

MINUTES OF THE
REGULAR HYBRID MEETING OF THE
BUDGET AND FINANCE COMMITTEE
OF THE JOINT BOARD OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

October 1, 2026

A Regular Hybrid Meeting of the Budget and Finance Committee of the Joint Board of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” dba Transco) was held in person at 30 Stott Avenue, Norwich, CT and via Zoom on Thursday, October 1, 2026 at 10:00 a.m.

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

The following Committee Members participated via Zoom unless otherwise noted:

Bozrah Light & Power: William Ballinger
East Norwalk, Third Taxing District: Kevin Barber
Groton Utilities: Ronald Gaudet (in person), Yi Xiang (Non-Board Committee Member)
Groton Municipal Representative: Mark Oefinger
Norwich Public Utilities: Jeffrey Brining (joined at 10:12 a.m.; participated via Zoom until arriving in person at 10:45 a.m.)
Norwich Municipal Representative: David Eggleston
South Norwalk Electric & Water: David Westmoreland
South Norwalk Municipal Representative: Dawn DelGreco

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

Jewett City Department of Public Utilities: Elier Alvarado, Louis Demicco
Jewett City Municipal Representative: George Kennedy
Norwich Public Utilities: Stewart Peil (in person)
South Norwalk Electric & Water: Alan Huth

The following CMEEC staff participated in person unless otherwise noted:

Shadaya Bransford, Treasury & Risk Assurance Analyst
Christopher Collins, Payroll & Accounts Payable Accountant
Anthony DePaolis, Billing Accountant
Candice DiVita, Director of Finance & Accounting

The following CMEEC staff participated in person unless otherwise noted (Cont'd):

Lauren Gaudet, Engagement Strategist
Margaret Job, Human Resources Manager & Paralegal
Amber Martin Stone, General Counsel
Chantal Maxwell, Administrative & Facilities Specialist (via Zoom)
Patricia Meek, Senior F&A Advisor
Dave Meisinger, CEO
Hao Ni, Asset Performance Manager (joined at 10:02 a.m.)
Heidi Winnick, Director of Treasury & Risk Assurance

Others who participated:

Lesley Murphy, PFM Asset Management LLC (in person)
David Silverstone, Esquire, Municipal Electric Consumer Advocate (via Zoom)

Ms. Gaudet recorded.

Committee Chair Ronald Gaudet called the meeting to order at 10:00 a.m.

Specific Agenda Item

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Gaudet conducted a roll call to identify the voting persons at the meeting and confirmed a quorum of the Committee was present.

C Approve the Minutes of the September 17, 2026 Regular Hybrid Meeting of the Budget & Finance Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Ballinger to approve the minutes of the September 17, 2026 Regular Hybrid Meeting of the Budget & Finance Committee. Committee Member DelGreco abstained.

Motion passed.

D Guest Speaker: PFM Asset Management Presentation of 2026 Second Quarter Investment Portfolio Results

Ms. Winnick introduced Ms. Murphy of PFM Asset Management LLC (PFMAM). Ms. Murphy noted that she is a Director with PFMAM, where she has worked since 2007.

Ms. Murphy guided the Committee through a presentation covering PFMAM's relationship with CMEEC, current economic conditions, and the performance and outlook of CMEEC's investment strategies for trust funds.

Discussion followed.

E Review Proposed 2027 Transco Budget

Ms. DiVita led the Committee through a presentation about the Proposed 2027 Transco Budget, which included an overview of Transco, the highlights and details of the proposed budget, the 2028 - 2031 Transco Forecast, and next steps. She explained that due to the anticipated sale of Transmission Project #1 assets on December 31, 2026, no Transmission Project #1 component was included in the Proposed 2027 Transco Budget. Consequentially, the Proposed 2027 Transco Budget consists solely of the Municipal Electric Utility (MEU) Transmission and CMEEC Transmission components.

Ms. Meek noted that Section 6.2 of the Transmission Financing and Service Agreement between CMEEC and Transco requires the Transco Budget to be prepared at least sixty days prior to the beginning of each year and to be approved by the Transco Board of Directors in advance of its consolidation into the CMEEC Budget. She explained that this requirement is no longer necessary from staff's perspective as all CMEEC and Transco transmission costs will now be calculated concurrently. She added that the Ad Hoc Charter Review Committee could consider future revisions to the Agreement to permit both budgets to be prepared and reviewed simultaneously.

Committee Chair Gaudet then entertained a motion to recommend that the Transco Board of Directors approve the Proposed 2027 Transco Budget as presented to the Committee.

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Brining to recommend the approval of the Proposed 2027 Transco Budget, as presented to the Committee, to the Transco Board of Directors.

Motion passed unanimously.

F Possible Vote to Enter Executive Session Pursuant to C.G.S. §§ 1-200(6)(B), 1-200(6)(E), 1-210(b)(4), and/or 1-210(b)(5) to Review Details of:

- **Divestiture of Project #1**
- **Federal Energy Regulatory Commission-Ordered Transmission Return on Equity Refund**

Following a brief discussion, the Committee agreed to discuss these matters in public session unless circumstances were to arise warranting a shift to executive session.

Divestiture of Project #1

Ms. Meek provided an overview of the divestiture of Transmission Project #1, including the status of regulatory approvals, the anticipated bond defeasance, and other related financial implications. She explained that, pending Federal Energy Regulatory Commission (FERC) approval, the sale is expected to close on December 31, 2026, and that the net sale proceeds are anticipated to exceed the amount necessary to defease the bonds. She further explained that Transco was required to file 2027 Regional Network Service (RNS) revenue requirements because the sale had not yet been approved at the time of the filing, and, as a result, Transco will be required to refund any RNS revenues (in excess of appropriate true-ups) collected in 2027 through a true-up process that will be reflected in 2028 RNS rates.

Discussion regarding the timing of the distribution of net sale proceeds remaining after the defeasance of Transmission Project #1 bonds to Transmission Project #1 participants followed. During the discussion, Ms. Meek clarified that the excess proceeds are currently expected to be distributed to project participants in early 2027.

Federal Energy Regulatory Commission-Ordered Transmission Return on Equity Refund

Ms. Meek provided background on the FERC-ordered transmission return on equity (ROE) refund and its anticipated impact on Transco. She explained that FERC Opinion 594, issued on March 19, 2026, reduced the base ROE, which is used in the calculation of the ISO New England, Inc. (ISO-NE) Open Access Transmission Tariff (OATT) Schedule 9 RNS and Local Network System (LNS) rates, from 10.57% to 9.57%, and directed refunds to correct the ROE collected during the period of October 2011 through March 2026. She noted that the reduction in ROE affects only Transmission Owners (TOs) whose rates are based on the FERC-authorized ROE and does not affect Municipal TOs, which continue to receive a fixed 8% ROE. Ms. Meek further explained that ISO-NE is currently expected to administer the refund through settlements reflected on invoices issued from January through May 2027.

Ms. Meek concluded by noting that Transco will both make refund payments and receive refunds as a transmission payer and that the net result is expected to provide a net benefit, but this has not been reflected in the Proposed 2027 Budget due to pending litigation and incomplete information. Ms. Stone added that a pending appeal before the U.S. Court of Appeals for the District of Columbia Circuit could affect the time of the refund, the obligation to pay interest, and the applicable ROE. She emphasized that these uncertainties are not reflected in the ROE refund timeline estimates presented today.

G New Business

Mr. Meisinger reported that CMEEC's sale of its equity shares in Hydro Quebec had closed the previous day and that the sale proceeds have been received. He noted that the transaction resulted in a net benefit to CMEEC, that a portion of the proceeds will be appropriately passed through to CMEEC's project participants.

Committee Chair Gaudet reminded the Committee that its next meeting is scheduled for October 15, 2026 at 1 p.m.

Mr. DePaolis shared additional information about the SCADA system project in the Proposed 2027 Capital Budget in response to a request made by Committee Member Westmoreland at the Committee's last meeting.

H Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:35 a.m.