

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

November 1, 2019

A Special 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”) met at the CMEEC offices located at 30 Stott Avenue, Norwich, CT and via telephone on Friday, November 1, 2019 at 12:00 p.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:

Bozrah Light & Power: Ralph Winslow
Groton Utilities: Ronald Gaudet
Norwich Public Utilities: Stewart Peil (via telephone)
East Norwalk, Third Taxing District: Kevin Barber

The following non-Voting Members participated:

Jewett City Department of Public Utilities: Louis Demicco (via telephone)
Norwich Public Utilities: Christopher LaRose
East Norwalk, Third Taxing District: Debora Goldstein

The following CMEEC staff participated:

Michael Lane, CFO and Interim CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Justin Connell, CMEEC Director of Sustainability and Customer Engagement
Michael Cyr; CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Financial Planning & Analysis Manager
Joanne Menard, CMEEC Controller
Michaele Rall, CMEEC Director of Asset Management

Also in Attendance:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Kipnis Recorded.

Committee Chair Kevin Barber called the meeting to order at 12:10 p.m. He noted for the record that this meeting is being held at the CMEEEC offices located at 30 Stott Avenue, Norwich, CT in person and via telephone. He asked that those participating by telephone and those sitting in the room identify themselves for the benefit of all to know who was present at today's meeting. Committee Chair Barber confirmed a quorum was present.

Specific Action Item

A Public Comment Period

No public comment was made.

B Approve Minutes of the October 18, 2019 Regular Meeting of the CMEEEC / CTMEEEC Joint Budget & Finance Committee

A motion was made by Committee Member Ronald Gaudet, seconded by Committee Member Ralph Winslow to approve the Minutes of the October 18, 2019 Regular Meeting of the CMEEEC / CTMEEEC Joint Budget & Finance Committee.

Motion passed unanimously.

C Review Proposed 2020 CMEEEC Electric Products Budget

Patricia Meek, CMEEEC Financial Planning & Analysis Manager, walked the participants through pages 2-11 of the handout which is considered the "Electric Products Budget". She noted that the Load Forecast Assumptions, which are supplied by Portfolio Management, contain the methodology that is used in the Budget Load Forecast. She noted that budgeted load shows a decline due to a rolling off of the aggregation loads but that other than the aggregation loads, CMEEEC loads remain flat. The rolling off of the aggregation loads also drives the decline in the Electric Product expense budget presented on p. 8 of the handout. The Energy Expense budget on p. 9 of the handout reflects a flat projection owing to the fact that forward market prices are flat, and CMEEEC hedges out load until 2024. Further discussion ensued.

D Review Proposed 2020 CMEEEC Budget and Potential Vote to Recommend Adoption by CMEEEC Board of Directors

Ms. Meek continued to walk the participants through the remainder of the handout and to respond to questions. It was noted that the Board has seen the full detail of the Budget

and would be provided that detail again in advance of the vote on the budget at the November Board meeting, some of which has changed as a result of Budget and Finance Committee input and recommendations. It was determined that the handout is what would be provided to the Board for their upcoming vote.

At this point, Committee Member Gaudet, seconded by Committee Member Winslow moved to recommend that the CMEEC Board vote to adopt the 2020 CMEEC Budget with such changes as the Budget and Finance Committee recommended at the meeting.

Vote passed unanimously.

E **Advanced Refunding Refinancing CMEEC and Transco Bonds (Informing)**

Michael Lane, CMEEC CFO and Interim CEO, introduced Michael Mace from Public Financial Management (“PFM”) who discussed the debt refinancing opportunities for the bonds held by CMEEC at a 5% coupon rate. These are the CMEEC 2013 Series A and 2012 Series A bonds and the Transco 2012 Series A bonds totaling \$86,600,000 in bond debt. Mr. Mace walked the participants through the handout that discussed the Net Present Value (NPV) of both a taxable and tax-exempt refinancing of this debt and the risks and benefits of each in today’s interest rate climate. Mr. Mace recommended that the CMEEC Board determine what NPV would warrant a debt refinancing and construct a refinancing that would accomplish this NPV. He noted that the next step would be the development and an issuance of RFP for an investment bank.

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

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

Motion passed unanimously.

The meeting was adjourned at 2:15 p.m.