

MINUTES OF THE
SPECIAL HYBRID MEETING OF THE
AD HOC CHARTER REVIEW COMMITTEE
OF THE BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE

July 23, 2025

A Special Hybrid Meeting of the Ad Hoc Charter Review Committee of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) was held in person at 30 Stott Avenue, Norwich, CT and via Zoom on Wednesday, July 23, 2025 at 9:00 a.m.

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

The following Committee Members participated in person unless otherwise noted:

East Norwalk, Third Taxing District: Kevin Barber
Groton Utilities: Ronald Gaudet
Jewett City Department of Public Utilities: Elier Alvarado
Norwich Public Utilities: Christopher LaRose
South Norwalk Electric & Water: Alan Huth (via Zoom)

The following Non-Voting Members participated via Zoom unless otherwise noted:

Bozrah Light & Power: William Ballinger, Scott Barber
East Norwalk Municipal Representative: Pete Johnson (joined at 9:53 a.m.)
Groton Municipal Representative: Mark Oefinger (in person)
Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy
South Norwalk Electric & Water: David Westmoreland (left at 9:40 a.m.)

The following CMEEC Staff participated in person:

Shadaya Bransford, Treasury & Risk Assurance Analyst
Candice Divita, Manager, Finance & Accounting
Lauren Gaudet, Engagement Strategist
Margaret Job, Director of Administrative Services
Chantal Maxwell, Administrative Services & Facilities Specialist
Pat Meek, Director of Finance & Accounting
Dave Meisinger, CEO
Heidi Winnick, Manager, Treasury & Risk Assurance

Others participated via Zoom:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Gaudet recorded.

Committee Chair Kevin Barber called the meeting to order at 9:02 a.m. noting for the record that today's meeting is being held in person at 30 Stott Avenue, Norwich, CT and via Zoom. He requested those participating via Zoom state their names when speaking for clarity of the record.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Gaudet conducted roll call. Committee Chair Barber confirmed a quorum of the Committee was present.

C Approve the Minutes of the June 25, 2025 Special Hybrid Meeting of the Ad Hoc Charter Review Committee

A motion was made by Committee Member LaRose, seconded by Committee Member Gaudet to approve the minutes of the June 25, 2025 Special Hybrid Meeting of the Ad Hoc Charter Review Committee.

Motion passed unanimously.

D Discuss Preliminary Topics and Issues That May Be Addressed or Reflected in Proposed Amendments to CMEEC Organic Documents, Including Without Limitation the CMEEC Member Agreements and CMEEC Bylaws

Committee Chair Barber began by clarifying that both the present agenda item and next agenda item were included in the agenda for this meeting because once an agenda for a special meeting has been publicly posted, it may not be modified. Consistent with the approach taken during the last Committee meeting, any discussion regarding the stated topics will be held in public session unless the nature of the discussion warrants a shift to executive session.

Committee Chair Barber explained that the five-page document that was circulated in advance of the present meeting will serve as the framework for today's discussion. Mr. Meisinger added that the only modification made to the document was the addition of sub-bullets in red text that summarizes the last meeting's discussion on each topic.

Committee Chair Barber proposed that today's discussion could begin with the topic of CMEEC Officers, where the Committee left off in its last meeting.

Mr. Meisinger then guided the Committee through the previously described five-page document:

- I. The Committee began its discussion with the topic of CMEEC Officers, exploring questions regarding position eligibility and associated obligations. Mr. Meisinger noted that CMEEC staff have historically and are currently filling the positions of Assistant Secretary and Assistant Treasurer.

Following discussion, the Committee agreed that (1) the Bylaws should establish, alongside any existing whistleblower provisions or protections for CMEEC staff generally, that certain staff members should be designated as having a dotted-line reporting obligation to the Board Chair regarding the specific and limited matters described in existing ethics policies and which originated from Governance Committee meetings during 2018 and 2019, and which have otherwise been observed by staff in job descriptions and internal organizational charts; (2) clarifications regarding the positions of Chief Legal Officer and General Counsel may be appropriate to acknowledge various potential staffing situations and vacancies, and (3) the Bylaws should reflect the current practice that each capital project included in an Approved Budget is a separate line item with its own 10% contingency built in (rather than an overall, budget-wide 10% contingency), beyond which an additional Board approval is necessary.

- II. Next, the Committee discussed the definition of excess equity as outlined in the CMEEC Bylaws and Membership Agreements. Mr. Meisinger explained that at the Member Delegation's meeting on May 1, 2025, Ms. Meek had described how CMEEC, as a not-for-profit entity, passes through all revenues and expenses associated with CMEEC operations or projects to the Member Electric Utilities each month and that the only "excess" revenue not passed through each month is the Debt Service Coverage component of the CMEEC bond debt service, noting that by bond covenant, CMEEC is required to collect a minimum of 110% of the annual debt service. Robust discussion followed.

The Committee agreed that staff will (1) create a conceptual approach to redefining "equity", develop processes and procedures around how to measure and determine whether, when, and how to distribute any defined excess amounts, and assess how these concepts impact potential situations of new CMEEC Member buy-in or Member departure, and then (2) determine how to incorporate these changes into the Bylaws, Membership Agreements, and any other relevant documents.

- III.** The Committee then directed its attention to the use of Trust monies. It examined the questions of what parties can initiate the use of Trust monies, who should be required to approve the use of Trust monies, whether a Trust should be mandated for all Member Electric Utilities (MEUs), whether there should be a blanket authorization to enable MEUs to move Trust funds to Rate Stabilization Funds (RSFs), and whether there should be a minimum amount that each MEU must have stored in a Trust and/or in a RSF. Multiple Committee Members noted that they primarily use their Trust to cover their share of outstanding CMEEC debt obligation as well as an emergency fund to cover any expenses that may arise at their utility. Ms. Meek observed that, historically, rating agencies have responded positively to the current structure that allows MEUs to readily access their RSF, while maintaining more restricted access to Trust funds, and that the Long-Term Financial Planning Policy currently has a minimum balance target for each MEU to maintain three months of billing coverage in their RSF.

After discussion, the Committee agreed that (1) staff will work to create a conceptual minimum balance for each MEU that must be met by some combination of monies in their RSF and/or Trust, (2) more consideration is necessary to determine whether any Board or other formal approval should be required for disbursements from Trusts, (3) more consideration is necessary to determine whether there is a need to revisit the list of permitted uses of RSF or Trust monies, and (4) we may not need to mandate that every MEU has a Trust.

- IV.** The Committee subsequently addressed the topic of other funds held by CMEEC. Mr. Meisinger guided the Committee through the questions of whether to eliminate the Economic Development Funds, whether to eliminate the existing \$1/MWh “supplier charge”, and whether to begin using the Conservation & Load Management (C&LM) funds to offset Federally Mandated Congestion Charges (FMCC), as allowed by statute. Discussion followed.

The Committee agreed that (1) the Economic Development Funds should be eliminated and each MEU with a positive balance will be asked by CMEEC staff to indicate where to move their balance by the end of 2025, (2) the \$1/MWh “supplier charge” should be eliminated, unless it is determined that there is a net benefit to members in maintaining it, and (3) the viability of using C&LM funds to offset FMCC should be researched by CMEEC staff.

- V.** The next topic of discussion was the new member buy-in process and calculation. The Committee explored the questions of what “new member equity contributions” should be required and how closely the financial process for new members joining CMEEC should align with that for departing members.

Following discussion, the Committee agreed that the Bylaws, and any other relevant agreement provisions, should be amended to (1) create a simplified description of basic financial requirements that would need to be fulfilled by any new member, (2) otherwise allow for a more flexible determination of whether to grant new membership to be made on a case-by-case basis depending on the identity and characteristics of the proposed new member, whether it seeks to participate in any existing projects, the ease of adding the new member's load to CMEEC's Rate 9, and any other factors deemed relevant by the CEO, Chair, or others that would be subject to the discretionary approval of the Member Delegation or Board of Directors.

- VI.** The Committee then shifted its focus to whether the concepts of "Associate" and "Associate Representative" should be removed from the Bylaws.

After discussion, the Committee agreed that these concepts refer to a non-voting authority, which is not materially distinguishable from a member of the public, so the concepts can probably be removed from the Bylaws.

- VII.** Next, the Committee discussed the bonding of CMEEC Officers, directors, and employees. Mr. Meisinger noted that none of the previously listed individuals are currently bonded, and Ms. Meek suggested that the language surrounding this bonding could be removed from the Bylaws and a policy requiring bonding for individuals who are bank account signatories could be implemented. Discussion followed.

The Committee agreed to (1) remove the bonding provision from the Bylaws as an outdated and cash-centric concept, (2) discuss whether D&O coverage is relevant in this context with our insurance consultant, and ultimately (3) confirm that no further action is needed because no Board member is a CMEEC bank account signatory and substantially all financial transactions are electronic with dual authorization.

- VIII.** The Committee then revisited the topic of whether the Board's current approach to Board member stipends and compensation is appropriate and necessary, and whether MEU governing bodies or appointing authorities should instead establish and pay any stipends directly to their respective Board members; for example, Mr. Meisinger further added that Article III, Section 2.2 of the Bylaws expressly requires that any compensation "for each Municipal Representative shall be determined by each Municipal Legislative Body," which is a conflicting provision that CMEEC has not been following. Mr. Meisinger noted that the results of both a survey of the CMEEC Board of Directors and a survey of APPA Joint Action Agencies (JAAs) on this topic were included in the meeting materials for the present meeting. He explained that CMEEC could engage Winston Tan, an independent consultant currently used by CMEEC and the Board for related benchmarking purposes, to administer a broader survey of JAAs to further explore this topic. Robust discussion followed.

The Committee agreed that the CEO and Chair would commission Winston Tan to conduct a rigorous survey of JAA practices around Board member compensation.

Throughout the Committee's discussion, the topic of the Member Delegation and its level of delegated authority arose repeatedly. By the end of the present meeting, the Committee agreed that (1) the CEO should seek legal counsel regarding the status of the Member Delegation under CMEEC's enabling law and (2) if a Member Delegation is to be retained, further discussion should occur to determine whether any authority should be added to or subtracted from its current authority.

E Possible Executive Session to Discuss Preliminary Topics and Issues That May Be Addressed or Reflected in Proposed Amendments to CMEEC Organic Documents, Including Without Limitation the CMEEC Member Agreements and CMEEC Bylaws, Pursuant to C.G.S. Sections 1-200(6)(E), 1-210(b)(1), 1-210(b)(5), 1-210(b)(10) and 1-225(f)

The Committee did not identify circumstances that warranted entering executive session, so the entirety of the discussion on the specified topics is recorded under Agenda Item D.

F Discuss Next Steps and Schedule Next Meeting of the Committee

After discussion, the Committee agreed to discuss a preliminary markup of the CMEEC Bylaws at its next special meeting scheduled for Wednesday, August 27, 2025 at 1 p.m.

G Adjourn

A motion was made by Committee Member Gaudet, seconded by Committee Member Huth to adjourn.

Motion passed unanimously.

The meeting was adjourned at 12:05 p.m.