

CMEEC Board of Director's Regular Meeting

June 23, 2016

MINUTES

A regular meeting of the CMEEC Board of Directors (sometimes referred to as the "Board" or "BOD") was held on Thursday, June 23, 2016 at CMEEC's office located at 30 Stott Avenue, Norwich, Connecticut.

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

The Chairman, Kenneth Sullivan, called the meeting to order at 10:09 a.m. and determined a quorum was present.

The following Member Representatives/Directors participated:

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

The following individuals from CMEEC management participated:

Drew Rankin, CMEEC Chief Executive Officer
Edward Pryor, CMEEC Chief Financial Officer
Bella Chernovitsky, CMEEC Director, Business Intelligence
Justin Connell, CMEEC Director, Portfolio Management
Ellen Kachmar, CMEEC, Office & Facility Manager
Robin Kipnis, CMEEC Assistant General Counsel
Michael Rall, CMEEC Director, Asset Management
Gabriel Stern, CMEEC Director, Technical Services
Scott Whittier, CMEEC Director, Enabling Services

Guests:

John Bininger, Doosan
Steve Kowalski, Doosan
Kent McCord, Doosan
John Nitti, Doosan
Raphael Hertz, Enernoc

Ms. Kachmar recorded.

Chairman Sullivan requested the topic of “Arbitration Summary Disposition Hearing” be added to the Executive Session portion of the Agenda;

Motion by Director DeMuzzio, seconded by Director Demicco to add the topic of “Arbitration Summary Disposition Hearing” to the executive session portion of the Agenda.

Vote passed unanimously. (16-06-01)

Standard Action Items

(A) Approve Minutes of the CMEEC May 26, 2016 Board of Director’s Meeting.

A motion was made by Director Demicco, seconded by Director Smith, to approve the minutes of the May 26, 2016 Board of Directors’ Meeting.

Vote passed unanimously. (16-06-02)

Specific Action Items

(B) May 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 the established target value for the performance month, year to date, and projected for 2016 year end. Director Smith inquired about the increase in days cash on hand, to which Mr. Pryor responded it is due to the continued trend of lower power costs and the use of working capital for the aggregation accounts.

(C) Mark Harris Acknowledgement

Chairman Sullivan read the Resolution “Acknowledgement and Appreciation of Extraordinary Service by Mark Harris”. It was followed by a moment of silence.

Resolution adopted standing on its own. **(16-06-03)**

(D) Fuel Cell 101 Overview Guest Presentation, Kent McCord, Doosan

With the introduction of fuel cell technology and CMEEC and its Member’s continuing interest in fuel cells and other distributed generation matters, Mr. Rankin determined that an introduction to fuel cell technology would be a timely topic. To that end, Mr. Rankin introduced Mr. McCord from Doosan Fuel Cell America. Mr. McCord introduced the Board to Doosan Fuel Cell America, noting it is a subsidiary of one of the top 10 South Korean conglomerates. Doosan acquired the fuel cell technology from United Technologies in 2014, employees 300, and has installed fuel cells totaling 140 MW across the world. Mr. McCord described Doosan’s 400 kW system, which provides electric, combined heat & power (CHP), and backup power from one system. He discussed the carbon footprint, maintenance, term of life, and cost of the system. An open invitation was extended to Board members to

view fuel cell sites and to visit to the Doosan manufacturing plant located in South Windsor. Mr. Rankin noted a meeting will be planned for the fall.

(E) CMEEC – Transco Investment Policy Review

Mr. Pryor reported an updated Investment Policy (“policy”), which is in the form of enabling agreement. Public Financial Management Company (PFM) assisted in drafting the policy. The policy has been fully vetted by the Budget and Finance Committee, who accepted it and agreed to pass it to the full Board. A vote to approve the policy will be on the July 22, 2016 agendas for CMEEC and Transco Board meetings. The policy provides a framework in which to operate, as it sets limitations to comply with the bond resolutions and Connecticut state statutes for investment of municipal funds. The policy outlines limits on how CMEEC and Transco can diversify. It also delegates responsibility to the Chief Financial Officer (CFO), who can further delegate certain investment management responsibilities to outside investment advisory firms. Monthly and quarterly investment performance and compliance reports will be produced and distributed to the Boards.

(F) May Market Analysis

Mr. Connell reported energy costs were below budget due to lower loads and weather. Actual demand, unit contingent resources, and gas transportation costs were lower than budget in May. Mr. Connell noted the portfolio management group is actively updating monthly load projections.

Chairman Sullivan asked the Board if there were any further specific questions on the objective summary reports. There were not.

A motion to enter into executive session to discuss board strategy on existing customers continuing business development matters, and the report on WED-CMEEC arbitration was made by Director Demicco, seconded by Director DeMuzzio, with direction to the Board to come back into public session upon completion of the discussion in executive session.

Vote passed unanimously. (16-06-04)

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 Mssrs. Rankin, Pryor, Rall and Ms. Kipnis. The meeting went into executive session at 11:57 a.m.

The meeting returned to public session at 12:53 p.m.

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

Vote passed unanimously. (16-06-05)

There being no further business to come before the Board, the meeting was adjourned at 12:53 p.m.