

SUBJECT TO BOARD APPROVAL

MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

August 26, 2021

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held telephonically and via Zoom on Thursday, August 26, 2021, 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
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Scott Barber, Richard Tanger
South Norwalk Electric and 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, Kenneth Sullivan, 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
Margaret Job, CMEEC Paralegal
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 10:01 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 Items

A Public Comment Period

There was no public comment made.

B Roll Call / Voting Roster

Ms. Job conducted roll call with each member responding individually as their names were called. Following roll call, Ms. Job identified the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the Regular July 22, 2021 CMEEC Board of Directors' Meeting

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Jeffrey Godley to approve the Minutes of the Regular July 22, 2021 CMEEC Board of Directors' Meeting.

Motion passed unanimously.

21-08-01

D July 2021 Objective Summary

Mr. Meisinger explained that Regional Competitiveness came in similarly to last month holding to budget and target. He stated it came in at 29% versus a target of 32% and year end is projected to be 3% lower than the target which is still well below the Eversource benchmark wholesale cost equivalent. He added that Customer Fulfilment All-In Cost to TMR View came in at \$79/MWh versus a target of \$78/MWh, with year-end projection remaining at \$85/MWh versus the original target of \$83/MWh, resulting from higher forward energy and gas prices and 2020 LNS transmission true-up, lower net capacity costs and steady project performance.

E July 2021 Project Portfolio Summary

Mr. Rall explained that the Project Portfolio had a good month ending 16% above budget. He stated that MicroGen came in at 10% below budget resulting from unbudgeted maintenance. He further explained that other units will need similar maintenance however that expense will appear in the year-end budget. Pierce came in above budget for the month due to unbudgeted ISO dispatches, which increases revenue. Transmission Project #1 came in above budget due to pool network peak load from the previous month being higher than budgeted. Community Solar Garden came in lower than budget due to the recent project participant decision to no longer offset costs with RRIF.

Mr. Rall stated that overall, the projects had a good month. He also added that year-to-date, the projects came in at 2% above budget and Year-end at 3% below budget excluding Subase Fuel Cell.

F July 2021 Energy Market Update

Mr. Cyr provided a high-level review of the Energy Market Analysis for June highlighting that Actual Loads came in at 82,061 MWh which was 239 MWh lower than budget. Actual Energy Cost was \$28.52/MWh which was \$4.111/MWh higher than budget. Weighted Average Energy Cost at LMPs was \$38.76/MWh and Actual Average Daily Hub Day Ahead LMPs was \$37.16/MWh, ranging from \$23.96/MWh to \$49.71/MWh.

Henry Hub Gas Price was \$3.79/MMBTU, which was \$4.11/MWh higher than budget and Algonquin Citygate Gas Price was \$3.20/MMBTU which was \$0.16/MMBTU lower than budget, ranging from \$2.76 to \$4.18/MMBTU.

West Texas Intermediate Oil Price was \$72.49/Barrel, which was \$1.11/Barrel higher than previous month and Ultra Low Sulphur Diesel Oil price was \$16.00/MMBtu, which was \$6.55/MMBtu higher than budget.

Mr. Cyr then explained the mitigating actions taken recently and walked the Board through other materials included in the Board Package, highlighting the graph on page 52 of the Board Package identifying Forward Energy Prices, which are fluctuating greatly due to low levels of gas storage, high LNG exports and the impact of hot weather.

G Budget & Finance Committee Report

Member Representative Christopher LaRose, Chair of the Budget & Finance Committee, explained that the Committee met on July 29, 2021 and reviewed the second quarter operating results. He stated that Ms. Meek provided a detailed report and answered all questions adequately. The Committee also reviewed revisions to the CMEEC Investment Policy noting that minor edits were made. The Committee agreed to recommend the policy for approval by the Board. Member Representative LaRose further explained that the ethics language in the Investment Policy had been removed and replaced with a

reference to the CMEEC Ethics Policy. The Committee requested the Governance Committee to review the ethics language removed from the Investment Policy to ensure that it is sufficiently included in the Ethics Policy.

He stated that a special meeting of the Budget & Finance Committee may be called in September inviting PFM to make a presentation related to the CMEEC investment strategy.

Finally, Member Representative LaRose stated that the Committee reviewed the Cost-of-Service Study (“COSS”) for which CMEEC had engaged United Financial Services to perform services related to the COSS, however he noted that the study was brought in-house to be completed internally. It was further noted that the COSS may also be discussed further at a special meeting of the Committee.

H Governance Committee Report

Member Representative Ronald Gaudet, Chair of the Governance Committee, explained that the Committee held a special meeting on August 19, 2021. The Committee reviewed the Investment Policy and the Ethics Policy at the request of the Budget & Finance Committee and determined that ethics language removed from the Investment Policy is already covered plus additional applicable policy in the Board adopted Ethics Policy, so that removal from the Investment Policy and reference to the Board policy is appropriate.

Member Representative Gaudet then explained that the Committee reviewed Board Committee structure. After discussion, the Committee agreed to recommend to the full Board the dissolution of the Compensation Committee and the Ad Hoc Strategic Planning Committee, which the Board will vote on today by resolution provided in advance of today’s meeting.

After discussion, Chair Barber entertained a motion to approve the resolution approving the modification to the CMEEC / CTMEEC Joint Committee Structure dissolving the Joint Compensation Committee and the Ad Hoc Strategic Planning Committee as provided in the Resolution, and subject to a vote by the CTMEEC Board on a companion Resolution at its next meeting.

A motion was made by Member Representative LaRose, seconded by Municipal Representative Oefinger to Approve the Resolution Approving the Modification to the CMEEC / CTMEEC Joint Committee Structure.

Motion passed unanimously.

21-08-02

Possible Vote to Enter Executive Session to Discuss Board Self-Evaluation Results Pursuant to C.G.S. § 1-200(6)(A).

Ms. Kipnis explained that she conducted legal analysis and reviewed Freedom of Information Act caselaw and determined that the Board's discussion of results of its self-evaluation survey is akin to the Board conducting an employee evaluation where the employee has the right to request that discussion take place in public session. The Board must be given the opportunity to conduct discussion of the results of their self-evaluation in public session therefore, it is left to the Board to determine if discussion should be held in executive session or public session.

Chair Barber entertained a motion to enter Executive Session to discuss the Board Self-Evaluation Results Pursuant to C.G.S. § 1-200(6)(A). No motion was made.

Ms. Kipnis then proceeded to walk the Board through a summary of the results of the Board Self-Evaluation providing the Board opportunity to ask questions and make comments. After discussion, Member Representative Gaudet added that some of the items identified in the comments section of the survey are being addressed. He added that succession planning for Board members is being addressed with the development of job descriptions for all Officer positions, Committee Chair positions, Board members and Municipal Representatives. He also stated that the Governance Committee discussed the CEO visiting MEUs and their commissions or utility boards to provide a brief presentation on CMEEC and possibly share the job descriptions with them to help in determining nominations of directors and municipal representatives to the CMEEC Board.

Upon inquiry by Chair Barber, Member Representative Gaudet stated that the summary of the Board self-evaluation will be provided to the full Board.

I Risk Management Committee Report

Member Representative Robert Staley, Chair of Risk Management Committee, explained that the Committee met on August 19, 2021 and received a Recap of Subsea Fuel Cell Project Proforma Due Diligence and Lessons Learned in Executive Session. The Committee further discussed several Strategic Plan Initiatives assigned to it as well as certain potential projects that have been under review by staff over the past few months. Member Representative Staley stated that the Committee agreed to adjust the schedule of biannual review of all pro formas, staggering the schedule to review half of the project pro formas each year, beginning in 2022.

J MEU Roundtable

Mr. Meisinger stated his appreciation to the Board members for completing the self-evaluation. He informed the Board that the Strategic Planning Committee will meet on September 9, 2021 and the Budget & Finance Committee will kick off the budget review process at its meeting scheduled for September 17, 2021.

Each of the General Managers then provided updates on new Covid mandates and the impact Tropical Storm Henri had on their customer service territories.

K New Business

- **Advanced Refunding of Bonds**
- **Brief Updates**
- **Possible Vote to Enter Executive Session for Purposes of Discussing Confidential Negotiations Pursuant to C.G.S. § 1200(6)(D) and Pending Strategy and Claims Pursuant to C.G.S. § 1-210(b)(4)**

Advanced Refunding of Bonds

Ms. Kipnis explained that the settlement of the advanced refunding of some of CMEEC's outstanding Bonds, which took place in early 2020, will occur in October 2021, with a second settlement to occur in October of 2022. She informed the Board that, in connection with the upcoming settlement, each of the General Managers of the Members will receive a Certificate in which they will affirm, among other things, the Member Utility has not experienced any material adverse development in its financial operations. The Certificate will require signature by each of the General Managers of the Member Utilities.

Brief Updates

Mr. Meisinger provided a brief update of the dispute between the operator of the Community Solar Garden and CMEEC. He explained that the parties are moving toward a mediation type meeting to determine if there will be an opportunity to resolve the matter short of formal dispute resolution. He then stated discussions with the Navy are underway in an attempt to address outstanding contractual issues related to a credit sought by CMEEC for partial work CMEEC completed as in-kind consideration. Negotiations will result in an amended lease with the Navy which will be brought to the full Board for approval.

Possible Vote to Enter Executive Session for Purposes of Discussing Confidential Negotiations Pursuant to C.G.S. § 1-200(6)(D) and Pending Strategy and Claims Pursuant to C.G.S. § 1-210(b)(4)

Ms. Kipnis explained the topics for discussion in Executive Session stating that such topics of discussion are protected from public session under identified sections of the Freedom of Information Act.

Chair Barber entertained a motion to enter Executive Session.

A motion was made by Municipal Representative Pete Johnson, seconded by Municipal Representative George Kennedy to enter Executive Session.

Motion passed unanimously.

21-08-03

The basis for entering Executive Session is pursuant to Connecticut General Statutes §§ 1-200(6)(D) and 1-210(b)(4). Members of the Board, Messrs. Meisinger, Cyr, Rall, Stern, Silverstone and Ms. Kipnis, Meek and Job remained.

The Board entered Executive Session at 11:07 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 12:18 p.m.

After entering Public Session, Chair Barber entertained a motion to approve the Resolution authorizing the CMEEC CEO to finalize and sign the First Amendment to the Power Supply Agreement between CMEEC and the Mohegan Tribal Utility Authority in substantially the form presented at today's meeting.

A motion was made by Municipal Representative Johnson, seconded by Member Representative Gaudet to Approve the Resolution Authorizing the CMEEC CEO to finalize and sign the First Amendment to the Power Supply Agreement between CMEEC and the Mohegan Tribal Utility Authority in substantially the form presented at today's meeting.

Motion passed unanimously. 21-08-04

Chair Barber then entertained a motion to authorize the CMEEC CEO to continue exclusive negotiations to reach a definitive agreement for submission to the Board for Approval.

A motion was made by Municipal Representative Johnson, seconded by Member Representative Kenneth Sullivan to Authorize the CMEEC CEO to Continue Exclusive Negotiations to Reach a Definitive Agreement on Substantially the Terms and Conditions Discussed in Executive Session at today's meeting for submission to the Board for Approval.

Motion passed unanimously. 21-08-05

L Adjourn

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

A motion was made by Municipal Representative Johnson, seconded by Member Representative Richard Tanger to adjourn.

Motion passed unanimously. 21-08-06

The meeting was adjourned at 12:22 p.m.