

MINUTES OF THE 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

January 12, 2021

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” or “Transco”) was held via Zoom and telephonically on Tuesday, January 12, 2021 at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut State Statute 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:

Bozrah Light & Bower: Scott Barber
Groton Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
East Norwalk, Third Taxing District: Kevin Barber

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

Jewett City Department of Public Utilities: Louis Demicco

The following CMEEC staff participated:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance and Accounting
Joanne Menard, CMEEC Controller
Margaret Job, CMEEC Executive Assistant/ Paralegal

Other participants:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Interim Committee Chair Christopher LaRose called the meeting to order at 10:01 a.m., noting for the record that the meeting is being held telephonically and via Zoom. He explained that all participant's devices should remain on mute unless speaking to eliminate confusion and background noise. He requested participants state their name before speaking for clarity of the record.

Specific Action Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call with each participant responding individually as their names were called. Interim Committee Chair LaRose confirmed a quorum was present.

C Selection of Joint Budget & Finance Committee Chair

A motion was made by Committee Member Ronald Gaudet, seconded by Committee Mark Oefinger to appoint Interim Committee Chair Christopher LaRose as Committee Chair. There were no additional nominations.

Motion passed unanimously.

D Approve the Minutes of the November 6, 2020 Regular Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Gaudet, seconded by Committee Member Kevin Barber to approve the Minutes of the November 6, 2020 Regular Meeting of the Joint Budget & Finance Committee. Scott Barber abstained.

Motion passed unanimously.

E Review Joint Budget & Finance Committee Charter

Ms. Kipnis walked the Committee through the Charter provided to the Committee in advance of today's meeting. She covered each section briefly, pausing to respond to questions and observations made by the Committee and Mr. Silverstone. She explained that at last year's meeting, this Committee designated Committee Member Mark Oefinger as the Financial Expert as that term is defined in the Charter.

Lengthy discussion followed in connection with the proposed new paragraph 5 in section II addressing new member onboarding procedure. The Committee recommended certain edits be made to the proposed language as follows:

First bullet under new Paragraph 5 restated as follows:

“New Committee members will receive an onboarding packet of materials through SharePoint **or other electronic format.**”

Second bullet under new Paragraph 5 is restated as follows:

“In addition, new Committee members will participate in an onboarding session either via telephone, Zoom **or other video conference platform**, or in-person, with the CEO, Committee Chairperson, and the Budget & Finance Committee CMEEC Staff Lead to answer questions and provide a brief summary of the Committee’s purpose and any potential upcoming Committee work.”

F Discussion: Joint Budget & Finance Committee Self-Evaluation and Establishment of B&F Goals for 2021

Ms. Meek walked the Committee through the results of its Self-Evaluation conducted in 2020. She reviewed each of the categories and the Committee’s responses to each, highlighting the scoring of each. She noted that most of the categories received positive responses with good comments submitted by Committee members. Committee Member Kevin Barber added that scoring reflects the Committee’s progress in providing greater detail to the budget process.

Committee Chair LaRose walked the Committee through the six (6) suggested Goals for 2021 which appeared at the end of the Self-Evaluation results. The Committee agreed that the time frame for presentation and review of the CMEEC budget was acceptable. Discussion followed related to the suggested Goals and their connection associated with the timing of completion of some of the Action Plans of the Strategic Plan.

Discussion followed in response to overall Joint Board Committee structure. The Committee agreed that the Joint Budget & Finance Committee will remain as a stand-alone Committee, however, the Committee could take on more responsibilities if needed.

Further lengthy discussion ensued in response to Mr. Silverstone’s suggestion that a report be made available on a regular basis related to trusts and funds held by CMEEC. Ms. Meek explained the reporting structure of each and the basis on which they are reported and to whom. In connection with a monthly financial report which identifies balances of funds and Member trust accounts report created by CMEEC financial staff, Mr. Meisinger offered that if Mr. Silverstone is not on that distribution, perhaps he can be added. Mr. Silverstone confirmed he would like to be included on the distribution of this report.

G Discussion: Joint Budget & Finance Committee level of involvement in Strategic Planning Initiatives

- 1. Organizational Development goal: Review content included in Board and Committee meeting packages to determine desired level of detail and frequency of information**
- 2. Power Supply goal: Update / Add to CMEEC key metrics**

Ms. Meek explained that this Agenda Item is informing to make this Committee aware that she is the sponsor of the two identified topics above created as a result of the Strategic Plan. She explained that if this Committee and/or Mr. Silverstone had an interest in sharing thoughts and comments to these goals they are welcome to do so.

Mr. Meisinger explained that the first listed goal above was originally a “Board” goal but then combined into an “Organizational Development” goal. He stated that this goal should be driven by the Board and Committee members, with support from staff, since the Board package is primarily designed to inform and help prepare Board members for Board meetings. Determination needs to be made on what information the Board/Committees want included in the meeting packages and whether the current format is acceptable. He offered that an appendix could be created and loaded to SharePoint, or other electronic format, for review by the Board and Committees. This could take the place of some of the current, lengthy reporting pages of the meeting materials, however keeping that information available in electronic format. A survey of Board members was discussed as an option for soliciting input from the entire Board as to what they wish to see, or not see, in Board meeting packages.

Ms. Meek explained that Goal 2 above could affect the Objective Summary with additional key metrics being added resulting from the Strategic Plan initiatives. She stated that if any Member felt a metric was missing or if they have ideas for additional key metrics to please contact her with those comments.

After lengthy discussion, the Committee agreed that a survey would be developed to determine potential additional metrics and possible revisions to content of meeting materials.

H Discussion: Renewal of Wells Fargo Line of Credit

Ms. Meek explained that she has recently begun the process for the renewal of the \$30 million Wells Fargo Line of Credit, which is due to be renewed in April 2021. She also added that it is still not certain that renewal is necessary at the full amount stating that initiatives in the Strategic Plan as well as the 5-Year Financial Plan will need to be reviewed in order to make that determination. She added that this Agenda Item is informing only, and the renewal is not yet ready to be presented to this Committee. She explained that the \$20 million Bank of America Letter of Credit was recently renewed amidst the Moody’s and Fitch ratings renewals/upgrades. She stated that the funds available through the Bank of America renewal were not used in the rating process, since

at the time the agreement was for less than a 2-year term, t and CMEEEC's rating was not impacted.

She informed the Committee that a special meeting may need to be called to discuss the Wells Fargo renewal prior to seeking approval of a renewal by the Board at the February or March Board meeting.

I Review Status of 2020 Capital Projects

Ms. Meek walked the Committee through the materials provided to the Committee in advance of the meeting presenting the status of budgeted capital projects for 2020 and their current status and or final cost versus the budget.. She stated that the overview is preliminary, however it was unlikely to change. She highlighted two projects that were carried over, to be completed in 2021, and one which was re-budgeted for 2021. She explained that all completed projects came in under budget, and no new 2021 capital projects have been started as of today's date.

J Other Business

There being no further business to come before this Committee, Chair LaRose entertained a motion to adjourn.

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

Motion passed unanimously.

The meeting was adjourned at 11:19 a.m.