

**BYLAWS OF THE
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE**

(Amended March 15, 1977; April 15, 1981; April 19, 1988; September 24, 1992; October 26, 1995; December 21, 2005; November 21, 2007; April 25, 2013, October 8, 2015 April 27, 2017; May 2, 2018; Article IV, Section 6. Amended October 9, 2018)

**ARTICLE I
DEFINITIONS, NAME, LOCATION,
SEAL, PURPOSES, AND GENERAL
DESCRIPTION OF GOVERNANCE STRUCTURE**

SECTION 1. DEFINITIONS.

Capitalized terms used herein shall have the meanings afforded to them as provided herein. If not otherwise expressly defined herein such terms shall have the meanings afforded to such terms pursuant to the Act, or as are provided in the Replacement Power Supply Contracts, as amended (“RPSC”) by and between CMEEEC and each of the Members of the General Transmission Services Agreement, as amended by and between CMEEEC and each of the Members (the “GTSA”) or the Membership agreement, as defined below.

In addition to the foregoing, the following terms shall the following meanings:

“Act” means Public Act 75-634 of the Acts of the State of Connecticut of 1975, subsequently enacted as Title 7, Chapter 101a, Sections 7-233a *et. seq.* of the General Statutes of Connecticut, as amended.

“Alternate Delegate” is as defined in Article I, Section 9.

“Alternate Utility Representative” is the persons appointed by the Member Governing Body

“Applicable Law” means the requirements of any federal and/or state law, code, statute, rule, regulation, or decree, including the Act, as well as any decree, order or judgment, not otherwise subject to appeal, validly issued or promulgated, and then in effect, by any court, tribunal, arbitrator or governmental agency having competent jurisdiction.

“Associate” is as defined in Article I, Section 8.

“Associate Representative” is as defined in Article I, Section 13.

“CMEEEC” is as defined in Article I, Section 2.

“CMEEEC Board of Directors” is as further defined in Article I, Section 6. The term “Board” and “Board of Directors” is used interchangeably with this term and has the same meaning.

“CMEEC Member Delegation” or “Member Delegation” is as further defined in Article I, Section 6.

“CMEEC Vision, Mission, and Objectives” means the formally published business management tools, as revised from time to time, consisting of hierarchically related components, including CMEEC’s visionary statement of its future desired state (“Vision”), CMEEC’s mission statement defining the manner in which the Vision shall be achieved (“Mission”), and the CMEEC key performance areas of focus and the associated metrics used in executing to the Mission and Vision (“Objectives”); such Vision, Mission and Objectives, and subsequent amendments thereto, shall be recommended by the CMEEC Chief Executive Officer to the CMEEC Board of Directors and approved by the CMEEC Board of Directors.

“Common Control” means two (2) or more Members that are Related Party Members, where one Related Party Member or its municipality, Owns and/or Controls the other Related Party Member(s). For purposes of this definition and that of “Related Party Member”, to “Own” means that a Member or its municipality has legal or equitable title or other incidents of ownership comprising more than ten percent (10%) of the ownership interests in another Member; to “Control” means to have the power to appoint or designate a majority of the officials of the governing body of another Member.

“Creating Agreement” means the “Restated and Amended Agreement made by and between the Boards of Public Utility Commissioners of the City of Norwich, the City of Groton, and the Borough of Jewett City, all of Connecticut, dated June 1, 2013 as amended and restated.

“Director” is as defined in Article I, Sections 10 and 11.

“Member” is as defined in Article I, Section 7.

“Member Delegate” is as defined in Article I, Section 9.

“Member Delegation Chair” is as defined in Article II, Section 1.

“Member Governing Body” means the board of commissioners of a Municipal Electric Utility or such other duly elected or appointed officials charged with managing the affairs of a Municipal Electric Utility.

“Member Utility Representative” is as defined in Article I, Section 10. are appointed by the Member Governing Body.

“Membership Agreement” or “MA” shall mean a certain Membership Agreement, as it may be amended, by and among the Members of CMEEC, and such other future Members who become Members of CMEEC in accordance with the Act and such Membership Agreement.

“Municipal Electric Utility” shall have the same meaning as is afforded such term by the Act.

“Municipal Legislative Body” means the Groton City Council in the case of Groton Utilities and

Bozrah Light and Power Co., Norwich City Council in the case of Norwich Public Utilities; the Warden and Burgesses of the Borough of Jewett City in the case of Jewett City Department of Public Utilities; the Commissioners of the Second Taxing District, City of Norwalk; and the Commissioners of the Third Taxing District of the City of Norwalk.

“Municipal Representative” is the person appointed to the CMEEC Board by the Municipal Legislative Body.

“New Member” shall mean a Member first becoming a Member of CMEEC following the Effective Date of the May 2018 Bylaw Amendments.

“Related Party Member” means a Member that is related to another Member by reason of the following: (i) such Member, or its municipality, owns another Member or is owned by another Member, or its municipality; and/or (ii) such Member, or its municipality, controls another Member or is Controlled by another Member, or its municipality.

SECTION 2. NAME.

The name of the Cooperative is the Connecticut Municipal Electric Energy Cooperative (“Cooperative” or “CMEEC”).

SECTION 3. LOCATION.

The principal office of CMEEC shall be located in Norwich, Connecticut, or in such other location in the State of Connecticut as may be designated by the CMEEC Board of Directors.

SECTION 4. CORPORATE SEAL.

The Board may adopt and alter the seal of CMEEC.

SECTION 5. PURPOSES.

The purposes for which CMEEC is organized are to undertake: (a) the procurement, management, provision, and transmission of electric products, including, but not limited to, electric commodity, ancillary and support services, and transmission services; (b) the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation, and maintenance of a project or projects to supply electric power and energy for the present and future needs of its Members, and others as contractually provided; and (c) to do and perform all acts and things for the benefit of its Members, and others as contractually provided, which by law, expressed or implied, it is authorized, empowered, or permitted to do and perform.

SECTION 6. GENERAL GOVERNANCE STRUCTURE.

SECTION 6.1. GENERAL.

CMEEC shall be managed by two governing bodies, subject to separate and distinct sets of structures, and requirements, for the purpose of maintaining appropriate segregation of interests and responsibilities, namely: (a) the CMEEC Member Delegation, through which the CMEEC Members act collectively, as defined further below, with respect to issues relating to their ownership, as Members of CMEEC, and (b) the CMEEC Board of Directors, comprised of Member Utility Representatives, Member Utility Alternates and Municipal Representatives, all as further defined herein. The CMEEC Board of Directors shall exercise all of the powers of CMEEC except such as are by law or by Bylaws conferred upon or reserved to the CMEEC Member Delegation. The roles and function of each of the CMEEC Member Delegation and the CMEEC Board of Directors are further described below in Article I, Sections 6.2 and 6.3.

SECTION 6.2. CMEEC Member Delegation.

The CMEEC Member Delegation is established and shall serve as the body to oversee and administer the individual and collective ownership-related interests of the Members in CMEEC, in their capacity as Members of CMEEC. The CMEEC Member Delegation shall be established and shall operate pursuant to Article II below. The CMEEC Member Delegation scope of responsibilities shall include, but not be limited to ensuring the interests of the Member Delegation are achieved through the development and implementation of, and ongoing execution to the CMEEC Vision, Mission, and Objectives by the CMEEC Board of Directors. The CMEEC Member Delegation shall possess the primary responsibility for managing all matters related to membership, equity requirements, and the financial stability of CMEEC, and as provided for in the voting requirements in Article II, applicable to the Member Delegation.

SECTION 6.3. CMEEC Board of Directors.

The business and affairs of CMEEC shall be managed by the CMEEC Board of Directors which shall exercise all of the powers of CMEEC except where by law, the Creating Agreement or by these Bylaws, such powers are conferred upon or reserved to the Members. The Board shall have the power to make and adopt rules, regulations, and policies consistent with law, the Creating Agreement or these Bylaws, as it may deem advisable for the management, administration and regulation of the business, and affairs of CMEEC. The CMEEC Board of Directors, comprised of the Member Utility Representatives, Alternate Utility Representatives, and Municipal Representatives, as further defined herein, shall provide operational oversight of the CMEEC Chief Executive Officer in executing to and fulfilling the Vision, Mission, and Objectives.

SECTION 7. MEMBER(S).

The Member(s) of CMEEC (individually a “Member”, collectively the “Members”) are defined by the Act as the Municipal Electric Utilities within Connecticut, which have executed and acceded to participation under the Membership Agreement to participate as Members in CMEEC. The Member(s) shall include, where the context in these Bylaws requires, the Cities of Norwich and Groton, the Borough of Jewett City, the Second and Third Taxing Districts of the City of Norwalk, Bozrah Light and Power Company, acting by and through their Municipal Electric Utilities by authority of their Boards of Public Utility Commissioners, and such other Municipal Electric Utilities as may apply for, and be approved as New Members, by entering into and satisfactorily fulfilling the requirements for entry into the Membership Agreement, and by the due adoption and filing of such documentation as is required of the Members to authorize such additional Members and the filing of such documentation with the office of the Secretary of State of the State of Connecticut, as applicable, all in accordance with the Act and the provisions of the Membership Agreement.

SECTION 8. ASSOCIATE of CMEEC.

An Associate of CMEEC (“Associate”) is a Municipal Electric Utility or other entity that is a full requirements customer of CMEEC under Rate 9, or the then current Rate reference, where such Rate provides for the supply by CMEEC of a consolidated customer portfolio for the provision of Electric Products and Transmission Services to a customer group formed primarily by the Members. Associate status is available to those non-Member customers of CMEEC contracted for service from CMEEC under Rate 9, subject to the determination by the Board in the exercise of its sole and exclusive discretion. An Associate may be granted, by the determination of the Board, one (1) seat for participation at the CMEEC Regular Board of Directors. The method for appointment and roles and responsibilities of such Associate Representative shall be as provided for in Article I, Section 13 below.

SECTION 9. MEMBER DELEGATE SERVICE ON THE CMEEC MEMBER DELEGATION.

From the two (2) Member Utility Representatives and the two (2) Alternate Utility Representatives, appointed pursuant to Article I, Section 10 below, one (1) shall be selected and further appointed as the sole Member Delegate, to act with the full powers and duties of the Member while serving on the CMEEC Member Delegation with respect to all matters which come before the Member Delegation and one (1) shall be selected and further appointed to act with the full powers and duties of the Member Delegate representing such Member with respect to matters coming before the CMEEC Member Delegation in the event of the absence or unavailability of the Member Delegate of such Member (with such person referred to herein as the “Alternate Member Delegate”). The Member shall transmit notice of such appointments to CMEEC and such appointments shall thereafter be effective for all purposes, except in cases of resignation, removal, or replacement as provided in a subsequent notice by the Member to CMEEC. The Alternate Member Delegate position may be filled by one (1) of the remaining three (3) Member Utility Representatives or Alternate Utility Representatives as an alternate to

serve in his/her place as the Member Delegate on an as required basis when the Member Delegate is not available to participate and/or vote on matters coming before the CMEEC Member Delegation.

SECTION 10. CMEEC MEMBER UTILITY REPRESENTATIVES SERVING ON THE CMEEC BOARD OF DIRECTORS.

Each Member Municipal Electric Utility (“MEU”) Governing Body shall appoint two (2) Member Utility Representatives to the CMEEC Board of Directors. Each Member MEU Governing Body shall also appoint two (2) Alternate Utility Representatives (the “Alternate Utility Representative”). Each such Alternate Utility Representative shall be empowered to serve in the place of either of the Member Utility Representatives to the CMEEC Board of Directors or both, as applicable, in the event of the absence or unavailability of such Member Utility Representative(s) to participate and/or vote on matters coming before the CMEEC Board of Directors, to serve in the place of either or both of the Member Utility Representatives, as the case may be, and to act with the full powers and duties of the Member Utility Representative(s) in such circumstances. Each Member Utility Representative or Alternate Utility Representative must be an Official (Officer, Director, Commissioner, or high-ranking employee) of such Member. Alternate Utility Representatives may participate in Board of Director meetings when the Member Utility Representatives are fully present, but are eligible to vote in the Alternate capacity only when fulfilling the role in the absence of a Member Utility Representative.

SECTION 11. MUNICIPAL REPRESENTATIVE SERVING ON THE CMEEC BOARD OF DIRECTORS

The Municipal Legislative Body of each municipality in which a Member MEU operates shall determine the qualification of such appointee, term of office, and compensation as provided in the Act. The Municipal Representative shall be a residential or commercial ratepayer of the respective Member MEU and may not be employed by either the Member MEU or the municipality in which the Member MEU operates or by any other Member MEU or its Municipal Legislative Body. The Municipal Representative is eligible for compensation by CMEEC as provided to qualified representatives herein and Board of Directors’ approved resolutions regarding the same. To the extent a Municipal Legislative Body elects to compensate above the CMEEC provided compensation, the Municipal Legislative Body shall bear those cost.

SECTION 12. ASSOCIATE REPRESENTATIVE.

Each Associate Representative is defined as the person appointed by the governing body of an Associate to participate in CMEEC Regular Board of Directors’ meetings as provided pursuant to these Bylaws. The Associate Representative appointed by their governing body is subject to CMEEC Board of Directors’ approval, not to be unreasonably withheld. The Associate Representative is not entitled to participate in the deliberations, the taking of any votes or other governance in any form of CMEEC Member Delegation meetings, or CMEEC Board of Director Special meetings, Annual meetings, or any Executive Sessions of meetings of the Member Delegation or CMEEC Board of Directors, other than if specifically invited by the

Member Delegation or CMEEC Board of Directors, as applicable. The Associate Representative shall be either the highest-ranking utility employee of the Associate, or a member of the governing body of the Associate. When participating in any CMEEC Regular Board of Directors' meeting pursuant to this Section, the Associate Representative(s) shall not be entitled to vote on any matter coming before the Board and may only provide his or her specific perspective and or position on the matter. The Associate Representative shall not serve in any Officer role, as further defined herein, or act in, the capacity of an agent or representative of CMEEC.

ARTICLE II
CMEEC MEMBER DELEGATION MEETINGS.

SECTION 1. GENERAL MATTERS.

The Member Delegation shall appoint from among the Member Delegates by majority vote during each Annual Meeting, to serve for a term of the longer of one (1) year or until the completion of the next Annual Meeting following such initial selection and appointment, a person (the "Member Delegation Chair") to act in the capacity of chairperson with respect to the administration requirements of the CMEEC Member Delegation and the conduct and administration of the meetings of the CMEEC Member Delegation. The Member Delegation Chair may also serve simultaneously as the Chairperson of the Board if so elected by the Board pursuant to the procedures set forth herein. The Member Delegation may convene in Executive Session during any meeting of the Member Delegation in accordance with the provisions of Applicable Law.

SECTION 2. ANNUAL CMEEC MEMBER DELEGATION MEETING.

The annual meeting of the CMEEC Member Delegation shall be conducted on the third Thursday of November of each year at the offices of CMEEC, or on such other date or in such other location in the State of Connecticut as the CMEEC Member Delegation shall determine by official action of the CMEEC Member Delegation.

SECTION 3. CMEEC MEMBER DELEGATION SPECIAL MEETINGS.

The Member Delegation Chair may call special CMEEC Member Delegation meetings at any time, subject to compliance with the notice requirements of Applicable Law. The Member Delegation Chair shall call a Special CMEEC Member Delegation meeting whenever so requested in writing by a majority of the Member Delegates. No business other than the subject matter specified in the call for the meeting shall be transacted at any such special meeting of the CMEEC Member Delegation. Meetings of the CMEEC Member Delegation, other than the Annual CMEEC Member Delegation meeting, may be conducted in any geographic location, and such meetings are not restricted to the State of Connecticut as long as properly noticed.

SECTION 4. CMEEC MEMBER DELEGATION QUORUM.

The Member Delegate or Alternate Delegate in substitution for such Member Delegate, as provided herein, shall vote on behalf of such Member at any Special or Annual meetings of the CMEEC Member Delegation. The physical, in person presence at such meeting, or presence and participation via any form of real-time electronic communication technology, of a majority of Member Delegates (or Alternate Delegates) representing the majority of the Members shall be necessary to constitute a quorum for the transaction of business in any meeting of the Member Delegation. The Member Delegate (or Alternate Delegate) of a Member then in default which is not cured under the RPSC or GTSA, a Member subject to the procedure for Involuntary Withdrawal under the MA, and or a Member that has provided notice of withdrawal under the MA, the RPSC, and/or the GTSA, as applicable, shall no longer retain voting rights with respect to matters coming before the Member Delegation for vote and shall not be considered in constituting a quorum.

SECTION 5. CMEEC MEMBER DELEGATION VOTING.

At all meetings of the CMEEC Member Delegation, all formal actions shall be determined by a majority vote of the Members cast by the Member Delegates, present in person or present and participating by means of real time electronic communication technology, except where such vote is specifically regulated by statute, including the Act, or as further defined in this Section 5 below. Each Member Delegate, or Alternate Delegate if authorized pursuant to these Bylaws, shall be entitled to cast one (1) vote in any vote taken by the Member Delegation. At all meetings of the CMEEC Member Delegation, all actions requiring vote by the Members are subject to the majority, supra-majority, unanimous, and weighted voting requirements as listed below, as identified by specific topic or category. Where not specifically identified herein, the subject matter of a vote or formal action coming before and/or required of the Member Delegation voting shall be determined by the Regular Vote Requirement as set forth below.

Unanimous Vote Requirement

(Equal to one hundred percent (100%) of the votes of the Member Delegates (or Alternate Delegates duly authorized) present or participating through real time electronic technology):

- Changes in voting method and requirements, as provided in these Bylaws.
- Membership involuntary withdrawal for Extraordinary Circumstances

Special Vote Requirement of Two-Thirds

(Equal to or greater than two thirds (for convention purposes equated to 66.666% of the votes of the Member Delegates (or Alternate Delegate(s) duly authorized) present or participating through real time electronic technology):

- New Membership request and acceptance
- Associate Representative: establishment, acceptance and termination
- Membership involuntary withdrawal
- CMEEC Target Equity Levels, and as provided for in the Membership Agreement, Member Target Equity Levels
- Membership Interest Levels for New Members and annual recalculation
- Equity allocation and declaration of equity
- Bylaw revisions and amendments, excluding changes in voting method and requirements.

Regular Vote Requirement of Simple Majority:

(Equal to or greater than fifty-one percent (51%) of the votes of the Member Delegates (or Alternate Delegate(s) duly authorized) present or participating through real time electronic technology):

- Trust Fund utilization requirements in a manner in conformity and compliance with the requirements of any applicable trust instrument.
- Schedule of CMEEC Member Delegation meetings

Weighted Vote Requirement:

Pursuant to Conn. Gen. Stat. Section 7-233c(g), CMEEC does hereby adopt, for prospective effect, the following procedure for the taking of a weighted vote with respect to actions coming before and made by the Member Delegation. A weighted vote, if called with respect to matters coming before and taken by the Member Delegation, shall require: (a) a vote equal to or greater than sixty percent (60%) of the votes of the Member Delegates for each Member present, where each Member Delegate's vote is weighted by the fraction comprised of the previous five (5) year rolling average total load of the Member appointing such Member Delegate, divided by the previous five (5) year rolling average total load of all of the Members; and (b) a minimum of two (2) Member Delegates' votes constituting the sixty percent (60%). For purposes of satisfying sub-part (b) of this Art. II, sec. 5, the votes of the Member Delegates of two (2) or more Related Party Members under Common Control shall be deemed to be a single vote. For purpose of weighted voting, only one Member Delegate per Member is permitted to vote, and the five-year period to determine load shall be the then most recent period starting on July 1 for the five prior years and ending on June 30 in the most recent or current year. As used in this section, "load" shall mean with respect to any Member, the total electric energy measured in megawatt hours (MWh) delivered by CMEEC to the applicable Member, including special contracts of the Member, and as reconstituted for CMEEC program-level load reduction activities. As used in this section, "load" with respect to New Members shall be based on the total electric energy delivered by CMEEC to such New Member during the five prior years shall occur as provided in the prior sentence, inclusive of such periods before such New Member became a Member. No partial voting by any one Member Delegate is permitted.

A Member Delegate may request a weighted vote at any time with respect to the Regular Vote Requirement only. Matters subject to determination by Special Vote and Unanimous Vote are not subject to the Weighted Vote requirement by definition.

SECTION 6. NOTICE.

Notice of the time and place and general purposes of all Annual and Special CMEEC Member Delegation meetings shall be mailed or otherwise issued by electronic correspondence, as provided by and in conformity with Applicable Law and as provided in these Bylaws, by the CMEEC Member Delegation Chair and shall include transmittal of notice of such meeting by electronic correspondence to each Member Delegate, or, upon the default or assignment, by the person calling the meeting. Notices must be transmitted no less than seven (7) days in advance of the meeting and no greater than forty (40) days in advance of the meeting, provided that, other than in emergency conditions, the call for the meeting shall normally be issued with as much advance notice as practical. Special meetings of the CMEEC Member Delegation may be scheduled at such time and place as the CMEEC Member Delegation may determine.

SECTION 7. WAIVER OF NOTICE.

Whenever any notice is required to be given to any Member Delegate under the provisions of law, a waiver thereof in writing signed by such Member Delegate, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Member Delegate at any meeting of the CMEEC Member Delegation shall constitute a waiver by such Member Delegate of notice of such meeting, except when such Member Delegate attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE III **CMEEC BOARD OF DIRECTORS**

SECTION 1. PURPOSE AND NUMBER OF DIRECTORS.

The operational affairs and business of CMEEC shall be managed by a CMEEC Board of Directors appointed in accordance with Article I herein. The number of persons serving on the CMEEC Board of Directors at any time shall be two (2) Member Utility Representatives named by each Member Utility and representing such Member Utility on the CMEEC Board of Directors, including two (2) Alternate Utility Representatives, and one (1) Municipal Representative named by each Municipal Legislative Body. There is no alternate representative for the Municipal Representative.

SECTION 2. TERM OF OFFICE OF BOARD REPRESENTATIVES.

SECTION 2.1 TERM OF OFFICE OF MEMBER UTILITY REPRESENTATIVES.

The term of office of each Member Utility Representative and Member Utility Alternate Representative shall be determined by each Member's Governing Body, and as may be

thereafter modified by the Member's Governing Body, with notice of such term of appointment or modification thereof provided by the Member to CMEEC. The appointment and continued service on the CMEEC Board of Directors of any Member Utility Representative shall be deemed effective for all purposes unless and until modified by notice transmitted by the Member to CMEEC. The Member's Governing Body retains the responsibility to re-appoint any Member Utility Representative or to appoint a replacement upon the expiration of his or her term of office and to appoint a replacement in the event of resignation of a Member Utility Representative prior to the expiration of his or her term or to appoint a replacement. To maintain continuity of representation on the CMEEC Board of Directors, the term of office of each Member Utility Representative shall be no less than one (1) year and the terms of office of each Member Utility Representative representing a single Member shall expire at intervals no less than one (1) year apart, unless appointment of a Member Utility Representative is required on a more frequent basis to fill the office due to the resignation of a Member Utility Representative or if an emergency condition exists. The same replacement requirements are applicable to the Member Utility Alternate Representatives.

SECTION 2.2 TERM OF OFFICE, COMPENSATION OF MUNICIPAL REPRESENTATIVES

The term of office and compensation, if any, for each Municipal Representative shall be determined by each Municipal Legislative Body.

SECTION 3. DUTIES AND EXPECTATIONS OF BOARD OF DIRECTORS.

The duties of the Board of Directors shall be to govern the business and affairs of CMEEC; to exercise all powers of CMEEC; to comply with the provisions of the Act; and to keep the minutes of its proceedings. The Board of Directors shall be comprised of the Member Utility Representatives Member Utility Alternate Representatives, and the Municipal Representatives. The expectations of performance of duties of the CMEEC Board of Directors are as defined herein, and shall include, but not be limited to:

- (a) To attend and participate in at least sixty-five percent (65%) of the combined, applicable CMEEC Board of Director Committee meetings, with such attendance and participation requirement satisfied by physical presence or presence by real-time electronic means as otherwise provided under these Bylaws, CMEEC Board of Director meetings, and formally called industry and role development sessions;
- (b) To become familiar and knowledgeable about, and develop opinions on, the material provided to the CMEEC Board of Directors and presented at the CMEEC Board of Director meetings and Committee meetings;
- (c) To be prepared to discuss information provided to the CMEEC Board of Directors for the scheduled Board of Director meetings and Committee meetings;
- (d) To become knowledgeable about the issues of importance to the electric utility industry, the Municipal Electric Utilities, and the CMEEC Board of Directors Committee matters in which the individual is participating;
- (e) To be prepared to evaluate the performance of the CMEEC Board of Directors and CMEEC overall in achieving the goals established by the Board of Directors for the benefit

of achieving the CMEEC Vision, Mission, and Objectives.

- (f) To act in accordance with the fiduciary duties of care and loyalty as required by law and including the making of decisions in the best interests of CMEEC's Vision, Mission and Objectives and all its Members and customers and to act collectively as a Board.

SECTION 4. CMEEC BOARD OF DIRECTOR MEETINGS.

- (a) The Annual Meeting of the CMEEC Board of Directors shall be conducted in conjunction with the Annual meeting of the CMEEC Member Delegation, unless otherwise required for schedule adjustment or by direction of the Member Delegation Chair.
- (b) Regular CMEEC Board of Director meetings shall be conducted at such times as the Board of Directors may determine, or as required by Applicable Law.
- (c) Special CMEEC Board of Director meetings may be called by order of the Chairperson of the CMEEC Board of Directors, or whenever so requested in writing by a majority of the Board, with notice by the Secretary of the CMEEC Board of Directors made in accordance with Applicable Law.
- (d) Any and all CMEEC Board of Directors meetings shall be conducted within the State of Connecticut, including all strategic retreats.
- (e) CMEEC Board of Director meetings may be held from time to time by a resolution consented to by a majority of the CMEEC Board or by a call of the Chairman of the Board. The resolution for such meeting shall designate the time and place for the holding of an emergency CMEEC Board of Directors meeting without notice to the Board other than pursuant to such resolution.
- (f) The CMEEC Board of Directors adopts "Robert's Rules of Order" as the general guide for the parliamentary governance and conduct of the meetings of the Board of Directors except where such rules are in conflict with the Act, the Membership Agreement, or the Bylaws, in which case the Act, the Membership Agreement, and/or the Bylaws shall prevail.

SECTION 5. CMEEC BOARD OF DIRECTORS QUORUM.

At any meeting of the CMEEC Board of Directors, a majority of the appointed Member and Municipal appointed Board Representatives shall constitute a quorum for the transaction of business, but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not less than one (1) day later nor more than thirty-five (35) days later. The act of a majority of the Board Representatives (or duly authorized Alternate Representatives) present or present by real-time electronic means at a CMEEC Board of Directors' meeting at which there is a quorum shall be the act of the Board of Directors, unless the Secretary determines that a Board of Directors' supra-majority or unanimous vote is required, or unless there is a call by any Member Representative for a weighted vote, subject to the provisions of Section 6 of this Article III. Associate Representatives shall not be included in constituting a quorum.

The Member Utility Representatives (and Alternate Utility Representatives) and the Municipal Representative of a Member in default and not cured under the RPSC or GTSA, a Member subject to Involuntary Withdrawal under the MA and or a Member that has provided notice of withdrawal under the MA, the RPSC and/or the GTSA, shall no longer

retain voting rights on the Board of Directors following, as applicable, such default, initiation of procedure or notice of termination and shall not be considered in constituting a quorum. Attendance and participation of the Member Representatives or Alternate Representatives, if otherwise applicable, for purposes of satisfying the quorum requirements set forth herein may be satisfied through attendance and participation by real-time electronic means as provided in Art. II, Section 4 hereof.

SECTION 6. CMEEC BOARD OF DIRECTORS SPECIAL VOTING.

Each Member Utility Representative and Municipal Representative shall be entitled to cast one (1) vote. At all CMEEC Board of Director meetings, all actions requiring vote by the Board are subject to the majority, supra-majority, unanimous, and weighted voting requirements as listed below, as identified by specific topic or category. Where not specifically identified herein, subject matter requiring a vote or formal action by the Board shall be made pursuant to the Regular Vote Requirement.

Unanimous Vote Requirement

(Equal to one hundred percent (100%) of the votes of the Board of Directors present or participating by real-time electronic technology), provided a quorum is present:

- Exercise of the power of eminent domain or condemnation as provided in the Act

Special Vote Requirement of Two-Thirds

(By convention determined to be equal to or greater than 66.666% of the votes of the Member Representatives present or participating by real-time electronic technology):

- (no special vote requirements currently established for the CMEEC Board of Directors)

Regular Vote Requirement of Simple Majority

(Equal to or greater than fifty-one percent (51%) of the votes of the Board Representatives present or participating by real-time electronic technology)

- Resolution for calling a Regular CMEEC Board of Directors meeting
- Board Officer(s) and Board Committee appointments and terminations
- Policy changes for Board of Director compensation and reimbursement
- Debt issuance and restructuring, and other instruments utilized for indebtedness and liquidity
- Changes to Rate 9, Rate 10, or other specific rates, for purpose of electric products and transmission services
- Budget approval and budget revision
- Contract execution for full or partial requirements electric energy supply and approval of an Additional Power Project provided that each Member's Entitlement

Allocation in such Additional Power Project shall be determined by each Member Municipal Utility's Member or Alternate Member Delegate in accordance with Section 12. of the Membership Agreement.

- Other Contracts binding on CMEEC with a term extending for more than five (5) years, regardless of the contracted service, product, or other purpose of such contract.
- Enterprise Risk Management Policy and other Board directives or policies in conducting CMEEC business including, but not limited to, Board policies and procedures.
- CEO employment related actions, including contract terms and conditions, compensation adjustments, etc.

Weighted Vote Requirement:

Pursuant to Conn. Gen. Stat. Section 7-233c(g), CMEEC does hereby adopt the following procedure for the taking of a weighted vote with respect to actions coming before and made by the Board of Directors. A weighted vote of the Board of Directors, if called pursuant to the Act, shall require: (a) a vote equal to or greater than sixty percent (60%) of the votes of the Member Utility and Municipal Representatives present, where each Member Utility and Municipal Representative's vote is weighted by the fraction comprised of the previous five (5) year rolling average total load of the Member appointing such Member Utility and Municipal Representatives, divided by the previous five (5) year rolling average total load of all of the Members; and (b) a minimum of six (6) Member Utility and/or Municipal Representatives' votes constituting the sixty percent (60%). For purposes of satisfying sub-part (b) of this Art. III, sec. 6, the collective votes of the Member Utility and Municipal Representatives of two (2) or more Related Party Members under Common Control shall be deemed to be three (3) votes. For purpose of weighted voting, two (2) Member Utility Representatives and one (1) Municipal Representative per Member are permitted to vote, and the five (5) year period to determine load shall be the then most recent period starting on July 1 for the five (5) prior years and ending on June 30 in the most recent or current year. As used in this section, "load" shall mean with respect to any Member, the total electric energy measured in megawatt-hours (MWh) delivered by CMEEC to the applicable Member, including special contracts of the Member, and as reconstituted for CMEEC program-level load reduction activities. As used in this section, "load" with respect to New Members shall be based on the total electric energy delivered by CMEEC to such New Member during the five prior years shall occur as provided in the prior sentence, inclusive of such periods before such New Member became a Member. No partial voting by any one Member Utility or Municipal Representative is permitted. Appendix A attached hereto to these Bylaws contains an example for the purposes of illustrating the weighted vote calculation.

A Member Utility or Municipal Representative may request a weighted vote at any time with respect to matters subject to the Regular Vote Requirement only. Special Vote and Unanimous Vote are not eligible for Weighted Vote, by definition, because their respective minimum requirements are greater than the Weighted Vote convention.

SECTION 7. CMEEC BOARD OF DIRECTORS VACANCIES.

A vacancy occurring in the CMEEC Board of Directors, whether such vacancy be the result of a resignation, death, removal, or disability, shall be filled by the appointment of a successor Member Utility or Municipal Representative by the same Member Governing Body or Legislative Body, whichever is applicable, which appointed the Member Utility or Municipal Representative originally whose position has become vacant.

SECTION 8. CMEEC BOARD OF DIRECTORS REMOVAL OF UTILITY REPRESENTATIVE.

A Member Utility Representative (or Alternate Utility Representative) may be removed as provided in the Act, Membership Agreement, Bylaws and Applicable Law.

The Municipal Body Appointments (may be removed as provided by the Municipal Legislative Body making the appointment).

SECTION 9. CMEEC BOARD OF DIRECTORS UNANIMOUS CONSENT.

Under an emergency condition and in lieu of any Regular or Special CMEEC Board of Directors meetings and vote of the Board, the unanimous written consent of all CMEEC Board of Directors' may be filed with the Secretary of the CMEEC Board of Directors with respect to any action taken, or to be taken, by the Board of Directors. Said consents shall, when filed, have the same force and effect as a unanimous vote of the Board.

SECTION 10. CMEEC BOARD OF DIRECTOR CHAIRPERSON.

The CMEEC Board of Directors shall elect a Chairperson and a Vice-Chairperson who shall meet the requirements set forth in the Bylaws.

SECTION 11. POWERS OF CMEEC BOARD OF DIRECTORS.

The business of CMEEC shall be governed by the Board of Directors, which shall have and may exercise all the powers of CMEEC provided in the Act and as otherwise further defined in the Membership Agreement and Bylaws.

SECTION 12. EXECUTIVE SESSIONS OF THE CMEEC BOARD OF DIRECTORS.

The Board of Directors may call and hold any Executive Sessions in accordance with the provisions of the Open Meeting laws of the State of Connecticut and applicable law governing the conduct of such Executive Sessions.

SECTION 13. CONTRACTS.

Except as otherwise provided by law, the CMEEC Board of Directors may authorize any Officer or Officers, agent or agents, employee or employees, to enter into any contract or to execute and deliver any instrument in the name and on behalf of CMEEC.

SECTION 14. CHECKS, DRAFTS, FINANCIAL DOCUMENTATION.

All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of CMEEC shall be signed by such Officer or Officers, agent or agents, employee or employees of CMEEC, and in such manner consistent with policies of the CMEEC Board of Directors.

SECTION 15. DEPOSITS.

All funds of CMEEC shall be deposited from time to time to the credit of CMEEC, pursuant to law, in such bank or banks as the CMEEC Board of Directors may approve, in conformance with CMEEC's Power Supply System Revenue Bond Resolution(s) as amended.

SECTION 16. COMMITTEES OF THE CMEEC BOARD OF DIRECTORS.

The CMEEC Board of Directors may appoint designated committees (individually or collectively referred to herein as the "Committee(s)") of the Board of Directors as it deems necessary from time to time to perform duties as may be approved and delegated by the Board of Directors. Such Committees and participation in such Committees shall be determined by the Board of Directors based on the qualifications deemed appropriate for such participation and the duties deemed necessary to be performed. The Board of Directors may appoint any qualified person, Member Utility Representative (or Alternate Utility Representative), Municipal Representative, or CMEEC employee to serve on such Committees based on the qualifications specified by the Charter of the affected Committee as approved by the Board of Directors, and where appropriate, the Board of Directors may set compensation for service by any such individual(s) on such Committees. The standing Committees of the Board of Directors, as may be changed at any time from time to time by vote of the Board of Directors, shall include the following:

- Budget & Finance Committee
- Audit Committee
- Compensation and/ or Policy Committee
- Risk Management Committee
- Governance Committee
- Legislative Committee

ARTICLE IV
CMEEC OFFICERS

SECTION 1. NUMBER OF OFFICERS.

The Officers of CMEEC shall be a Chairperson, Vice-Chairperson, Secretary, Treasurer, Chief Executive Officer, Chief Financial Officer, Chief Legal Officer and General Counsel and such other Officers and assistant Officers as may be authorized by the Board of Directors from time to time to perform such duties as may be approved by the Board of Directors. The Chairperson and Vice-Chairperson shall be Member Utility or Municipal Representatives on the Board of Directors. The offices of the Secretary and Treasurer may be fulfilled by CMEEC employees, as approved by vote of the Board of Directors. The Chief Executive Officer, Chief Financial Officer, and General Counsel shall be CMEEC employees, and shall not be subject to the initial and regular elections and terms of office as provided for in Article IV, Section 2.

SECTION 2. ELECTION OF OFFICERS.

- (a) **Initial Election of Officers.** At the first meeting of the Board of Directors, the Board of Directors shall elect the Chairperson, Vice Chairperson, Secretary, and Treasurer Officer roles, who shall serve as such Officers of CMEEC until the next succeeding Annual CMEEC Board of Directors meeting, or such later term as may be approved by the Board of Directors and shall serve in such office until their successors are elected and qualified, as provided in this Article IV, Section 2(a).
- (b) **Regular Elections and Term of Office.** The Chairperson, Vice Chairperson, Secretary, and Treasurer shall be elected annually, or for a longer term as approved by the Board of Directors, by action duly taken at the Annual CMEEC Board of Directors meeting. If the election of the Chairperson, Vice Chairperson, Secretary, and Treasurer shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies of the Chairperson, Vice Chairperson, Secretary, and Treasurer may be filled at any meeting of the Board of Directors. Each Chairperson, Vice Chairperson, Secretary, and Treasurer shall hold office until the next succeeding Annual Meeting of the Board of Directors or until their successor is elected and qualified, whichever is later.

SECTION 3. DUTIES OF OFFICERS.

In addition to duties designated by the Board of Directors, the duties of the Officers of the Board of Directors and of CMEEC are as follows:

Chairperson: The Chairperson shall preside at all meetings of the Board of Directors and, except as otherwise delegated by the Board of Directors, shall execute all legal instruments of CMEEC. When and while a vacancy exists in the office of the Chief Executive Officer, the Chairperson shall act to cause a temporary appointment of a qualified individual to serve in the Chief Executive Officer role. The Chairperson shall perform such other duties as the Board of Directors may prescribe from time to time. The qualifications for the office of Chairperson shall be as set forth in the Bylaws and as

otherwise may be approved by the Board of Directors by resolution consistent with the Bylaws.

Vice-Chairperson: The Vice-Chairperson, in the absence of the Chairperson or in the event of their inability or refusal to act, shall perform the duties of the Chairperson and when so acting shall have all the powers of, and be subject to, all the restrictions upon the Chairperson. The Vice-Chairperson shall also perform such other duties as may be prescribed by the Board of Directors from time to time. Qualifications for the office of Vice-Chairperson shall be as set forth in the Bylaws and as otherwise may be approved by the Board of Directors by resolution consistent with the Bylaws.

Secretary/Assistant Secretary(s): The Secretary shall maintain the official records of the Board of Directors, the minutes of meetings of the Board of Directors, and a register of names and addresses of Member Utility and Municipal Representatives and Officers, and shall issue notice of meetings, attest and affix the CMEEC seal to all documents of CMEEC, and shall perform such other duties as the Board of Directors may prescribe from time to time. Any Assistant Secretary(s), in the absence of the Secretary or in the event of their inability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of, and be subject to, all restrictions upon the Secretary. Any Assistant Secretary(s) shall also perform such other duties as may be prescribed by the Board of Directors from time to time. The qualifications for the office of Secretary shall be as set forth in the Bylaws and as otherwise approved by the Board of Directors by resolution consistent with the Bylaws.

Treasurer/Assistant Treasurers: The Treasurer shall be responsible for ensuring that all appropriate and relevant financial information and issues are brought before the Board of Directors and shall perform other duties as the Board of Directors may prescribe from time to time including, but not limited to participation and leadership of Board of Directors Committees related to financial issues. Any Assistant Treasurers, in the absence of the Treasurer or in the event of their inability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of, and be subject to, all restrictions upon the Treasurer. Any Assistant Treasurers shall also perform such other duties as may be prescribed by the Board from time to time. The qualifications for the office of Treasurer shall be as set forth in the Bylaws and as otherwise approved by the Board of Directors by resolution consistent with the Bylaws.

Chief Executive Officer: The Chief Executive Officer shall be the principal executive Officer of CMEEC with full responsibility for the planning, operations, and administrative affairs of CMEEC and the coordination thereof pursuant to policies and programs approved by the Board of Directors from time to time, and shall be the agent for service of process on CMEEC. The qualifications for the office of Chief Executive Officer shall be determined by the Board of Directors.

Chief Financial Officer: The Chief Financial Officer shall be the principal financial Officer of CMEEC with full responsibility for financial planning and reporting, Treasury function, debt issuance, credit management, and the coordination thereof pursuant to

policies and programs approved by the Board of Directors from time to time, and shall be the agent for financial service on CMEEC. The qualifications for the office of Chief Financial Officer shall be determined by the Chief Executive Officer.

Chief Legal Officer and General Counsel: The Chief Legal Officer and General Counsel shall have full responsibility for the legal affairs of CMEEC and ensuring compliance of CMEEC with applicable laws and regulations. The qualifications for the General Counsel shall be determined by the Chief Executive Officer.

SECTION 4. BONDS OF OFFICERS.

The Treasurer, and any other Officer, agent, or employee of CMEEC charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other Officer, agent, or employee of CMEEC to give bond in such amount and with such surety as it shall determine. The cost of such bond shall be an expense payable by CMEEC.

SECTION 5. OFFICER VACANCIES, HOW FILLED.

All vacancies in any Officer role or position described in these Bylaws shall be filled by the Board of Directors without undue delay at its Regular CMEEC Board of Directors meeting or at a Special CMEEC Board of Directors meeting called for that purpose, other than vacancies in the Chief Financial Officer and General Counsel roles, which shall be filled by the Chief Executive Officer without similar undue delay.

SECTION 6. COMPENSATION AND INDEMNIFICATION.

The Officers and Member Representatives shall receive such salary or compensation and expense reimbursement as may be determined by the Board of Directors. Each Member Utility Representative, Alternate Utility Representative, Municipal Representative, CMEEC Employee and Officer of CMEEC and persons occupying positions in the CMEEC organization pursuant to these Bylaws, whether or not then in office, and their personal representatives, shall be indemnified and held harmless by CMEEC against all reasonable costs and expenses, including the right to receive in advance reasonable attorney fees, and/or defense of suit, actually incurred by them in connection with the defense of any claim, action, suit, or proceeding in which they may be involved or to which they may be made a party by reason of their being or having been such Member Utility Representative Alternate Utility Representative, Municipal Representative, CMEEC Employee, or Officer if wholly successful on the merits or otherwise successful, on a pro rata basis for each such claim, in the defense of a proceeding to which he or she was a party because he or she was a Director, Officer or Employee of CMEEC and may also be indemnified and held harmless by CMEEC against all reasonable costs and expenses, including reasonable attorney fees and/or defense of suit, actually incurred by them in connection with the defense of any claim, action, suit, or proceeding in which they may be involved or to which they may be made a party including violations of CMEEC Ethics and Conflict of Interest Policy, by reason of their being or having been such Member Utility

Representative, Alternate Utility Representative, Municipal Representative, CMEEC Employee, or Officer, to the fullest extent permitted by applicable law. Such costs and expenses shall include, but not be limited to, amounts reasonably paid in settlement for curtailing the costs of litigation, but only if CMEEC is advised in writing by counsel for the Indemnatee and subject to the applicable Rules of Professional Conduct, that in his or her opinion, based on the strength of the claim as to liability and damages and reasonableness of the settlement that the Proposed Settlement should be accepted by the Indemnatee. If the Indemnatee rejects the Proposed Settlement, then any subsequent settlement, verdict or judgment in excess of the Proposed Settlement amount and any expenses incurred by Indemnatee after the rejection of the Proposed Settlement shall, after concurrence of the Board of Directors, be the obligation of the Indemnatee and not CMEEC. It shall be a condition of any advancement of fees or potential Indemnification that the Indemnatee or his or her counsel communicate any such settlement offers to CMEEC for evaluation and that the Indemnatee waives, for the limited purpose of communicating settlement offers, any attorney-client privilege. The termination of any criminal claim, action, suit, or proceeding by way of settlement, or plea of no contest or its equivalent shall not of itself create a presumption that the conduct was unlawful.

CMEEC employee shall give written notice to the CMEEC CEO or the Chairperson of the CMEEC Board of Directors, where notice to the CMEEC CEO is not appropriate, of any such Claim when such is made against the employee for which indemnification and/or advancement will be sought.

In the event that CMEEC is obligated hereunder to pay the costs and expenses of any Claim, CMEEC, if appropriate, shall be entitled to assume the defense of such Claim with counsel approved by the employee (not to be unreasonably withheld). On approval of such counsel by employee and the retention of such counsel by CMEEC, CMEEC will not be liable to employee for any fees of counsel subsequently incurred by employee with respect to the same Claim; provided that, (i) employee shall have the right to employ employee's separate counsel in any such Claim at employee's own expense and (ii) if (A) the employment of separate counsel by employee has been previously authorized by CMEEC, (B) employee shall have reasonably concluded that there may be a conflict of interest between CMEEC and employee in the conduct of any such defense, or (C) CMEEC shall not continue to retain such counsel to defend such Claim, then the fees and expenses of employee's separate counsel shall be considered an indemnifiable expense.

The CMEEC General Counsel is hereby authorized to take such actions as are necessary to determine that the Indemnatee acted in good faith and in a manner that the Indemnatee reasonably believed to be in, or not opposed to, the best interests of CMEEC and that the Indemnatee had a reasonable belief that the employee's conduct was lawful.

This Bylaw provision shall be effective on passage and shall not be applicable to requests made by CMEEC Directors, Officers and Employees for indemnification and advancement of expenses or, affirmations and undertakings entered into, prior to the Effective Date of this Amendment. Except as stated immediately above with respect to advancement and indemnification requests made prior to the Effective Date of this Bylaw Amendment, this Amendment shall supersede and revoke any prior Bylaw provision governing indemnification

and advancement as well as any provision governing indemnification and advancement of expenses found in CMEEC's Creating Agreements.

SECTION 7. REMOVAL OF OFFICERS/APPOINTED POSITIONS.

Any Officer or agent or person filling a position provided for under these Bylaws by the Board of Directors may be removed from office by the Board of Directors, with or without cause, whenever in its judgment the best interests of CMEEC will be served thereby, other than the Chief Financial Officer and General Counsel, which shall only be subject to removal by determination of the Chief Executive Officer.

ARTICLE V PUBLIC MEETINGS AND RECORDS

SECTION 1. PUBLIC ACCESS TO MEETINGS.

The provisions of Title 1, Sections 1-200 *et seq.*, as amended, of the Connecticut General Statutes relating to meeting of public boards and agencies shall apply to CMEEC and shall be observed with respect to all Annual, Regular or Special meetings of the CMEEC Board of Directors meetings and of the CMEEC Member Delegation. Except as provided in said Sections, all meetings of the Board of Directors and the Member Delegation shall be open to the public.

SECTION 2. PUBLIC RECORDS. The Secretary of CMEEC shall be the custodian of all public records of CMEEC, and the custodian and a designee appointed by official action of the CMEEC Board of Directors shall be responsible for the preservation and care of such public records. The provisions of Title 1, Sections 1-200 *et seq.*, as amended, relating to the availability of public records shall apply to CMEEC. It shall be the duty of the custodian of public records and the designee to see they are made available for public inspection and copying; they are carefully protected and preserved from deterioration, alteration, mutilation, loss, removal or destruction; and they are repaired, renovated, or rebound, when necessary, to preserve properly.

On application for public information to the custodian by any person, the custodian shall promptly produce such information for inspection or duplication, or both, in the offices of CMEEC. If the information is in active use or in storage and, therefore, not available at the time a person asks to examine it, the custodian shall certify this fact in writing to the applicant and set a date and hour within a reasonable time when the record will be available. Nothing herein shall authorize any person to remove original copies of public records from the offices of CMEEC without the written permission of the custodian of the records.

In the event the custodian of records is of the opinion the records or information should not be supplied to the person requesting them for review, they shall within a reasonable time, not later than ten (10) days after receiving a written request for the records, request a decision from the General Counsel to determine whether the information is privileged. The specific information requested shall be supplied to the General Counsel but shall not be disclosed until a final

determination has been made.

SECTION 3. CONFIDENTIAL RECORDS.

All public records collected, assembled, or maintained by CMEEC pursuant to law or in connection with the transaction of official business is public information and available to the public during normal business hours of CMEEC, with the exceptions listed in Conn. Gen. Stat. Title I, chapter 14, Sections 1-200 *et seq.*, as amended.

SECTION 4. CHARGES FOR PUBLIC RECORDS.

The cost to any person requesting reproductions of public records shall be a reasonable fee.

ARTICLE VI BUDGETS, AUDITS AND FISCAL YEAR

SECTION 1. ADMINISTRATIVE BUDGET. The Chief Executive Officer of CMEEC shall cause to be prepared a general administrative budget for each year, in coordination with the appropriate CMEEC Board of Directors' Committee, and submit the same to the Utility and Municipal Representatives then serving on the CMEEC Board of Directors for approval by the Board. The budget shall include an estimate of the amount of receipts and expenditures for general administrative purposes during the ensuing year, including all expenses necessary to conduct the operational responsibilities of CMEEC. The Chief Executive Officer of CMEEC shall cause to be prepared no less frequently than quarterly financial reports without audit and shall submit the same to the Board of Directors as soon as practical following the end of each quarter of the applicable fiscal year.

SECTION 2. ELECTRIC PRODUCT AND TRANSMISSION SERVICES BUDGET.

The Chief Executive Officer of CMEEC shall cause to be prepared an electric product and transmission services budget for each year, in coordination with the appropriate CMEEC Board of Directors' Committee, and submit the same to the Member Utility Representatives, Alternate Utility Representatives and Municipal Representatives of each Member on the CMEEC Board of Directors for the approval of the Board. The budget shall include an estimate of the amount of receipts and expenditures for electric products and transmission services during the ensuing year, including all expenses necessary to conduct the operational responsibilities of CMEEC. The Chief Executive Officer of CMEEC shall cause to be prepared no less frequently than quarterly financial reports without audit and shall submit the same to the Board of Directors as soon as practical following the end of each quarter of the applicable fiscal year.

In addition, and as part of CMEEC's normal budgeting and approval process, CMEEC shall prepare a comprehensive budget for anticipated Board related expenses incurred on behalf of the Board in the exercise of their fiduciary responsibilities for the pending operating year. As used in this section, Board and Member Delegation shall mean the same. The budget shall consist of no less than the categories of expense provided below, which shall be managed so as not to

exceed total value budgeted, and not to specific line item total. The Board related expenses shall be published in this detail as part of the Approved Budget.

Total Board Expense shall be comprised of the following elements:

- a. Board Member Compensation
- b. Board Development / Stakeholder Management Related Travel, Lodging, and Meals
- c. Board and Committee Meetings, and Planning Sessions
- d. Board and Committee related Outside Services
- e. Board Strategic Retreats and or Planning Session

CMEEC shall report to the Board of Directors at each of its regularly scheduled Board meetings as part of the CMEEC Non-Fuel Operating Expense, Budget and Actual values, the same line item categories of Board related expenses as originally budgeted and approved. Throughout the year, if the actual expenses are projected to exceed the original total value budgeted for Board Expense, CMEEC staff shall review the projection with the Board, and if the Board concurs, a formal Budget revision shall be officially processed, approved, and published in the Board Meeting Minutes.

SECTION 3. ANNUAL AUDIT.

Within one-hundred twenty (120) days after the end of each fiscal year, the Member Utility Representatives, Alternate Utility Representatives, and Municipal Representatives, acting through the appropriate CMEEC Board of Directors Committee, shall cause the books, accounts, and records of CMEEC to be audited by an independent, certified public accountant licensed, registered, or entitled to practice and practicing as such under the laws of the State of Connecticut.

SECTION 4. FISCAL YEAR.

The fiscal year of CMEEC shall, unless otherwise formally modified by the Board of Directors, end December 31.

ARTICLE VII EFFECTIVE DATE AND AMENDMENTS

SECTION 1. EFFECTIVE DATE.

The May 2018 Bylaw Amendments shall become effective on and following the date on which a two-thirds majority of the Member Delegation votes in the affirmative to approve the May 2018 Bylaw Amendments, unless and until further amended as provided in this Article VII.

SECTION 2. HOW AMENDED.

These Bylaws may be amended by an affirmative vote of the CMEEC Member Delegation at an Annual or Special CMEEC Member Delegation meeting, provided no less than seven (7) days' notice shall have been sent to each Member entitled to receive such notice, which notice shall state the amendments which are proposed to be made in such Bylaws, and further providing that no amendment may be made which is inconsistent with the Creating Agreement and/or the Membership Agreement and only such changes as have been specified in the notice shall be made.

Approved October 9, 2018

Attachment A

Weighted Vote Example

Examples of two scenarios are provided for aiding Board Representatives’ practical understanding, preceded by a common set of facts or sample data:

Condition: Per Bylaws and statute, a single Board Representative may call for a weighted vote at any time

Passing Requirement:

Requires:

(a) a vote equal to or greater than sixty percent (60%) of the votes of the Member Utility and Municipal Representatives present, where each Member Utility and Municipal Representative’s vote is weighted by the fraction comprised of the previous five (5) year rolling average total load of the Member appointing such Member Utility and Municipal Representatives, divided by the previous five (5) year rolling average total load of all of the Members; and

(b) a minimum of six (6) Member Representatives’ votes constituting the sixty percent (60%). For purposes of satisfying sub-part (b) of this Art. III, Sec. 6, the collective votes of the Member Utility and Municipal Representatives of two (2) or more Related Party Members under Common Control shall be deemed to be three (3) votes.

Sample Data				
Member Name	Abbreviation	Five Year Average Load	Voting Members	Weight Per Voting Member
Groton Utilities	GU	460,000	3	153,333
Norwich Public Utilities	NPU	350,000	3	116,667
Bozrah Light & Power	BL&P	220,000	3	73,333
South Norwalk Electric & Water	SNEW	115,000	3	38,333
Third Taxing District	TTD	80,000	3	26,667
Jewett City Department Public Utilities	JCDPU	30,000	3	10,000
	Total	1,255,000		
Weighted Vote Minimum 60% Requirement	753,000			

Failing Vote Example #1 (Related Party)					
Member	Weighted Vote 1	Weighted Vote 2	Weighted Vote 3	Weighted Vote Total	Member Votes
GU	153,333	153,333	153,333	460,000	3
NPU	0	0	0	-	0
BL&P	73,333	73,333	73,333	220,000	3
SNEW	0	0	0	-	0
TTD	0	0	0	-	0
JCDPU	0	0	0	-	0
			Total	680,000	6
Vote Fails for 2 Reasons					
1) Deficient Minimum Weight (680,000 vs 753,000 Required)					
2) Deficient Minimum Votes (GU / BL&P Related Parties = 3 Maximum vs 6 Required)					

Failing Vote Example #2 (Related Party)					
Member	Weighted Vote 1	Weighted Vote 2	Weighted Vote 3	Weighted Vote Total	Member Votes
GU	153,333	153,333	153,333	460,000	3
NPU	0	0	0	-	0
BL&P	73,333	73,333	73,333	220,000	3
SNEW	57,500	57,500	Only 2	115,000	2
TTD	0	0	0	-	0
JCDPU	0	0	0	-	0
			Total	795,000	8
Vote Fails for 1 Reason					
1) Deficient Minimum Votes (GU / BL&P Related Parties = 3 Maximum plus SNEW 2 = 5 Total vs 6 Required)					

Succeeding Vote Example #3					
Member	Weighted Vote 1	Weighted Vote 2	Weighted Vote 3	Weighted Vote Total	Member Votes
GU	-	-	-	-	0
NPU	116,667	116,667	116,667	350,000	3
BL&P	73,333	73,333	73,333	220,000	3
SNEW	57,500	57,500	Only 2	115,000	2
TTD	80,000	Only 1	Only 1	80,000	1
JCDPU	0	0	0	-	0
			Total	765,000	9
Vote Succeeds by Fulfilling 2 Requirements					
1) Sufficient Minimum Weight (765,000 vs 753,000)					
2) Sufficient Minimum Votes (9 Total vs 6 Required)					

Succeeding Vote Example #4					
Member	Weighted Vote 1	Weighted Vote 2	Weighted Vote 3	Weighted Vote Total	Member Votes
GU	153,333	153,333	153,333	460,000	3
NPU	0	0	0	0	0
BL&P	73,333	73,333	73,333	220,000	3
SNEW	57,500	57,500	Only 2	115,000	2
TTD	80,000	Only 1	Only 1	80,000	1
JCDPU	0	0	0	0	0
			Total	875,000	9
Vote Succeeds by Fulfilling 2 Requirements					
1) Sufficient Minimum Weight (875,000 vs 753,000)					
2) Sufficient Minimum Votes (GU / BL&P Related Parties = 3 Maximum plus SNEW 2 & TTD 1 = 6 vs 6 Required)					

Approved