

SUBJECT TO FINAL BOARD APPROVAL  
ANNUAL AND REGULAR NOVEMBER MEETING OF  
THE BOARD OF DIRECTORS OF  
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

**November 15, 2018**

**Norwich Inn & Spa  
607 West Thames Street, Norwich, Connecticut**

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**MINUTES**

Chairman Kenneth Sullivan called the meeting to order at 10:57 a.m. and determined a quorum was present. For the record, Chairman Sullivan stated that the meeting is being held at the Norwich Inn and Spa located at 607 West Thames Street, Norwich, CT.

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

Groton Utilities: Ronald Gaudet, Keith Hedrick, Mark Oefinger  
Norwich Public Utilities: Dr. Grace Jones, Stewart Peil  
Bozrah Light & Power: David Collard, Richard Tanger, Ralph Winslow  
Jewett City Dept of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe  
South Norwalk Water & Electric: Dawn DelGreco, David Westmoreland, Paul Yatchko,  
East Norwalk: Kevin Barber, David Brown, Debora Goldstein, Pete Johnson

**The following individuals from CMEEC management participated:**

Michael Lane, CMEEC Interim Chief Executive Officer  
Robin Kipnis, CMEEC General Counsel  
Scott Whittier, CMEEC Director of Enabling Services  
Bella Chernovitsky, CMEEC Director Business Intelligence  
Justin Connell, Director Portfolio Management  
Jake Pagragan, CMEEC Director Business Development  
Michael Rall, CMEEC Director Asset Management  
Gabe Stern, CMEEC Director Technical Services  
Pat Meek, CMEEC Financial Planning & Analysis Manager  
Ellen Kachmar, CMEEC Office and Facility Manager  
Margaret Job, CMEEC Administrative Staff

**The following members of the public were in attendance:**

Claire Bessette, Reporter, The Day  
Kevin Ahern, Reporter, Norwich Bulletin  
Bernie Loubier, Reporter, Hall Communications  
William Kowalski, Municipal Electric Consumer Advocate  
Michael Boucher, Resident, Groton, CT  
Paul Zummo, Director, Policy Research and Analysis, American Public Power Association  
Timothy Shea, Brown Rudnick  
Lawrence Davis, Senior Vice President, Webster Bank  
Bert Hunter, Executive Vice President & Chief Investment Officer, Connecticut Green Bank  
Josh Pothier, Comptroller, City of Norwich  
Emmett Riley, State Representative, 46<sup>th</sup> District (Norwich)  
Michael Casella, C&LM Consultant  
Andy Lee, Underwriter, Gallagher Insurance

Ms. Job recorded

Chairman Sullivan entertained a motion to amend this Agenda to allow for public comment and to enter Executive Session to discuss personnel matters.

**A motion was made by Alternate Member Representative Keith Hedrick, seconded by Municipal Representative Pete Johnson to amend the Agenda as stated above.**

**Motion passed unanimously. (18-11-08)**

**Standard Action Items**

**(A) Public Comment Period**

Michael Boucher, a resident from Groton, Connecticut stood and expressed his concerns in connection with the current events. He stated that he will be filing a Freedom of Information Act and that the Board consider his requests related to third party review of Ethics Complaints.

**(A) Approve Minutes of CMEEEC October 25, 2018 Regular Board of Directors' Meeting**

**A motion was made by Member Representative Louis Demicco, seconded by Alternate Member Representative Stewart Peil, to approve the Minutes of the Transco October 25, 2018 Regular Board of Directors' Meeting, with Member Representative Dr. Grace Jones abstaining.**

**Motion passed. (18-11-09)**

**Specific Action Items**

**(B) Approve 2019 Joint Officers and Committee Members of the CMEEEC and Transco Boards**

Member Representative Ronald Gaudet, Chairman of the Joint CMEEEC/Transco Governance Committee, stated that the overview of the slate of Officers and Joint Committee Members mirrors that of the Transco Annual and Regular Board of Directors’.

After discussion it was requested that a Roll Call Vote be taken to approve or not to approve the resolution appointing 2019 Joint Officers and Committee Members of the CMEEEC and Transco Boards. Ms. Kipnis conducted the Roll Call Vote.

**Roll Call Vote:**      **Aye:**  
**Ronald Gaudet**  
**Dr. Grace Jones**  
**Stewart Peil**  
**Richard Tanger**  
**Kevin Barber**  
**David Brown**  
**Kenneth Sullivan**  
**Lois Demicco**  
**Pete Johnson**  
**Mark Oefinger**

**Total Aye: 10**

**Nay:**  
**Keith Hedrick**  
**David Collard**  
**Paul Yatcko**  
**David Westermoreland**  
**Dawn DelGreco**

**Total Nay: 5**

**Motion carried. (18-11-10)**

**(C) Approve 2019 CMEEEC Board of Directors’ Scheduled Meeting Dates and Joint Committee Dates**

Mr. Whittier provided an overview of the schedules appended to the Board package. He noted that an annual schedule of Joint Committee Meetings was contained in the materials. Discussion followed regarding location of Board meetings.

Chairman Sullivan entertained a motion to preserve the meeting dates as noted on the resolution and to table their locations.

**A motion was made by Alternate Member Representative Keith Hedrick, seconded by Member Representative Louis Demicco to approve the 2019 CMEEC Board of Directors' Scheduled Meeting dates and Joint Committee Dates as amended.**

**Motion passed unanimously. (18-11-11)**

**(D) Approve 2019 CMEEC Operating and Capital Budgets**

Member Representative Kevin Barber, Chairman of the Joint Budget and Finance Committee, provided a brief overview of the Joint Budget and Finance Committee activities leading up to the recommendation to adopt the budget as presented at the Annual Meeting. He stated that the committee met several times with CMEEC staff and that the whole Board of Directors had been invited to those meetings. The purpose of these meetings was to review the budget and make recommendations.

Having confirmed that the budget presented to this Board is the same as that presented to the Budget and Finance Committee, Chairman Sullivan entertained a motion to approve the 2019 CMEEC Operating and Capital Budgets.

**A motion was made by Member Representative Demicco, seconded by Alternate Member Representative Stewart Peil to approve the 2019 CMEEC Operating and Capital Budgets, with Member Representative Gaudet abstaining.**

**Motion passed. (18-11-12)**

**(E) Joint Action Agency, CMEEC Master Metric, and Benchmarking Performance Discussion**

Mr. Stern provided a brief over view of the benchmarking project he completed comparing CMEEC metrics to other Joint Action Agencies (JAA). He noted that he reached out to the American Public Power Association (APPA) using an online survey. The survey was provided to 70 JAA's of which 10 replied. He introduced Paul Zummo, APPA Director, Policy Research and Analysis. Mr. Zummo conducted a presentation titled "Understanding Electric Utility Metrics and Benchmarks" which was well received. A question and answer session followed his presentation.

Mr. Rall, CMEEC Director of Asset Management, conducted a presentation titled "Connecticut Municipal Electric Energy Cooperative Strategy Measurement System Overview" which was well received. A question and answer session followed his presentation.

Chairman Sullivan entertained a motion to enter Executive Session to discuss personnel matters.

**A motion was made by Member Representative Demicco, seconded by Alternate Member Representative Peil to enter Executive Session to discuss personnel matters with direction to the Board to return to Public session upon completion of the discussion in Executive Session. Members of the Board were present as well as Mr. Lane and Ms. Kipnis.**

**Motion passed unanimously. (18-11-13)**

Executive Session was entered at 1:00 p.m.

The basis for entering Executive Session is Conn. Gen. Stat. Sec 1-210 (b)(2).

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

**A motion was made by Member Representative Gaudet, seconded by Member Representative Demicco to adjourn the meeting.**

**Motion passed unanimously. (18-11-14)**

Meeting was adjourned at 2:10 p.m.

**CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE**

**RESOLUTION 18-11-10**

**WHEREAS**, it is the recommendation of the Board of Directors to nominate the following slate of Officers for the year 2019:


**BE IT HEREBY RESOLVED** that the Board of Directors elects the following slate of CMEEC Officers to serve for the year 2019:

<b>Office</b>	<b>2019 Officers</b>
Chairman of the Board	Kenneth Sullivan
Vice Chairman	Ronald Gaudet
Secretary	Louis Demicco
Treasurer	Kevin Barber

**BE IT FURTHER RESOLVED**, that the Board of Directors approves the recommendation of CMEEC management for the following officer positions:

Assistant Secretary	Robin Kipnis
Assistant Treasurer	Mike Lane
Chief Executive Officer	Drew Rankin/ Interim CEO Mike Lane
Chief Financial Officer	Mike Lane

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\_\_\_\_\_  
Louis Demicco, Secretary

**Board of Directors – Joint CMEEC and Transco Committees for 2019**

**Be it resolved that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative elects the following representatives to serve on the Joint Committees of the CMEEC and Transco Boards for the year 2019.**

<b>Joint Audit Committee</b>	
Board Members	CMEEC Lead and Participants
Dawn Delgreco	<b>Joanne Menard</b>
Kenneth Sullivan	Mike Lane
Kevin Barber	
Mark Oefinger	
Stewart Peil	

<b>Joint Budget and Finance Committee</b>	
Board Members	CMEEC Lead and Participants
Stewart Peil	<b>Mike Lane</b>
Kevin Barber	Pat Meek
Paul Yatcko	Joanne Menard
Ronald Gaudet	
Rashid Haynes	
Ralph Winslow	

<b>Joint Compensation and Policy Committee</b>	
Board Members	CMEEC Lead and Participants
Dr. Grace Jones	<b>CEO</b>
Debora Goldstein	
Louis Demicco	
Paul Yatcko	
Ronald Gaudet	
Ralph Winslow	

<b>Joint Governance Committee</b>	
Board Members	CMEEC Lead and Participants
Dr. Grace Jones	<b>Scott Whittier</b>
David Brown	Robin Kipnis
David Westmoreland	
Debora Goldstein	
Jeffery Godley	
Mark Oefinger	
Richard Tanger	
Richard Throwe	
Ronald Gaudet	

<b>Joint Risk Management Committee</b>	
Board Members	CMEEC Lead and Participants
Louis Demicco	<b>Scott Whittier</b>
Keith Hedrick	CEO
Kevin Barber	Mike Lane
Paul Yatcko	
Richard Tanger	
Ronald Gaudet	
Rashid Haynes	
Pete Johnson	

<b>Joint Legislative Committee</b>	
Board Members	CMEEC Lead and Participants
Louis Demicco	<b>Scott Whittier</b>
David Westmoreland	Robin Kipnis
Debora Goldstein	
Keith Hedrick	
Mark Oefinger	
Ralph Winslow	

**THE CONNECTICUT MUNICIPAL ELECTRIC  
ENERGY COOPERATIVE**

**Board of Directors and Joint Committee Meeting**

**2019 Meeting Dates**

**RESOLUTION 18-11-11**

**BE IT HEREBY RESOLVED**, that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (CMEEC), in accordance with Section 1-225 of the General Statutes of Connecticut and Article III, Section 4, of the CMEEC Bylaws, establishes the following schedule of Regular and Annual Meetings of the Board of Directors for **Calendar Year 2019**.

Thursday, January 24, 2019	10:00 a.m.	Regular Board	TBD
Thursday, February 28, 2019	10:00 a.m.	Regular Board	TBD
Thursday, March 28, 2019	10:00 a.m.	Regular Board	TBD
Thursday, April 25, 2019	10:00 a.m.	Regular Board	TBD
Wednesday, May 23, 2019	10:00 a.m.	Regular Board	TBD
Thursday, June 27, 2019	10:00 a.m.	Regular Board	TBD
Thursday, July 25, 2019	10:30 a.m.	Regular Board	TBD
Thursday, August 22, 2019	10:00 a.m.	Regular Board	TBD
Thursday, September 26, 2019	10:00 a.m.	Regular Board	TBD
Thursday, October 24, 2019	10:30 a.m.	Regular Board	TBD
Thursday, November 21, 2019	10:00 a.m.	Annual & Regular Board	TBD
Thursday, December 19, 2019	10:00 a.m.	Regular Board	TBD



**BE IT FURTHER RESOLVED**, that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (CMEEC), in accordance with Section 1-225 of the General Statutes of Connecticut and Article III, Section 4, of the CMEEC Bylaws, establishes the following schedule of Joint Committee Meetings of the Board of Directors for **Calendar Year 2019**.

**Audit Committee (2<sup>nd</sup> Monday)**

April 8, 2019 .....	10:00 a.m. – 12:00 p.m.
May 13, 2019 .....	10:00 a.m. – 12:00 p.m.
December 9, 2019 .....	10:00 a.m. – 12:00 p.m.

**Budget & Finance Committee (2<sup>nd</sup> and 3<sup>rd</sup> Fridays)**

March 8, 2019 (Financial Stability Metric Policy review) .....	12:00 p.m. – 2:00 p.m.
May 10, 2019 (Financial Stability Metric Policy review) .....	12:00 p.m. – 2:00 p.m.
September 13, 2019 (Transco proposed budget review).....	11:00 a.m. – 3:00 p.m.
September 20, 2019 (Transco proposed budget review).....	12:00 p.m. – 2:00 p.m.
October 11, 2019 (CMEEC proposed budget review).....	11:00 a.m. – 3:00 p.m.
October 18, 2019 (CMEEC proposed budget review).....	12:00 p.m. – 2:00 p.m.

**Compensation Committee (2<sup>nd</sup> Thursday)**

January 10, 2019 .....	10:00 a.m. – 12:00 p.m.
April 11, 2019 .....	10:00 a.m. – 12:00 p.m.

**Governance Committee (4<sup>th</sup> Wednesday)**

February 27, 2019 .....	10:00 a.m. – 12:00 p.m.
May 22, 2019 .....	10:00 a.m. – 12:00 p.m.
July 24, 2019 .....	10:00 a.m. – 12:00 p.m.
October 23, 2019.....	10:00 a.m. – 12:00 p.m.

**Legislative Committee (1<sup>st</sup> Friday)**

January 4, 2019 .....	10:00 a.m. – 12:00 p.m.
March 1, 2019 .....	10:00 a.m. – 12:00 p.m.
June 7, 2019 .....	10:00 a.m. – 12:00 p.m.

**Risk Management Committee (3<sup>rd</sup> Thursday unless otherwise noted)**

March 21, 2019 .....	10:00 a.m. – 12:00 p.m.
May 16, 2019 .....	10:00 a.m. – 12:00 p.m.
August 15, 2019.....	10:00 a.m. – 12:00 p.m.
October 17, 2019.....	10:00 a.m. – 12:00 p.m.
December 12, 2019 (2 <sup>nd</sup> Thursday).....	10:00 a.m. – 12:00 p.m.

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\_\_\_\_\_  
Louis Demicco

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

RESOLUTION 18-11-12

Resolution Approving CMEEC's 2019 Operating and Capital Budgets

**WHEREAS**, CMEEC staff, acting through the Replacement Power Supply Contracts (RPSC), the CMEEC Bylaws, and other applicable Power Supply Agreements, Memorandum of Agreements and Springing Contracts in conducting CMEEC operations, has prepared a proposed budget as required, and reviewed it with the Budget and Finance Committee, acting on behalf of the Boards of Directors of CMEEC and TRANSCO, and as previously made available to the CMEEC Board of Directors through copy and presentation; and

**WHEREAS**, the Budget and Finance Committee recommends to the Board of Directors of CMEEC the proposed budget for 2019 be approved and adopted by the Board of Directors of CMEEC.

**NOW THEREFORE BE IT RESOLVED**, that the CMEEC Board of Directors hereby accepts the recommendation of the Budget and Finance Committee and approves and adopts the 2019 CMEEC Operating and Capital Budget as presented.

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Louis Demicco  
Secretary

# CMEEC Proposed Budget 2019

November 15, 2018

*Preliminary - Draft*

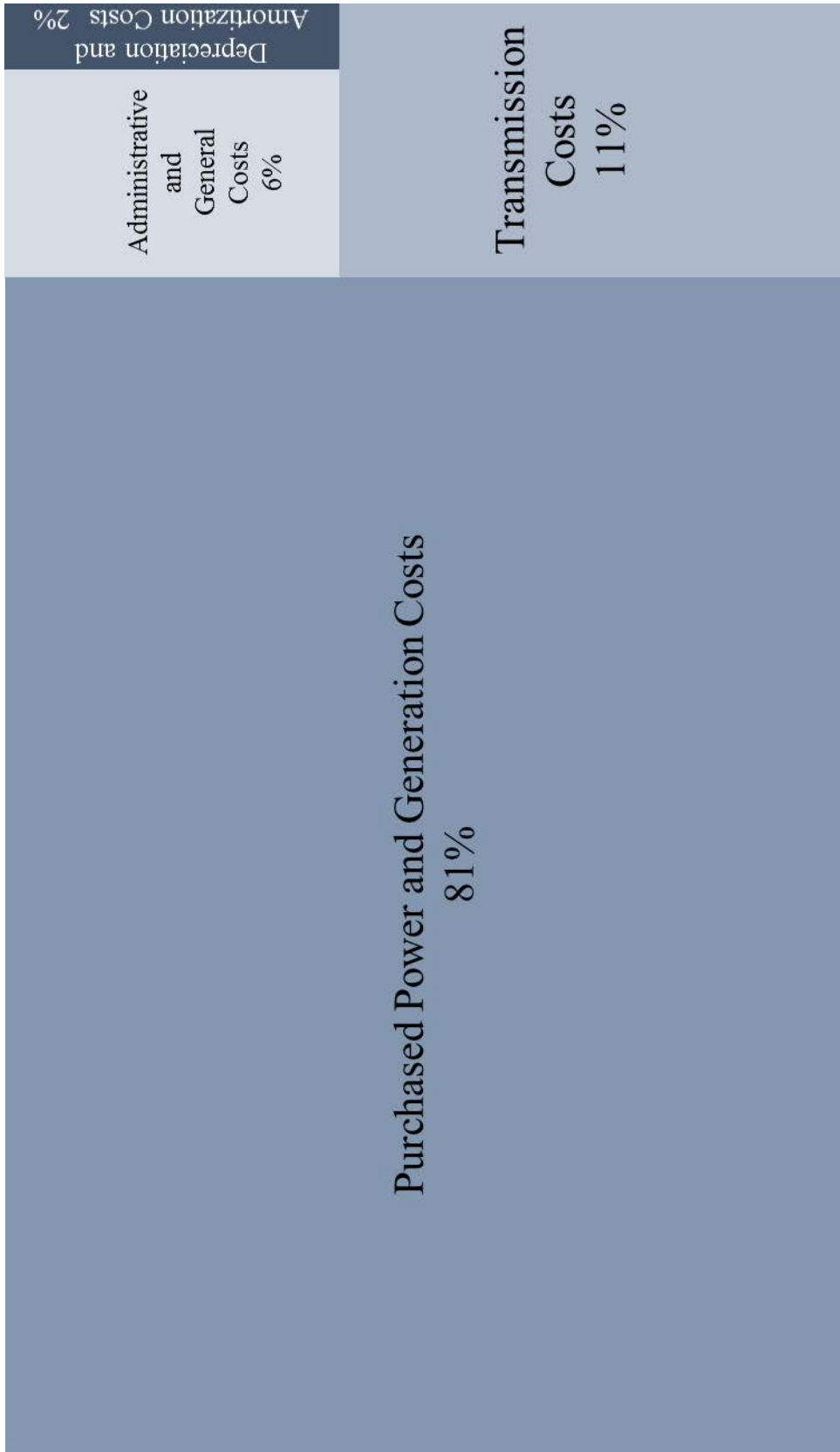
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# Operating

## Statement of Revenues, Expenses, and Changes in Net Position

	<b>2019</b>	<b>Proposed Budget</b>
<b>Operating Revenues:</b>		
Electric Power Revenues	\$ 128,262,930	
Electric Transmission Revenues	22,737,919	
Uses/(Additions to) Rate Stabilization Fund	<u>(3,973,513)</u>	
Total Operating Revenue	\$ 147,027,336	
<b>Operating Expenses:</b>		
Purchased Power and Generation Costs	\$ 108,910,961	
Transmission Costs	21,497,344	
Administrative & General	8,105,047	
Depreciation & Amortization	<u>2,900,372</u>	
Total Operating Expenses	\$ 141,413,724	
<b>Net Operating Income (Loss)</b>	<b>\$ 5,613,612</b>	
<b>Other Income (Expense)</b>		
Interest and Investment Income	\$ 1,031,683	
Interest Expense	(3,646,450)	
Amort. Debt Premium & Issuance Expense	(28,262)	
Other Income/(Expense)	<u>(150,000)</u>	
Net Other Income (Expense)	\$ (2,793,029)	
Change in Bond Expenses to be Recovered from Future Billings to Members	319,063	
<b>Change in Net Position</b>	<b>\$ 3,139,646</b>	

# 2019 Proposed CMEEEC Budget Operating Expense Breakdown



# Electric Products

**Electric Products**  
Energy Expense  
Capacity Expense  
Ancillaries Expense  
ISO Expense  
**Total Electric Products Expense**

<b>2019 Proposed Budget</b>
\$ 67,917,966
37,399,821
3,312,208
2,710,029
<b>\$ 111,340,024</b>

# Transmission

	2019 Proposed Budget
<b>Transmission Expense</b>	
Transmission Costs - ISO	\$ 20,773,115
Transmission Costs - Local Network	3,055,004
Administrative Charge	36,936
<b>CMEEC Transmission billed through Transco</b>	<b>23,865,055</b>
<b>Other Transmission Expenses/(Revenue)</b>	
MEU Owned PTF Revenue	(2,492,308)
MEU Local Facility Charges	124,596
<b>Total Transmission Expense</b>	<b>\$ 21,497,344</b>



# CMEEC Non-Fuel Operating Expense

	2019 Proposed Budget	Allocated to Projects	2019 Net NFO
<b>Non-Fuel Operating Costs</b>			
Non-Fuel O&M	\$ 3,959,270	\$ 3,959,270	\$ -
Salaries	4,209,745	850,950	3,358,795
Office Expenses	1,095,690	53,741	1,041,949
Outside Services	1,870,710	513,710	1,357,000
Insurance	624,927	586,618	38,309
Employee Benefits	1,943,214	510,570	1,432,644
Board & Governance	337,384	-	337,384
Rent	25,673	-	25,673
Maintenance	210,171	-	210,171
Non Bond Funded Depreciation	449,750	-	449,750
Payroll Tax	303,123	106,597	196,526
<b>Total Non-Fuel Operating</b>	<b>\$ 15,029,656</b>	<b>\$ 6,581,455</b>	<b>\$ 8,448,200</b>

# Board & Governance Expense Detail

Board Member Compensation  
 Consumer Advocate  
 Board Development / Stakeholder Management Related Travel, Lodging, and Meals  
 Board and Committee Meetings, and Planning Sessions  
 Board and Committee related Outside Services  
 Board Strategic Retreats and or Planning Sessions

Board & Governance Expense	
	\$ 151,200
	50,000
	20,592
	48,012
	50,000
	17,580
	\$ 337,384



# Other Items

<b>2019 Proposed Budget</b>
<b>\$ 12,543,289</b>
<b>\$ 3,973,513</b>

**Total Net Benefit of CMEEEC Projects**

**Total CMEEEC Margin**

# Capital

# CMEEC Capital and Major Maintenance Budget

	2019 Proposed Budget
Veeam Server Replacement	\$ 30,000
Replace Cooling Unit in Server Room	48,700
Virtual Desktop Server Upgrades	88,500
Pave Parking Lot/Modifications of Building Entrance - 30 Stott Ave	152,250
<b>General Capital</b>	<b>\$ 319,450</b>
MicroGen NOC Primary/Secondary Server Replacement	\$ 28,000
MicroGen SCR Work Platforms	400,000
Pierce Day Tank and GSU Access Improvement *	30,000
Pierce 1st Floor Workspace Expansion *	60,000
Pierce Control System/AVR Upgrade *	875,000
<b>Power Plant Capital</b>	<b>\$ 1,393,000</b>
MicroGen Fisher's Island Voltage Regulator	\$ 100,000
<b>Capital Contributions</b>	<b>\$ 100,000</b>
<b>Total Capital</b>	<b>\$ 1,812,450</b>
<b>Use of Pierce Reserve</b>	<b>\$ (965,000)</b>
<b>Total Capital Net of Reserve</b>	<b>\$ 847,450</b>
Pierce Combustion Inspection (Scheduled Major Maintenance) *	\$ 350,000
<b>Total Major Maintenance</b>	<b>\$ 350,000</b>

\* these projects will utilize funds set aside in the Pierce Reserve Account