

DRAFT SUBJECT TO APPROVAL

**Minutes of the
Joint Risk Management Committee of the
Board of Directors of
Connecticut Municipal Electric Energy Cooperative
And
Connecticut Transmission Municipal Electric Energy Cooperative**

July 31, 2018

The Joint Risk Management Committee of the Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” or “Transco”) met at the CMEEC offices on Tuesday, July 31, 2018.

Committee member Ronald Gaudet called the meeting to order at 11:10 a.m.

The following Committee Members participated:

Groton Utilities – Ronald Gaudet
Jewett City Department of Public Utilities – Louis Demicco (via phone)
Third Taxing District – Kevin Barber

The following individuals from CMEEC participated:

Drew Rankin, CMEEC CEO
Robin Kipnis, CMEEC General Counsel
Dylan Philips, CMEEC Risk Analyst
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Administrative Staff

Other Participants:

William Kowalski, Municipal Electric Consumer Advocate (via phone)

Committee member Gaudet called the meeting to order at 11:10 a.m. in the absence of Committee Chairman John Bilda. Mr. Gaudet noted that today’s meeting was being held to review and discuss the draft Enterprise Risk Management Program (“ERMP”). Mr. Phillips provided a brief overview by walking through the slide deck presented to this Committee that provided an overview of the draft ERMP including a brief history of the ERMP noting that originally it focused only on Rate 9 energy procurement, whereas the current focus is on the entire enterprise including short term and long term assets, regulatory and regional stakeholder management, physical management, financial stability management and intellectual proprietary properties management. It will eventually be expanded to include risk oversight of all activities within CMEEC. An ERMP dashboard showing the risk elements, tolerances and controls that

may need to be put in place to be within the risk tolerances will be presented at the monthly CMEEC Board of Directors meetings. The metrics comprising the risk elements will be readily identifiable through the detail provided in the Board package and summarized in the Objective Summary. This will provide transparency to the Board as they will be able to see the risk elements and controls put in place. Mr. Gaudet questioned how the new compliance dashboard will be rolled out to the rest of the Board of Directors since this will be a new page, perhaps a new tabbed item, in the board package.

Mr. Rankin explained that we currently include an Objective Summary in the package. On that Objective Summary, the ERMP compliance is a metric. The concept is that the new compliance dashboard will follow the Objective Summary and will identify those metrics or elements that require implementation of controls.

Discussion ensued amongst the Committee members, Mr. Rankin and the Mr. Kowalski as to the Risk Element identified as CMEEC Reputation/Image and how best to ensure that this measures external reputation and image and how to gauge that risk element in advance of it becoming at risk. Mr. Kowalski added that perhaps an annual process, like the Quinnipiac Poll, could be conducted. Committee members expressed reservation about CMEEC reaching out directly to their ratepayers. Mr. Rankin noted that the Board Control/Required Action could be modified to include review of public assessment or customer assessment.

Mr. Rankin offered that CMEEC could conduct a review of public image polls available that CMEEC could utilize annually, at a reasonable expense.

Mr. Gaudet then entertained a motion to enter Executive Session to discuss renewal of CMEEC's use rights and support obligations under Phase I and Phase II of the HVDC Hydro Quebec Transmission Line.

Motion by Committee Member Barber, seconded by Committee Member Demicco to enter into Executive Session.

The meeting entered Executive Session at 12:17 p.m.

The basis for entering Executive Session is the discussion and review of financial information given in confidence to CMEEC in accordance with Conn. Gen. Stat. Section 1-210(b)(5)(B).

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

Motion by Committee Member Barber, seconded by Committee Member Demicco to adjourn the meeting.

The meeting was adjourned at 1:18 p.m.