

**MINUTES OF THE
MEETING OF THE**

**JOINT BUDGET & FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF**

**CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE and
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE**

October 26, 2018

The Joint Budget & Finance Committee of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC”) met at the CMEEC office on Friday, October 26, 2018.

The following Committee Members participated:

Bozrah Light & Power – Ralph Winslow
Norwich Public Utilities – Stewart Peil
Groton Utilities – David Collard
Third Taxing District – Kevin Barber (Committee Chairman)

The following Board Members participated:

Groton Utilities – Mark Oefinger

The following individuals from CMEEC management participated:

Drew Rankin, Chief Executive Officer
Robin Kipnis, CMEEC General Counsel
Michael Lane, Director, Finance & Accounting
Pat Meek, Financial Planning & Analysis Manager
Joanne Menard, Controller
Justin Connell, Director, Portfolio Management
Michael Rall, Director, Asset Management
Ellen Kachmar, Office & Facility Manager

Ms. Kachmar recorded.

Committee Chairman Barber called the meeting to order at 10:02 a.m. to review a draft of the CMEEC 2019 Budget, absent the CMEEC Project budgets, which required review internally. Ms. Meek led the Budget review with a summary of the Board requirements for approval of the CMEEC Budget contained in the RPSC and Bond Resolutions. These require that the Budget must be approved by the Board of Directors not less than 30 days prior to December 31. Ms. Meek noted that except for commercially sensitive and proprietary information such as methodology relating to projections and customer lists, the Budget discussion would be in open session.

Mr. Rankin reviewed CMEEC's Accountability Chart which names the CMEEC Directors and lists their assigned functional roles and responsibilities. Mr. Rankin remarked that the Asset Management department has been assigned additional responsibility for contractual assets, such as Hydro Quebec, in addition to the physical assets. Ms. Meek provided an overview of the Budget breakdown, as consisting of 81% Purchased Power and Generation Costs, 11% Transmission Costs, 6% Administrative and General Costs, and 2% Depreciation and Amortization Costs. She also noted that consistent with a new Bylaw provisions, a breakdown of Board and Governance Expenses has been added as a line item to the Budget. Previously, these expenses were mainly within the Miscellaneous and General Expense line item.

Ms. Meek went on to describe that the Non-Fuel Operating Budgeting is a process by which a zero-based Budget is the starting point for each of the Accountability Area Directors or "AAD". Ms. Meek then walked through the Non-Fuel Operating Budget and Capital and Major Maintenance Budgets. She then opened the session up to questions from the Budget and Finance Committee members and others present.

The Public Session of the Budget & Finance Committee meeting ended at 11:52 a.m.

Chairman Barber moved, seconded by Mr. Peil to move the meeting into Executive Session. The motion passed unanimously. The Budget and Finance Committee went into Executive Session at 11:58 a.m. All attendees remained in the room except for Ellen Kachmar. The basis for entering Executive Session was C.G.S. sec. 1-210(b)(5)(A) and 1-210(b)(5)(B).

The Budget & Finance Committee came out of the Executive Session at 12:50 p.m.

There being no further business to come before the Budget & Finance Committee, the meeting was adjourned at 12:51 p.m.