

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 10, 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 and telephonically on Tuesday, January 10, 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 publicly open portions of the meeting.

The following Committee Members participated telephonically or via Zoom:

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 telephonically and via Zoom:

Bozrah Light & Power: William Ballinger
Jewett City Department of Public Utilities: Louis Demicco
Jewett City Municipal Representative: George Kennedy
South Norwalk Electric & Water: Alan Huth

The following CMEEC Staff participated telephonically and via Zoom:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Director of Finance and Accounting
Joanne Menard, CMEEC Controller
Candice Divita, CMEEC Financial analyst
Margaret Job, CMEEC Paralegal and Compliance Specialist
Leslie Williams, CMEEC Principal Accountant
Heidi Winnick, CMEEC Financial & Treasury Analyst

The following invited guests participated telephonically or via Zoom:

Jessica Aniskoff, CliftonLarsonAllen
Brandon Cathcart, CliftonLarsonAllen
Vanessa Rossitto, CliftonLarsonAllen

Others participated telephonically or via Zoom:

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 that today's meeting is being held telephonically and via Zoom. Committee Chair Peil reminded participants to keep their devices on mute unless speaking to eliminate background noise. He asked participants 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 Audit Committee Chair

Committee Chair Peil opened the floor for nomination for Chairperson of the Audit Committee. Committee Member Barber nominated Stewart Peil. There were no other nominations. A motion was made by Committee Member Kevin Barber, seconded by Committee Member Robert Staley to re-elect Committee Chair Peil as Chair of the Audit Committee for 2023. Motion passed unanimously.

D Approve the Minutes of the November 15, 2022 Regular Meeting of the CMEEC / CTMEEC Joint Audit Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Staley to Approve the Minutes of the November 15, 2022 Regular Meeting of the CMEEC / CTMEEC Joint Audit Committee.

Motion passed unanimously.

E Annual Audit Planning with Vanessa Rossitto, Jessica Aniskoff, CliftonLarsonAllen, LLP

After Ms. Menard introduced Mes. Rossitto, Aniskoff and Mr. Cathcart, Ms. Rossitto introduced herself and the team that will be conducting the annual audit. Ms. Aniskoff discussed the scope of services stating that CliftonLarsonAllen (“CLA”) will be engaged to conduct a financial statement audit of CMEEC and Transco and will issue a debt compliance letter as is consistent with previous years.

Ms. Aniskoff walked the Committee through standard CMEEC management and Auditors’ responsibilities during the audit process and the audit approach. She briefly discussed the GASB Standards that may affect CMEEC in the audit. Finally, Ms. Aniskoff provided a detailed audit schedule noting that the preliminary fieldwork was conducted the week of January 3, 2023 with final fieldwork to be conducted during the weeks of January 30 and February 6. She added that CLA will present early findings to this Committee at its meeting on March 16, 2023 with financial statements being finalized by March 31, 2023.

F Possible Vote to Authorize Signature on Engagement Letters

A motion was made by Committee Member Oefinger, seconded by Committee Member Staley to authorize the signature of the Statements of Work – Audit Services (CLA Engagement Letters) for each of CMEEC and CTMEEC.

Motion passed unanimously.

At this time Mr. Silverstone inquired about the Master Services Agreement (“MSA”) also included with today’s meeting material. After discussion, Ms. Rissotto confirmed that the MSA is a two year agreement to which the Scope of Work documents are attached. She noted that the initial term of the MSA is two years and continues until terminated pursuant to its terms and the SOWs are renewed annually. Each document is required to be executed by CLA and CMEEC. The Committee then agreed to modify today’s Agenda to add authorization to sign the MSA as presented, subject to any non-material modifications that may be deemed necessary by CMEEC’s General Counsel.

A motion was made by Committee Member Oefinger, seconded by Committee Member Kevin Barber to modify the Agenda to add a vote to Authorize Signature of the Master Services Agreement.

Motion passed unanimously.

A motion was made by Committee Member Kevin Barber, seconded by Committee Member David Eggleston to Authorize the signature of the Master Services Agreement.

Motion passed unanimously.

G Review of Joint Audit Committee Charter

The Committee reviewed the Joint Audit Committee Charter. No revisions were recommended to be made.

H Review Results of Joint Audit Committee Self-Evaluation

Ms. Menard walked the Committee through the results of the Joint Audit Committee's self-evaluation. She explained that overall, the topics of the survey received a rating of outstanding. One respondent scored each of the topics as needing improvement however there were no negative comments or suggested improvements accompanying those scores.

I Discussion: Joint Audit Committee Goals for 2023

The Committee discussed potential goals for 2023 utilizing the topics provided by the Committee in its self-evaluation document. After discussion, the Committee agreed that an educational presentation of the CMEEC accounting system could be conducted either jointly with the Budget & Finance Committee or during a future Board of Directors meeting.

J Discuss Potential Policy or Focus for an Internal Audit/Examination by Third Party for 2023

Committee Chair Peil reviewed the list of historical internal audits, provided in advance of today's meeting, noting that the Cybersecurity audit will not be ready for full audit until after this year for various reasons.

After lengthy discussion, the Committee agreed to defer any further decision on choosing an area for internal audit/examination until its meeting on March 16, 2023.

K Discussion of Enhanced Vendor Due Diligence

Ms. Menard explained that this is a continuance of a discussion at this Committee's last meeting which stemmed from the Accounts Payable and P-card audit results recommending enhanced vendor due diligence in connection with the Ethics and Conflicts of Interest Policy. She asked the Committee if an annual listing of active vendors circulated to the Board and CMEEC staff is sufficient to garner responses identifying any conflict of interest with a particular vendor for new and existing Board members and CMEEC staff.

After lengthy discussion the Committee agreed that the Governance Committee would be tasked with reviewing the Ethics and Conflicts of Interest Policy to address the frequency of the review of the CMEEC current vendor list to aid in identification of potential conflicts of interest, whether the emailed notification of a new CMEEC vendor should include a description of the services a vendor is being engaged to provide or supply, and to determine appropriate next steps following any identified potential or actual conflict of interest or potential for the appearance of a conflict of interest.

L New Business

Ms. Menard reported that there were no deviations to the CMEEC Travel, Events and Retreats Policy since the last report to this Committee. She reminded the Committee that this report is required to be made quarterly to this Committee pursuant to its Charter.

M Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:14 a.m.