



## **TRANSCO Board of Directors' Meeting**

**March 22, 2012**

### **MINUTES**

A meeting of the Board of Directors of the Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC" or "TRANSCO") was held on Thursday, March 22, 2012, at the offices of the Connecticut Municipal Electric Energy Cooperative ("CMEEC"). The meeting was legally noticed in compliance with State law and all proceedings hereinafter were taken while the meeting was open to the attendance of the public.

Chairman J. Sullivan called the meeting to order at 10:29 a.m. and determined that a quorum was present.

The following were present:

#### Directors and Alternate Directors

Bozrah Light and Power Company – Edward DeMuzzio, David Collard  
Jewett City – Louis Demicco, Kenneth Sullivan, Richard Throwe  
Groton – Edward DeMuzzio, David Collard  
Norwich – John Bilda, James Sullivan  
East Norwalk – David Brown, George Leary, Charles Yost  
South Norwalk – Mark Harris, John Hiscock, Scott Whittier  
Wallingford – No Directors Present

#### Also present was the following CMEEC staff:

Michael Cassella, Kenneth Horne, Brian Forshaw, Ellen Kachmar, Beth Mullin, Drew Rankin, Thomas Solinsky, Gabriel Stern, Philip Sussler

James Marlin, Fulbright & Jaworski, Bond Counsel

Ms. Kachmar recorded

## **Action Items**

### **(1) Approve Minutes of TRANSCO December 15, 2011 Board of Directors' Meeting**

**Motion by Director Hiscock to approve the Minutes of TRANSCO's December 15, 2011 Board of Directors' Meeting, seconded by Director Brown.**

**Vote unanimous.**

**(12-01)**

## **Agenda Items**

### **(2) Audit Report and Resolution**

Director Leary, Chairman of CMEEC's and TRANSCO's Joint Audit Committee, reported the Audit Committee reviewed the SAS 114 Letter which accompanies the Audit Report for 2011 and includes items such as: audit scope/timing, accounting practices, any difficulties encountered, corrected/uncorrected misstatements, disagreements with management, management representations, consultation with other independent auditors, and findings or issues. Director Leary reported no adverse or unusual items were noted and a clean opinion was rendered on the CMEEC and TRANSCO statements. Director Leary stated key audit considerations were reviewed and financial statements included CMEEC consolidated statements, TRANSCO separate statements and a Single Audit statement, which is required by the Department of Energy grant. Director Leary reported that in the debt covenant letters for both CMEEC and TRANSCO the auditors found no information that indicated non-compliance. Director Leary stated the Audit Committee stressed the importance of presenting information in a way that recognized that while the CMEEC and TRANSCO Members are ultimately responsible for the respective legal entities' debt, that these Members, in turn, recognize the associated contractual obligations and provisions, and with the expectation that Non-Member Participants will fulfill their financial obligations to CMEEC and TRANSCO. Director Leary noted the Committee did not review the management comments on the "Board of Conflict of Interest Policy", or the "Disaster Recovery Plan". Director Leary stated the Audit Committee recommends acceptance of the TRANSCO 2011 Audit Report.

**Motion by Director K. Sullivan to accept the TRANSCO 2011 Audit Report, seconded by Director Bilda.**

**Vote unanimous.**

**(12-02)**

### **(3) Operations and Financial Management Report**

Mr. Solinsky updated the Board on the operational and financial performance of TRANSCO and Transmission Project #1, noting the General Transmission Service Agreements have been completed. Mr. Solinsky reported all TRANSCO assets were determined to be compliant with NERC Reliability Standards for the month of February and a data request was received from the NPCC for application of a new NERC Bulk Electric System ("BES") definition for which a reply is due on March 26, 2012.



**(4) Approval of TRANSCO Refinancing**

Mr. Marlin, Bond Counsel, explained in general terms the provisions of the TRANSCO Transmission System Revenue Bonds, 2012 Series A Bonds, Second Supplemental Revenue Bond Resolution proposed for approval by the Board. The Resolution has substantially the same parameters and contractual requirements as the Resolution approved at the CMEEC Board of Directors meeting on this same date with respect to the CMEEC transmission bonds to be issued, with exception of the principal amount for TRANSCO, which is not to exceed \$25 million dollars.

**Motion by Director Hiscock to approve the TRANSCO Second Supplemental Revenue Bond Resolution, seconded by Director Whittier.**

**Vote unanimous. (12-03)**

**Motion by Director Demicco to adjourn the meeting, seconded by Director Leary.**

**Vote unanimous. (12-04)**

There being no further business of the Board, the meeting was adjourned at 10:43 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Philip L. Sussler".

Philip L. Sussler  
Assistant Secretary