

CMEEC Board of Director's Meeting

September 22, 2016

MINUTES

A special meeting of the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) Board of Directors (sometimes referred to as the “Board” or “BOD”) was held on Thursday, September 22, 2016 at CMEEC’s offices, 30 Stott Avenue, Norwich, CT.

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.

Chairman, Kenneth Sullivan, called the meeting to order at 10:05 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 – Robert Groner
East Norwalk – David Brown, James Smith
South Norwalk – Kevin Barber, Paul Yatcko (by phone)

The following individuals from CMEEC management participated:

Drew Rankin, CMEEC, Chief Executive Officer
Bella Chernovitsky, Director, Business Intelligence
Justin Connell, CMEEC, Director, Portfolio Management
Robin Kipnis, CMEEC, General Counsel
Gabriel Stern, CMEEC, Technical Services
Scott Whittier, CMEEC, Director Enabling Services
Dylan Phillips, CMEEC, Risk Analyst
Ellen Kachmar, CMEEC, Office and Facility Manager

Ms. Kachmar recorded.

Chairman Sullivan requested a motion to modify the meeting Agenda to include a discussion in Executive Session regarding the Wallingford Electric Division (WED) arbitration.

Motion by Director Brown, seconded by Director Demicco, to modify the Agenda to include a discussion about the WED arbitration in Executive Session.

Vote passed unanimously. (16-09-01)

Standard Action Items

(A) Approve Minutes of the CMEEC August 25, 2016 CMEEC Board of Director's Meeting.

A motion was made by Director Collard, seconded by Director Groner, to approve the Minutes of the August 25, 2016 Board of Directors meeting.

Vote passed unanimously. (16-09-02)

Specific Action Items

(B) July 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.

(C) Addendum to Spa at Norwich Inn Fuel Cell Project Resolution

Mr. Rankin reported the Third Taxing District (TTD) became interested in participating in the Spa Fuel Cell Project after the project was approved at the August Board meeting. Director Smith explored the opportunity and sought reception of TTD's participation with the participating members. The issue was brought to the Risk Management Committee, who concurred with the request for TTD to participate. The Addendum to the Resolution before the Board was to add a 1% entitlement allocation for TTD, and to decrease Norwich Public Utilities entitlement allocation from 41% to 40%. Director Demicco asked what would happen if a member wanted in or out of a project after it had been in place for a while. Mr. Rankin responded the RPSC is set up so the participants or interested parties can approach other participants, and it would not involve CMEEC. Any arrangements would have to be cleared through the Board of Directors to ensure no negative impacts.

Motion by Director Demicco, seconded by Director DeMuzzio, to approve the Spa Fuel Cell Addendum entitling the Third Taxing District of the City of Norwalk Electric Division to 1% of the Spa Fuel Cell Project, and reducing the Spa Fuel Cell Project entitlement of Norwich Public Utilities from 41% to 40%.

Vote passed unanimously. (16-09-03)

(D) August 2016 Market Analysis

Mr. Connell reported August energy costs below budget, actual demand higher than budget, and unit contingent resources lower than budget. Natural gas transportation costs were lower than expected and budgeted in August. Overall, Mr. Connell noted it was a solid month.

(E) Budget Timeline Review – Milestones September to November

Mr. Rankin reported governance requires the Transco Board of Directors to vote on the proposed 2017 to 2021 budget in October, and the CMEEC budget in November. Mr. Rankin noted that Budget & Finance Committee meetings, with the full Board invited, are being set up to review the budget information in advance of the meetings where the votes will occur.

(F) CMEEC – GU Pfizer Contract Extension

Mr. Rankin reported CMEEC and Groton Utilities (GU) are seeking Board approval for authority of the CMEEC CEO to extend the currently 5 year term of the CMEEC – GU Wholesale Special Contract to 20 years. The purpose of the extension is to mirror the GU – Pfizer and Fuel Cell Energy 20 year contract, so they are coterminous. Mr. Rankin noted the Risk Management Committee has reviewed the Resolution and support its approval.

Motion by Director Gaudet, seconded by Director Smith, to approve Resolution 16-09-04, authorizing the CMEEC’s CEO to execute an extension from 5 years to 20 years of the CMEEC-GU Wholesale Special Contract as it relates to Pfizer.

Vote passed unanimously.

(16-09-04)

A motion to enter into Executive Session to review the Pierce Pro Forma and the Wallingford Electric Division (WED) Arbitration was made by Director Demicco, seconded by Director Throwe, with direction to the Board to come back into public session upon completion of the discussion in Executive Session.

Vote passed unanimously.

(16-09-05)

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 Msrs. Rankin, Connell, Philips, Whittier, and Ms. Chernovitsky and Ms. Kipnis. The meeting went into executive session at 10:53 a.m.

The meeting returned to public session at 12:14 p.m.

Chairman Sullivan inquired whether there were further matters to come before the Board. Finding that there were no further matters to come before the Board, Chairman Sullivan indicated he would entertain a motion to adjourn the meeting.

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

Vote passed unanimously.

(16-09-06)

There being no further business to come before the Board, the meeting was adjourned at 12:15 p.m.

**Connecticut Municipal Electric Energy Cooperative
Board of Directors Meeting
Resolution 16-09-03**

**RESOLUTION AMENDING ATTACHMENT B ENTITLEMENT ALLOCATIONS FOR
THE ADDITIONAL POWER PROJECT ESTABLISHED AT THE NORWICH SPA**

WHEREAS, the CMEEC Board pursuant to Resolution 16-08-04 approved the development of and Entitlement Allocations for an Additional Power Project (the “Project”) in accordance with Attachment A “Project Parameters” to be located at the Norwich Spa in Norwich, Connecticut, comprising, in general, the installation, construction, and operation of a 460 kW fuel cell electric generating facility and inclusive of all required and necessary ancillary equipment, including electric interconnection facilities and telemetry communications between the Project location and CMEEC’s offices (the “Project”).

WHEREAS, pursuant to Resolution 16-08-04, the Board offered participation in the Project to the Members in conformity with the provisions of the CMEEC Membership Agreement (“MA”) and, in conformity with those procedures, four (4) CMEEC Members elected to acquire Entitlement Allocations (“EAs”), as that term is defined in the CMEEC Replacement Power Supply Contracts (“RPSCs”), which Entitlement Allocations were set forth in Attachment B to the Resolution and which comprised 100% of the EAs in the Project.

WHEREAS, subsequent to the affirmative vote by the Board of Resolution 16-08-04, an additional Member desires to acquire an Entitlement Allocation in the Project, necessitating an amendment to Resolution 16-08-04 reallocating the Entitlement Allocations to reflect the ownership interest in the Project of the additional Member, for a revised total Project Participant count of five (5) Members.


**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE AS FOLLOWS:**

Section 1. The foregoing recitals are true and correct.

Section 2. Attachment B to Resolution 16-08-04 is hereby deleted and a new Attachment B is substituted in its place. The Project Participants and their respective EAs are hereby set forth in this new Attachment B.

Section 3. In all other respect and except for the Members EAs, Resolution 16-08-04 is hereby ratified and confirmed in its entirety.

September 22, 2016



Edward DeMuzzio
Secretary

ATTACHMENT B (AMENDING ATTACHMENT B TO RESOLUTION 16-08-04)

Project Participant	<u>Bozrah Light and Power Company</u>	<u>Groton Utilities</u>	<u>Norwich Public Utilities</u>	<u>South Norwalk Electric & Water</u>	<u>Third Taxing District</u>	<u>Jewett City Department Public Utilities</u>
Norwich Spa Fuel Cell Project	17%	40%	40%	0%	1%	2%