

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

September 30, 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 Friday, September 30, 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
Norwich Municipal Representative: David Eggleston
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

The following CMEEC Staff participated telephonically or via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Candice DaVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist

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 Item

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 the Minutes of the September 16, 2022 Regular Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Mark Oefinger to approve the Minutes of the September 16, 2022 Regular Meeting of the Budget & Finance Committee.

Motion passed unanimously.

D Review Revised Proposed 2023 CMEEC Budget for Benefits

Ms. Meek walked the participants through the slide deck highlighting the material to be discussed at the meeting. Ms. Meek explained that at the last meeting of this Committee a question was raised regarding the percentage by which health insurance premiums were being anticipated to increase under the Proposed 2023 CMEEC Budget for Benefits ("Proposed Benefits Budget"). Ms. Meek stated at that meeting that she would review that change and make any necessary adjustments to this portion of the Proposed Benefits Budget. As a result of that review, Ms. Meek made an edit to this portion of the Budget which resulted in reducing the anticipated increase in the health insurance premium from 25% to 15%, resulting in the Proposed 2023 CMEEC Benefits Budget being reduced by \$42,138.

Brief discussion followed.

E Review Revised Proposed 2023 CMEEC Capital Budget

Ms. Meek explained that this budget is being revised to reflect the general ledger project being removed from the 2023 proposed CMEEC Capital Budget.

She informed the Committee that a second vehicle has been added, stating that one vehicle will be replaced this year and one will be replaced as part of the capital budget for 2023. Ms. Meek added that the Pierce vehicle sold for more than the new replacement vehicle will cost.

F Review Proposed 2023 CMEEC Budget for Non-Fuel Operating Expenses

Ms. Meek explained that Non-Fuel Operating Expenses (NFO Expenses) are a grouping of expenses that are controllable by CMEEC. She added that the expenses are not driven by the energy market or controlled by other regulatory means. She added that although CMEEC is not FERC jurisdictional, it does consider the FERC Uniform System of Accounts in its accounting practices. She added that the Appendix attached to this slide deck includes FERC Account Definitions for the Committee's information.

Ms. Meek then walked the Committee through the highlights of the CMEEC Proposed 2023 NFO Budget stating that total NFO is 3% below the 2022 budget. She then highlighted the expense categories that make up the decreases in the Proposed 2023 NFO budget along with those that have an increase over the 2022 budget. Ms. Meek then walked the Committee through the breakdown of the proposed budgets of each of the expense categories that make up the Proposed 2023 CMEEC NFO budget as well as the Assumptions, Five Year Forecast, and a brief review of the Appendix material, addressing Committee Member and MECA questions along the way. Ms. Meek also walked the Committee through the comparison of 2022 and 2023 NFO Expenses allocated to the Projects at the request of Mr. Silverstone.

While discussing the details of the items included in General Depreciation, Ms. Meek mentioned the depreciation for the new fleet truck added to the proposed 2023 Capital budget. She continued to explain that due to high demand, lead time for new trucks can be very long. She inquired with the Committee if they would agree to staff ordering the new fleet truck now due to the anticipated long lead time, and if so, would they agree to staff paying for the truck if it were to become available before 2023. Mr. Rall added that placing an order did not involve a deposit, and if the truck were to arrive quicker than expected, CMEEC could opt to not purchase the vehicle at that time. The Committee agreed with the plan to order the truck now and if it became available sooner, then staff would pay for the truck prior to the 2023 budget year. Ms. Meek stated that staff will keep this Committee apprised of when CMEEC takes possession of the new truck.

G New Business

Committee Chair LaRose reminded the Committee that he will not be in attendance at the October 14, 2022 meeting of this Committee and sought confirmation from Committee

Member Barber that he would serve as Chair Pro Tem in his absence. Committee Member Barber confirmed he will assume that role.

Ms. Meek informed the Committee that discussion at the October 14, 2022 meeting will involve the review of the Proposed 2023 Transco Budget for recommendation for approval by the Board of Directors at its meeting on October 27, 2022. She added that meeting will be the last meeting prior to the full Board's vote on the Proposed 2023 Transco Budget and she and Committee Chair LaRose encouraged full Board participation.

H Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:26 a.m.