

## **CMEEC Board of Director's Regular Meeting**

**April 28, 2016**

### **MINUTES**

A regular meeting of the CMEEC Board of Directors (sometimes referred to as the "Board" or "BOD") was held on Thursday, April 28, 2016 at the Groton Utilities Water Treatment Plant, 1268 Poquonnock Road, Groton, Connecticut.

The meeting was legally noticed in compliance with the Connecticut State law and all proceedings and actions hereinafter recorded occurred during the publicly open portions of the meeting.

The Chairman, Kenneth Sullivan, called the meeting to order at 10:07 a.m. and determined a quorum was present.

#### **The following Member Representatives/Directors participated:**

Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe  
Groton – Edward DeMuzzio, Ronald Gaudet, David Collard  
Bozrah Light and Power Company – Richard Tanger  
Norwich – Robert Groner  
East Norwalk – David Brown, James Smith  
South Norwalk – Mark Harris (by phone), Paul Yatcko (by phone)

#### **The following individuals from CMEEC management participated:**

Drew Rankin, CMEEC, Chief Executive Officer  
Justin Connell, CMEEC, Director, Portfolio Management  
Brian Forshaw, CMEEC, Regulatory and Risk Officer  
Ellen Kachmar, CMEEC, Office and Facility Manager  
Edward Pryor, CMEEC Chief Financial Officer  
Michael Rall, CMEEC, Director, Asset Management  
Gabriel Stern, CMEEC, Director, Technical Services  
Philip Sussler, CMEEC General Counsel

Ms. Kachmar recorded.

Director Gaudet introduced Richard Tanger, the new Director from Bozrah Light and Power Company (“BL&P”). Director Gaudet welcomed the Board to the facilities of Groton Utilities (“GU”) and pointed out the location of emergency exits and restrooms.

### **Standard Action Items**

#### **(A) Approve Minutes of the CMEEC March 24, 2016 Board of Director’s Meeting.**

**A motion was made by Director DeMuzzio, seconded by Director Demicco, to approve the minutes of the March 24, 2016 Board of Directors’ Meeting.**

**Vote passed. Director Harris abstained.**

**(16-04-01)**

### **Specific Action Items**

#### **(B) March 2016 Objective Summary Review**

Mr. Rankin first commented that the overall performance of CMEEC was excellent this month. He then provided an overview of the exceptions to the summary dashboard report provided to the Board in advance of the meeting, reviewing the line items that reflected a deviation from the established target value for the performance month, year to date, and projected for 2016 year end. Detailed questions regarding the objective summary review were deferred to later in the meeting.

#### **(C) Regulatory / Legislative Summary**

Mr. Forshaw reported that a group of member Commissioners and Board Members from CMEEC visited Washington, DC to meet with members of Congress and their staffs. During the trip, the Senate passed an energy bill, which will now go on to consideration by the House. Mr. Forshaw noted the group met Congresspersons and/or staff of all seven offices of the Connecticut Congressional delegation. The group met in person with Representatives Courtney and Himes, as well as senior staffers and energy aides. Ms. Goldstein of the Third Taxing District, Director Groner of Norwich Public Utilities, and Mr. LaRose of Norwich Public Utilities attended the meetings with Mr. Forshaw. The message carried by the group was that wholesale electric markets in New England are not working, and Connecticut electric rate payers pay more for power than anywhere in the country. Director Groner stated that he found the legislative meetings highly informative. Mr. Forshaw also reported on the status of three matters affecting Connecticut specifically: Connecticut State legislation, Senate Bill 334 was approved, which unwound the State electric purchasing pool provisions that were enacted two years ago; an amended version of Connecticut State legislation, House Bill 5510 was approved and awaits the Governor’s signature, which pertained to electric vehicle rates, and suspension of the Northeast Energy Direct pipeline project by its sponsor.

#### **(D) March Market Analysis**

Mr. Connell reported on March market prices and noted that energy costs were below budget, actual demand was lower, and unit contingent resources were lower than budget. Mr. Connell noted the portfolio management group is working diligently to assess, analyze, and determine the root causes of customer load variances so they can be better forecasted in the future and adverse impacts on procurement can be better mitigated.

**A motion to enter into executive session for the discussion of the Subase Project, the Mohegan Project and the Energy New England matter was made by Director DeMuzzio, seconded by Director Demicco, with direction to the Board to come back into public session upon completion of the discussion in executive session.**

**Vote passed unanimously.**

**(16-04-02).**

The basis for going into executive session were Conn. Gen. Stat. Secs. 1-200(6)(E) (with respect to the Subase and Mohegan Projects) and 1-200(6)(B) (with respect to the ENE matter), Present during the discussion were the Board representatives and Mssrs. Rankin, Pryor, Wall and Sussler.

The meeting went into executive session at 11:40 a.m.

The meeting returned to public session at 1:02 p.m.

**A motion was made by Director Demicco, seconded by Director Gaudet to approve the resolution for authority to execute settlement agreement relating to Energy New England, LLC.**

**Vote passed unanimously.**

**(16-04-03).**

**A motion was made by Director DeMuzzio, seconded by Director Smith, to adjourn the meeting.**

**Vote passed unanimously.**

**(16-04-04).**

There being no further business to come before the Board, the meeting was adjourned at 1:04 p.m.

**Connecticut Municipal Electric Energy Cooperative**

**Board of Directors Meeting**

**Resolution 16-04-03**

**RESOLUTION FOR AUTHORITY TO EXECUTE SETTLEMENT AGREEMENT  
RELATING TO ENERGY NEW ENGLAND, LLC**

**WHEREAS**, CMEEC currently owns certain membership interests in Energy New England, LLC (“ENE”) and has asserted certain claims against ENE which ENE has disputed (the “CMEEC Claims”).

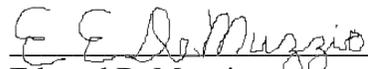
WHEREAS, CMEEC management, at the direction of the CMEEC Board of Directors (the “Board”), undertook a negotiation with the management of ENE to settle the CMEEC Claims on terms mutually agreeable to CMEEC and ENE.

WHEREAS, CMEEC management reported the terms of a proposed negotiated settlement of the CMEEC Claims at the regular meeting of the Board held on April 28, 2016, which shall be incorporated into a mutually agreed written agreement executed by each of CMEEC and ENE (the “Settlement Agreement”).

**NOW THEREFORE BE IT RESOLVED BY THE BOARD AS FOLLOWS:**

The Board does hereby authorize the Chief Executive Officer (“CEO”) of CMEEC to deliver and execute the Settlement Agreement and such other documents as may be required on behalf of CMEEC, effecting the settlement of the CMEEC Claims, the withdrawal by CMEEC from its membership in ENE and the sale by CMEEC of its membership interests in ENE and otherwise containing the terms, or their substantial equivalent, as reported by the CEO to the Board at its regular meeting held on April 28, 2016, together with such additional conforming changes as incorporated into the Settlement Agreement to be executed by the CEO on behalf of CMEEC as the CEO shall agree in the exercise of his reasonable discretion.

April 28, 2016

  
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Edward DeMuzzio  
Secretary