

MINUTES OF THE
REGULAR MEETING OF THE

JOINT BUDGET AND FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

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

September 15, 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 via Zoom on Friday, September 15, 2023 at 10:00 a.m.

The meeting was legally notice 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
Norwich Municipal Representative: David Eggleston
South Norwalk Electric & Water: Scott Murphy, 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
Michael Rall, CMEEC Director of Asset Management
Candice DiVita, CMEEC Financial Analyst

Margaret Job, CMEEC Paralegal and Compliance Manager
Hao Ni, CMEEC Asset Performance Manager
Leslie Williams, CMEEC Principal Billing & Rate Analyst
Heidi Winnick, CMEEC Financial & Treasury Analyst

Others participated:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Committee Chair LaRose called the meeting to order at 10:04 a.m. noting for the record that today's meeting is being held via Zoom. He explained that participants should keep their devices on mute unless speaking to eliminate background noise and to state their name when 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 Minutes of the July 26, 2023 Regular Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Johnson, seconded by Committee Member Eggleston to Approve the Minutes of the July 26, 2023 Regular Meeting of the Joint Budget & Finance Committee.

Motion passed unanimously.

D Five-Year Financial Plan

Ms. Meek walked the Committee through the status of the Five-Year Financial Plan (the "Plan"). She explained that the internal committee working through the updates of the Plan proposes to break the CMEEC Reserves Balances metric of the Plan into two separate metrics. Specifically, the proposed new separate metrics are 'Billing Reserves Balances' and 'Capital Reserve Balances'. Ms. Meek provided an overview of the two proposed new metrics highlighting the proposal to isolate the first metric to the Rate Stabilization Fund for coverage of future billings under the proposed Billing Reserves metric and adding requirements under the Capital Reserve Balances metric related to the reporting of the Municipal Competitive Trust Accounts.

After lengthy discussion, Ms. Meek explained that the Five-Year Financial Plan will be revised to include the new Billing Reserves Balances metric and exclude the proposed new Capital Reserve Balances metric for the time being, adding that the Capital Reserves Balance metric will be discussed again at a future meeting of this Committee.

E Review Proposed 2024 Transco Budget

Ms. Meek walked the Committee through the proposed 2024 Transco Budget and Five-Year Forecast for 2025-2028. She provided a refresher overview of Transco by reviewing Project #1, MEU Transmission and CMEEC Transmission and how each are treated in the budget. She then discussed highlights of the Transco Proposed 2024 Budget. Ms. Meek provided further details of Project #1 as well as MEU Transmission and CMEEC Transmission budgets followed by review of the details of the Five-Year Forecast.

Ms. Meek then discussed next steps for the Proposed 2024 Transco Budget noting that the Committee requested no changes to the information provided at this meeting and that the Proposed 2024 Transco Budget would be reviewed again in detail at the October 13, 2023 meeting of this Committee before being voted on at the October Board meeting. She then explained that pursuant to the General Transmission Service Agreement, the Transco Budget is first approved by the Transco Board in advance of its consolidation into the CMEEC budget, which will be on the agenda for Board consideration at its meeting in November. Finally, Ms. Meek reviewed the key assumptions.

Ms. Meek next provided a high-level review of the PTO-AC Rates working group 5-year forecast for Schedule 9 (RNS) providing a summary and highlighting regional investments and regional investments and RNS rates history.

F Review Proposed 2024 CMEEC Capital Budget

Ms. Meek explained that no new capital projects have been budgeted for 2024.

She further explained that one project which was budgeted for 2023 will be carried over to 2024 due to the need for further due diligence. Ms. Meek explained that if after completion of due diligence the cost estimates exceed the amount in the Approved 2023 CMEEC Capital Budget, this project will come before this Committee for discussion and recommendation to the Board.

G Review Proposed 2024 CMEEC Budget for Salary and Benefits

Ms. Meek explained that salary expenses are 5% higher than 2023 budget to allow for salary adjustments that continue to be made in accordance with the Compensation Study completed in 2021. She noted that a 6% wage escalator was applied to staff salaries mid-year to create the budget for potential wage increases and adjustments to allow for this, as was the case for the 2023 CMEEC Budget.

Ms. Meek explained that the employee benefits budget increased by 6% over 2023 budget noting the line items that contributed to the increase.

H New Business

Ms. Meek informed the Committee that it will review the Non-Fuel Operating budget at its meeting on September 29, 2023.

She then explained that CMEEC is considering an organizational level membership to New England Women in Energy and Environment however she sought this Committee's input on approval since in the past, organizational level memberships had been limited to specific national industry and local civic entities. The membership fee is less than \$2000.00 and will provide all CMEEC female staff with membership and benefits from the organization. Ms. Meek also stated that with this level of membership, the CMEEC logo will appear on the organization's website.

After discussion, the Committee agreed CMEEC should include a membership to this organization in the Proposed 2024 CMEEC budget.

F Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:30 a.m.