

SUBJECT TO BOARD APPROVAL

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 Pagragan, 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.