

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

April 25, 2022

A Regular Meeting of the Joint Budget & 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 Monday, April 25, 2022.

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 Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley
Norwich Municipal Representative: David Eggleston
South Norwalk Electric & Water: David Westmoreland

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

Jewett City Municipal Representative: George Kennedy
South Norwalk Electric & Water: Alan Huth
East Norwalk Municipal Representative: Pete Johnson

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
Margaret Job, CMEEC Paralegal and Compliance Specialist

Others participating 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 Action Items

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 Minutes of the Regular January 6, 2022 Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Robert Staley to approve the Minutes of the Regular January 6, 2022 meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee. Committee Member David Westmoreland abstained.

Motion passed.

D Review First Quarter Operating Results

Ms. Meek walked the Committee through the slide deck related to the review of the first quarter operating results and the 2022 Capital budget.

Ms. Meek discussed highlights of the first quarter operating results noting that in the Statement of Net Position, cash from the Pierce sale has been placed in escrow on February 15, 2022 adding that the corresponding debt was defeased and removed from Long Term Liabilities. Ms. Meek then provided more in-depth discussion and answered questions on details of the Statement of Net Position.

Ms. Meek next discussed first quarter highlights of the Statement of Revenues, Expenses and Changes in Net Position stating that purchased power and generation costs are 8%

above budget and use of Rate Stabilization Funds has increased. Ms. Meek explained the reasons for each of these.

Ms. Meek explained that there are only two capital projects for 2022. She stated that work on the Virtual Infrastructure Upgrade has begun and is expected to be completed at the end of the third quarter or beginning of the fourth quarter. Ms. Meek added that there is one truck included in the 2022 Capital budget, for the MicroGen fleet, which is expected to be purchased in the fourth quarter of 2022.

Committee Member Robert Staley recommended that CMEEC look into an electric truck for one of the trucks that make up the MicroGen fleet. Lengthy discussion followed regarding the high cost and lead time to purchase an electric truck and whether Board approval would be needed to add such a cost to the 2022 budget.

After discussion, the Committee agreed that Mr. Rall will be asked to further research the purchase of an electric truck and if the results of that research require Committee discussion to take action in 2022, a Special Meeting can be called to allow Mr. Rall to present his findings. Ms. Meek added that based on Mr. Ralls's findings, if a purchase cannot be completed in 2022, CMEEC staff could request that purchase during the 2023 budget process.

E Update on Pierce Close Out Accounting

Ms. Meek walked the Committee through the spreadsheet of amounts to be collected for Pierce debt. She stated that Hull Street Energy purchased spare parts not originally included in the Asset Purchase Agreement, which resulted in a credit to the project. Ms. Meek discussed the items still outstanding before final debt to be collected can be calculated.

F Committee Goals

➤ CMEEC Metrics

Ms. Meek explained that the Committee agreed it would review the CMEEC metrics reported at the monthly Board meetings for improvement as one goal for 2022.

Ms. Meek shared her vision of the Board package which would have the Objective Summary reports becoming a 'live' document with the Board having the ability to 'drill down' into the numbers behind each metric reported.

Upon inquiry if such a format would expose CMEEC to cyber issues, Ms. Meek explained that the format currently being researched is stand-alone cloud-based platform and would not give the users access to CMEEC internal software applications. Ms. Meek stated that depending on the software chosen, there may be the possibility CMEEC would need to provide tablets to the Board with software preloaded.

After brief discussion related to CMEEC's use of benchmarks against regional investor-owned utilities, Ms. Meek offered that under the Regional Benchmark metric in the Objective Summary an additional metric could be included showing comparison against United Illuminating (UI) for the benefit of CMEEC members who provide service closer to the UI territory.

➤ **Revisions to CMEEC Monthly Board Report**

Ms. Meek explained that review of the Enterprise Risk Management Policy (ERMP) revealed several of the reports included in the current Board Package were designated as reports to a specific Board Committee. Ms. Meek offered that staff could reorganize the Board Package material to group metrics by designated Committee, rather than the current grouping.

The Committee agreed that staff will work on the creation of templates of the proposed format for this Committee to review at its meeting in July.

G Other Business

There was no other business.

H Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 10:56 a.m.