

MINUTES OF THE
REGULAR MEETING OF THE

JOINT BUDGET AND FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

April 29, 2021

A Regular Meeting of the Joint Budget and Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba “Transco”) was held via Zoom and telephonically on Thursday, April 29, 2021 at 10:00 a.m.

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 Committee Members participated telephonically or via Zoom:

Bozrah Light & Power: Scott Barber
Groton Utilities: Ronald Gaudet
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley, Stewart Peil
East Norwalk, Third Taxing District: Kevin Barber

The following Non-Voting Members participated telephonically or via Zoom:

Jewett City Department of Public Utilities: Louis Demicco
South Norwalk Electric and Water: Alan Huth

The following CMEEC Staff participated telephonically or via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Margaret Job, CMEEC Executive Assistant / Paralegal

Others participating telephonically or via Zoom:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Chair Christopher LaRose called the meeting to order at 10:01 a.m., noting for the record that the meeting is being held telephonically and via Zoom. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested participants state their name before speaking for clarity of the record.

Specific Action 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. Chair LaRose confirmed a quorum was present.

C Approve Minutes of the April 20, 2021 Special Meeting of the Joint Budget & Finance Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Kevin Barber to Approve the Minutes of the April 20, 2021 Special Meeting of the Joint Budget & Finance Committee.

Motion passed unanimously.

D Review of First Quarter Operating Results

Ms. Meek walked the Committee through a slide deck provided in advance of today's meeting that contained the CMEEC and Transco first quarter Income Statement and Balance Sheets year to date through March 2021 and the Non-Fuel Operating Expense, providing a thorough review of the materials contained in the presentation. Very good discussion followed at each interval. The Committee and Mr. Silverstone were given the opportunity to ask questions which Ms. Meek answered to their satisfaction. She also provided an update on status of CMEEC Capital/Pierce Reserve Projects highlighting the anticipated completion dates of each.

E Review of CMEEC Financial Policies Pursuant to CMEEC Strategic Plan Initiative

Ms. Meek reminded the Committee that review of CMEEC Financial Policies was an initiative of the Strategic Plan. She walked the Committee through the CMEEC Capital, Purchase Order and Prepaid Expense Policies. She first discussed the Capital Policy stating that it had been modified as requested at this Committee's meeting on July 30, 2020 to reflect revision to the multi-year projects. She also explained that a new Capital Policy had been created which separately identifies the policy and the procedures.

Ms. Meek walked the Committee through the revision to the Capital Policy reflecting budgeting for multi-year capital projects. The Committee agreed that the revision met the intent of their request.

Ms. Meek walked the Committee through the Purchase Order Policy. Lengthy discussion followed related to the dollar amount associated with approval levels. The Committee discussed purchase approval levels under the Purchase Order Policy and that policy's relationship to the procurement guidelines that are being developed as an initiative of the Strategic Plan. After discussion the Committee agreed that it will revisit the approval levels in relation to the procurement policy when the procurement guidelines are finalized.

Ms. Meek then walked the Committee through the Prepaid Expense Policy noting that this policy is more of a general accounting policy. She explained that typical expenses governed by this policy are software licenses, maintenance contracts, and insurance policies.

F Other Business

Mr. Meisinger provided an update on the Cost of Service Study ("COSS") stating that CMEEC had hired a consultant and midway through the project took the study inhouse. He stated the focus of the study is on Administrative & General ("A&G") expenses not allocated to projects. He added that the study is focusing on dollars currently allocated to Members on a Membership Interest Level allocator, which is a rolling five-year load average. He stated that a COSS meeting was held yesterday, and another meeting will take place with staff. Mr. Meisinger explained that the COSS team will present its findings to this Committee and provide staff proposal along with impacts of the proposal so that the Committee can decide which direction to go with the results of the study. Discussion followed.

G Adjourn

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

A motion was made by Committee Member Barber, seconded by Committee Member Ronald Gaudet to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:02 a.m.