

MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

March 26, 2020

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, March 26, 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, Jeffrey Godley, Esquire, Keith Hedrick
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley, Stewart Peil
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
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan
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
Margaret Job, CMEEC Executive Assistant / Paralegal

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
Ellen Kachmar, CMEEC Office and Facilities Manager

The following individuals also participated telephonically:

Jeff Brining, Norwich Public Utilities
Matthew Coit, Manager, Blum Shapiro
Michael Mace, Managing Director, PFM
David Silverstone, Esquire, Municipal Electric Consumer Advocate
Steve Sinko, Norwich Public Utilities

Ms. Job recorded.

Chair Barber called the meeting to order at 10:03 a.m. He stated for the record that this meeting is being held via telephone and in person at the CMEEC offices located at 30 Stott Avenue, Norwich, CT. He noted that only three CMEEC staff were participating in person while all other participants of today's meeting are participating via telephone in response to precautions associated with the Coronavirus. He confirmed that all Directors and participants were able to simultaneously hear each other during the meeting.

Chair 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 followed by voting roll call. He asked the members to state their name prior to speaking for clarity of the record.

Standard Agenda Items

A Public Comment Period

No public comment was made.

B Conduct Voting Roster / Roll Call

Ms. Job 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. Chair Barber confirmed a quorum was present.

C Approve Minutes of the CMEEC Regular February 27, 2020 Board of Directors' Meeting

A motion was made by Member Representative Christopher LaRose, seconded by Member Representative Jeffrey Godley to approve the Minutes of the CMEEC Regular February 27, 2020 Board of Directors' Meeting.

Motion passed unanimously.

20-03-01

D Audit Committee

Possible Vote to Approve CMEEC Audited Financials

Member Representative Stewart Peil, Chair of the Audit Committee, reported that the Audit Committee (the “Committee”) met on March 12, 2020 to review and discuss the March 12, 2020 draft 2019 audited financial statements and accompanying Notes with Jonathan Fink and Matt Coit from Blum Shapiro. The Committee was joined by Dave Meisinger, Michael Lane, Robin Kipnis, Joanne Menard and Leslie Williams.

Member Representative Peil noted that Blum Shapiro expressed an Unmodified Opinion on the 2019 Audited Financial Statements of CMEEC and Transco. He explained that an Unmodified Opinion is an opinion where the auditors judge that the financial statements are fairly presented in all material respects, and in accordance with generally accepted accounting principles.

He also reported that Messrs. Fink and Coit identified no difficulty working with CMEEC management and CMEEC financial staff to obtain all information related to their audit process. The Committee also met and discussed with Messrs. Fink and Coit, without CMEEC management and staff present.

Member Representative Peil added that the Committee voted to adopt the draft audited financial statements report at their meeting on March 12, 2020 and to recommend adoption by the full Board of Directors at its March 26, 2020 meeting.

Michael Lane, CMEEC CFO, added that the audit went very well, and results were positive. He explained that an Unmodified Opinion is the best opinion an organization could be given. He opened the floor to the Board to ask questions. There being no further questions, Chair Barber entertained a motion to accept the CMEEC 2019 audited financials and report on the Audit.

A motion was made by Member Representative Ralph Winslow, seconded by Member Representative Stewart Peil to accept the 2019 Blum Shapiro Audited Financial Statements and Report on the Audit of the CMEEC Financial Statements for the year ended December 2019.

Motion passed unanimously.

20-03-02

Possible Vote to Approve the Amended CMEEC Business Travel, Events and Retreats Policy

Member Representative Peil explained that also at its meeting on March 12, 2020, the Committee discussed modifications to the CMEEC Business Travel, Events and Retreats

Policy (the “Policy”) and walked the Board through those modifications to the document that had been provided to the Board in advance of today’s meeting.

After discussion, Chair Barber entertained a motion to approve the Amended Policy.

A motion was made by Member Representative Ronald Gaudet, seconded by Member Representative Godley to approve the Amended CMEEC Business Travel, Events and Retreats Policy as presented to the Board at this meeting.

Motion passed unanimously.

20-03-03

**E Legislative and Governmental Affairs Committee Report
Legislative Update**

Member Representative Louis Demicco, Chair of the Legislative and Governmental Affairs Committee (the “Committee”), reported that the Committee met on March 12, 2020 to discuss the process by which this Committee conducts a performance review of itself per its Charter and to receive a legislative update from Timothy Shea, Brown Rudnick. He asked Mr. Whittier to provide details of those discussions.

Scott Whittier, Director of Enabling Services, stated that the Committee concluded, after discussion, that it would mimic the Governance Committee’s approach of developing a checklist using responsibilities delegated to it from its Charter to review its performance. He added that in addition to creating the checklist, the Committee would include an item that will evaluate its effectiveness and mobilization of this Committee to encourage delegate involvement.

Mr. Whittier also added that Mr. Shea provided a high-level overview of recent legislative activity to the Committee. He stated that Mr. Shea highlighted recent decisions by Governor Lamont in response to the Coronavirus pandemic. He explained that Mr. Shea noted the legislative building is closed and all public hearings had been canceled. Mr. Shea did however state that Committee meetings were still taking place.

Mr. Whittier explained that Mr. Shea updated the Committee on SB 298 that was the subject of testimony before the Energy and Technology Committee at a recent hearing and that this bill altered some of the FOIA requirements with respect to the MEUs and CMEEC. He added that it was his understanding that the bill was not likely to move forward.

**F Risk Management Committee
Possible Vote to Enter Executive Session**

Member Representative Kenneth Sullivan, Chair of the Risk Management Committee, explained that the Risk Management Committee met on March 5, 2020 to discuss the Risk Management Committee performance review as required by its Charter and the proposed revisions to the ERMP.

Member Representative Sullivan explained that following its discussion on performance review of the Risk Management Committee, the Committee concluded it would mimic the Governance Committee's process to develop a checklist using responsibilities assigned to it via its Charter.

Chair Barber then entertained a motion to enter Executive Session.

A motion was made by Member Representative Kenneth Sullivan, seconded by Member Representative Peil to enter Executive Session.

Motion passed unanimously. 20-03-04

The basis for entering Executive Session is to review changes to the hedging requirements codified in the Enterprise Risk Management Policy (ERMP) pursuant to Connecticut General Statutes Sections 1-210(b)(5)(A) and (B). Members of the Board, Attorney Kipnis, Messrs. Meisinger, Lane, Connell, Whittier, Stern, Rall, Mses. Meek and Job remained.

The Board entered Executive Session at 10:27 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 11:03.

Chair Barber entertained a motion to approve the proposed revisions to the ERMP.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Gaudet to Approve the Proposed Revisions to the ERMP as presented to the Board at this meeting.

Motion passed unanimously. 20-03-05

G Resolution in Recognition of Paul Yatcko Years of Service

Chair Barber read aloud the Resolution recognizing Paul Yatcko's years of service provided to the Board in advance of today's meeting.

He entertained a motion to approve the Resolution.

A motion was made by Member Representative Gaudet, seconded by Member Representative Ralph Winslow to approve the Resolution in Recognition of Paul Yatcko Years of Service.

Motion passed unanimously. 20-03-06

Dave Meisinger, CMEEC CEO, explained that Michael Mace of PFM, was on the phone to discuss agenda item L CMEEC / CTMEEC Debt Refinancing Update and asked to have the agenda amended to move that agenda item for discussion now.

Chair Barber entertained a motion to move Agenda Item L for discussion now.

A motion was made by Municipal Representative Mark Oefinger, seconded by Member Representative Demicco to amend the Agenda to move Agenda Item L CMEEC / CTMEEC Debt Refinancing Update for discussion.

Motion passed unanimously.

20-03-07

L CMEEC / CTMEEC Debt Refinancing

Mr. Lane provided an update of the activities surrounding the debt refinancing. He explained that there is a lot of volatility in the bond market.

Michael Mace of PFM provided an overview of market activity stating interest rates on treasury bonds are below 1%, but with extensive volatility.

Robin Kipnis, CMEEC General Counsel, explained that the refinancing transaction has been put on hold to allow the market to settle down. She added that weekly discussions with bond counsel, Morgan Stanley and Mr. Mace continue.

Ms. Kipnis also reminded the General Managers and Directors of the MEUs that a form of certificate needs to be executed by each member. She explained that CMEEC requires the certificate to be executed in connection with the refinancing transaction and that the form be brought to each member commission for permission to execute.

G February 2020 Objective Summary Review

Dave Meisinger explained that the Master Dashboard had been revised since the version sent out in the Board package, due to the year-to-date-percentages in the Regional Competitiveness metric carrying over information from January.

Mr. Meisinger walked the Board through the Regional Competitiveness and Customer Fulfillment metrics stating that they each realized strong performance for the month. He explained that the LNS transmission true-up continues to affect an increase in transmission costs compared to budget.

He continued to explain that since the month of February there have been changes with the Coronavirus impact resulting in some businesses shutting down and much of the workforce working remotely. He stated that CMEEC staff is conducting stress testing on load loss due to both the warm winter weather and the Coronavirus and are working on re-establishing base case for 2020 year-end projection. He added that the results of the new base case and stress testing will be included in monthly reporting going forward.

Mr. Meisinger also noted that they are seeing shifts in load that have impacted load management efforts. He explained about a report from ISO-NE that weekdays are looking like traditional snow days or Saturdays as far as loads are concerned, which is what CMEEC is also seeing in its load analysis.

Mr. Lane explained that the Financial Stability metric remains strong. He added that CMEEC is closely monitoring the cash/liquidity metric noting that it also remains strong. He explained that he will be contacting the General Managers at each utility to determine the effect the Coronavirus is taking on their operations as a whole. He added that CMEEC will continue to update the Board as relates to liquidity. He also stated that CMEEC is watching non-essential expenses due to the Coronavirus.

H February 2020 Project Portfolio Performance

Michael Rall, CMEEC Director of Asset Management, provided a high-level review of the Project Portfolio performance, explaining that the annual LNS transmission true-up discussed at last month's meeting resulted in avoided real time LNS being \$20/MWh due to milder weather in February.

He added that this month the Subase Fuel Cell project was separated out of the Project Portfolio summary view to reduce confusion. He added that the projected year-end is expected to be 6% above budget.

I February 2020 Energy Market Analysis

Michael Cyr, Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for February.

Mr. Cyr explained that Actual Loads came in 4,822 MWh lower than budget at 67,772 MWh. Actual Energy Cost came in at \$49.75/MWh, \$0.74/MWh higher than budget. Weighted Average Energy Cost at LMPs was \$23.10/MWh. Actual Average Hub Daily DA LMPs were \$23.05/MWh, ranging between \$18.72/MWh to \$28.71/MWh.

Henry Hub Gas Price was \$1.87/MMBTU, which was \$0.83/MMBTU lower than budget and ranging between \$1.73 and \$2.02/MMBTU. Algonquin Citygate Gas Price was \$2.20/MMBTU, which was \$8.73/MMBTU lower than budget and ranging between \$1.75 and \$3.73/MMBTU.

West Texas Intermediate oil price was \$50.54/Barrell which was \$6.98/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 the previous month. The Actual Net Regional Capacity Clearing Price was \$7.00/Kw-Mo which was \$0.08/Kw-Mo lower than previous month.

Mr. Cyr highlighted mitigating actions taken explaining that CMEEC needed to be 90% hedged going into February. He walked the Board through the various activities undertaken by CMEEC to reach 90% hedge requirement.

K Coronavirus Planning Update

Mr. Meisinger provided an update on CMEEC activities resulting from the Coronavirus. He stated that CMEEC is conducting reviews and modeling on load projections for 2020 and beyond, as previously noted. He added that CMEEC employees are working remotely with limited exceptions to operate assets or conduct minor activities at the 30 Stott location. He stated that CMEEC will continue to utilize screen sharing for meetings and conduct meetings remotely.

He explained that he spoke with Tim Blodgett of Hometown Connections relative to the scheduled Strategic Planning sessions. He informed the Board that he and Tim determined that the April and May scheduled meetings would be re-scheduled to August and September, adding that the June and July meetings would remain on calendars however he will provide updates as things progress.

He added that CMEEC Board meetings and Committee meetings will be held in the same remote format until the foreseeable future.

General Managers of the member utilities took this time to explain the activities being conducted at their utilities resulting from the Coronavirus.

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

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

Motion passed unanimously.

20-03-08

The meeting was adjourned at 11:53 a.m.