

SUBJECT TO BOARD APPROVAL
MINUTES OF THE
BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

October 22, 2020

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, October 22, 2020 telephonically and via Zoom.

The meeting was legally noticed in compliance with Connecticut General 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 or via Zoom

Groton Utilities: Ronald Gaudet, Jeffrey Godley
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Stewart Peil, Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Scott Barber, Richard Tanger
South Norwalk Electric and Water: Alan Huth, Scott Murphy, Eric Strom, David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District, East Norwalk: Kevin Barber, Michele Sweeney
Jewett City Department of Public Utilities: Louis Demicco, Kenneth Sullivan, Richard Throwe
Jewett City Municipal Representative: George Kennedy

The following CMEEC Staff participated telephonically or via Zoom

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Bella Chernovitsky, CMEEC Director of Business Intelligence
Michael Cyr, CMEEC Director of Portfolio Management
Patricia Meek, CMEEC Interim Director of Finance and Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services
Heidi Winnick, CMEEC Treasury Analyst
Margaret Job, CMEEC Executive Assistant / Paralegal
Ellen Kachmar, CMEEC Office and Facility Manager

Other Participants

Timothy Blodgett, President & CEO, Hometown Connections
David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Kevin Barber called the meeting to order at 10:00 a.m. He stated for the record that today's meeting is being held telephonically and via Zoom. Chair Barber announced that Alan Huth, South Norwalk Electric and Water, was appointed Member Representative and Scott Murphy, South Norwalk Electric and Water, was appointed Alternate Member Representative on October 20, 2020.

Chair Barber walked the Board through the conduct of today's meeting stating that all participants' audio should remain on mute unless speaking to eliminate confusion and background noise. He requested that those present state their name and where they are from when 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, Ms. Job identified the voting persons at today's meeting. Chair Barber confirmed a quorum was present.

C Approve the Minutes of the CMEEC Regular September 24, 2020 Board of Directors' Meeting

A motion was made by Municipal Representative George Kennedy, seconded by Municipal Representative Mark Oefinger to approve the Minutes of the CMEEC Regular September 24, 2020 Board of Directors' Meeting, with Municipal Representative Dawn DelGreco abstaining.

Motion passed.

20-10-01

D Strategic Planning Committee Report; Possible Vote on Adoption of Strategic Plan

Municipal Representative Oefinger, Chair of the Strategic Planning Committee, explained that the Board reviewed the Strategic Plan with Tim Blodgett facilitating at its meeting on September 24, 2020. The purpose of doing so was to garner any further

questions or comments. He further explained that the Strategic Planning Committee met on October 14, 2020 to review and consider any further comments or suggestions, again with Mr. Blodgett as facilitator. He stated that the Committee reviewed the Board goals developed by CMEEC Staff and the Board. He added that the Committee agreed that the Strategic Plan should be presented to the Board and recommended for approval.

Mr. Meisinger walked the Board through the Strategic Planning slides, noting that the form of the Strategic Plan before the Board today is similar to that presented at its meeting in September, but that today's focus will be on goals and action planning since that is where changes have been made since the September Board meeting. He explained that the action planning is not technically a part of the strategic plan but is an internal mechanism for achieving the strategic priorities and goals of the Strategic Plan. He added that a more detailed working action plan will be developed that will reflect target timelines. He also stated that the Strategic Planning Committee agreed that it would remain active for at least an additional year to conduct quarterly review of progress of the Strategic Plan with regular reporting to the Board.

After considerable discussion and review of the Strategic Plan, Chair Barber entertained a motion to adopt the Strategic Plan in the form presented at today's meeting.

A motion was made by Member Representative Jeffrey Godley, seconded by Municipal Representative Kennedy to Approve the Adoption of the Strategic Plan in the form presented at today's meeting.

Motion passed unanimously.

20-10-02

Municipal Representative Oefinger thanked Mr. Blodgett for his guidance and facilitation of the Strategic Planning Committee in creating the Strategic Plan. In addition, Municipal Representative Oefinger, Mr. Blodgett and Mr. Meisinger all acknowledged the significant engagement and dedication of CMEEC staff in the Strategic Planning process to date in 2020.

E September 2020 Objective Summary

Mr. Meisinger provided an overview of the Regional Competitiveness metric stating it finished the month at 28% versus a target of 31%. He explained that result is reflective of strong performance of the portfolio and projects despite the challenge of Covid load level reductions. He added that year end remains strong at 32% versus a target of 31%. He added that Customer Fulfillment realized a strong month ending at 79% versus 77% with year-end at \$81 v. \$80 target.

F September 2020 Project Portfolio Performance

Mr. Rall, CMEEC Director of Asset Management, provided a high-level review of the project portfolio stating that Pierce came in below budget due to summer LFR actual being lower than budget. Transmission Project #1 finished the month below budget due

to RNS revenue being lower than budgeted. Community Solar Garden was below budget due to LMP being lower than budgeted and RECs not sold which he explained is based on a budgeting convention where RECs are sold twice per year versus every month. Microgen was above budget due to a higher than budgeted capacity reserve margin and lower fuel costs. He added that excluding Subase Fuel Cell, the Project Portfolio is 6% below budget year-to-date.

G September 2020 Energy Market Update

Michael Cyr, CMEEC Director of Portfolio Management, provided a high-level review of the Energy Market Analysis for September, highlighting loads came in at 68,012MWh which was 2,917 MWh lower than budget. Actual Energy cost was \$31.40/MWh which was \$2.44/MWh lower than budget. Weighted Average Energy Cost at LMPs were \$20.47/MWh and Actual Average Daily Hub DA LMPs were \$20.46/MWh, ranging from \$13.27/MWh to \$34.06/MWh.

Mr. Cyr walked the Board through the other materials included in the Board package.

H Budget & Finance Committee Reports

Member Representative Christopher LaRose, Chair of the Budget & Finance Committee, provided an overview of the Committee's activities surrounding the 2021 budget review. He stated that the Committee met on October 2 and October 16 and reviewed the proposed 2021 CMEEC Budget for Salary and Benefits; proposed 2021 CMEEC Non-Fuel Operating Budget; proposed 2021 CMEEC Capital Budget; proposed 2021 Transco Budget; and proposed 2021 budget for Electric Products. He added that the Committee will be recommending that the Transco Board approve the Transco budget at its meeting immediately following today's CMEEC meeting.

I Governance Committee Report

Member Representative Ronald Gaudet, Chair of the Governance Committee, reported that the Committee met on October 8, 2020 and reviewed the Board slates for officers and Committee membership based on the member interest survey that was sent out to Board members. He added that the Committee will meet again on November 6, 2020 to finalize the Board officer and Committee slates and recommend it for approval by the full Board at its Annual Meeting on November 19, 2020. He further added that while discussing Committee slates, the Governance Committee agreed that the Strategic Planning Committee would continue for at least another year and function pursuant to its charter by aiding with oversight of the progress of the Strategic Plan.

Member Representative Gaudet also reported that the grid developed by the Special Committee in response to the internal investigation and the forensic examination is included in today's package to inform the Board that all the recommendations made by the Special Committee have been completed with the Board Onboarding having been conducted in September.

Member Representative Gaudet next discussed the Board Committee Self Evaluation tool developed by CMEEC staff. He explained that the Governance Committee completed the Evaluation. The results were reviewed and discussed by the Committee at its meeting in October. He stated the Committee agreed that it would distribute the self-evaluation tool to all existing CMEEC Committees, edited to include space for each Committee to add goals for 2021. He added that the Committee also agreed to instruct each Board Committee that it will be required to set goals for the year at its first meeting with the understanding that these goals will become part of the Committee's evaluation process. The Committees will also be asked to reflect on whether any proposed changes should be made to the existing Committee structure.

Robin Kipnis, CMEEC General Counsel, provided the Board with an update on her memorandum discussing the role of Alternate Board members which was discussed at the Governance Committee meeting. She explained that after discussion, the Committee is recommending to the Board that the number of Alternate Member Representatives be reduced from two to one. She added that the Committee recommended that current Alternate Member Representatives will be grandfathered and that this change requires an amendment to the Bylaws. Ms. Kipnis added that while considering the elimination of one Alternate Member Representative, the Committee recognized that the Alternate Member Representative position acts as an onboarding process for the Member Representative position on the Board likening the position to that of a succession planning model.

Member Representative Gaudet explained that the Committee also reviewed a draft Nepotism policy which the Committee had tasked Ms. Kipnis and Mr. Meisinger with creating based on discussion of the same topic at its meeting on July 9, 2020. Ms. Kipnis walked the Board through the policy in the form presented to it at today's meeting.

After considerable discussion, Chair Barber entertained a motion to approve the resolution adopting the CMEEC Nepotism Policy.

A motion was made by Member Representative Scott Barber, seconded by Municipal Representative Oefinger to Approve the Resolution Adopting the CMEEC Nepotism Policy.

Motion passed unanimously.

20-10-03

**J Proposed Minor Modifications to NRECA Plans; Possible Vote
On Adoption of Board Resolution**

Mr. Meisinger provided an overview of the NRECA employment retirement benefit plan changes requiring Board approval. He walked the Board through the slide deck provided in advance of today's meeting. He provided a brief overview of the current employee retirement benefit plan. He explained the 401(k) retirement plan requires a non-discrimination test be conducted annually and that the change being proposed is to use the employees earning the top 20% of salaries as the "highly compensated employees"

for purposes of this test. He added that NRECA conducts the testing to ensure the benefit plan does not discriminate in favor of highly compensation employees and other key employees with respect to eligibility, contributions, or benefits.

Mr. Meisinger explained that during review of the current 401(k) plan, CMEEC identified additional items to enhance certain provisions of the plan. He walked the Board through the additional edits being made to the plan which require Board approval. He said the changes relate to additional choices that employees can make within the plan, and that these changes do not result in any increased cost or administrative burden to CMEEC.

After lengthy discussion, Chair Barber entertained a motion to approve the Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan Adoption Agreement “A”.

A motion was made by Member Representative Gaudet, seconded by Member Representative Louis Demicco to Approve the Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan Adoption Agreement “A”.

Motion passed unanimously.

20-10-04

K MEU Roundtable

Mr. Meisinger explained that the next two Board meetings will be held via zoom, noting that both meetings will be held on the third Thursday versus the fourth Thursday due to the Thanksgiving and Christmas holidays. He explained that timing of the ISO invoice and the ability to complete some of the Board reports that rely on that invoice will make it difficult to include those Board reports in the full Board packages for November and December. He stated that Board materials will be uploaded to SharePoint with those Board reports being supplemented closer to the date of those meetings.

Mr. Meisinger further explained that all upcoming Committee meetings will also be held via Zoom. He provided a list of upcoming Committee meetings and the dates they will be held on. He specifically encouraged the full Board to participate at the Budget & Finance Committee meetings scheduled to be held on October 30, 2020 and November 6, 2020 since those meetings will detail the 2021 CMEEC budget being proposed for approval at the full Board meeting on November 19, 2020.

Mr. Meisinger noted that at each month’s meeting of the Board, the General Managers provided an update on the impact of Covid-19 at their respective utilities and invited them to do the same today. Discussion followed with each General Manager providing a further update.

L New Business

Mr. Meisinger thanked David Silverstone, Esquire, Municipal Electric Consumer Advocate (MECA), for his participation at Board and Committee meetings over the past year. He added that Mr. Silverstone held his annual meeting on October 14, 2020 and asked him to provide a summary.

Mr. Silverstone stated that he is required to hold an annual public meeting to report on his activities over the year as CMEEC's MECA and to provide the public with the opportunity to provide feedback. He added that he is required to hold these annual meetings on the third Wednesday of October. He stated that notice of his meeting was provided as an insert in the Member Utility Electric customer invoices, and he asked each MEU to ensure that this notice is timely sent out next year.

Mr. Silverstone stated that his annual meeting focused on CMEEC and CTMEEC meetings he attended during the year, and on process issues. He explained that the public feedback focused mainly on the Derby issue with focus on payment of legal fees for defense costs. Discussion followed.

Ms. Kipnis highlighted recent state legislative developments noting that if any member of the Board would like a copy of the legislation, she would be happy to provide that.

Ms. Kipnis walked the Board through recent legislation signed into effect by Governor Lamont on October 7, 2020, which focused on performance metrics for Electric Distribution Companies (EDCs) noting that the new legislation does not directly affect the MEUs. She walked the Board through the highlights of the legislation and its impact on PURA which is tasked with the development of performance metrics for EDCs.

Ms. Kipnis discussed further legislative news related to Governors of New England States Joint Statement related to ISO New England's review of its capacity and energy market policies and procedures to take into consideration state renewable energy and decarbonization efforts. She added that this topic will be discussed at the upcoming Legislative Committee meeting scheduled for November 10, 2020.

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 LaRose to adjourn.

Motion passed unanimously.

20-10-05

The meeting was adjourned at 12:20 p.m.