

SUBJECT TO BOARD APPROVAL

MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

October 28, 2021

The Regular Meeting of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held telephonically and via Zoom on Thursday, October 28, 2021 at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions thereafter recorded occurred in 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 Peil¹, Robert Staley
Norwich Municipal Representative: David Eggleston
Bozrah Light & Power: Scott Barber, Richard Tanger
South Norwalk Electric and Water: Eric Strom, David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco
East Norwalk, Third Taxing District: Kevin Barber, Michele Sweeney
East Norwalk Municipal Representative: Pete Johnson
Jewett City Department of Public Utilities: Louis Demicco, 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 Director of Finance and Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Gabriel Stern, CMEEC Director of Technical Services

¹ Member Representative Stewart Peil arrived at the meeting at 10:07 a.m. and requested that Alternate Member Representative Robert Staley remain the voting person for Norwich Public Utilities. Member Representative Peil excused himself from the meeting at 10:55 a.m.

Heidi Winnick, Financial and Treasury Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Ellen Kachmar, CMEEC Office and Facilities Manager

Others participating telephonically or via Zoom:

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 requested that all participants mute their devices unless speaking to eliminate confusion and background noise. He requested that those present state their name and where they are from for clarity of the record.

Specific Agenda Items

A Public Comment Period

No public comment was made.

B Conduct Roll Call / Voting Roster

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.

At this time Chair Barber entertained a motion to amend Agenda Item K to read "Possible Vote to Enter Executive Session Pursuant to C.G.S. Section 1-210(b)(4) to discuss pending criminal trial and C.G.S. Section 1-210(b)(10) to discuss Attorney-Client Privileged Information"

A motion was made by Municipal Representative Pete Johnson, seconded by Member Representative Louis Demicco to Amend Agenda Item K as noted above.

Motion passed unanimously.

21-10-05

C Approve Minutes of the Special October 4, 2021 Board of Directors' Meeting

A motion was made by Member Representative Christopher LaRose, seconded by Member Representative Demicco to Approve the Minutes of the Special October 4, 2021 Board of Directors Meeting with Municipal Representative Johnson and Member Representative Ronald Gaudet abstaining.

Motion passed.

21-10-06

D September 2021 Objective Summary

Mr. Meisinger provided a high-level review of the Regional Competitiveness and Customer Fulfillment metrics stating that Regional Competitiveness Deviation to Benchmark TMR View came in at 20% compared to a target of 28%. He added that year end projection came in lower than budgeted at 25% versus 29%. He explained that higher forward and spot energy prices along with increased gas prices were the primary drivers.

Customer Fulfillment All-in Cost TMR View came in at \$89/MWh versus the target of \$83/MWh with year-end projection increased to \$87/MWh versus the original target of \$83/MWh. He explained that higher forward energy and gas prices, lower net capacity costs, steady project performance and strong performance by the Portfolio Management team keeping prices down were the primary drivers.

E September 2021 Project Portfolio Summary

Mr. Rall explained that the Project Portfolio came in below budget for the month. The drivers for those results were MicroGen came in below budget due to higher than budgeted maintenance expenses resulting from unbudgeted exhaust repairs. Transmission Project #1 came in above budget due to higher than budgeted pool network peak load in August. Community Solar Garden actual net benefit was lower than budget due to REC sale timing and RECs not being sold in September. Mr. Rall added that RECs expected to be sold in September will be sold at year-end.

F September 2021 Energy Market Update

Mr. Cyr provided a high-level overview of the Energy Market Analysis for September highlighting that Actual Loads came in at 70,439 MWh which was 2,895 MWh higher than budget. Actual Energy Costs came in at \$38.55/MWh which was \$5.58/MWh higher than budget; Weighted Average Energy Cost at LMPs came in at \$48.29/MWh and Actual Average Daily Hub DA LMPs came in at \$48.01/MWh ranging from \$35.50/MWh to \$67.03/MWh.

Mr. Cyr then then explained the mitigating actions taken recently and walked the Board through other materials included in the Board Package highlighting a new slide added to the material that illustrates Member Residual Energy Cost year-to-date. Mr. Cyr highlighted the forward energy market prices for the months of November through March noting the increase in those projected prices versus January to October actual energy market prices.

Discussion followed related to the drivers for the increased energy prices.

G Budget & Finance Committee Report

Member Representative LaRose, Budget & Finance Committee Chair, explained that the Budget & Finance Committee met on October 1 and October 15, 2021 to review the proposed 2022 Budgets for Transco Budget, CMEEC Salary and Benefits, CMEEC Capital Budget and

CMEEC Non-Fuel Operating Expenses. He further explained that the 2022 Proposed CMEEC Project Statements, 2022 Budget for CMEEC Margin and 2022 Budget for Electric Products were discussed in Executive Session at the October 15, 2021 meeting.

Member Representative LaRose further explained that Ms. Meek will present a change to the Proposed 2022 Transco Budget which will be reviewed and voted on at the CTMEEC meeting scheduled immediately following this CMEEC meeting.

Mr. Meisinger then provided an overview of the 2021 Compensation Study which was presented to the Joint Budget & Finance Committee at its meeting on October 1, 2021. He stated that the study was the result of the Strategic Plan initiative to perform a compensation study since one hadn't been completed in some time. He walked the Board through the methodology used stating the study integrates external market values with internal job descriptions, which had been updated prior to the study, to develop pay scales that reflect internal equity and external competitiveness to ensure competitive compensation.

Mr. Meisinger explained that in February 2021 an RFP was sent to several consulting firms and CMEEC received several responses. He stated that ultimately CMEEC engaged Winston Tan of Intandem, LLC to conduct the study. He explained that staff and their supervisors reviewed and updated all existing job descriptions prior to the compensation study. Intandem then conducted an evaluation using the updated job descriptions. Salary grades and ranges were created as a result of that process and CMEEC staff's salaries were evaluated against the salary ranges for their respective job descriptions. Mr. Meisinger stated that the results of the Compensation Study are meant to be a tool to guide compensation decisions, rather than a rigid tool requiring any specific outcome for individual salary decisions.

Mr. Meisinger explained that all job descriptions will be re-evaluated annually to ensure they accurately reflect the position and salary grade. He added that Winston Tan will provide annual market updates on salaries in the industry.

He added that Winston Tan also conducted a market analysis of current CMEEC benefits.

Chair Barber announced that the Budget & Finance Committee is meeting on Friday, October 29, 2021 and encouraged all Board members to attend. He also reminded the Board that there are two meetings today with the Transco Board meeting immediately following the CMEEC meeting. He added that the Proposed 2022 Transco Budget will be reviewed and voted on at that meeting.

H Governance Committee Report

Member Representative Ronald Gaudet, Governance Committee Chair, stated that the Committee held a Special meeting on October 26, 2021 to review the Vice Chair and Treasurer position descriptions, Board survey results related to officer and committee membership interest and the proposed meeting calendars for the Board and the Joint Committees for 2022. He added that the Committee created a draft slate of committee membership based on Board interest as well as interest in having membership representation from all MEUs. He encouraged Board members to let the Governance Committee know if they agree with those assignments. He reminded the Board that there will not be a Compensation Committee nor a Strategic Planning Committee in 2022. The Governance

Committee will finalize a slate for nomination at its upcoming meeting on November 4, 2021 which will then be presented at the Annual Meeting of CMEEC and CTMEEC.

Ms. Kipnis added that the position descriptions were developed to aid the Governance Committee in the development of the slate of Officers. The Committee debated the length of a Board member's term before being considered for an officer position and determined that two years served as a Board member was appropriate. She added that the proposed Board meeting schedule is the same as in previous years with the meetings being held on the fourth Thursday of the month, except for November and December. Those meetings are held on the third Thursday of the month due to the holidays that fall in the fourth week of those months.

I Vote to Ratify Pierce Project Transaction

Mr. Meisinger explained that at its Special meeting on October 4, 2021, the Board approved a resolution authorizing the CEO to execute an Asset Purchase Agreement. He informed the Board that the Asset Purchase Agreement was signed on October 6, 2021. He further explained the desire to formally memorialize the vote and the process. Ms. Kipnis drafted a resolution before the Board today that explains the steps taken and the process followed. He noted that minor changes were made to the Asset Purchase Agreement that were not substantially material in nature as compared to the draft version before the Board on October 4, 2021, but that the Board was being asked to ratify and approve the execution version at this meeting.

A motion was made by Member Representative Jeffrey Godley, seconded by Member Representative Richard Tanger to Approve the Resolution Ratifying the Execution of an Asset Purchase Agreement by and between CMEEC and MPH AL Pierce, LLC (the "Buyer").

Motion passed unanimously.

21-10-07

J Report from MECA Annual Meeting

Mr. Silverstone explained that the statutorily required annual meeting of the Municipal Electric Consumer Advocate was held on October 13, 2021 telephonically and via Zoom. He stated that two Bozrah Light & Power (BLP) rate payers attended the meeting and asked questions related to time of use rates and a BLP study related to battery storage. Discussion followed.

K Possible Vote to Enter Executive Session Pursuant to C.G.S. Section 1-210(b)(4) to discuss pending criminal trial and C.G.S. Section 1-210(b)(10) to discuss Attorney-Client Privileged Information

A motion was made by Municipal Representative Johnson, seconded by Municipal Representative George Kennedy to enter Executive Session.

At this time Mr. Silverstone expressed his concern with entering Executive Session stating he did not feel the statutory citation fit the proposed discussion. Lengthy discussion followed.

After discussion, Chair Barber reminded the Board that a motion was made and seconded. All those in favor voted Aye, with Municipal Representative Oefinger voted Nay.

The basis for entering Executive Session is as stated above. Members of the Board, Mr. Meisinger and Ms. Kipnis and Job remained.

The Board entered Executive Session at 11:22 a.m. with instructions to return to Public Session upon completion of discussion in Executive Session.

The Board re-entered Public Session at 11:50 a.m.

L New Business

Mr. Meisinger walked the Board through a letter from the Department of Energy & Environmental Protection (DEEP) related to decarbonization efforts and statewide Green House Gas reduction targets following DEEP's recent release of its final IRP. He stated that CMEEC staff had a recent discussion with DEEP staff and that they are following up to provide additional information to DEEP by November 7, 2021, as requested.

Mr. Meisinger then provided brief updates on the Extended Use Lease with the Navy and the sale of the Pierce plant, the Tesla matter and the ongoing D&O insurance litigation matter.

Discussion followed.

M MEU Roundtable

Each of the General Managers of the Member Utilities provided updates affecting their operations.

N Adjourn

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

Motion passed unanimously.

21-10-08

The meeting was adjourned at 12:03 p.m.