

MINUTES OF THE
SPECIAL MEETING OF
THE SPECIAL COMMITTEE
OF THE BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

March 28, 2019

The Special Meeting of the Special Committee of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (CMEEC) met at the Holiday Inn, 10 Laura Boulevard, Norwich, CT at 9:00 a.m.

The following Committee Members participated:

Bozrah Light & Power:	Richard Tanger (via telephone)
Groton Utilities:	Mark Oefinger
Norwich Public Utilities:	Stewart Peil
East Norwalk:	Debora Goldstein
South Norwalk:	Paul Yatcko

The following individuals from CMEEC Management participated:

Robin Kipnis, CMEEC General Counsel
Michael Lane, CMEEC Interim CEO
Margaret Job, CMEEC Administrative Staff
Ellen Kachmar, CMEEC Office and Facility Manager

Other participants:

Eileen Duggan, Esquire, Suisman Shapiro

Other attendees:

Claire Bessette, Reporter, The Day
John Barry, Reporter, The Norwich Bulletin

Ms. Job recorded.

Committee Chair Debora Goldstein called the Public Session of the meeting to order at 9:06 a.m. She requested roll call of attendance of those participating in person for the benefit of those participating by telephone. She noted members of the media were also in attendance and asked that those participating by phone identify themselves. All telephone participants confirmed that they could hear and be heard.

Specific Action Item

(A) Public Comment

Chair Goldstein opened the floor for public comment. Chair Goldstein noted there were no members of the public present.

(B) Executive Session

Chair Goldstein stated the reason for entering Executive Session is to discuss strategy and /or negotiations with respect to pending claims against CMEEC employees and/or pending litigation regarding CMEEC's consideration of enforcement of legal relief or legal rights related to CMEEC employees.

A motion was made by Committee Member Paul Yatcko, seconded by Committee Member Stewart Peil to enter Executive Session.

Motion passed unanimously.

The basis for entering Executive Session is in accordance with Connecticut General Statutes Sections 1-200-(6)(B) and Section 1-200(6)(E). Members of the Special Committee, as well as Ms. Kipnis, Mr. Lane and Ms. Duggan, remained.

The Special Committee entered Executive Session at 9:07 a.m. with instruction to return to Public Session at the completion of the Committee's discussion in Executive Session.

The Special Committee re-entered Public Session at 10:28 a.m.

Public Session

- (C) The Special Committee then recommended providing the “**Transmittal Memorandum on Findings and Recommendations of the Special Committee**” to the CMEEC Board of Directors which included the Special Committee's recommendation to the Board that the Board authorize CMEEC's General Counsel to immediately initiate the pre-disciplinary termination proceedings required by law with respect to Drew Rankin's employment status. The Special Committee has made additional findings and recommendations to the Board for their consideration. A copy of the Transmittal Memorandum dated March 28, 2019 is attached hereto and made part of these Minutes of the Special Committee.

There being no further business to come before this Committee, Chair Goldstein entertained a motion to adjourn the Special Meeting of the Special Committee.

A motion was made by Committee Member Oefinger, seconded by Committee Member Tanger to adjourn the Special Meeting of the Special Committee.

Motion passed unanimously.

The Special Meeting of the Special Committee was adjourned at 10:30 a.m.

TO: CMEEC Board of Directors

FROM: Debora Goldstein, Chair, Special Committee and Members of the Special Committee

DATE: March 28, 2019

RE: Transmittal Memorandum on Findings and Recommendations of the Special Committee to the CMEEC Board of Directors

1. Purpose and Authority of Special Committee

On November 8th, 2019, the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (CMEEC) was notified that the Chief Executive Officer and Chief Financial Officer of CMEEC were under indictment by the federal government. Consequently, the CMEEC Board of Directors placed these two employees on unpaid administrative leave and authorized the retention of third-party legal counsel to conduct an independent investigation of the conduct related to and arising out of the federal indictments. A Special Committee was created by Resolution 18-11-13 of the CMEEC Board of Directors to oversee the independent investigation and to make findings and recommendations.

CMEEC's General Counsel, having been delegated the authority to retain counsel, interviewed Attorney Eileen Duggan and determined that she had the requisite expertise and knowledge in the relevant subject matter. She also had multiple positive recommendations. CMEEC's General Counsel retained Attorney Duggan of the firm Suisman Shapiro on November 15, 2019. Attorney Duggan met with the Special Committee on multiple occasions as set forth in further detail below.

2. Summary of Findings of the Report and Special Committee Recommendations

Based on the factual findings made in Attorney Duggan's Report to the Special Committee, of the CMEEC Board of Directors ("Report to the Special Committee") Attorney Duggan has concluded that the CMEEC Board of Directors can institute disciplinary action up to and including termination of employment for "cause".

The Special Committee has recommended to the Board that the Board authorize CMEEC's General Counsel to immediately initiate the pre-disciplinary termination proceedings required by law with respect to Drew Rankin's employment status. The Special Committee has made additional findings and recommendations to the Board for their consideration.

3. Activity of the Special Committee

The Special Committee's activities were conducted as public meetings with portions conducted in Executive Session as permitted under the Connecticut Freedom of Information Act ("CFOIA"). Agendas and minutes of meetings were posted in accordance with CFOIA. In most instances, the Agenda allowed for public comment. Reporters from local newspapers were in attendance. The Municipal Electric Consumer Advocate also participated in public sessions.

A summary of the Special Committee's activities is as follows:

- Friday, November 30, 2018: Setting of Initial Meeting Schedule, Hearing of Comment from MECA Kowalski regarding the release of the investigation results.
- Wednesday, December 5, 2018: Approval of Minutes, Adoption of Charter, Initial Meeting with Attorney Duggan, Hearing of Comment from MECA Kowalski regarding the ability of the public and former CMEEC Board members to contact the Independent Investigator.
- December 31, 2018: Email to former CMEEC employees and Board Members inviting them to contact Eileen Duggan with relevant, direct information regarding the subject matter of the investigation.
- Friday, January 4, 2019: Approval of minutes, Update on status of investigation by Attorney Duggan, scheduling of further meeting dates
- Wednesday, January 23, 2019: Approval of minutes, Update on status of investigation by Attorney Duggan.
- Thursday, February 14, 2019: Approval of minutes, Update on status of investigation by Attorney Duggan.
- Thursday, February 28, 2019: Approval of minutes, Update on status of investigation by Attorney Duggan.
- Monday, March 25, 2019: Approval of minutes, Update on status of investigation by Attorney Duggan.
- Thursday, March 28, 2019: Approval of minutes, acceptance and adoption of Attorney Duggan's Report to the Special Committee, adoption of Findings and Recommendations of the Special Committee to the CMEEC Board of Directors.

4. Findings of the Special Committee

- A. That the Report to the Special Committee represents a comprehensive investigation, and that the Special Committee has read and accepted the report, including its findings and recommendations.
- B. That the trust of our rate-payers, member utilities and of our legislators is essential.
- C. That certain of the recommendations of the Special Committee have already been undertaken by staff and management of CMEEC and should continue.
- D. Full representation of the individual member utilities on the Board of Directors is essential.
- E. That actions of the standing committees are recommendations to the Board of Directors and should not be undertaken without a clear record and vote by each committee.

- F. That exercise of the fiduciary responsibilities of the Board of Directors requires clear, appropriate and timely information.
- G. That current and future Board Members come to CMEEC with varying levels of understanding of the relevant statutes, membership structure, electric industry, CMEEC internal policies and meeting rules.
- H. That certain recommendations were made by CohnReznick in Section V. of the Forensic Examination report for Fiscal Years Ended December 31, 2013 through December 31, 2017.
- I. That it is as important to avoid the appearance of a conflict of interest as an actual conflict of interest.
- J. That lobbying activity on behalf of CMEEC should be highly visible to management and to the Board of Directors.
- K. That individuals incurring travel and entertainment expense on behalf of CMEEC should have clear guidance on what is permissible for a public agency, whether or not they are an employee or a member of the Board of Directors.
- L. That the Special Committee believes it would benefit from input from the full Board of Directors in formulating further recommendations stemming from the issuance of the Report to the Special Committee.
- M. That appropriately addressing the findings of the Report to the Special Committee, and the findings and recommendations of the Special Committee will require sustained action and monitoring by the Board of Directors.
- N. That the contents of the Report to the Special Committee are of utmost interest, and should be made accessible, to members of the public as is required by the CFOIA.

5. Recommendations of the Special Committee

- That the Board of Directors accept and adopt the Report to the Special Committee, including its findings.
- That the Board authorize CMEEC's General Counsel to immediately initiate the pre-disciplinary termination proceedings required by law with respect to Drew Rankin's employment status.
- Amend the charters of the standing committees of the Board of Directors to clarify that recommendations to the Board must be supported by a clear record and vote by each committee.
- Establish an Executive Committee to meet regularly with the CEO.
- Re-examine the policy for approval of expenses by Officers, including appropriate visibility for the full Board of Directors.
- Examine budgets presented to the Board of Directors for appropriate amounts of detail and consistency in presentation.
- Establish an onboarding education process for new Board Members and identify opportunities for further training for existing Board Members.
- That CMEEC continue to follow-up on the recommendations in Section V. of the Forensic Examination report for Fiscal Years Ended December 31, 2013 through December 31, 2017.

- Examine policies governing related-party transactions for Board Members and amend if necessary.
- Review the policy for hiring and oversight of lobbyists.
- Examine policy around travel and expense reimbursements for non-employees/non-Board Members.
- Establish policy by which Officers of CMEEC document/get approval for travel and expense exceptions to the policy.
- Schedule a joint Special Committee/Board of Directors meeting to receive ideas/recommendations from the Board of Directors in response to the Forensic Examination and the Report to the Special Committee.
- That the Board of Directors implement a means to ensure that each recommendation is considered, and if appropriate, acted upon.
- That the Board of Directors release the Report to the Special Committee upon the conclusion of the mandated pre-disciplinary proceedings and final determination with respect to Drew Rankin's employment status.