

MINUTES OF THE
REGULAR MEETING OF THE
JOINT GOVERNANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC COOPERATIVE

January 14, 2021

A Regular Meeting of the Joint Governance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” and “Transco”) was held on January 14, 2021 telephonically and via Zoom.

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 telephonically or via Zoom:

Groton Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Bozrah Light & Power: Richard Tanger
Jewett City Department of Public Utilities: Richard Throwe
Norwich Public Utilities: Robert Staley
South Norwalk Electric & Water: David Westmoreland
East Norwalk, Third Taxing District: Michele Sweeney
East Norwalk Municipal Representative: Pete Johnson

The following Non-Voting participated telephonically or via Zoom:

Jewett City Department of Public Utilities: Louis Demicco
Norwich Public Utilities: Christopher LaRose

The following CMEEC staff participated telephonically or via Zoom:

David Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Executive Assistant / Paralegal

Others participating telephonically or via Zoom:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Ronald Gaudet called the meeting to order at 10:02 a.m. He explained that today's meeting is being held via Zoom and telephonically. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested that those speaking state their name before 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 with each participant responding individually as their names were called. Interim Committee Chair Gaudet confirmed a quorum was present.

C Selection of Joint Governance Committee Chair

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member David Westmoreland to re-appoint Committee Chair Ronald Gaudet as Committee Chair. There were no additional nominations.

Motion passed unanimously.

D Approve the Minutes of the November 6, 2020 Regular Meeting of the Joint Governance Committee

A motion was made by Committee Member Oefinger, seconded by Committee Member Robert Staley to approve the Minutes of the November 6, 2020 Regular Meeting of the Joint Governance Committee. Committee Members Richard Tanger, Pete Johnson and Michele Sweeney abstained.

Motion passed.

E Review Joint Governance Committee Charter

Ms. Kipnis walked the Committee through the Charter provided to this Committee in advance of today's meeting. She explained that this Charter had gone through extensive revision in 2019 which resulted in the Charter that is before the Committee today. Ms. Kipnis discussed the key responsibilities of this Committee identifying its role in the development of the slate of officers. Discussion followed related to clarification of the meaning of the development of slate of officers versus identifying and hiring executive level staff.

Ms. Kipnis explained that new language proposed as new paragraph 5 under Section II has been incorporated into each Committee Charter. She explained further that the language has been further edited by other Committees to remove specific electronic conferencing product names and replace with more generic language. The new language will appear in the Charter as follows:

- Section II, paragraph 5:

- First bullet under new Paragraph 5 restated as follows:

“New Committee members will receive an onboarding packet of materials through SharePoint **or other electronic format.**”

- Second bullet under new Paragraph 5 is restated as follows:

“In addition, new Committee members will participate in an onboarding session either via telephone, Zoom **or other video conference platform**, or in-person, with the CEO, Committee Chairperson, and the Governance Committee CMEEC Staff Lead to answer questions and provide a brief summary of the Committee’s purpose and any potential upcoming Committee work.”

She further proposed a change to language in second paragraph in paragraph 1 under Section III to read: “Meetings will be held for the purpose set forth in this Charter.” All bullets under the phrase are deleted.

Ms. Kipnis explained that the Strategic Planning Committee will not be included in the list of Board Committees in paragraph 9 of this Section because that Committee was not anticipated to be a standing committee.

After discussion Chair Gaudet entertained a motion to recommend the Charter for approval by the Board of Directors as edited in today’s meeting.

A motion was made by Committee Member Pete Johnson, seconded by Committee Member Michele Sweeney to recommend the Charter for approval by the Board of Directors as edited.

Motion passed unanimously.

F Establish Joint Governance Committee Goals

The Committee developed a list of goals for 2021 based on parking lot items and discussion at its previous meetings in 2020. After lengthy discussion, the Committee agreed upon the following goals for 2021:

Upon completion of the Cost-of-Service Study (COSS), the Governance Committee will review potential impact on Power Purchase Agreements, Member Agreements and others that may be similarly impacted. Upon inquiry, Mr. Meisinger explained that the COSS is being conducted to review the Administrative & General Accounting (A&G) cost allocation to members.

Committee Member Oefinger suggested the Committee also review overall committee structure and what each Committee will be responsible to review, addressing any overlap of function and for possibility of condensing the number of committees. He added that at a minimum this Committee could task itself with the annual review of all Committee Charters.

Mr. Meisinger added that “CEO Authority: Employment Agreements” in the Parking Lot of today’s Agenda, had also been in the Parking Lot of this Committee’s agendas last year and could be a possible goal of this Committee to review.

Mr. Kipnis stated that the Strategic Planning initiative identified succession planning during Strategic Planning process, which should be a Board goal that is addressed by this Committee.

Chair Gaudet added that a review of the Special Committee's recommendations should be completed to ensure those recommendations have been implemented and continue to be implemented and updated on an ongoing basis (for those recommendations that were considered to be recurring obligations).

He also stated that this Committee should review training for the Board on the dual fiduciary duty issue to be discussed later in this meeting.

Chair Gaudet also suggested, per the Governance Committee Charter, that a mechanism for reviewing the Board performance be developed.

**G Discussion: Strategic Planning Initiatives Assigned to this Committee:
(1) Board and Board Committee Succession Plan by Q4, 2021 (to include Board Member Knowledge Capture and Sharing Process (Off Boarding)**

(2) Establish a formal Board and Committee Self-Evaluation (and Engagement) Survey Process by Q4, 2021

Ms. Kipnis explained that the first discussion item under this Agenda has been addressed in Agenda Item F and has been set as a goal for this Committee.

Mr. Whitter explained that the second discussion item under this Agenda was the result of the Strategic Plan and is also a responsibility under this Committee's Charter. Ensuring that a self-evaluation is established and completed should be a goal for this Committee.

H Discussion: CMEEC Board Member's Dual Fiduciary Duties

Ms. Kipnis explained that the memo attached to today's meeting packet and provided to this Committee in advance of today's meeting, was also provided to Mr. Silverstone. She stated that although the memo would normally be considered an exempt public record entitled to be discussed in Executive Session by reason of attorney-client privilege, the Committee agreed that discussion would not be held in Executive Session and although the privilege is waived for the purposes of this memo, it is not waived for any attorney-client privileged matters in the future. She added that this discussion is the result of an inquiry by Committee Member Robert Staley on the subject.

Committee Member Staley proceeded to provide an overview of the topic he requested be addressed by this Committee related to dual fiduciary duty as that related to Ratepayer Representatives and Member Representatives on the CMEEC Board.

Ms. Kipnis began by explaining that the Ratepayer's fiduciary duty to CMEEC is not any different than any other Board Member's fiduciary duty. She stated that the Ratepayer brings a valued ratepayer perspective to the Board discussion.

She explained that the issue of dual loyalty was not addressed when the legislature passed the statute requiring Ratepayer representatives to serve on the CMEEC Board. Ultimately however a Ratepayer serving on the CMEEC Board has a fiduciary duty to the CMEEC Board. They should exercise the right to recuse themselves from voting if a conflict arises.

Upon inquiry about the fiduciary duty of a CMEEC Board member versus a Member Delegate, Ms. Kipnis explained that the same reasoning applies with respect to the fiduciary duty owed to the Member Delegation.

After discussion related to providing an update to the Board of Directors at its meeting on January 28, 2021 related to this discussion, the Committee agreed that Ms. Kipnis would provide a brief review of today's discussion and an abbreviated version of the memo will be included with the Board materials. Ms. Kipnis stated that although there is no problem holding this discussion in public session with the Board, she again did not want this to serve as a waiver of privilege in future matters.

Discussion followed related onboarding new Board Members and ensuring a fiduciary duty topic is included.

I Other Business
CEO Authority: Employment Agreements

Ms. Kipnis explained this item is to determine parameters around the CEO's authority related to entering into employment and other agreements.

Upon inquiry by Chair Gaudet, Mr. Meisinger stated that he would take guidance from this Committee in creating parameters surrounding the CEO's authority with respect to entering into an employment agreement when necessary but that relatedly, there could be future instances where he might need to enter into severance agreements in order to best protect CMEEC.

After discussion, Chair Gaudet requested Mr. Meisinger bring a draft to the next meeting of this Committee for discussion.

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

A motion was made by Committee Member Richard Throwe, seconded by Committee Member Richard Tanger to adjourn the meeting.

Motion passed unanimously.

The meeting was adjourned at 11:39 a.m.