

DRAFT

SUBJECT TO FINAL BOARD APPROVAL

REGULAR MEETING OF THE
BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

December 15, 2016

MINUTES

The Regular December meeting of the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, December 15, 2016, at the offices of CMEEC, 30 Stott Avenue, Norwich, CT.

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

Chairman Kenneth Sullivan called the meeting to order at 10:02 a.m. and determined a quorum was present.

The following Member Representatives/Directors participated:

Bozrah Light and Power Company – David Collard, Richard Tanger
Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe
Groton – Edward DeMuzzio, Ronald Gaudet
Norwich – John Bilda, Robert Groner, Stephen Sinko
East Norwalk – David Brown, James Smith
South Norwalk – Kevin Barber, Paul Yatcko (via phone)

The following individuals from CMEEC management participated:

Drew Rankin, CMEEC, Chief Executive Officer
Edward Pryor, CMEEC, Chief Financial Officer
Robin Kipnis, CMEEC, General Counsel
Scott Whittier, CMEEC, Director of Enabling Services
Dylan Phillips, CMEEC, Risk Analyst
Michael Rall, CMEEC, Director, Asset Management
Gabe Stern, CMEEC, Director, Technical Services
Justin Connell, Director, Portfolio Management
Ellen Kachmar, CMEEC, Office and Facility Manager
Courtney Merritt, CMEEC, Customer Fulfillment Manager
Margaret Job, CMEEC, Administrator Staff

The following members of the public were in attendance:

Ryan Blessing, Reporter, The Norwich Bulletin

Joe Tasca, WICH

Raphael Herz, EnerNoc

Chairman Sullivan recognized the public present at the meeting asking for their cooperation and courtesy during the meeting. He opened the floor for public comment. No comments were made

Chairman Kenneth Sullivan called the meeting to order at 10:02 a.m.

Standard Action Item

(A) Approve Minutes of the CMEEC Annual and Regular November 17, 2016 Board of Directors Meeting

A motion was made by Director Throwe, seconded by Director DeMuzzio, to approve the Minutes of the Annual and Regular November 17, 2016 Board of Directors Meeting.

Vote passed unanimously.

(16-12-01)

Specific Action Items

(B) November 2016 Objective Summary Review

Mr. Rankin 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 established target value for the performance month, year to date, and projected 2016 year end. He noted that Net Non-Fuel Operating Expense was not on target however added that the Finance and Accounting department will review and study that item and will meet in early January to develop a strategy to address projected days cash on hand.

Director DeMuzzio inquired about the investment policy to which Mr. Pryor responded that the new investment policy has been implemented. He noted that the return has increased since implementation of the policy. Director DeMuzzio stated that earlier discussions included developing metrics or a dashboard that would be incorporated in the board packet. Mr. Pryor confirmed that the board packet would include a compliance report and performance report to show return versus benchmark.

During Mr. Rankin's discussion of the CMEEC Regional Competiveness Performance, Director Smith requested that a one or two line summary be added to help interpret the information found on the chart. Mr. Rankin agreed that could be added going forward.

(C) November 2016 Market Analysis

Mr. Connell reported that the energy costs were below budget in November by \$1.44. Actual demand was lower and unit contingent resources were lower than budget. He explained that the budget convention was changed last year and it was a very mild November. Those two variables coupled together returned a lower than budget result. Discussion followed regarding hedging and project power costs. Mr. Connell noted that if load projections are wrong then hedging can be off.

(D) Recommendations of the Ad-hoc Retreat Committee

Chairman Sullivan discussed the recommendations of the Ad-hoc Retreat Committee (the “Committee”). He noted that the Committee had met on November 7 2016 and then again on December 6, 2016. He explained that the CMEEC retreats would be referred to as “strategic workshops” going forward. The Committee recommended the following and discussion followed:

- The location(s) of “strategic workshops”, will be limited to New England, New York and New Jersey. Strategic Workshops at any other geographic area will require approval by the Board of Directors.
- Strategic Workshops will be approximately two (2) to three (3) days duration, not including travel to/from the destination. The workshops will consist of a structured Agenda with at least 50% of typical business hours related to business. Meeting notes will be produced. No formal Board of Directors’ meeting will be conducted outside of Connecticut.
- Attendance will include Board members, relevant staff, and any speakers, presenters, and/or facilitators.

Discussion related to the remainder of the third bullet resulted in the creation of a fourth bullet, noted below, which will be discussed further, research conducted on benchmarking and a Resolution being drafted and approved at a subsequent board meeting.

- The Ad-hoc Retreat Committee is requesting guidance from the Board with regard to the inclusion of spouses (guests) at the strategic workshops. Some of the Committee members believe spousal/guest attendance increases participation. (benchmark/reasonable standard?) – check against conflict of interests/ethics standard).

Discussion followed regarding CMEEC staff conducting benchmarking studies. Conflict of interest research and review of ethics standards will be conducted by CMEEC General Counsel. Recommendations will be reviewed and a resolution for board vote will be drafted.

A motion was made by Director Bilda, seconded by Director Gaudet to adopt the first three recommendations as presented with the understanding that the newly formed fourth recommendation will be discussed further and brought to vote at a subsequent meeting of this Board.

Vote passed unanimously. (16-12-02)

A motion to enter into executive session to discuss WED-CMEEC arbitration was made by Director Groner, seconded by Director Demicco.

Vote passed unanimously. (16-12-03)

The basis for going into executive session was Conn. Gen. Stat. Secs. 1-200(6)(B) and 1-200(6)(E). Present during the discussion were the Board representatives, and Mr. Rankin, Mr. Pryor, and Ms. Kipnis. The meeting went into executive session at 11:44 a.m.

Executive session adjourned at 12:45 p.m.

A motion was made by Director Demicco, seconded by Chairman Sullivan to adjourn the meeting.

Vote passed unanimously.

(16-12-04)

There being no further business to come before the Board, the meeting was adjourned at 12:45 p.m.