

SUBJECT TO BOARD APPROVAL

MINUTES OF THE
REGULAR JOINT MEETING OF THE
BOARDS OF DIRECTORS OF

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

January 27, 2022

The Regular Joint Meeting of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held telephonically and via Zoom on Thursday, January 27, 2022, at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions thereafter recorded occurred in the publicly open portions of the meeting.

The Following Member Representatives / Alternate Member Representatives / Municipal Representatives participated telephonically or via Zoom:

Groton Utilities: Ronald Gaudet, Jeffrey Godley
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
Groton Municipal Representative: David Eggleston
Bozrah Light & Power: Scott Barber, Richard Tanger
South Norwalk Electric & Water: Alan Huth, Eric Strom, David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District, East Norwalk: Kevin Barber, Michele Sweeney
East Norwalk Municipal Representative: Pete Johnson
Jewett City Department of Public Utilities: Louis Demicco, Richard Throwe
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff participated telephonically or via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director of Business Intelligence
Michael Cyr, CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services

Heidi Winnick, CMEEC Financial and Treasury Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Ellen Kachmar, CMEEC Office and Facilities Manager

Others participating telephonically or via Zoom:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Kevin Barber called the meeting to order at 10:00 a.m. He stated for the record that today's meeting is being held telephonically and via Zoom. Chair Barber requested that all participants mute their devices unless speaking to eliminate confusion and background noise. He requested that those present state their name and where they are from for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Conduct Roll Call / Voting Roster

Ms. Job conducted roll call identifying the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the Regular December 16, 2021 Board of Directors' Meeting

Member Representative Westmoreland requested that the minutes be amended to reflect that he was present at this meeting.

A motion was made by Municipal Representative Pete Johnson, seconded by Member Representative Richard Tanger to Approve the Minutes of the Regular December 16, 2021 Board of Directors' Meeting, as amended.

Motion passed unanimously.

22-01-01

D Approve the Minutes of the Annual and Regular November 18, 2021 CTMEEC Board of Directors' Meeting

Member Representative Westmoreland requested that the minutes be amended to reflect that he was present at this meeting.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Ronald Gaudet to Approve the Minutes of the Annual and Regular November 18, 2021 CTMEEC Board of Directors' Meeting, as amended.

Motion passed unanimously.

22-01-02

E December 2021 Objective Summary

Mr. Meisinger explained that as was the case reported in December, due to the volatile pricing in December more challenges are being faced related to the winter in connection with energy and gas prices. He stated that higher than forecasted pricing for energy and gas were the drivers.

Mr. Meisinger stated that Regional Competitiveness TMR Net Cost Deviation to Benchmark came in at 2% versus the target of 26%. Mr. Meisinger added that year end is projected to be at 25% with a target of 29%. Mr. Meisinger explained main drivers as volatile gas and forward energy pricing as well as transmission true ups and procurement in October 2021.

All-In Cost TMR View came in at \$26 above budget for the month of December, but also came in at \$87/MWh for the year compared to an original budget of \$83/MWh.

F December 2021 Project Portfolio Management

Mr. Rall provided a high-level overview of the Projects stating MicroGen came in below budget due to LNS transmission true-up and lower than budgeted peak load reduction.

He added that Pierce came in below budget mainly due to maintenance item expense timing, fees associated with the termination of Ethos Energy agreement as well as higher than budgeted outside service expenses.

Mr. Rall explained that the Community Solar Garden project came in lower than budgeted due to no longer offsetting with the RFFI fund and actual generation being higher than budgeted. He added that PPA and REC expenses were higher than expected.

Year-end came in below budget due mainly to the Pierce write-off of spare parts used during combustion inspection in October 2021, as well as certain other one-time factors.

Discussion followed.

G December 2021 Energy Market Update

Mr. Cyr provided a high-level overview of the Energy Market Analysis for December highlighting each of the results for the previous month as they affected Load, Energy Costs, Natural Gas Costs and Oil Costs.

Mr. Cyr then then explained the mitigating actions taken recently and walked the Board through other materials included in the Board Package highlighting Member Residual Energy Costs for the month and year to date. He walked the Board through the Member Residual Energy Source Reconciliation. Mr. Cyr then discussed trend of actual versus forward pricing for the months going forward.

Discussion then followed related to recent articles on rolling blackouts resulting from extreme temperatures and the possibility and impacts on consumers of that happening.

H Budget & Finance Committee Report Possible Vote to Approve the Budget & Finance Committee Charter

Member Representative Christopher LaRose, Budget & Finance Committee Chair, explained that the Committee met on January 6, 2022, and conducted onboarding for new Committee members, reviewed the Committee Charter and suggested changes to it. He informed the Board that he has been re-elected to serve as Committee Chair for 2022.

The Committee discussed Strategic Plan items as goals for this Committee including review of Board package content and update five-year financial plan. Member Representative LaRose further explained that the Committee reviewed the investment policy which will be brought to the full Board for approval at its meeting in February. Other policies reviewed by this Committee do not require Board approval however those policies will also be brought to the Board for informational purposes.

Ms. Kipnis then walked the Board through the revised Committee Charter. After discussion, Chair Barber entertained a motion to approve the same.

A motion was made by Member Representative Gaudet, seconded by Municipal Representative Oefinger to Approve the Revised Budget & Finance Committee Charter.

Motion passed unanimously.

22-01-03

I Audit Committee Report

Member Representative Stewart Peil, Audit Committee Chair, explained that the Committee met on January 11, 2022 where he was re-elected Chair for 2022. He added that the Committee conducted onboarding for new Committee members and reviewed the Charter. He added that no revisions were made to the Charter, and that it did not require approval by the Board. The Committee also discussed goals for 2022 including the

review of the CliftonLarsonAllen draft financial statement at its meeting on March 17, 2022 with the expectation that it will be brought before the full Board for approval. Member Representative Peil further explained that the Committee will continue its work on the Cybersecurity Audit as well as conduct an audit of the CMEEC Business Continuity policy.

J Ad Hoc CEO Performance and Compensation Committee

Chair Kevin Barber, Ad Hoc CEO Performance and Compensation Committee Chair, explained that this Committee met on January 18 and January 25, 2022. He stated that the Committee adopted a Charter as well as began preliminary discussions surrounding the CEO 2021 performance review. He added that they decided to engage a consultant to assist with the development of appropriate CEO evaluation metrics to aid CEO review on an annual basis beginning next year, and also to perform a market study of compensation, incentives and benefits for public power CEOs.

Ms. Kipnis then walked the Board through the Committee Charter highlighting slight differences between other CMEEC Committee Charters. She stated that Committee membership is made up of the General Managers of the Members with Chair Barber acting as Chair of this Committee due to his role as Chair of the Board.

Chair Barber entertained a motion to approve the Charter.

A motion was made by Municipal Representative Oefinger, seconded by Member Representative Alan Huth to Approve the Ad Hoc CEO Performance and Compensation Committee Charter.

Motion passed unanimously.

22-01-04

K Governance Committee Report

Member Representative Gaudet, Governance Committee Chair, explained that the Committee met on January 20, 2022 and re-elected him as Chair for 2022. The Committee conducted onboarding of new Committee members. He explained that the Committee reviewed its revised Charter which incorporates several responsibilities absorbed by it resulting from the dissolution the CMEEC Compensation and Strategic Planning Committees.

Member Representative Gaudet explained that the Committee discussed goals including board package content as well as the platform on which material is uploaded. The Committee discussed rolling out Committee self-evaluations in November of each year and the possibility of instituting a consent agenda. Finally, Member Representative Gaudet explained that the Committee reviewed and finalized Board Officer and Board Member position descriptions. Those descriptions are included in today's materials for the Board's information.

Ms. Kipnis then briefly highlighted the Board position descriptions stating that a position description has been developed for the Board Chair, Board Vice Chair, Board Treasurer, Board Secretary, Member and Alternative Member Representatives, and Municipal Representatives. She added that these position descriptions will be shared with each Member Utility Commission and legislative boards responsible for making appointments to the CMEEC Board. Ms. Kipnis further added that these position descriptions can be used to aid in the nomination of slates of CMEEC Board officers.

Ms. Kipnis then walked the Board through the revised Committee Charter. After discussion, Chair Barber entertained a motion to approve the revised Governance Committee Charter.

A motion was made by Member Representative Louis Demicco, seconded by Member Representative Tanger to Approve the Revised Governance Committee Charter.

Motion passed unanimously.

22-01-05

**L Pierce Divestiture and Closing
Possible Vote on Resolution to Enter into Escrow Agreement for the
Proceeds of the Pierce Sale**

Ms. Meek walked the Board through the Accounting for the Pierce Project Sale slide deck provided in advance of today's meeting. She highlighted the preliminary amount to be collected from the project participants to redeem the outstanding bonds associated with the Pierce project which were not defeased by the proceeds of the sale. Ms. Meek explained that some values used in the Net Working Capital component of the sales proceeds still need to be trued up before the final amount to be collected from project participants can be determined. Ms. Meek then highlighted other items that need to be conducted before the final calculation can be done. She anticipated completion of these items by the end of the first quarter of 2022. Ms. Meek added that CMEEC will receive ISO-NE resettlements for revenues and expenses associated with the Pierce project through March 2022, and that once all resettlements have been received, CMEEC will issue final net benefits to the project participants.

Lastly, Ms. Meek explained that other follow-up activities include consultation with the project participants to determine the method of payment of amounts to be collected and deposited in the 2013 Series A Debt Service Account by year-end.

After lengthy discussion, Chair Barber entertained a motion to Approve the Resolution to Enter into Escrow Agreement for the Proceeds of the Pierce Sale, which is required to be set up for the deposit of the sale proceeds by the provisions of the tax code.

A motion was made by Member Representative Gaudet, seconded by Member Representative Tanger to Approve the Resolution to Enter into Escrow Agreement for the Proceeds of the Pierce Sale.

Motion passed unanimously.

22-01-06

M Transmission Rate Stabilization Fund

Ms. Meek began her presentation by describing the documents which govern the relationships between the Members, CMEEEC, and Transco, and the process through which transmission expenses and Transmission Project #1 net benefit flow from Transco to CMEEEC, and ultimately to the Members. Ms. Meek gave a history of how Transco debt service associated with the 2012 Series A Transmission bonds was collected from June 2011- August 2016 for a total amount collected of \$4.6 million. She explained where these monies have been reported on Transco financial statements, and that they are invested with CMEEEC's investment advisor in accordance with the General Transmission Service Agreement with resulting interest being passed through to the participants of Transmission Project #1.

Ms. Meek explained that the debt service schedule has changed considerably as a result of the refunding of the 2012 Series A Transmission bonds. In order to clearly report the debt service associated with the new 2021 Series A Transmission bond debt schedule, Transco will refund the \$4.6 million to CMEEEC, where it will then be placed in the Members' Transmission Rate Stabilization Funds in accordance with the bond covenant. Ms. Meek explained that Members may choose how to use these funds in accordance with the Membership Agreement.

Discussion followed.

N MEU Roundtable

The General Managers of the Members provided an update on Covid-19 related business practices currently being followed by their utilities and commissions.

O New Business

Ms. Kipnis provided a high-level review of current issues including Governor Lamont's Executive Order #21-3 which includes initiatives by regulatory bodies tasked with implementing energy efficiency programs as they relate to the state's various decarbonization goals.

Ms. Kipnis also provided an update on current outstanding CMEEEC matters including brief status updates regarding the community solar gardens, the fuel cell project, and the D&O insurance settlement conference scheduled to take place following today's Board meeting.

Brief discussion followed.

P Adjourn

A motion was made by Municipal Representative Johnson, seconded by Member Representative Scott Barber to adjourn.

Motion passed unanimously.

22-01-07

The meeting was adjourned at 11:43 a.m.