

MINUTES OF THE
REGULAR MEETING OF THE

JOINT BUDGET AND FINANCE COMMITTEE
OF THE
BOARDS OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

January 17, 2023

A Regular Meeting of the Joint Budget and Finance Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held via Zoom and telephonically on Tuesday, January 17, 2023 at 10:00 a.m.

The meeting was legally noticed in compliance with Connecticut General Statutes and all proceedings and actions hereafter recorded occurred during the publicly open portions of the meeting.

The following Committee Members Participated telephonically or Via Zoom:

Bozrah Light & Power: William Ballinger
Groton Utilities: Ronald Gaudet, Yi Xiang (Non-Board Member)
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Christopher LaRose, Robert Staley
Norwich Municipal Representative: David Eggleston
South Norwalk Electric & Water: David Westmoreland
Third Taxing District, East Norwalk: Kevin Barber

The following Non-Voting Members participated telephonically or via Zoom:

Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy
South Norwalk Municipal Representative: Dawn DelGreco

The following CMEEC Staff participated telephonically or via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Candice DiVita, CMEEC Financial Analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Yuxin Liu, CMEEC Utility Business Analyst

Others participating telephonically or via Zoom:

David Silverstone, Esquire Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Christopher LaRose called the meeting to order at 10:03 a.m. noting for the record that today's meeting is being held telephonically and via Zoom. He explained that all participants' devices should remain on mute unless speaking to eliminate confusion and background noise. He requested participants state their names before speaking for clarity of the record.

Specific Agenda Item:

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Job conducted roll call. Committee Chair LaRose confirmed a quorum was present.

C Selection of Joint Budget & Finance Committee Chair

Committee Chair LaRose opened the floor for nomination of Chairperson of the Budget & Finance Committee. Committee Member Kevin Barber nominated Christopher LaRose. There were no other nominations.

A motion was made by Committee Member Barber, seconded by Committee Member Mark Oefinger to re-elect Committee Chair LaRose as Chairperson of the Budget & Finance Committee for 2023.

Motion passed unanimously.

D Approve the Minutes of the November 4, 2022 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee

A motion was made by Committee Member Oefinger seconded by Committee Member David Eggleston to Approve the Minutes of the November 4, 2022 Regular Meeting of the CMEEC / CTMEEC Joint Budget & Finance Committee.

Motion passed unanimously.

E Review Joint Budget & Finance Committee Charter

Ms. Meek walked the Committee through the Budget & Finance Committee Charter provided to them in advance of today's meeting. She explained that the Charter is also included in the New Committee Onboarding material which will be reviewed later in today's meeting. She further explained that there are no changes being recommended be made to the Charter.

After inquiry by Committee Member Ronald Gaudet in connection with Board stipends, Ms. Kipnis explained that the Governance Committee reviews the policy that governs Board stipends while the Budget and Finance Committee approves the stipend amount upon recommendation by the Governance Committee.

A motion was made by Committee Member Gaudet, seconded by Committee Member Oefinger to accept the Charter as presented to this Committee with no changes.

Motion passed unanimously.

F Review Results of Joint Budget & Finance Committee Self-Evaluation

Ms. Meek walked the Committee through the results of the Committee Self-Evaluation. She explained that overall, the topics of the survey received a rating of outstanding. Committee Member William Ballinger suggested that the summary of the Committee Self-Evaluation include the number of occurrences of each of the scores, 1 through 5, that were given in each category being evaluated (i.e., the number of scores of 5, scores of 4, scores of 3, etc.).

Discussion followed.

G Discussion: Joint Budget & Finance Committee Goals for 2023

Ms. Meek walked the Committee through the list of Goals the Committee developed while answering the Self-Evaluation. She highlighted each one providing background and status on each. Similar to the Audit Committee, the Budget & Finance Committee included education or training on the CMEEC accounting system. Ms. Meek explained that at its meeting on January 10, 2023, the Audit Committee discussed and agreed to hold a joint meeting with this Committee to receive an education presentation of the CMEEC accounting system and/or for such presentation to occur during a future Board of Directors' meeting. Ms. Meek then discussed topics the presentation could include and asked the Committee to contact either her or Joanne Menard, CMEEC lead on the Audit Committee, with any topics they would like included in such a presentation.

After discussion, the Committee agreed that it would focus on the five-year financial plan and Power BI accessibility and training for the Board as goals for 2023.

H 2023 Budget/Forecast Update

Ms. Meek began by discussing the budget process followed last year in the development and approval of the 2023 CMEEC and Transco Budgets. She walked the Board through excerpts from the CMEEC Bylaws, Member Agreement and Replacement Power Supply Contract highlighting the triggers for amending the budget. She then provided a high-level review of the 2023 Approved Budget against the January 2023 Forecast and the January Forecast Over/(Under) 2023 Budget variances. Ms. Meek explained that every month, CMEEC staff completes a forecast update incorporating changes to assumptions for load, peaks, energy costs, and Non-fuel Operating (NFO) expenses. This report, referred to as the "All In Forecast," is customized for each Municipal Electric Utility (MEU) showing the latest estimate of the costs they will be charged by CMEEC for the next 5 years. The individual MEUs then use the report in their financial planning and rate setting. She further explained why the annual budget uses the forecast done in September as the basis and why the changes from each monthly update completed during the budget cycle are not necessarily incorporated into the budget.

In response to Mr. Silverstone's request at the last meeting of this Committee and at the November 17, 2022 Board meeting to possibly revise the 2023 budget, Ms. Meek proposed rather than revising the Budget, that this Committee and the full Board of Directors begin receiving an All In Forecast report showing a high level summary, such as the report presented at this meeting, comparing the budget, the current monthly forecast and the previous month's forecast, with variance explanations. She added that the soon to be rolled out Master Dashboard, which will replace the Objective Summary currently shared with the Board will include comparisons to both the Budget and the latest forecast. She also stated that the Budget would continue to be monitored for possible events that could trigger a budget revision according to the CMEEC governing

documents, and if such an event were to occur, the Budget would be revised accordingly. Ms. Meek then provided a demonstration of the Master Dashboard in the Power BI platform highlighting the additional comparison to the forecast.

Lengthy discussion followed, with the Committee and Mr. Silverstone agreeing the proposal was acceptable and that the annual budget for 2023 need not be revised.

I New Business

Ms. Meek informed the Committee that the 2013 Bonds relating to the Pierce project were redeemed on January 3, 2023 and explained next steps. Discussion followed related to the remaining Bonds.

J New Committee Member Onboarding

Ms. Meek welcomed the new Committee members and walked the Committee through the materials in the New Committee Member Onboarding book provided in advance of today's meeting. She explained the reasoning for the frequency of the Budget & Finance Committee meetings each year noting the reason for the sequence of the approval of the Transco and CMEEC annual budgets. She then provided a high level review of the remaining sections of the book.

Ms. Meek requested that contact information of the CMEEC Committee Leads be included on the Committee lists that are provided in the onboarding book.

K Adjourn

A motion was made by Committee Member Barber, seconded by Committee Member David Westmoreland to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:05 a.m.