

SUBJECT TO FINAL BOARD APPROVAL
ANNUAL AND REGULAR NOVEMBER MEETING OF
THE BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

November 15, 2018

**Norwich Inn & Spa
607 West Thames Street, Norwich, Connecticut**

MINUTES

Chairman Kenneth Sullivan called the meeting to order at 10:57 a.m. and determined a quorum was present. For the record, Chairman Sullivan stated that the meeting is being held at the Norwich Inn and Spa located at 607 West Thames Street, Norwich, CT.

The following Member Representatives/Alternate Member Representatives/Municipal Representatives participated:

Groton Utilities: Ronald Gaudet, Keith Hedrick, Mark Oefinger
Norwich Public Utilities: Dr. Grace Jones, Stewart Peil
Bozrah Light & Power: David Collard, Richard Tanger, Ralph Winslow
Jewett City Dept of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe
South Norwalk Water & Electric: Dawn DelGreco, David Westmoreland, Paul Yatchko,
East Norwalk: Kevin Barber, David Brown, Debora Goldstein, Pete Johnson

The following individuals from CMEEC management participated:

Michael Lane, CMEEC Interim Chief Executive Officer
Robin Kipnis, CMEEC General Counsel
Scott Whittier, CMEEC Director of Enabling Services
Bella Chernovitsky, CMEEC Director Business Intelligence
Justin Connell, Director Portfolio Management
Jake Pagragan, CMEEC Director Business Development
Michael Rall, CMEEC Director Asset Management
Gabe Stern, CMEEC Director Technical Services
Pat Meek, CMEEC Financial Planning & Analysis Manager
Ellen Kachmar, CMEEC Office and Facility Manager
Margaret Job, CMEEC Administrative Staff

The following members of the public were in attendance:

Claire Bessette, Reporter, The Day
Kevin Ahern, Reporter, Norwich Bulletin
Bernie Loubier, Reporter, Hall Communications
William Kowalski, Municipal Electric Consumer Advocate
Michael Boucher, Resident, Groton, CT
Paul Zummo, Director, Policy Research and Analysis, American Public Power Association
Timothy Shea, Brown Rudnick
Lawrence Davis, Senior Vice President, Webster Bank
Bert Hunter, Executive Vice President & Chief Investment Officer, Connecticut Green Bank
Josh Pothier, Comptroller, City of Norwich
Emmett Riley, State Representative, 46th District (Norwich)
Michael Casella, C&LM Consultant
Andy Lee, Underwriter, Gallagher Insurance

Ms. Job recorded

Chairman Sullivan entertained a motion to amend this Agenda to allow for public comment and to enter Executive Session to discuss personnel matters.

A motion was made by Alternate Member Representative Keith Hedrick, seconded by Municipal Representative Pete Johnson to amend the Agenda as stated above.

Motion passed unanimously. (18-11-08)

Standard Action Items

(A) Public Comment Period

Michael Boucher, a resident from Groton, Connecticut stood and expressed his concerns in connection with the current events. He stated that he will be filing a Freedom of Information Act and that the Board consider his requests related to third party review of Ethics Complaints.

(A) Approve Minutes of CMEEC October 25, 2018 Regular Board of Directors' Meeting

A motion was made by Member Representative Louis Demicco, seconded by Alternate Member Representative Stewart Peil, to approve the Minutes of the Transco October 25, 2018 Regular Board of Directors' Meeting, with Member Representative Dr. Grace Jones abstaining.

Motion passed. (18-11-09)

Specific Action Items

(B) Approve 2019 Joint Officers and Committee Members of the CMEEC and Transco Boards

Member Representative Ronald Gaudet, Chairman of the Joint CMEEC/Transco Governance Committee, stated that the overview of the slate of Officers and Joint Committee Members mirrors that of the Transco Annual and Regular Board of Directors’.

After discussion it was requested that a Roll Call Vote be taken to approve or not to approve the resolution appointing 2019 Joint Officers and Committee Members of the CMEEC and Transco Boards. Ms. Kipnis conducted the Roll Call Vote.

Roll Call Vote:

Aye:
Ronald Gaudet
Dr. Grace Jones
Stewart Peil
Richard Tanger
Kevin Barber
David Brown
Kenneth Sullivan
Lois Demicco
Pete Johnson
Mark Oefinger

Total Aye: 10

Nay:
Keith Hedrick
David Collard
Paul Yatcko
David Westermoreland
Dawn DelGreco

Total Nay: 5

Motion carried.

(18-11-10)

(C) Approve 2019 CMEEC Board of Directors’ Scheduled Meeting Dates and Joint Committee Dates

Mr. Whittier provided an overview of the schedules appended to the Board package. He noted that an annual schedule of Joint Committee Meetings was contained in the materials. Discussion followed regarding location of Board meetings.

Chairman Sullivan entertained a motion to preserve the meeting dates as noted on the resolution and to table their locations.

A motion was made by Alternate Member Representative Keith Hedrick, seconded by Member Representative Louis Demicco to approve the 2019 CMEEC Board of Directors' Scheduled Meeting dates and Joint Committee Dates as amended.

Motion passed unanimously.

(18-11-11)

(D) Approve 2019 CMEEC Operating and Capital Budgets

Member Representative Kevin Barber, Chairman of the Joint Budget and Finance Committee, provided a brief overview of the Joint Budget and Finance Committee activities leading up to the recommendation to adopt the budget as presented at the Annual Meeting. He stated that the committee met several times with CMEEC staff and that the whole Board of Directors had been invited to those meetings. The purpose of these meetings was to review the budget and make recommendations.

Having confirmed that the budget presented to this Board is the same as that presented to the Budget and Finance Committee, Chairman Sullivan entertained a motion to approve the 2019 CMEEC Operating and Capital Budgets.

A motion was made by Member Representative Demicco, seconded by Alternate Member Representative Stewart Peil to approve the 2019 CMEEC Operating and Capital Budgets, with Member Representative Gaudet abstaining.

Motion passed.

(18-11-12)

(E) Joint Action Agency, CMEEC Master Metric, and Benchmarking Performance Discussion

Mr. Stern provided a brief over view of the benchmarking project he completed comparing CMEEC metrics to other Joint Action Agencies (JAA). He noted that he reached out to the American Public Power Association (APPA) using an online survey. The survey was provided to 70 JAA's of which 10 replied. He introduced Paul Zummo, APPA Director, Policy Research and Analysis. Mr. Zummo conducted a presentation titled "Understanding Electric Utility Metrics and Benchmarks" which was well received. A question and answer session followed his presentation.

Mr. Rall, CMEEC Director of Asset Management, conducted a presentation titled "Connecticut Municipal Electric Energy Cooperative Strategy Measurement System Overview" which was well received. A question and answer session followed his presentation.

Chairman Sullivan entertained a motion to enter Executive Session to discuss personnel matters.

A motion was made by Member Representative Demicco, seconded by Alternate Member Representative Peil to enter Executive Session to discuss personnel matters with direction to the Board to return to Public session upon completion of the discussion in Executive Session. Members of the Board were present as well as Mr. Lane and Ms. Kipnis.

Motion passed unanimously. (18-11-13)

Executive Session was entered at 1:00 p.m.

The basis for entering Executive Session is Conn. Gen. Stat. Sec 1-210 (b)(2).

There being no further business to come before this Board, Chairman Sullivan entertained a motion to adjourn.

A motion was made by Member Representative Gaudet, seconded by Member Representative Demicco to adjourn the meeting.

Motion passed unanimously. (18-11-14)

Meeting was adjourned at 2:10 p.m.

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

RESOLUTION 18-11-10

WHEREAS, it is the recommendation of the Board of Directors to nominate the following slate of Officers for the year 2019:


BE IT HEREBY RESOLVED that the Board of Directors elects the following slate of CMEEC Officers to serve for the year 2019:

Office	2019 Officers
Chairman of the Board	Kenneth Sullivan
Vice Chairman	Ronald Gaudet
Secretary	Louis Demicco
Treasurer	Kevin Barber

BE IT FURTHER RESOLVED, that the Board of Directors approves the recommendation of CMEEC management for the following officer positions:

Assistant Secretary	Robin Kipnis
Assistant Treasurer	Mike Lane
Chief Executive Officer	Drew Rankin/ Interim CEO Mike Lane
Chief Financial Officer	Mike Lane

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Louis Demicco, Secretary

Board of Directors – Joint CMEEC and Transco Committees for 2019

Be it resolved that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative elects the following representatives to serve on the Joint Committees of the CMEEC and Transco Boards for the year 2019.

Joint Audit Committee	
Board Members	CMEEC Lead and Participants
Dawn Delgreco	Joanne Menard
Kenneth Sullivan	Mike Lane
Kevin Barber	
Mark Oefinger	
Stewart Peil	

Joint Budget and Finance Committee	
Board Members	CMEEC Lead and Participants
Stewart Peil	Mike Lane
Kevin Barber	Pat Meek
Paul Yatcko	Joanne Menard
Ronald Gaudet	
Rashid Haynes	
Ralph Winslow	

Joint Compensation and Policy Committee	
Board Members	CMEEC Lead and Participants
Dr. Grace Jones	CEO
Debora Goldstein	
Louis Demicco	
Paul Yatcko	
Ronald Gaudet	
Ralph Winslow	

Joint Governance Committee	
Board Members	CMEEC Lead and Participants
Dr. Grace Jones	Scott Whittier
David Brown	Robin Kipnis
David Westmoreland	
Debora Goldstein	
Jeffery Godley	
Mark Oefinger	
Richard Tanger	
Richard Throwe	
Ronald Gaudet	

Joint Risk Management Committee	
Board Members	CMEEC Lead and Participants
Louis Demicco	Scott Whittier
Keith Hedrick	CEO
Kevin Barber	Mike Lane
Paul Yatcko	
Richard Tanger	
Ronald Gaudet	
Rashid Haynes	
Pete Johnson	

Joint Legislative Committee	
Board Members	CMEEC Lead and Participants
Louis Demicco	Scott Whittier
David Westmoreland	Robin Kipnis
Debora Goldstein	
Keith Hedrick	
Mark Oefinger	
Ralph Winslow	

**THE CONNECTICUT MUNICIPAL ELECTRIC
ENERGY COOPERATIVE**

Board of Directors and Joint Committee Meeting

2019 Meeting Dates

RESOLUTION 18-11-11

BE IT HEREBY RESOLVED, that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (CMEEC), in accordance with Section 1-225 of the General Statutes of Connecticut and Article III, Section 4, of the CMEEC Bylaws, establishes the following schedule of Regular and Annual Meetings of the Board of Directors for **Calendar Year 2019**.

Thursday, January 24, 2019	10:00 a.m.	Regular Board	TBD
Thursday, February 28, 2019	10:00 a.m.	Regular Board	TBD
Thursday, March 28, 2019	10:00 a.m.	Regular Board	TBD
Thursday, April 25, 2019	10:00 a.m.	Regular Board	TBD
Wednesday, May 23, 2019	10:00 a.m.	Regular Board	TBD
Thursday, June 27, 2019	10:00 a.m.	Regular Board	TBD
Thursday, July 25, 2019	10:30 a.m.	Regular Board	TBD
Thursday, August 22, 2019	10:00 a.m.	Regular Board	TBD
Thursday, September 26, 2019	10:00 a.m.	Regular Board	TBD
Thursday, October 24, 2019	10:30 a.m.	Regular Board	TBD
Thursday, November 21, 2019	10:00 a.m.	Annual & Regular Board	TBD
Thursday, December 19, 2019	10:00 a.m.	Regular Board	TBD

BE IT FURTHER RESOLVED, that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (CMEEC), in accordance with Section 1-225 of the General Statutes of Connecticut and Article III, Section 4, of the CMEEC Bylaws, establishes the following schedule of Joint Committee Meetings of the Board of Directors for **Calendar Year 2019**.

Audit Committee (2nd Monday)

April 8, 2019	10:00 a.m. – 12:00 p.m.
May 13, 2019	10:00 a.m. – 12:00 p.m.
December 9, 2019	10:00 a.m. – 12:00 p.m.

Budget & Finance Committee (2nd and 3rd Fridays)

March 8, 2019 (Financial Stability Metric Policy review)	12:00 p.m. – 2:00 p.m.
May 10, 2019 (Financial Stability Metric Policy review)	12:00 p.m. – 2:00 p.m.
September 13, 2019 (Transco proposed budget review).....	11:00 a.m. – 3:00 p.m.
September 20, 2019 (Transco proposed budget review).....	12:00 p.m. – 2:00 p.m.
October 11, 2019 (CMEEC proposed budget review).....	11:00 a.m. – 3:00 p.m.
October 18, 2019 (CMEEC proposed budget review).....	12:00 p.m. – 2:00 p.m.

Compensation Committee (2nd Thursday)

January 10, 2019	10:00 a.m. – 12:00 p.m.
April 11, 2019	10:00 a.m. – 12:00 p.m.

Governance Committee (4th Wednesday)

February 27, 2019	10:00 a.m. – 12:00 p.m.
May 22, 2019	10:00 a.m. – 12:00 p.m.
July 24, 2019	10:00 a.m. – 12:00 p.m.
October 23, 2019	10:00 a.m. – 12:00 p.m.

Legislative Committee (1st Friday)

January 4, 2019	10:00 a.m. – 12:00 p.m.
March 1, 2019	10:00 a.m. – 12:00 p.m.
June 7, 2019	10:00 a.m. – 12:00 p.m.

Risk Management Committee (3rd Thursday unless otherwise noted)

March 21, 2019	10:00 a.m. – 12:00 p.m.
May 16, 2019	10:00 a.m. – 12:00 p.m.
August 15, 2019	10:00 a.m. – 12:00 p.m.
October 17, 2019	10:00 a.m. – 12:00 p.m.
December 12, 2019 (2 nd Thursday).....	10:00 a.m. – 12:00 p.m.

November 15, 2018



Louis Demicco

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

RESOLUTION 18-11-12


Resolution Approving CMEEC's 2019 Operating and Capital Budgets

WHEREAS, CMEEC staff, acting through the Replacement Power Supply Contracts (RPSC), the CMEEC Bylaws, and other applicable Power Supply Agreements, Memorandum of Agreements and Springing Contracts in conducting CMEEC operations, has prepared a proposed budget as required, and reviewed it with the Budget and Finance Committee, acting on behalf of the Boards of Directors of CMEEC and TRANSCO, and as previously made available to the CMEEC Board of Directors through copy and presentation; and

WHEREAS, the Budget and Finance Committee recommends to the Board of Directors of CMEEC the proposed budget for 2019 be approved and adopted by the Board of Directors of CMEEC.

NOW THEREFORE BE IT RESOLVED, that the CMEEC Board of Directors hereby accepts the recommendation of the Budget and Finance Committee and approves and adopts the 2019 CMEEC Operating and Capital Budget as presented.

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Louis Demicco
Secretary

CMEEC Proposed Budget 2019

November 15, 2018

Preliminary - Draft

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Operating

Statement of Revenues, Expenses, and Changes in Net Position

	2019
	Proposed Budget
Operating Revenues:	
Electric Power Revenues	\$ 128,262,930
Electric Transmission Revenues	22,737,919
Uses/(Additions to) Rate Stabilization Fund	(3,973,513)
Total Operating Revenue	<u>\$ 147,027,336</u>
Operating Expenses:	
Purchased Power and Generation Costs	\$ 108,910,961
Transmission Costs	21,497,344
Administrative & General	8,105,047
Depreciation & Amortization	2,900,372
Total Operating Expenses	<u>\$ 141,413,724</u>
Net Operating Income (Loss)	\$ 5,613,612
Other Income (Expense)	
Interest and Investment Income	\$ 1,031,683
Interest Expense	(3,646,450)
Amort. Debt Premium & Issuance Expense	(28,262)
Other Income/(Expense)	(150,000)
Net Other Income (Expense)	<u>\$ (2,793,029)</u>
Change in Bond Expenses to be Recovered from Future Billings to Members	319,063
Change in Net Position	\$ 3,139,646

2019 Proposed CMEEC Budget Operating Expense Breakdown



Electric Products

Electric Products

Energy Expense

Capacity Expense

Ancillaries Expense

ISO Expense

Total Electric Products Expense

2019 Proposed Budget

\$ 67,917,966

37,399,821

3,312,208

2,710,029

\$ 111,340,024

Transmission

	2019 Proposed Budget
Transmission Expense	
Transmission Costs - ISO	\$ 20,773,115
Transmission Costs - Local Network	3,055,004
Administrative Charge	36,936
CMEEC Transmission billed through Transco	23,865,055
Other Transmission Expenses/(Revenue)	
MEU Owned PTF Revenue	(2,492,308)
MEU Local Facility Charges	124,596
Total Transmission Expense	\$ 21,497,344

CMEEC Non-Fuel Operating Expense

Non-Fuel Operating Costs

Non-Fuel O&M

Salaries

Office Expenses

Outside Services

Insurance

Employee Benefits

Board & Governance

Rent

Maintenance

Non Bond Funded Depreciation

Payroll Tax

Total Non-Fuel Operating

	2019 Proposed Budget	Allocated to Projects	2019 Net NFO
\$	3,959,270	\$ 3,959,270	\$ -
	4,209,745	850,950	3,358,795
	1,095,690	53,741	1,041,949
	1,870,710	513,710	1,357,000
	624,927	586,618	38,309
	1,943,214	510,570	1,432,644
	337,384	-	337,384
	25,673	-	25,673
	210,171	-	210,171
	449,750	-	449,750
	303,123	106,597	196,526
\$	15,029,656	\$ 6,581,455	\$ 8,448,200

Board & Governance Expense Detail

Board Member Compensation
 Consumer Advocate
 Board Development / Stakeholder Management Related Travel, Lodging, and Meals
 Board and Committee Meetings, and Planning Sessions
 Board and Committee related Outside Services
 Board Strategic Retreats and or Planning Sessions

Board & Governance Expense	
\$	151,200
	50,000
	20,592
	48,012
	50,000
	17,580
\$	337,384

Other Items

	2019 Proposed Budget
Total Net Benefit of CMEEEC Projects	\$ 12,543,289
Total CMEEEC Margin	\$ 3,973,513

Capital

CMEEC Capital and Major Maintenance Budget

	2019 Proposed Budget
Veeam Server Replacement	\$ 30,000
Replace Cooling Unit in Server Room	48,700
Virtual Desktop Server Upgrades	88,500
Pave Parking Lot/Modifications of Building Entrance - 30 Stott Ave	152,250
General Capital	\$ 319,450
MicroGen NOC Primary/Secondary Server Replacement	\$ 28,000
MicroGen SCR Work Platforms	400,000
Pierce Day Tank and GSU Access Improvement *	30,000
Pierce 1st Floor Workspace Expansion *	60,000
Pierce Control System/AVR Upgrade *	875,000
Power Plant Capital	\$ 1,393,000
MicroGen Fisher's Island Voltage Regulator	\$ 100,000
Capital Contributions	\$ 100,000
Total Capital	\$ 1,812,450
Use of Pierce Reserve	\$ (965,000)
Total Capital Net of Reserve	\$ 847,450
Pierce Combustion Inspection (Scheduled Major Maintenance) *	\$ 350,000
Total Major Maintenance	\$ 350,000

* these projects will utilize funds set aside in the Pierce Reserve Account