

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

July 26, 2023

A Regular 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” dba Transco) was held via Zoom and telephonically on Wednesday, July 26, 2023 at 10:00 a.m.

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:

Bozrah Light & Power: William Ballinger
Groton Utilities: Ronald Gaudet, Yi Xiang (Non-Board Member)
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley
Norwich Municipal Representative: David Eggleston
Third Taxing District, East Norwalk: Kevin Barber
East Norwalk Municipal Representative: Pete Johnson

The following Non-Voting Members participated:

Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff participated:

Dave Meisinger, CMEEC CEO
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Candice DiVita, CMEEC Financial Analyst
Richard Gaudet, CMEEC Principal Energy Modeling & Performance Analyst
Margaret Job, CMEEC Paralegal and Compliance Manager
Leslie Williams, CMEEC Principal Billing & Rate Analyst
Heidi Winnick, CMEEC Financial & Treasury Analyst

Others participated:

David Silverstone, Esquire, Municipal Electric Consumer Advocate
Steve Sinko, Norwich Public Utilities

Ms. Job recorded.

Committee Chair 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 participants should keep their devices on mute unless speaking to eliminate background noise and state their name when speaking for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call. Committee Chair LaRose confirmed a quorum of the Committee was present.

C Approve the Minutes of the April 26, 2023 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Oefinger, seconded by Committee Member Staley to Approve the Minutes of the April 26, 2023 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee.

Motion passed unanimously.

D Review Second Quarter Operating Results

Ms. Meek walked the Committee through the Master Dashboard on PowerBI highlighting the second quarter operating results for Power Costs and Non-Fuel Operating Expenses. Ms. Meek explained the Board expenses under the Board and Governance metric is below budget due primarily to Board meetings being held via Zoom with the exception of two in-person meetings scheduled in 2023.

Ms. Meek explained that there has been no activity related to the status of the Capital projects from her first quarter operating results discussion. She noted that the Wastewater Treatment Plant transfer to MicroGen was postponed to the second quarter of 2024 adding that more due diligence is needed.

E Discussion of Primary Impacts on Rate 9 Demand Year-to-Date

Ms. Meek introduced CMEEC staff member Richard Gaudet, adding that Mr. Gaudet's presentation is responsive to Mr. Silverstone's request for more information on this subject.

Mr. Gaudet then proceeded to walk the Committee through his presentation on year-to-date budget to actual reconciliation related to the impacts on 2023 Rate 9 Demand.

Following Mr. Gaudet's presentation, the Committee agreed that a similar report will be provided to this Committee once per year during the budget process period.

F Review Meeting Schedule for 2024 Budget

Ms. Meek reviewed the budget meeting schedule noting that the agenda items shown on the schedule are preliminary and subject to change with respect to topics covered.

Upon inquiry by Committee Member Staley, Ms. Meek informed the Committee that CMEEC receives quarterly statements from the investment firm that manages CMEEC investments. She added that the next statement will be provided to this Committee when it is received.

G Overview of Municipal Competitive Trust Accounts

Ms. Meek walked the Committee through the slide deck providing the impetus behind CMEEC Resolution 03-07 to create Trust accounts. She noted that the Resolution defines the purpose for which funds could be used and establishes a Board approval requirement. She explained that a Trust Agreement was created in June of 2004 with CMEEC Resolution 04-17 appointing Wachovia Bank National Association as Trustee, now known as US Bank.

Ms. Meek explained that the Trust Agreement expired on December 31, 2018 but that the terms of CMEEC Resolution 03-07 still control pursuant to the language of the Trust Agreement.

After lengthy discussion, Ms. Meek and Mr. Meisinger stated that the documents controlling the Municipal Competitive Trust accounts will be reviewed, and a recommendation for action, if any, will be presented to this Committee. Ms. Meek stated that she has contacted US Bank to discuss how, or if, their process of handling the accounts has changed since December 31, 2018. She added that US Bank is reviewing this question.

H Five-Year Financial Plan Status

Ms. Meek provided an update on the status of the Five-Year Financial Plan (the "Plan") noting the team tasked with updating it is reviewing the metrics included in the current Plan. She added that a draft will be completed and presented to this Committee at one of its meetings in September.

I Other Business

Upon inquiry by Mr. Silverstone, Ms. Meek explained that staff is working with vendors to choose a new general ledger software, and that transition to the chosen software will not likely occur until 2024.

J Adjourn

A motion was made by Committee Member Barber, seconded by Committee Member Johnson to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:18 a.m.