



## CMEEC Board of Directors' Meeting

February 23, 2012

### MINUTES

A regular meeting of the Board of Directors of the Connecticut Municipal Electric Energy Cooperative ("CMEEC") was conducted on Thursday, February 23, 2012 at CMEEC's offices. The meeting was legally noticed in compliance with Connecticut State law and all proceedings hereinafter were taken while the meeting was open to the attendance of the public.

Chairman Hiscock called the meeting to order at 9:38 a.m. and determined a quorum was present.

#### **The following were present:**

##### Directors and Alternate Directors

Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe  
Groton – Edward DeMuzzio, Paul Yatcko (left at 10:30 am), David Collard  
Norwich – John Bilda, James Sullivan, Stephen Sinko  
East Norwalk – David Brown, George Leary  
South Norwalk – Mark Harris, John Hiscock, Scott Whittier  
Wallingford – George Adair

##### Also present were the following:

Michael Cassella, CMEEC, Director, Energy Efficiency Services  
Brian Forshaw, CMEEC, Director Power Supply  
Ellen Kachmar, CMEEC, Office and Facility Manager  
Edward Pryor, CMEEC, Director Finance and Accounting  
Drew Rankin, CMEEC, Chief Executive Officer  
Thomas Solinsky, CMEEC, Manager of Engineering Services  
Philip Sussler, CMEEC, General Counsel

Ms. Kachmar recorded

### **Action Items:**

#### **(1) Approve Minutes of the CMEEC January 27, 2012 Board of Directors' Meeting**

**Motion by Director Leary, seconded by Director K. Sullivan to approve the Minutes of the CMEEC January 27, 2012 Board of Directors' Meeting.**

**Vote passed. Director Yatcko abstained.**

**(12-08)**

### **Agenda Items:**

#### **(2) Power Supply Report**

Mr. Forshaw reported that, in spite of impacts of mild weather, December power supply costs were below budget due to the Power Supply Department's adjustment to the load forecast in anticipation of mild weather. Mr. Forshaw informed the Board that his department will begin looking at "weather normal reports" to obtain historical weather data and potential correlations to load forecasting.

#### **(3) Asset Management Report**

Mr. Solinsky reviewed the financial performance of the Pierce, Market DG, and 50 in 5 assets. For January, Mr. Solinsky reported four (4) dispatches of the 50 in 5 assets, success in hitting the peak load on January 4, maintaining NERC compliance, and incident free safety for the month.

Mr. Solinsky reported the submission of requested data on February 2<sup>nd</sup> to the Northeast Power Coordinating Council's ("NPCC") for their spot check audit of the Pierce plant. Mr. Solinsky reported CMEEC's PIQ Inspection (Pre-Information Questionnaire) for the Pierce plant will be submitted to the CT DEEP (Department of Energy and Environmental Protection) prior to its due date of March 1st.

#### **(4) CFO Financial Performance Report**

Mr. Pryor reported CMEEC's A&G expense costs finished substantially under budget at year-end 2011 and the cash-on-hand position is strong. Mr. Pryor reported no significant deviations in the financial reporting metrics. Going forward a current ratio analysis report will be provided. Mr. Pryor reported the annual auditor fieldwork was completed on February 10<sup>th</sup>, the financial Statement preparation is underway, the Audit Committee will meet in early March to review the final statements, and the final audit and report will be ready for the Board's consideration at the March 22<sup>nd</sup> Board meeting.

#### **(5) Risk Management Plan**

Mr. Rankin reported a positive Risk Management Committee and Board working session which entailed a robust discussion of perspectives on the Risk Management Policy and

resulted in recommendations to modify sections one through three of the policy. Mr. Rankin pointed out that CMEEC will do research and offer further revisions to the policy by October 31<sup>st</sup>.

From 10:05 am the Board meeting was interrupted by a medical emergency of a Director; the meeting resumed at 10:30 am.

A discussion of the Risk Management Policy among Board members ensued with topics concerning regional competitiveness, stability, policy guideline control points, how past practices would fare with today's rules, and the impact of individual portfolio management for each system.

**Motion by Director Bilda, seconded by Director Adair to approve Resolution 12-09, Adoption of Risk Management Plan.**

**Vote passed; Director Harris voted nay. (12-09)**

**Motion by Director Leary, seconded by Director Demicco to go into Executive Session.**

**Vote unanimous. (12-10)**

The basis for going into executive session was Conn. Gen. Stat. Section 1-200(6)(B)(discussion of strategy and negotiations with respect to pending claims or pending litigation, inclusive of consideration of action to implement legal relief or rights of CMEEC) and (E)(discussion of any matter which would result in the disclosure of public records or the information contained therein described in subsection (b) of section 1-210).

The meeting went into executive session at 11:00 a.m. to discuss SEA status and Contracts, and the MTUA Contract update.

Present during the executive session in addition to the Directors were Mr. Rankin, Mr. Pryor, and Mr. Sussler.

**Motion to come out of executive session made by Director Leary, seconded by Director DeMuzzio.**

**Vote unanimous. (12-11)**

The meeting came out of executive session at 12:12 p.m.

**Motion to adjourn the meeting made by Director Brown, seconded by Director Throwe.**

**Vote unanimous.**

**(12-12)**

There being no further business of the Board, the meeting was adjourned at 12:14 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Philip L. Sussler".

Philip L. Sussler  
2<sup>nd</sup> Assistant Secretary

**Connecticut Municipal Electric Energy Cooperative**

**Adoption of Risk Management Plan**

**Resolution 12-09**

Resolution approving the adoption of the Risk Management Plan, Section One (1) through Section Three (3) for the Connecticut Municipal Electric Energy Cooperative ("CMEEC") policies and procedures related to hedging electric energy related forward products.

**Whereas**, CMEEC procures energy and energy related products on a forward contracted basis for serving the Members and Participant electric energy loads, and it is prudent to establish minimum and maximum limits on term and volume, reporting, controls, and general oversight; and

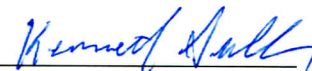
**Whereas**, CMEEC has an existing Risk Management Plan governing such activities as established and approved by the Board in calendar year 2000, which requires revision to ensure current and future practices can be incorporated, including specifying the objectives for certain sections within the Risk Management Plan, especially related to hedging; and

**Whereas**, the CMEEC staff and the Board Risk Management Committee have been working to revise and update such prudent practices so the specific objectives may be achieved in the most transparent and defensible manner for proper control and oversight, while providing appropriate latitude for seasoned judgment within a limited framework for maximum efficiency and effectiveness.

**Now therefore, be it resolved**, that the CMEEC Board of Directors approves the Risk Management Plan Section One (1) through Section Three (3) in the exact form as presented on this day and meeting, with expectation those specific Sections shall be revised and updated consistent with the Risk Management Committee direction as it relates to the newly created objectives and that such revisions will be submitted for approval by the CMEEC Board of Directors by October 31, 2012.

**Be it further resolved**, that the CMEEC staff shall also plan for the finalization of the remaining incomplete and unapproved Sections required to fulfill a comprehensive Risk Management Plan consistent with the Risk Management Committee direction, and shall prepare a schedule acceptable to the Risk Management Committee, with no completion date exceeding October 31, 2012.

February 23, 2012

  
Kenneth Sullivan  
Secretary