

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

November 7, 2023

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, November 7, 2023 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 open portions of the meeting.

The following Committee Members participated:

Bozrah Light & Power: Scott Barber
Groton Municipal Representative: Mark Oefinger
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
Norwich Public Utilities: Christopher LaRose

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
Candice DiVita, CMEEC Lead Accounts Payable Accountant
Margaret Job, CMEEC Paralegal and Compliance Manager
Ellen Kachmar, CMEEC Office and Facilities Manager
Heidi Winnick, CMEEC Financial & Treasury Analyst

The following invited guests participated:

Chris Andrews, TRC Companies
Jessica Aniskoff, CliftonLarsonAllen
Vanessa Rossitto, CliftonLarsonAllen

Others participated:

David Silverstone, Esquire 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 Approve the Minutes of the Special May 15, 2023 Meeting of the Joint Audit Committee

A motion was made by Committee Member Oefinger, seconded by Committee Member Staley to Approve the Minutes of the Special May 15, 2023 Meeting of the Joint Audit Committee.

Motion passed unanimously.

D Review Report of 2023 Internal Audit: CMEEC Safety Manual and Guidelines with TRC

Mr. Rall explained that at its meeting on March 16, 2023, this Committee requested that an audit of the CMEEC Safety Manual and Guidelines be conducted as its 2023 internal audit. He added that CMEEC staff developed and released an RFP and selected TRC to conduct the audit and that Chris Andrews, TRC Project Manager, is here today to discuss his report and recommendations. Mr. Andrews proceeded to walk the Committee through his presentation highlighting his findings and recommendations.

After discussion, the Committee agreed that CMEEC staff will develop a timeline identifying proposed completion dates (whether by CMEEC staff, TRC and/or a different third party) for the recommendations identified in the TRC report.

E Annual Audit Planning with CliftonLarsonAllen

Ms. Aniskoff introduced herself and identified the team that will be conducting this year's audit. She discussed the scope of services stating that CLA will be engaged to conduct a financial statement audit of CMEEC and Transco and will issue the debt compliance letters. Ms. Aniskoff further explained the financial statement audit objectives and responsibilities as well as management's and the auditor's responsibilities. She discussed the audit approach and briefly highlighted the GASB standards that may affect CMEEC in the audit. Finally, Ms. Aniskoff provided a detailed audit schedule stating that preliminary fieldwork will be conducted January 3 – 5, 2024 with final fieldwork being conducted the weeks of January 29, 2024 and February 5, 2024. CLA will present its findings to this Committee at its meeting in March 2024 with the financial statements being finalized by March 31, 2024.

Ms. Rossitto briefly discussed the tax credit for green energy projects under the Inflation Reduction Act for those projects that began on January 1, 2023 through 2024. Mr. Rall responded that CMEEC is aware of the tax credit and noted that CMEEC does not currently have projects that will be affected.

F Possible Vote to Authorize Signature on Engagement Letters

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Oefinger to Authorize Signature on both the CMEEC and Transco Engagement Letters.

Motion passed unanimously.

G Discuss Potential Policy or Focus for Internal Audit/Examination by a Third Party for 2024

Committee Chair Peil identified potential focus areas developed by CMEEC staff for consideration for the 2024 internal audit/examination. He also identified reviews and focus areas conducted in prior years. Ms. Menard added that this Committee's Charter requires consideration of an annual internal audit/examination however there may be times when an audit/examination may not be identified or requested. She offered that the Charter could be amended to change the annual requirement to a less frequent occurrence or on an 'as needed basis' requirement.

After lengthy discussion related to the 2020 Cyber Security gap analysis project, the Committee agreed that an update on that project will be provided during the first or second meeting of this Committee in 2024.

After further discussion related to a potential internal audit/examination for 2024, the Committee agreed that CMEEC staff will research potential experts or consulting firms to conduct a review of the CMEEC insurance program (excluding any employee benefits insurance or programs) and, if appropriate, draft an RFP for consideration by this Committee.

The Committee also agreed that CMEEC staff will draft potential language changes to the Audit Committee Charter to alter the stated frequency of the annual internal audit requirement for discussion at its first meeting in 2024.

H New Business

Regarding this Committee's requirement to report on CMEEC Travel Policy exceptions, Ms. Menard reported that there were no exceptions to the Travel Policy since last reported.

I Adjourn

A motion was made by Committee Member DelGreco, seconded by Committee Member Kevin Barber to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:00 a.m.