

MINUTES OF THE
REGULAR MEETING OF THE

JOINT AUDIT COMMITTEE
OF THE
BOARDS OF DIRECTORS OF
CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

March 12, 2020

A Regular Meeting of the Joint Audit Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEC” and “Transco”) met at the CMEEC offices located at 30 Stott Avenue, Norwich, CT on Thursday, March 12, 2020 at 10:00 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:

Bozrah Light & Power: Scott Barber
Groton Municipal Representative: Mark Oefinger (via telephone)
Jewett City Department of Public Utilities: Kenneth Sullivan (via telephone)
East Norwalk, Third Taxing District: Kevin Barber
Norwich Public Utilities: Stewart Peil, Robert Staley
South Norwalk Electric & Water Municipal Representative: Dawn DelGreco (via telephone)

The following Non-Voting Members were also present:

Jewett City Department of Public Utilities: Louis Demicco (via telephone)

The following CMEEC Staff participated:

Dave Meisinger, CMEEC CEO (via telephone)
Robin Kipnis, Esquire, CMEEC General Counsel
Michael Lane, CMEEC CFO
Patricia Meek, CMEEC Financial Planner & Analyst Manager
Joanne Menard, CMEEC Controller
Leslie Williams, CMEEC Principal Billing & Rate Analyst
Heidi Winnick, CMEEC Treasury Analyst
Margaret Job, CMEEC Executive Assistant / Paralegal

Other participants:

Matthew Coit, Manager, Blum Shapiro
Jonathan Fink, Partner, Blum Shapiro
David Silverstone, Esquire, Municipal Electric Consumer Advocate (via telephone)

Ms. Job recorded.

Committee Chair Stewart Peil called the meeting to the order at 10:00 a.m., noting for the record that the meeting is being held in person and via telephone at the CMEEC offices located at 30 Stott Avenue, Norwich, CT. Committee Chair Peil asked that those participating identify themselves for the benefit of all participating at the meeting. He confirmed a quorum was present.

Specific Agenda Item

A Public Comment

No public comment was made.

B Approve the Minutes of the February 13, 2020 Special Meeting of the Joint Audit Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Scott Barber to approve the Minutes of the February 13, 2020 Special Meeting of the Joint Audit Committee.

Motion passed unanimously.

C Audit Results

Jonathan Fink, Partner with Blum Shapiro explained that the purpose of today's meeting is to share the draft results of the audit of CMEEC and Transco's financial statements for 2019 with this Committee and to provide the Committee members a chance to ask questions it has related to the draft audited financials that will be discussed during Executive Session. He added that an unmodified opinion is expected and is consistent with past years. He stated that the audit did not note any material weakness or significant deficiencies regarding control environment.

Committee Chair Peil entertained a motion to enter Executive Session to review the 2019 Draft Audited Financial Statements.

A motion was made by Committee Member Scott Barber, seconded by Committee Member Kevin Barber to enter Executive Session.

At this point David Silverstone, Esquire, Municipal Electric Consumer Advocate, raised an objection to entering Executive Session to discuss the draft audited financial statements. He understood the reason to discuss certain items in Executive Session such as discussions between the auditors and CMEEC personnel however he did not agree that the discussion of the draft

audited financial statements should be kept from public view. He voiced his concerns and encouraged the Committee not to enter Executive Session to discuss the draft audited financial statements.

Ms. Kipnis explained the rationale for moving to Executive Session to discuss the draft audited financial statements being protection of communications between auditors and CMEEC staff during the auditor's fraud interviews that could be revealed during the discussion of the draft statements and therefore hindering staff from being forthcoming as well as not chilling the Audit Committee members from asking questions. She also stated that it has been past practice to hold discussion of the draft financial audit in executive session.

After extensive discussion, Committee Chair Peil noted that a motion had been made and seconded and that a vote should be taken. The vote was as follows:

Chair Stewart Peil	Yes
Committee Member Kevin Barber	Yes
Committee Member Scott Barber	Yes
Committee Member Dawn DelGreco	Yes
Committee Member Mark Oefinger	No
Committee Member Robert Staley	No
Committee Member Kenneth Sullivan	No

The motion passed.

The Committee entered Executive Session at 10:21 am.

The basis for entering Executive Session is in accordance with Connecticut General Statutes 1-200(6)(E) and 1-210(b)(1). Members of the Joint Audit Committee, as well as Member Representative Louis Demicco, Messrs. Lane and Meisinger and Meses. Kipnis, Meek, Menard, Williams and Winnick remained.

At 11:40 a.m. Messrs. Lane and Meisinger and Meses. Kipnis, Meek, Menard, Williams and Winnick were excused from Executive Session.

The Committee re-entered Public Session at 11:56 a.m.

A motion was made by Committee Member Robert Staley, seconded by Committee Member Scott Barber to accept the Draft Audited Financial Statements as presented and discussed at this meeting and to recommend their approval by the Board of Directors at its meeting scheduled to be held on Thursday, March 26, 2020.

Motion passed unanimously.

D Review and Possible Vote on CMEEC Business Travel, Events and Retreats Policy in connection with the Approval of Expenses by Officers including Expense Exceptions (Special Committee Recommendation)

Mr. Lane walked the Committee through the suggested changes to the CMEEC Business Travel, Events and Retreats Policy (the "Policy") previously approved by the Board, noting that the changes were intended to address the remaining Special Committee Recommendations assigned

to the Audit Committee from the Governance Committee: 1) to re-examine the policy for approval of expenses by Officers, including appropriate visibility to the full Board of Directors; and 2) that the Audit Committee establish a policy by which CMEEC employees document / get approval for travel and expense exceptions to the policy.

The Audit Committee reviewed the changes to the Policy and lengthy discussion followed. Committee Member Staley suggested that the Policy be further amended to add language that the Audit Committee would receive a quarterly report of any exceptions to the travel policy.

Committee Chair Peil entertained a motion to amend Paragraph H of the Policy by adding the following language:

“A report identifying exceptions to this Policy will be provided to the Audit Committee on a quarterly basis.”

A motion was made by Committee Member Scott Barber, seconded by Committee Member Staley to approve the above amendment to the CMEEC Business Travel, Events and Retreats Policy.

Motion passed unanimously.

Committee Chair Peil entertained a motion to approve the amended CMEEC Business Travel, Events and Retreats Policy.

A motion was made by Committee Member Staley, seconded by Committee Member Scott Barber to approve the amended CMEEC Business Travel, Events and Retreats policy.

Motion passed unanimously.

Upon Committee Chair Peil’s inquiry as to any further business to come before this Committee, Committee Member Mark Oefinger suggested that the item of whether and to what extent Draft Audited Financial Statements should be reviewed by the Audit Committee in Executive Session be considered in a future Audit Committee agenda.

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

A motion was made by Committee Member Scott Barber, seconded by Committee Member Staley to adjourn the meeting.

The meeting was adjourned at 12:21 p.m.