

SUBJECT TO BOARD APPROVAL

MINUTES OF THE

REGULAR MEETING OF THE

BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

April 23, 2020

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, April 23, 2020 at the CMEEC offices located at 30 Stott Avenue, Norwich, CT and telephonically.

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

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

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

The following CMEEC Staff participated at the CMEEC offices:

Dave Meisinger, CMEEC CEO
Michael Lane, CMEEC CFO
Ellen Kachmar, CMEEC Office and Facility Manager

The following CMEEC Staff participated telephonically:

Robin Kipnis, Esquire, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director of Business Intelligence

Justin Connell, CMEEC Director of Sustainability and Services
Michael Cyr, CMEEC Director of Portfolio Management

Patricia Meek, CMEEC Financial Planning & Analysis Manager
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services
Heidi Winnick, CMEEC Treasury Analyst
Scott Whittier, CMEEC Director of Enabling Services

The following individuals also participated telephonically:

Stephen Sinko, Norwich Public Utilities
David Silverstone, Esquire, Municipal Electric Consumer Advocate
Len Mediavilla, Groton Utilities

Ms. Kachmar recorded.

Chairman Kevin Barber called the meeting to order at 10:03 a.m. He stated for the record that this meeting is being held telephonically and in person at the CMEEC offices located at 30 Stott Avenue, Norwich, CT.

Chairman Kevin Barber walked the Board through the conduct of today's meeting stating that all participants' phones should remain on mute unless speaking to eliminate background noise. He stated that attendance would be taken and followed by voting roll call. He asked the members to state their name prior to speaking for clarity of the record. He confirmed that all participants were able to hear all other participants in the meeting.

Standard Agenda Items

A Public Comment Period

No public comment was made.

B Conduct Voting Roster / Roll Call

Ms. Kachmar conducted roll call with each member responding individually as their names were called. Following roll call, she identified the voting persons at today's meeting.

C Approve Minutes of the CMEEC Regular March 26, 2020 Board of Directors' Meeting

A motion was made by Member Representative Ralph Winslow, seconded by Municipal Representative George Kennedy to amend the Minutes to reflect that David Eggleston was a participant at the CMEEC Regular March 26, 2020 Board of Directors' Meeting.

Motion passed unanimously.

20-04-01

A motion was made by Member Representative Ralph Winslow, seconded by Municipal Representative George Kennedy to approve the Minutes, as amended, of the CMEEC Regular March 26, 2020 Board of Directors' Meeting.

Motion passed. Pete Johnson abstained.

20-04-02

D Possible Vote on Resolution Approving Member Request for Utilization of Municipal Trust Funds

Kenneth Sullivan, as representative of Jewett City, the requesting party, began by informing the Board that the purpose of his request for Municipal Competitive Trust funds is to finance an LED lighting retrofit at the Griswold Elementary School and that

the funds would be repaid, with interest, by the Griswold Board of Education. Member Representative Ronald Gaudet asked if withdrawal of the funds would affect bond ratings or equity levels, to which the answer was no. Other members noted, for informational purposes, how their Municipal Electric Utilities (MEUs) had utilized their Municipal Trust funds in the past. Attorney Kipnis notified the Board that later in the meeting she would be discussing the various member funds and their permitted uses, but that the use of the Municipal Trust Fund for the purposes requested by Jewett City was in line with the Trust documents.

A motion was made by Member Representative Ronald Gaudet, seconded by Member Representative Ralph Winslow to approve Resolution 20-04-03 to grant the funding to Jewett City Department of Public Utilities.

Motion passed unanimously.

20-04-03

E Resolution in Recognition of Ralph Winslow Years of Service

Chairman Kevin Barber read the Resolution out loud.

A motion was made by Member Representative Ronald Gaudet, seconded by Municipal Representative Pete Johnson to approve Resolution 20-04-04.

Motion passed unanimously.

20-04-04

F March 2020 Objective Summary Review

Mr. Meisinger, CMEEC Chief Executive Officer, walked the Board through the Regional Competitiveness and Customer Fulfillment metrics stating that they each realized strong performance for the month. He noted lower than usual loads due to mild weather and COVID19. Mr. Meisinger informed the Board that CMEEC staff has met telephonically with most MEUs' management over the last couple weeks to present revised forecasts through the PRISM report, which reflected an approximate average load reduction of 5%, with a smaller reduction in peaks. This is primarily due to employees working remotely and some commercial businesses being closed but also due to the mild weather. He also noted that Michael Lane and the Finance and Accounting group are in the process of conducting stress testing and liquidity assumptions for CMEEC and MEU cash flow based on currently-anticipated COVID-19 impacts on receivables.

G March 2020 Project Portfolio Performance

Mr. Michael Rall, CMEEC Director of Asset Management, reported that Microgen came in above budget due to the LNS true up between January and June, fuel expenses were less than budget, Transmission Project No.1 was below budget due to network loads being lower, and that the Community Solar project was below budget. Mr. Rall explained that Microgen did not operate during the March peak load, missing it by 1 hour, explaining that with the new load shape resulting from many workers staying home, it

was difficult to predict when the peak will occur. Mr. Rall further explained that because the casinos are not operating and with MTUA's load being down roughly 50%, the Microgen units at the Mohegan Reservation will not be operated to offset the peak until the casino re-opens and normal load resumes.

Municipal Representative Oefinger asked for an update on our conversations with Tesla about the on-going maintenance and performance issues with the Tesla Solar Gardens and batteries. Attorney Kipnis reported that discussions are in process.

H February 2020 Energy Market Analysis

Michael Cyr, Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for March noting the actual loads were reduced by 8.5%, in part due to an increase in power generation by New York Power Authority (NYPA). Actual Energy Cost at LMPs came in at \$37.75/MWh, \$1.94/MWh lower than budget. Weighted Average Energy Cost at LMPs was \$17.36/MWh. Actual Average Hub Daily DA LMPs were \$17.18/MWh, ranging between \$12.57/MWh to \$20.52/MWh.

Henry Hub Gas Price was \$1.75/MMBTU, which was \$0.86/MMBTU lower than budget and ranging between \$1.63 and \$1.95/MMBTU. Algonquin Citygate Gas Price was \$1.57/MMBTU, which was \$5.38/MMBTU lower than budget and ranging between \$1.21 and \$1.78/MMBTU.

West Texas Intermediate oil price was \$29.21/Barrell which was \$21.33/Barrel lower than previous month. The Ultra-Low Sulphur Diesel (ULSD) Oil Price was \$12.00 which was \$1.54/MMBTU lower than budget. Mr. Cyr explained that the MicroGen units run using the ULSD Oil.

Mr. Cyr stated that the Forward Capacity Auction Clearing Price was \$7.03/kW-Mo for this month. The Actual Net Regional Capacity Clearing Price was \$7.00/Kw-Mo which was the same as the previous month.

Mr. Cyr noted no additional resources were purchased or sold during March. He also reported that Eversource will soon seek to fill 30% of their wholesale power for the second half of 2020, and 40% of their wholesale power for the first half of 2021 which will give CMEEC insight into the regional benchmark rate for the future.

I CMEEC/CTMEEC Debt Refinancing Update

Mr. Michael Lane, CMEEC Chief Financial Officer, reported CMEEC signed the Bond Purchase Agreement with Morgan Stanley on April 17, as the bond market has stabilized, and pricing fell within the parameters approved by the Board on February 27, 2020. He said that refinancing of the CMEEC and Transco debt will result in \$8.9 million in NPV savings for the MEUs over the life of the bonds, and an increase in Transco transmission revenue over the life of the bonds is also anticipated as a result of the refinancing.

Closing will take place on April 27, 2020 with settlement occurring on the call dates of the refinanced debt.

J New Business

Attorney Kipnis walked the Board through a chart describing the various sources of funds held at CMEEC that available to the MEUs. A discussion with questions and answers ensued. Attorney Kipnis also noted these various account balances for the MEUs are posted in CMEEC monthly financial statements.

Mr. Meisinger notified the Board of a billing arrangement made with the Mohegan Tribal Utility Authority (MTUA) which involves a deferment of payment of their electric bill to CMEEC for a couple months, at MTUA's request.

Mr. Meisinger also announced to the Board that CMEEC will be engaging in a Cost of Services Study to focus primarily on the methodology for allocating CMEEC's administrative and general charges. He also reported that a Board portal software solution is still being researched by CMEEC staff to eliminate the need to print, bind, and send Board packages to the Board members.

Mr. Meisinger updated the Board on the impact of COVID19 on CMEEC, stating that employees mostly continue to work from home, with the exception of Asset Management staff who come in periodically to run the generators during peak shaving. He also noted minor building projects are being completed which are timely since they will not disrupt staff while working. Mr. Meisinger also reminded the Board that Strategic Planning initiatives are being temporarily postponed due to COVID 19.

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

A motion was made by Municipal Representative Peter Johnson, seconded by Member Representative Ralph Winslow to adjourn the meeting.

Motion passed unanimously.

20-04-05

The meeting was adjourned at 11:38 a.m.