



CMEEC Board of Directors' Meeting

June 28, 2012

MINUTES

A regular meeting of the Board of Directors of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was conducted on Thursday, June 28, 2012, at CMEEC’s offices. The meeting was legally noticed in compliance with Connecticut State law and all proceedings and actions hereinafter recorded, occurred and/or were taken while the meeting was open to the attendance of the public.

Chairman Hiscock called the meeting to order at 9:42 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, David Collard
Norwich – James Sullivan (by telephone)
East Norwalk – David Brown
South Norwalk – Mark Harris, John Hiscock, Scott Whittier
Wallingford – George Adair, Robert Beaumont (both by telephone)

Also present were the following:

Michael Cassella, CMEEC, Director, Customer Program Management
Robin Kipnis, CMEEC, Assistant General Counsel
Edward Pryor, CMEEC, Director, Finance and Accounting
Drew Rankin, CMEEC, Chief Executive Officer
Kristen Rollins, CMEEC, Office and Executive Specialist
Philip Sussler, CMEEC, General Counsel
Gabe Stern, CMEEC, Director, Strategic Planning and Technical Services

Ms. Rollins recorded

Action Items:

(1) Review Board and Committee 12 Month Outlook

Mr. Rankin explained the purpose of the draft twelve (12) month Board Meeting and Committee Meeting outlook, distributed with the Board of Directors' meeting package. This "outlook" will continue to follow the format of the distributed document and is intended to provide the tentative plan of topics and tasks for future Board and Committee Meetings. The outlook will be utilized internally to CMEEC for more proactive planning and delivery, as well as for all Directors acting in their respective roles of both Board and Committee. The general feed-back from the Board was endorsement of the approach.

(2) Approve Minutes of the CMEEC April 26, 2012 Board of Directors' ("BODs'") Meeting

Director Collard pointed out an error in the draft minutes in action item (1.1). In the action item as written in the draft minutes, it states that Agenda Item 7 be added to the meeting. It should be Agenda Item 12.

Motion by Director Ken Sullivan, seconded by Director Mark Harris to approve the Minutes of the CMEEC April 26, 2012 Board of Directors' Meeting, as amended, by Director Collard's comment.

Vote for approval by all Directors (with Director Beaumont abstaining) (12-27).

Motion by Director Demicco, seconded by Director DeMuzzio to amend the meeting agenda to align the meeting agenda to the revised agenda, which was different than the one publicly noticed.

Vote for approval, unanimous. (12-28).

(3) Resolution Sustaining Existing Committee roles through end of 2012

Mr. Rankin introduced and explained a proposed resolution for adoption by the BOD providing for the current members serving on the CMEEC Committees pursuant to prior CMEEC Board of Directors' resolutions shall continue to serve on such Committees until their re-appointment or replacement pursuant to future action of the CMEEC Board of Directors. The BOD did not have any comments or questions regarding this resolution.

Motion by Director Robert Beaumont, seconded by Director Ken Sullivan to approve Resolution 12-28A "Sustaining Existing Committee Roles though end of 2012".

Vote for approval, unanimous. (12-28A).

(4) Resolution for Assumption and Assignment Agreements Creation and or Execution CEO

Mr. Rankin and Mr. Sussler introduced and explained a proposed resolution for adoption by the BOD approving the execution by Connecticut Municipal Electric Energy Cooperative ("CMEEC") of an Assignment and Assumption Agreement by and between CMEEC and the Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC" or "TRANSCO"); and an Assignment and Assumption Agreement by and between CMEEC, TRANSCO and the Wallingford Department of Public Utilities, Electric Division ("WED"). This resolution is presented in order to provide authorization for the execution of the referenced documents and is, in

the nature, of follow-up to the creation of TRANSCO and the contemplated vesting of contractual responsibility of transmission related activities in TRANSCO.

Director DeMuzzio inquired whether such additional authorizations were required given Mr. Rankin's position as CEO. Mr. Sussler responded that BOD approval was being sought to eliminate any uncertainties and to be able to provide discrete independent documentation to third-parties regarding the vesting in TRANSCO of responsibilities by contract.

Board Members recommended the item be tabled and held for consideration at the next BOD meeting. A request was also made for the provision of more background and explanation in writing on this subject in advance, and for all similar future topics, in "layman summary". Mr. Rankin agreed to respond in accordance with the BOD Members' requests regarding this item prior to next meeting, specifically, the issuance of the underlying agreements.

Motion by Director Edward DeMuzzio to table the "Resolution of Assumption and Assignment Agreements Creating and or Execution by CEO" until the July 2012 meeting, seconded by Director David Brown.

Vote for approval, unanimous.

(12-28B).

Objectives Performance Review

Regional Competiveness:

Mr. Rankin summarized the metrics' performance levels to date, and addressed the Board's questions. Director Hiscock inquired regarding the labeling and designation of "Minimum Competitive Compliance" in the summary graph. Mr. Rankin stated the line was originally included, but was pulled in final review due to concerns of data and methodology reliability and consistency in this initial version, which warranted further validation prior to publishing, but the chart title was not updated to reflect this change. The data and methodology will be validated and included in the July report. Director DeMuzzio inquired about retaining the previous versions of forecasted information from prior reports in the summary graph. Mr. Rankin stated the multi-period comparative information of budget versus forecast versus actual is in the Customer Fulfillment section.

Financial Stability Report:

Mr. Pryor summarized the metrics' performance levels to date, and addressed the Board's questions. Mr. Pryor noted the monthly budget values are normalized for all twelve (12) months, and the next budget cycle is planned to be created on an actual cash flow basis. Mr. Pryor stated the Current Ratio has increased to 1.71 reflecting the predicted effect of the recent TRANSCO refinancing. Inquiry was made by Director DeMuzzio regarding the calculation of the Current Ratio and whether additional information / actual calculation can be displayed for Board clarity and understanding. Mr. Rankin stated the future Objective sections of the BOD meeting reports will have detailed sheets providing this information for all metrics.

Customer Fulfillment:

Mr. Rankin summarized the metrics' performance levels to date, and addressed the Board's questions. In the Q1 budget forecast, staff originally projected the closing and crediting of the sale of a portion of CMEEC's 2011 vintage Renewable Energy Credits ("RECs") to occur in April. The actual credit will be recognized in June, on the July invoice.

Maximized Asset Value:

Mr. Rankin and Mr. Pryor summarized the metrics' performance levels to date, and addressed questions from the Board.

With regard to the Forward Energy Contracts' metric, Director Adair suggested changing the title of the variable "Energy Fuel Rate" to something more functionally descriptive of the variable. Mr. Rankin stated revisions will be implemented to achieve the objective, acknowledging it may be iterative in nature based on maximizing Board appeal and understanding.

With regard to the generation asset performance metrics, Director DeMuzzio suggested considerations for further refinement and simplification of the information presented in graphical format. Mr. Rankin acknowledged the comprehensive set of metrics, and stated the current intent is to provide all metrics, both master and diagnostic level, for Board insight and understanding, and as the business model and utilization matures, only the stated master metrics will be included, but diagnostics will always be available for individual review. Also, to the extent any Board Member desires one on one explanation; Mr. Rankin is available for such.

Motion to adjourn the meeting by Director Beaumont, seconded by Director Demicco.

Vote unanimous.

(12-28C).

There being no further business of the Board, the meeting was adjourned at 11:40 a.m.

Respectfully submitted,



Philip L. Sussler
2nd Assistant Secretary

CONNECTICUT MUNICIPAL ELECTRIC ENERGY
COOPERATIVE RESOLUTION 12-28A

Committees Membership
Continuation

Be it Resolved that the Board of Directors of the Connecticut Municipal Electric Energy Cooperative sustains and updates the previously designated interim election of Representatives to serve on the Committees of the Board of Directors for the year 2012, as approved in Resolution 11-94, through the remainder of calendar year 2012; and,

Be it Resolved, that the current members serving on such Committees pursuant to CMEEC Board of Directors shall continue to serve on such Committees until their re-appointment or replacement pursuant to future action of the CMEEC Board of Directors as provided above; and,

Be it Further Resolved, that CMEEC acknowledges that TRANSCO by action of its Board of Directors may establish and adopt the same committees, with the same membership, as those set forth below, on an interim basis pending the future action of the CMEEC Board of Directors as provided above or until further action by the TRANSCO Board of Directors, whichever occurs earlier.

COMMITTEES

Audit and Controls Committee

George Leary; David Collard; Mark Harris; Kenneth Sullivan

Compensation and Policy Committee

John Bilda; Edward DeMuzzio; John Hiscock; George Leary; Drew Rankin

Risk Management Committee

John Bilda; Edward DeMuzzio; Robert Beaumont; Paul Yatcko; Brian Forshaw; Edward Pryor; Philip Sussler

Budget and Finance Committee

John Bilda; Edward DeMuzzio; John Hiscock; James Sullivan; George Adair; Kenneth Sullivan; Edward Pryor; Drew Rankin

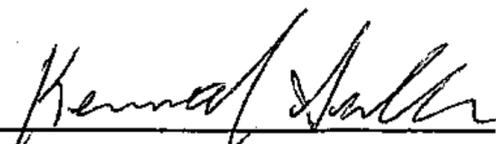
Governance/Nomination Committee

George Leary; Richard Throwe; Paul Yatcko; Gabe Stern; Drew Rankin

Legislative Committee

James Sullivan; David Brown; John Hiscock; Louis Demicco; Drew Rankin; Philip Sussler; Gabriel Stern

June 28, 2012


Kenneth Sullivan
Secretary