms. Liu who demonstrated Power BI to the Committee, using a file with proposed changes to the monthly Board report. Ms. Liu highlighted that information in the new format is drillable so that the user can click on a metric to see the numbers behind it and demonstrated how to do so. She also demonstrated how to view prior months' Board reports.

Following the Power BI demonstration and extensive discussion by the Committee, Ms. Meek explained that training will be conducted, and a user manual will be developed to aid in the training and use of the new format. She added that should the Committees and eventually the Board approve the proposed new Board reporting format, approximately 23% of paper used to create the current form of Board package will be eliminated.

In response to Ms. Meek seeking volunteers to test the new format, Committee Chair LaRose and Committee Member Kevin Barber stated they would be willing to do so.

Upon inquiry by Committee Chair LaRose, Ms. Meek explained that, if approved, the new format will be launched in February 2023. She explained what the CMEEC team working on the new platform is proposing and how it will be rolled out.

Ms. Meek added in response to Committee Member Mark Oefinger's suggestion, that a glossary could be added in the proposed platform to aid in identification and definition of certain terms used in the reports.

F Review Meeting Schedule for 2023 Budget

Ms. Meek walked the Committee through the schedule of meetings for the 2023 Budget that were approved and adopted at the Annual Meeting in November 2021, explaining the topics for discussion at each one. She stated that the full Board will be encouraged to participate at each meeting.

Committee Chair LaRose explained that he will not be in attendance at the October 14, 2022 meeting and therefore nominated Committee Member Barber to be a Chair Pro Tem. This will need to be voted on at that meeting .

G Other Business

Ms. Meek explained that she included the Procurement Guidelines (the “Guidelines”) in today’s meeting packet for this Committee’s information. She stated that the Guidelines are an initiative under the CMEEC Strategic plan and had been discussed by this Committee in 2021. Ms. Meek explained that the Guidelines codify current practices related to procurement of services, materials and equipment by CMEEC. The Guidelines do not require Board approval.

H Adjourn

A motion was made by Committee Member Barber, seconded by Committee Member Robert Staley to adjourn.

Motion passed unanimously.

The meeting was adjourned at 10:44 a.m.