

MINUTES OF THE  
REGULAR MEETING OF  
THE BOARD OF DIRECTORS  
OF  
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

February 28, 2019

The February Regular Meeting of the Board of Directors (the “Board”) of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held on Thursday, February 28, 2019 at the Holiday Inn, 10 Laura Drive, Norwich, CT 06360.

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

In the absence of the Chairperson, Vice Chairperson Ronald Gaudet called the meeting to order at 10:02 a.m.

**The following Member Representatives / Alternate Member Representatives / Municipal Representatives participated:**

Groton Utilities: Ronald Gaudet, Keith Hedrick, Mark Oefinger  
Norwich Public Utilities: Stewart Peil  
Bozrah Light & Power: Richard Tanger (via telephone), Ralph Winslow  
South Norwalk Electric & Water: Dawn DelGreco, David Westmoreland, Paul Yatcko (via telephone)  
Third Taxing District: Kevin Barber, Debora Goldstein, Pete Johnson  
Jewett City Department of Public Utilities: Louis Demicco, Richard Throwe

**The following CMEEC Staff participated:**

Michael Lane, CMEEC Interim Chief Executive Officer  
Robin Kipnis, CMEEC General Counsel  
Justin Connell, CMEEC Director, Portfolio Management  
Jake Paganan, CMEEC Director, Business Development  
Michael Rall, CMEEC Director, Asset Management  
Gabriel Stern, CMEEC Director, Technical Services  
Scott Whittier, CMEEC Director, Enabling Services  
Ellen Kachmar, CMEEC Office & Facility Manager  
Margaret Job, CMEEC Administrative Staff

**Other participants:**

Eileen Duggan, Esquire, Suisman Shapiro

**Other attendees:**

Kevin Aherne, Reporter, The Norwich Bulletin  
Claire Bessette, Reporter, The Day  
Michael Boucher, Resident, Groton, CT  
William Kowalski, Municipal Electric Consumer Advocate

Ms. Job recorded.

Vice Chair Gaudet noted for the record that today's meeting is being held at the Holiday Inn, 10 Laura Boulevard, Norwich, CT 06360.

**Standard Action Items**

**(A) Public Attendee Comment Period**

Michael Boucher reminded the Board that he was recording the meeting.

Municipal Electric Consumer Advocate, William Kowalski, stood and read a prepared statement focusing on the results of the forensic examination conducted by CohnReznick. He identified specific expenditures as potentially being inconsistent with CMEEC's purposes and felt that the existence of these types of expenditures were indicative of the need for additional oversight of the organization.

Mr. Boucher stated that his interest lies in the legal fees being expended relating to the Derby and Greenbriar investigation. He inquired whether he should continue to file FOIA requests or seek the assistance from the Groton Utilities Ratepayer Representative.

**(B) Conduct Voting Roster / Roll Call**

Ms. Kipnis conducted roll call identifying the formal voting person at today's meeting.

In response to Member Representative Debora Goldstein's request for a declaration of a quorum, Ms. Kipnis confirmed that a quorum was present.

**(C) Approve Minutes of CMEEC Regular January 24, 2019 Board of Directors' Meeting**

**A motion was made by Municipal Representative Mark Oefinger, seconded by Alternate Member Representative Keith Hedrick to approve the Minutes of the CMEEC Regular January 24, 2019 Board of Directors' Meeting.**

**Motion passed unanimously.**

**19-02-01**

**(D) January 2019 Objective Summary Review**

Mr. Lane provided a high-level overview of the exceptions noted in the objective summary dashboard report provided to the Board in advance of the meeting. He reviewed each line item that reflected a deviation from established target value for the month and year to date, providing an explanation of the variance. Mr. Lane provided a summary of each of the metrics highlighting the reasons for the deviations as well as noting the targets that were met.

He introduced a new report in the Regulatory and Stewardship section of the Board package. He explained the new reporting provides detail related to Board and Governance Expenses and will be provided monthly in the Board package.

Mr. Lane reported the New York Power Authority power costs and benefits, which had been proposed in the 2019 Budget to be reported with Projects, will remain in Power Costs to provide consistency for reporting and monitoring. This does not alter the budget but reflects a difference in where NYPA power costs gets reported to the Board.

Vice Chair Gaudet inquired about whether charitable giving should be reported on separately. Mr. Lane explained that until a charitable contribution policy is adopted by the Board, there will be no charitable donations. The method and manner of reporting will be a component of that policy.

**(E) Project Portfolio January 2019 Performance and Fuel Cell Update**

Michael Rall, CMEEC Director Asset Management provided a high-level overview of project performance and a fuel cell update.

He explained that the total project portfolio came in on budget, adding that a strong performance was realized by both Microgen and Pierce. He added that Pierce received zero dispatches from ISO-NE for the month of January. He stated there was one test run of the month of January with a total output of 4 MWh.

Hydro Quebec January actual net benefit was on budget.

Transmission Project #1 came in slightly under budget due to lower than budgeted pool network peak loads for December.

Battery Storage January actual net benefit was lower than budget due to lower than budgeted transmission and capacity avoided costs.

Norwich WWTP January actual net benefit was higher than budget due to lower than budgeted staff expenses. Mr. Rall added that Norwich WWTP received zero dispatches from ISO-NE for the month of January. He stated that there were no test runs for the month of January.

Community Solar Garden January actual net benefit was lower than budget due to lower than budgeted generation and LMPs during operation.

Mr. Rall reported that the Subase Fuel Cell project has experienced construction delays due to the discovery of ledge at the site requiring blasting and Navy approval. The commercial operation date has been delayed to the first Quarter of 2020. He explained that the costs associated with the blasting is a Fuel Cell Energy responsibility.

Pierce Station GO/GOP and CMEEC TO entities were determined to be compliant with NERC Reliability Standards for the month of January.

Discussion followed in connection with Microgen re-allocation because of Wallingford withdrawing from the Microgen project effective December 31, 2018. Mr. Lane noted the re-distribution of Wallingford's portion of the MicroGen Project will be codified at a Member Delegation meeting to be scheduled after each of the member utility governing bodies has had a chance to approve the allocation.

**(F) Energy Market Analysis January 2019 Performance**

Justin Connell, CMEEC Director Portfolio Management, provided an overview of the January 2019 Energy Market Analysis by highlighting that actual loads were 1,281 MWh lower than budget. He stated that Actual Energy Cost for January was \$56.92/MWh and that had no hedges been in place, the Weighted Average Energy Cost at LMPs would have been \$58.84/MWh. He added that Actual Average Hub Day Ahead Daily LMPs were \$56.76/MWh, ranging from \$23.38/MWh to \$120.03/MWh.

Mr. Connell noted that Henry Hub Gas Price was \$3.13/MMBTU, resulting in \$0.11/MMBTU which was slightly higher than budget. Henry Hub Gas Price ranged from \$2.69 to \$3.61/MMBTU for January. Algonquin Citygate Gas price was \$6.59/MMBTU, resulting in pricing coming in lower than budget. Algonquin Citygate Gas pricing ranged from \$2.71 to \$13.56/MMBTU.

West Texas Intermediate (WTI) December Settlement Price was \$49.52/Barrel, which as \$7.44/Barrel lower than previous month.

**(G) Report on Legislative Activities and Approve Legislative Committee Charter Changes**

Member Representative Goldstein deferred to Scott Whittier, CMEEC Director of Enabling Services, to provide an overview of the activities that took place at the APPA Legislative Rally in Washington, DC on February 26-27, 2019. Mr. Whittier explained that CMEEC employees participated in the APPA Legislative Rally which is held to bring awareness of public power issues to the Members of Congress by meeting with individual Congressional members in public power districts. (He added that the meetings were well received by the Connecticut delegation. He said that CMEEC asked each individual office for congressional support of the Blue Ribbon Commission on Resource

Adequacy and Capacity as well as their support for legislation impacting tax exempt municipal bonds.

Mr. Whittier also provided a very brief overview of the activities of the CMEEC Joint Legislative Committee since January 2019. Mr. Whittier explained that the CMEEC Joint Legislative Committee met twice since January 2019 to discuss the impact of recent proposed legislation impacting CMEEC and to prepare for a public hearing on the proposed legislation.

Mr. Lane provided a brief overview of the plan for a CMEEC delegation to attend the public hearing of the Energy and Technology Committee and provide testimony at that hearing which is scheduled to be held on Tuesday, March 5, 2019 at the Connecticut General Assembly. Discussion followed addressing which members of CMEEC and the Board will attend and provide testimony. Alternate Member Hedrick stressed that any member of the Board, whether they attend the hearing or not, may submit testimony to be submitted at the hearing on March 5, 2019.

Mr. Kipnis summarized Raised Bill No. 961. Discussion followed resulting from the proposed language.

Vice Chair Gaudet entertained a motion to approve the changes to the CMEEC Joint Legislative Committee Charter.

**A motion was made by Member Representative Kevin Barber, seconded by Alternate Member Representative Ralph Winslow to approve the changes to CMEEC Joint Legislative Committee Charter.**

**Motion passed unanimously.**

**19-02-02**

**(H) Report on Judge's Order re: Advancement of Attorney's Fees**

Ms. Kipnis provided an update on the civil lawsuit filed by Edward Pryor in which he made a demand for advancement of legal fees in connection with the defense of his criminal conviction. She explained that the Judge in that matter granted his motion for reasonable expenses in connection with the criminal conviction. She added that CMEEC preserved its ability to challenge advancement on 90 days' notice.

**Executive Session**

Vice Chair Gaudet entertained a motion to enter Executive Session.

**Executive Session Agenda Item I: Update on CMEEC/Wallingford Arbitration**

**A motion was made by Member Representative Louis Demicco, seconded Municipal Representative Pete Johnson to enter Executive Session to discuss Executive Session Agenda Item I with instructions to the Board of Directors to re-enter Public Session at the end of their discussion in Executive Session.**

**Motion passed unanimously.**

**19-02-03**

**The basis for entering Executive Session is the strategy and negotiations with respect to pending litigation, C.G.S. Section 1-210(b)(4). Members of the Board, as well as Ms. Kipnis and Mr. Lane, remained.**

**The Board entered Executive Session at 11:31 a.m.**

**The Board re-entered Public Session briefly at 12:00 p.m.**

**Executive Session Agenda Item J: Update on Status of Special Investigation**

**A motion was made by Member Representative Paul Yatcko, seconded by Alternate Member Representative Winslow to re-enter Executive Session to discuss Agenda Item J with instructions to the Board of Directors to re-enter Public Session at the end of their discussion in Executive Session.**

**Motion passed unanimously.**

**19-02-04**

**The basis for entering Executive Session is in accordance with C.G.S. Sections 1-200(6)(B) and 1-200(6)(E). Members of the Board, as well as Attorney Eileen Duggan, Ms. Kipnis, and Mr. Lane, remained.**

**The Board re-entered Executive Session at 12:01 p.m.**

**The Board re-entered Public Session at 1:22 p.m.**

There being no further business to come before this Board, Vice Chair Gaudet entertained a motion to adjourn.

**A motion was made by Member Representative Kevin Barber, seconded by Municipal Representative Dawn Del Greco to adjourn the meeting.**

**Motion passed unanimously.**

**19-02-05**

**The meeting was adjourned at 1:22 p.m.**

**CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE (“CMEEC”)**

**BOARD OF DIRECTORS’ MEETING**

**FEBRUARY 28, 2019**

**RESOLUTION 19-02-02**

**RESOLUTION FOR THE APPROVAL AND ADOPTION OF THE REVISED  
CHARTER OF THE  
CMEEC JOINT LEGISLATIVE COMMITTEE**

**WHEREAS**, the Joint Legislative Committee has reviewed its charter (the “Charter”) and identified several areas of revision to align its governance structure;

**WHEREAS**, the Charter being revised was duly adopted on November 21, 2013 in accordance with its provisions (the “2013 Charter”);

**WHEREAS**, the Joint Legislative Committee convened a meeting on January 4, 2019 (the “Meeting”), held upon advance notice at least five (5) days prior to the date of the Meeting, and considered certain amendments to the Revised Charter as set forth in Attachment A, attached hereto;

**WHEREAS**, the CMEEC Bylaws require the CMEEC Board of Directors’ (the “CMEEC Board”) approval of Committee Charters;

**NOW, THEREFORE BE IT RESOLVED**, that the CMEEC Board does hereby approve and adopt the revised Joint Legislative Committee Charter as set forth in Attachment A.

**BE IT FURTHER RESOLVED**, that the revised Charter shall take effect and replace the 2013 Charter from and following the date of adoption of the revised Charter.

Date: February 28, 2019



Louis Demicco  
Secretary

**Connecticut Municipal Electric Energy Cooperative  
Connecticut Transmission Municipal Electric Energy Cooperative  
CMEEC and TRANSCO  
Board of Directors  
Joint Legislative Committee Charter**

**In effect and adopted by the CMEEC and TRANSCO Board of  
Directors February 28, 2019**

## **I. Purpose and Authority**

The purpose of the Joint Legislative Committee (the “Committee”) of the Boards of Directors (“the Board”) of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and the Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” or “TRANSCO”) is:

1. To provide strategic direction to the Boards in their federal and state legislative responsibilities and relationships and generally overseeing:
  - Developing the most appropriate legislative strategies to support low cost power supply and the overall long term effectiveness and influence of CMEEC and TRANSCO and the municipal electric utilities;
  - Provide oversight to the CMEEC and TRANSCO Boards in the legislative agenda development process. Align the federal and state strategies of CMEEC and TRANSCO to be consistent with the Board Strategy for influencing legislative issues for the benefit of the Connecticut municipal electric utilities;
  - Align the legislative budget with the Board Strategy and set the limits for management/committee to work within, where not otherwise requiring Board approval, while being cognizant of the code of ethics applicable to the Board or applicable to federal and state legislators and employees.
2. To perform such other duties and responsibilities as are enumerated in and consistent with this charter.

## **II. Membership**

### **1. Membership and Appointment**

- The Committee will consist of at least three Directors and/or Alternate Directors whom the Boards appoint and such number of additional Directors as the Boards deem appropriate and appoint.

## **2. Qualifications; Independence**

- Each Director on the Committee will have qualifications as the Boards determine. In addition, each Director on the Committee will be independent of CMEEC and TRANSCO management. Finally, at least one member of the Committee shall be the “legislative expert”.

## **3. Removal**

- The entire Committee or any individual Director on the Committee may be removed with or without cause by the affirmative vote of the majority of the Boards.

## **4. Chairman**

- The Boards may designate the Chairman of the Committee (“the Chairman”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee.
- The Chairman may establish other rules as are necessary for the Committee to conduct business.

# **III. Procedures**

## **1. Number of meetings**

- The Committee will convene as necessary to accomplish the following responsibilities:
- Create and deploy legislative strategy consistent with the Board strategy and set the operating parameters for the management to implement and specify actions with regard to various federal and state legislative proposals.
- Meet with management and advisors to discuss emerging legislative issues.

## **2. Agenda**

- The Chairman will establish the agenda, with input from management and other Directors on the Committee and the Boards as appropriate.

## **3. Delegation of Authority**

- The Committee may delegate to a member or subcommittee tasks related to the Committee’s responsibilities; but only the Committee as a whole may make a decision.

**4. Charter Review**

- The Committee will review and update its charter annually and recommendations for change will require Board approval.

**5. Performance Review**

- The Committee will annually evaluate its performance relative to its duties and responsibilities as set forth in the charter and report the results to the Boards.

**6. Reporting to the Board**

- The Committee will regularly report to the Boards with respect to the Committee's activities.

**7. Open Access**

- The Committee will have access to CMEEEC's and TRANSCO's books, records, and facilities and to CMEEEC's and TRANSCO's management.

**IV. Responsibilities**

The following responsibilities of the Committee are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by law or the Boards.

- 1. Provide the Board Focal Point for the Development of Proactive Legislative Strategy and Relationship with Identified Key Individuals Consistent with the Board Strategic Plan**
  - Review and Discuss major drivers and issues that should be used in the development of CMEEEC's and TRANSCO's legislative strategies.
  - Establish framework for regular legislative development, reporting, and updates.
  - Recommend changes/updates to the Boards as appropriate.
  - Workings with management periodically review the legislative budgets and the tracking of legislative activities and report to the Boards.

**Connecticut Municipal Electric Energy Cooperative  
Connecticut Transmission Municipal Electric Energy Cooperative  
CMEEC and TRANSCO  
Board of Directors  
Joint Legislative Committee Charter**

**In effect and adopted by the CMEEC and TRANSCO Board of  
Directors ~~November~~ February 28, 20193**

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  - Align the legislative budget with the Board Strategy and set the limits for management/committee to work within, where not otherwise requiring Board approval, while being cognizant of the code of ethics applicable to the Board or applicable to federal and state legislators and employees.
2. To perform such other duties and responsibilities as are enumerated in and consistent with this charter.

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### **1. Membership and Appointment**

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- The entire Committee or any individual Director on the Committee may be removed with or without cause by the affirmative vote of the majority of the Boards.

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- The Boards may designate the Chairman of the Committee (“the Chairman”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee.
- The Chairman may establish other rules as are necessary for the Committee to conduct business.

# III. Procedures

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- Create and deploy legislative strategy consistent with the Board strategy and set the operating parameters for the management to implement and specify actions with regard to various federal and state legislative proposals.
- Meet with management and advisors to discuss emerging legislative issues.

## 2. Agenda

- The Chairman will establish the agenda, with input from management and other Directors on the Committee and the Boards as appropriate.

## ~~3. Executive and Private Sessions~~

- ~~▪ The Committee will meet regularly in separate executive sessions at which only the Committee members are present and in private sessions with each of management and the independent accounting firm.~~

## 4.3. Delegation of Authority

- The Committee may delegate to a member or subcommittee tasks related to the Committee’s responsibilities; but only the Committee as a whole may make a decision.

### ~~5. Authority to Retain Advisors~~

- ~~▪ In the course of its duties, the Committee will have sole authority, at CMEEC's and TRANSCO's expense up to \$10,000 annually over and above any amount already included in CMEEC's and TRANSCO's approved operating budget for the year, to engage and terminate consultants and advisors, as the Committee deems advisable, including sole authority to approve the consultant's or advisor's fees and other contractual terms. Any Contracts not meeting the criteria described above or over \$10,000 will be brought before the Boards of Directors for approval.~~

### 6.4. Charter Review

- The Committee will review and update its charter annually and recommendations for change will require Board approval.

### 7.5. Performance Review

- The Committee will annually evaluate its performance relative to its duties and responsibilities as set forth in the charter and report the results to the Boards.

### 8.6. Reporting to the Board

- The Committee will regularly report to the Boards with respect to the Committee's activities.

### 9.7. Open Access

- The Committee will have access to CMEEC's and TRANSCO's books, records, and facilities and to CMEEC's and TRANSCO's management.

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  - Establish framework for regular legislative development, reporting, and updates.
  - Recommend changes/updates to the Boards as appropriate.

## CMEEC Board Subcommittee Charter

- Workings with management periodically review the legislative budgets and the tracking of legislative activities and report to the Boards.