

MINUTES OF THE  
REGULAR HYBRID 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 24, 2024

A Regular Hybrid 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 in person at 30 Stott Avenue, Norwich, CT on Wednesday, July 24, 2024 at 10:00 a.m.

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

**The following Committee Members participated via Zoom unless otherwise noted:**

Bozrah Light & Power: William Ballinger  
Groton Utilities: Ronald Gaudet  
Groton Municipal Representative: Mark Oefinger  
Norwich Public Utilities: Christopher LaRose (in person), Robert Staley  
Norwich Municipal Representative: David Eggleston  
South Norwalk Electric & Water: David Westmoreland  
Third Taxing District: Kevin Barber  
East Norwalk Municipal Representative: Pete Johnson

**The following Non-Voting Members participated via Zoom:**

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

**The following CMEEC Staff participated in person:**

Dave Meisinger, CMEEC CEO  
Patricia Meek, CMEEC Director of Finance & Accounting  
Joanne Menard, CMEEC Controller  
Candice DiVita, CMEEC Financial Analyst  
Heidi Winnick, CMEEC Financial Treasury Analyst  
Margaret Job, CMEEC Director of Administrative Services

**The following CMEEC Staff participated in person (Cont'd):**

Lauren Gaudet, CMEEC Administrative & Sustainability Specialist  
Chantal Maxwell, CMEEC Administrative Services Coordinator

**Others participated via Zoom:**

David Silverstone, Esquire, Municipal Electric Consumer Advocate  
Zachary O'Grady, PFM Asset Management LLC  
Steve Sinko, Norwich Public Utilities  
Laura Huren, Norwich Public Utilities  
Jeff Brining, Norwich Public Utilities

Ms. Gaudet recorded.

Committee Chair Christopher LaRose called the meeting to order at 10:00 am noting for the record that today's meeting is being held in person at 30 Stott Avenue, Norwich, CT and via Zoom. He explained that participants should keep their device 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. Gaudet conducted roll call. Committee Chair LaRose confirmed a quorum of the Committee was present.

**C Approve Minutes of the April 24, 2024 Special Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee**

**A motion was made by Committee Member Barber, seconded by Committee Member Eggleston to Approve the Minutes of the April 24, 2024 Special Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee.**

**Motion passed unanimously.**

**D Guest Speaker: PFM Asset Management**

Ms. Meek briefly introduced Mr. O'Grady of PFM Asset Management (PFMAM) to the Committee.

Mr. O'Grady walked the Committee through a PowerPoint presentation regarding PFMAM and CMEEC's relationship and how to read quarterly and monthly statements.

**E Review Second Quarter Operating Results (via Master Dashboard)**

Ms. Meek guided the Committee through the second quarter operating results shown on the Master Dashboard. She explained that the Member (Rate 9) Power Cost is 13% below the budgeted amount and that this number grows to 15% when Member return is considered. She added that the CMEEC project portfolio is anticipated to be significantly outperforming the budget for the year due to the Solar Garden project credit which is a direct result of the contract renegotiation finalized this spring.

Ms. Meek also reviewed the Non-Fuel Operating costs, highlighting the main drivers of the lower than budget costs.

Ms. Meek proceeded to walk the Committee through the July All In Forecast. She explained that there were higher market prices for unhedged load in July – December when compared to the June forecast. She also clarified that load in June, as well as load for the rest of the year, is anticipated to be greater than originally forecasted.

**F Review of Capital Project Status**

Ms. Meek introduced the two Capital Projects, the WWTP Transfer to MicroGen and the Computer Room Fire Suppression System, that CMEEC has been working on in 2024. She explained that the WWTP Transfer to Microgen is on hold, but that the Computer Room Fire Suppression System project is very close to being done with just a few final steps left. The Computer Room Fire Suppression System project is expected to be completed in the third quarter.

**G Review Draft Five-Year Financial Plan Metrics Policy**

Ms. Meek explained that at its last meeting, the Committee recommended staff work to carve out portions of the proposed 5-Year Financial Plan to create a policy focusing on metrics that impact CMEEC's financial status. This resulted in the Draft Long-Term Financial Planning Policy provided to the Committee in advance of today's meeting.

Ms. Meek then provided an overview of the Draft Long-Term Financial Planning Policy after which the Committee voiced their agreement and Committee Chair LaRose noted that the next step is to recommend approval of the Policy by the Board of Directors at its meeting on July 25, 2024. At this time, Committee Chair LaRose entertained a motion to recommend approval of the Policy by the Board of Directors. He added that the Committee is seeking approval of the Policy only, not Exhibit A to the Policy identifying the five-year forecast of key performance indicators (KPIs).

**A motion was made by Committee Member Gaudet, seconded by Committee Member Staley to recommend that the Board of Directors approve the Five-Year Financial Plan Metrics Policy.**

**Motion passed unanimously.**

Mr. Silverstone questioned whether the salaries of new employees are budgeted to begin in January of the calendar year in which they begin employment or if they are budgeted to begin in the precise month in which the employee begins employment. Ms. Meek explained that the salaries for new employees are budgeted starting in January unless the precise month in which they will start is known in time for inclusion in the budget.

Mr. Silverstone also asked Ms. Meek to explain what her plan is if KPIs in the five-year forecast do not indicate they will meet the targets set. Ms. Meek explained that the review of the KPI forecast will be part of the next budget cycle and strategies to remedy any forecasted shortfalls will be discussed with this Committee and incorporated into the budget accordingly. Ms. Meek also added that the Board of Directors will be informed any time the KPIs change and that most KPIs are available to view on the Master Dashboard.

#### **H Review Meeting Schedule for 2025 Budget**

Ms. Meek outlined the meeting schedule for the 2025 budget. She emphasized that the meeting scheduled for October 25, 2024 is from 1:00 – 3:00 p.m. rather than from 10:00 am – 12:00 p.m. like all other meetings for the 2025 budget process.

#### **I New Business**

Ms. Meek informed the Committee that the CMEEC Finance & Accounting Department went live on July 1, 2024 with a new general ledger system and budgeting software. She added that it has gone smoothly. Committee Chair LaRose asked Ms. Meek if there have been any “lessons learned” so far. Ms. Meek explained that the first month-end closing under the general ledger software will be occurring at the beginning of August and after that a review of possible lessons learned will be conducted.

Mr. LaRose and Ms. Meek both clarified that neither CMEEC nor NPU were affected by the CrowdStrike bug that caused global technology problems last week.

#### **J Adjourn**

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

**Motion passed unanimously.**

The meeting was adjourned at 11:09 a.m.