

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

January 9, 2024

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” dba Transco) was held via Zoom on Tuesday, January 9, 2024 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
Jewett City Department of Public Utilities: Kenneth Sullivan
Norwich Public Utilities: Stewart Peil, Robert Staley
Norwich Municipal Representative: David Eggleston
South Norwalk Municipal Representative: Dawn DelGreco
Third Taxing District, East Norwalk: Kevin Barber

The following Non-Voting Members participated:

Bozrah Light & Power: William Ballinger
Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy
Norwich Public Utilities: Christopher LaRose
East Norwalk Municipal Representative: Pete Johnson

The following CMEEC staff participated:

Dave Meisinger, CMEEC CEO
Patricia Meek, CMEEC Director of Finance & Accounting
Joanne Menard, CMEEC Controller
Michael Rall, CMEEC Director of Asset Management
Linda Audit, CMEEC Human Resources Lead
Candice DiVita, CMEEC Lead Accounts Payable Accountant

The following CMEEC staff participated (Cont'd):

Margaret Job, CMEEC Paralegal and Compliance Manager
Ginger Palmer, CMEEC Cyber Systems & Security Manager
Leslie Williams, CMEEC Principal Accountant
Heidi Winnick, CMEEC Financial & Treasury Analyst

Others participated:

Greg Bugbee, Novus Insight
John Covey, Norwich Public Utilities
Steve Sinko, Norwich Public Utilities
David Silverstone, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Stewart Peil called the meeting to order at 10:00 a.m. noting for the record that today's meeting is being held via Zoom. Committee Chair Peil reminded participants to keep their devices on mute unless speaking to eliminate background noise and to 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. Job conducted roll call. Committee Chair Peil confirmed a quorum of the Committee was present.

C Selection of Joint Audit Committee Chair

After Committee Chair Peil informed the Committee that he would be willing to continue to chair this Committee for 2024, Committee Member Eggleston nominated Committee Chair Peil to continue to serve as Chair of the Committee. No other nominations were made.

A motion was made by Committee Member Eggleston, Seconded by Committee Member Oefinger to re-elect Committee Chair Peil as Chair of the Audit Committee for 2024.

Motion passed unanimously.

D Approve the Minutes of the November 7, 2023 Regular Meeting of the CMEEEC / CTMEEEC Joint Audit Committee

A motion was made by Committee Member Scott Barber, seconded by Committee Member Staley to Approve the Minutes of the November 7, 2023 Regular Meeting of the CMEEEC / CTMEEEC Joint Audit Committee.

Motion passed unanimously.

E Update on Cybersecurity Gap Analysis Project

Committee Chair Peil explained that CMEEEC Staff Ginger Palmer and Novus Insight Staff Greg Bugbee will present an update on the Cybersecurity Gap Analysis as requested by this Committee at its November 7, 2023 meeting.

Ms. Palmer introduced Mr. Bugbee after which Mr. Bugbee began to walk the Committee through the slide deck provided in advance of today's meeting. Both he and Ms. Palmer provided overviews of the project plan, policy and technical accomplishments, challenges faced conducting the analysis and next steps.

After lengthy discussion, Ms. Palmer agreed to assign a proposed timeline associated with each of the items identified as next steps to be conducted for ease of benchmarking completion. An updated graph identifying proposed timelines will be presented to this Committee at its meeting on March 20, 2024.

F Review Proposed Changes to the Joint Audit Committee Charter with Possible Vote to Recommend the Revised Charter to the Board for Adoption

Committee Chair Peil reminded the Committee that at its meeting November 7, 2023, they agreed that CMEEEC staff would draft potential language changes to the Audit Committee Charter to alter the stated frequency of the annual internal audit requirement.

Ms. Menard then provided a high-level overview of the Audit Committee Charter and walked through the proposed edits to paragraph 8 of Section IV. Responsibilities, addressing frequency of annual internal audit requirement. After discussion, the Committee agreed the proposed edits were appropriate. Committee Chair Peil entertained a motion to recommend the proposed revised Audit Committee Charter to the Board for adoption.

A motion was made by Committee Member Eggleston, seconded by Committee Member Kevin Barber to recommend the revised Audit Committee Charter to the Board for Adoption.

Motion passed unanimously.

G Review Results of Joint Audit Committee Self-Evaluation

Committee Chair Peil walked the Committee through a brief review of the results of the Committee Self-Evaluation for 2023. He also noted that overall, the self-evaluation returned high scores, however, he stated that only three of the eight Audit Committee Members responded.

H Discussion: Joint Audit Committee Goals for 2024

Ms. Menard explained that next year's discussion of goals will include a report card of goals completed the prior year. She continued to discuss the 2023 goals identifying those that have been completed. Ms. Menard then suggested the following goals from 2023 also become the goals for 2024:

- Continue to follow the Charter while working with the auditors to make sure CMEEC continues to operate within acceptable business guidelines while adhering to Accounting Standards
- Continue to follow the guidelines of the Audit Committee
- Further tightening financial goals is always appropriate to continue

Mr. Silverstone suggested the addition of the following goals for 2024:

- Oversee the completion of the audit of CMEEC's insurance program (excluding Employee Benefits)
- Monitor progress of the Cybersecurity Gap Analysis

I Discussion of 2024 Internal Audit of CMEEC Insurance Program

Ms. Menard explained that at its November 7, 2023 meeting the Committee recommended that a potential audit/examination of the CMEEC insurance program be conducted. She further explained that Mr. Meisinger located and then contacted three prospective vendors to conduct the audit. CMEEC received three proposals as a result of that initial contact. Mr. Meisinger added that individual Zoom meetings were held with each of the responding vendors, and yesterday CMEEC staff met to review the three proposals and agreed that PE Risk would be a good fit for this project.

After discussion, Committee Chair Peil entertained a motion to engage PE Risk to conduct the Audit of the CMEEC Insurance Program.

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Staley to authorize the CMEEC CEO or designated staff to finalize negotiations and to execute a final proposal with PE Risk to conduct an audit of the CMEEC Insurance Program within the budget approved for this project in 2024.

Motion passed unanimously.

J Review Safety Manual/Guidelines Audit Timeline of TRC Recommendations

In response to this Committee's request for CMEEC staff to develop a timeline identifying proposed completion of the TRC recommendations from its audit of the CMEEC Safety Manual and Guidelines, Mr. Rall provided a high-level review of TRC's recommendations and presented a proposed timeline within which to complete the recommendations from the report.

After discussion, Mr. Meisinger stated that a special meeting can be called between the scheduled March 20, 2024 and November 2, 2024 meetings of this Committee to report on the status of both the implementation of the TRC recommendations to the Safety Manual and Guidelines resulting from this Committee's internal audit during 2023, as well as the CMEEC Insurance Program audit during 2024.

K New Business

Ms. Menard reported that there were no exceptions to the Travel Policy since last reported.

Ms. Menard further explained that at the March meeting, the Committee will review and discuss the results of the related party transaction responses to the Accounts Payable active vendor lists that was emailed to the Board and staff to disclose any relation that might present actual, potential, or perceived conflicts of interest. She added that the list will be resent to those that have not responded yet prior to that meeting.

Mr. Meisinger thanked Committee Chair Peil for agreeing to continue to serve as Chair of the Committee for 2024. He also noted that Mr. Silverstone has been re-appointed as CMEEC's Municipal Electric Consumer Advocate for the years 2024-2025.

L Adjourn

A motion was made by Committee Member Scott Barber, seconded by Committee Member Oefinger to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:23 a.m.