

MINUTES OF THE MEETING OF THE
JOINT GOVERNANCE COMMITTEE OF THE
BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

May 22, 2019

A Regular Meeting of the Joint Governance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” or “Transco”) was held on Wednesday, May 22, 2019 at the offices of CMEEC, 30 Stott Avenue, Norwich, CT at 10:00 a.m.

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.

The following Committee Members participated:

Bozrah Light & Power: Richard Tanger
Groton Utilities: Ronald Gaudet
Jewett City Department of Public Utilities: Richard Throwe
Norwich Public Utilities: Dr. Grace Jones, Mark Oefinger
East Norwalk TTD: Debora Goldstein (via telephone)

The following CMEEC staff participated:

Michael Lane, CMEEC CFO, Interim CEO
Robin Kipnis, CMEEC General Counsel
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Executive Assistant/Paralegal

Other participants:

Deb Denfeld, Fuss & O’Neill Engineering

Ms. Job recorded

Chair Gaudet called the meeting to order at 10:00 a.m. and determined a quorum was present. For the record he noted that the meeting was taking place at the CMEEC offices located at 30 Stott Avenue, Norwich, CT. He asked that each participant identify themselves for the benefit of those on the telephone and those participating in person.

Agenda Item

(1) Approval of the Minutes of the April 11, 2019 Special Meeting of the Joint Governance Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Dr. Grace Jones to approve the Minutes of the April 11, 2019 Special Meeting of the Joint Governance Committee.

Motion passed unanimously.

(2) Review of Proposed Policy on CMEEC Industry Membership

Chair Gaudet introduced the CMEEC Membership policy which was provided to the Joint Governance Committee Members for their review prior to today's meeting and explained that such a policy stems from a recommendation of the Special Committee.

Mr. Lane explained that the policy was designed to provide transparency to the Board of Directors by requiring an annual report to the Board in the form of a budgeted line-item for such memberships as well as a short description of the memberships benefit to CMEEC. Only memberships that have a business purpose tied to CMEEC's mission would be allowable.

Some additional discussion occurred.

Chair Gaudet entertained a motion to approve the policy as discussed and then provided to the full Board for approval.

A motion was made by Committee Member Oefinger, seconded by Committee Member Richard Tanger to approve the policy as amended and provide to the full Board for approval.

Motion passed unanimously.

There was no Agenda Item Number (3)

(4) Review of Chief Executive Officer Job Description

Chair Gaudet explained that the Governance Committee Charter tasks the Governance Committee with establishing the qualifications for CMEEC CEO. The Governance Committee was provided with the former CEO's Job Description. He noted that the

compensation portion of the Job Description would be vetted by the Joint Compensation Committee in concert with the Joint Governance Committee as it drafts for Board review and approval, the CEO Job Description.

Lengthy discussion followed with respect to the process for conducting the search for a new CEO, whether a separate search committee should be created, or, if the Governance Committee would act as a search committee for the Board of Directors.

Chair Gaudet added that the Governance Committee will be meeting again to review and make any preliminary changes to the CEO Job Description. He recommended that it would be ideal to have each of the member systems represented on a search committee.

(5) Discussion of Best Practices Reporting Structure for CFO

Ms. Kipnis reviewed her research into best practices of a reporting structure for a CFO and whether the CFO should report directly to the CEO, the full Board of Directors, or to the Audit Committee of the Board because that committee is tasked with investigating complaints of financial irregularities.

She suggested that best practice would have the CFO reporting to the CEO with a separate dotted line to the full Board of Directors with respect to any irregularities with protections similar to that provided to whistleblowers.

Mr. Lane added that the General Counsel also requires independence with the Board of Directors in the current CMEEC organizational structure as all three are officer positions.

General discussion followed over the performance evaluations of the CFO and CEO. Committee Member Oefinger stated that the CEO could conduct performance evaluation of the CFO and the General Counsel and provide them to the Board of Directors for their input and comments. He commented that it would be good practice to solicit the input from others on performance evaluations of the CEO, CFO and General Counsel.

Upon inquiry and discussion of how to create and solicit comments with respect to the possible formation of an executive committee for the conduct of CEO, CFO and General Counsel performance evaluations, Committee Chair Gaudet stated that while discussion of an executive committee is not on today's agenda, that item will be added to the next Governance Committee meeting agenda.

(6) Status Report on Board Committee Actions Implementing Recommendations of the Special Committee

Committee Member Goldstein discussed the task list of recommendations made by the Special Committee that the Governance Committee reviewed at its meeting on April 11, 2019 and provided assignments to each of the Board Committees to address and complete. Discussion followed with respect to which Board Committees had met to discuss their assigned Special Committee recommendations.

A question was raised by Committee Member Goldstein with respect to the onboarding procedure item found on today's Agenda under a section called "Parking Lot". She inquired how this Committee would go about implementing such a procedure.

Discussion followed with respect to the "CMEEC 101" books developed by former CEO Drew Rankin. Chair Gaudet stated that similar CMEEC 101 books would be created by the Governance Committee so that all new board members receive the same onboarding process. He added that this item will be an agenda item for an upcoming Governance Committee meeting.

Discussion followed with respect to choosing the next meeting of the Governance Committee. It was agreed that a Special Meeting of the Governance Committee would be held on June 13, 2019 at 10:00 a.m.

There being no further business to come before this Committee, Committee Chair Gaudet entertained a motion to adjourn.

A motion was made by Committee Member Oefinger, seconded by Committee Member Richard Tanger to adjourn the meeting.

Motion passed unanimously.

This meeting was adjourned at 11:51 a.m.