

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 11, 2021

A Regular Meeting of the Joint Audit Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (“CMEEEC”) and Connecticut Transmission Municipal Electric Energy Cooperative (“CTMEEEC” dba “Transco”) was held via Zoom and telephonically on Thursday, March 11, 2021 at 10:00 a.m.

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

The following Committee Members participated telephonically or via Zoom:

Groton Utilities: Keith Hedrick
Groton Municipal Representative: Mark Oefinger
Jewett City Department of Public Utilities: Kenneth Sullivan
Norwich Public Utilities: Stewart Peil, Robert Staley
South Norwalk Municipal Representative: Dawn DeIGreco
Third Taxing District, East Norwalk: Kevin Barber

The following Non-Voting Member participated telephonically or via Zoom:

Jewett City Department of Public Utilities: Louis Demicco

The following CMEEEC Staff participated telephonically or via Zoom:

Dave Meisinger, CMEEEC CEO
Robin Kipnis, Esquire, CMEEEC General Counsel
Patricia Meek, CMEEEC Director of Finance & Accounting
Joanne Menard, CMEEEC Controller
Leslie Williams, CMEEEC Principal Billing & Rate Analyst
Margaret Job, CMEEEC Executive Assistant / Paralegal

Others participating telephonically or via Zoom:

Matthew Coit, Director CliftonLarsonAllen, LLP
Vanessa Rossitto, Principal, CliftonLarsonAllen, LLP
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 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 with each participant responding individually as their names were called. Committee Chair Peil confirmed a quorum of this Committee was present.

C Approve the Minutes of the January 15, 2021 Special Meeting of the Joint Audit Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Keith Hedrick to approve the Minutes of the January 15, 2021 Special Meeting of the Joint Audit Committee.

Motion passed unanimously.

D Audit Results

Vanessa Rossitto and Matthew Coit of the firm of CliftonLarsonAllen, LLP walked the Committee through the 2020 PowerPoint presentation summarizing the financial audit results provided to this Committee in advance of today's meeting. Ms. Rossitto explained that the presentation summarizes the audit results and encouraged the Committee to ask questions. Ms. Rossitto continued to explain that the dollar amounts presented are draft, but that no major changes are expected. She explained that they were providing an unmodified opinion on the CMEEC and Transco financial statements and that there were no deficiencies or material weaknesses found with respect to internal controls. She also stated that there were no issues identified with respect to compliance with the bond resolutions.

Mr. Coit provided a high-level review of the draft core audited financials with members of the Committee asking questions.

Ms. Rossitto explained that the new GASB 87 standard was applied and adopted early. Significant estimates were reviewed regarding useful lives of capital assets as well as costs to be recovered and regulatory liabilities. She added that sensitive disclosures were also reviewed pertaining to note 14 of the statements.

She also informed the Committee that there was no disagreement with management as they were preparing the financials and management did not consult with another accounting firm relating to issues discussed. She added there were no difficulties encountered in performing the audit.

The Committee expressed a preference for additional time to review the audited financial statements when they are in their final reform and agreed to schedule a Special Audit Committee meeting when the final draft is completed to finalize any questions they might have.

Ms. Rossitto and Mr. Coit were excused from and left the meeting at 10:45 a.m.

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

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Robert Staley to Recommend the Revised Charter to the Board of Directors for Adoption at its meeting on March 25, 2021.

Motion passed unanimously.

**F Discussion: NRECA Employee Benefits Administration Audit, Review of Quotes
and Possible Vote to Engage Firm**

Ms. Menard explained that at its last meeting this Committee chose the audit of the Employee Benefits Administration as the internal audit to be conducted in 2021 and reminded the Committee that this was not an audit in the sense of the firm issuing an opinion but was a report and findings. Ms. Menard provided the Committee a listing of CMEEC's current employee benefits that would be included in the scope of this audit. The internal audit will focus on the accurate provision and administration of CMEEC's benefits to employees according to existing policies and plan documents. Ms. Meek explained to the Committee the difference between this internal audit and the NRECA Participant review that was previously awarded to Brady Martz & Associates by this Committee to perform. At its last meeting, the Committee requested Ms. Menard to secure quotes from Brady Martz & Associates and other firms that include an audit of the remaining employee benefits offered to staff by CMEEC. Ms. Menard provided the results of that request noting that Brady Martz & Associates provided the most competitive quote. She explained that the quotes were based on a testing sample size of

50% of staff. Discussion followed relating to sample size. Ms. Menard stated she had requested quotes to conduct the audit on different sample sizes including 100% of staff. She noted that Brady Martz quoted a nominal increase in cost to conduct the audit on a sample size of 100% versus 50%.

After lengthy discussion Committee Chair Peil entertained a motion to engage Brady Martz & Associates to conduct the internal audit on a sampling of 100% of staff.

A motion was made by Committee Member Barber, seconded by Committee Member Kenneth Sullivan to engage the firm of Brady Martz & Associates to conduct the internal audit of Employee Benefits Administration on a sampling of all staff for a cost of \$7,750.00.

Motion passed unanimously.

G Other Business

Ms. Menard explained that this Committee is tasked with providing a quarterly report on exceptions to the travel policy. She stated that there have been no exceptions to that policy in this first quarter.

H Adjourn

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 Sullivan, seconded by Committee Member Barber to adjourn.

Motion passed unanimously.

The meeting was adjourned at 11:12 a.m.