

MINUTES OF THE
SPECIAL MEETING OF THE

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

August 13, 2020

A Special 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”) was held via Zoom and telephonically on Thursday, August 13, 2020 at 1:00 p.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 via Zoom and telephonically:

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
East Norwalk, Third Taxing District: Kevin Barber
South Norwalk Municipal Representative: Dawn DeIGreco

The following Non-Voting Member also participated via Zoom and telephonically:

Jewett City Department of Public Utilities: Louis Demicco

The following CMEEC Staff participated via Zoom and telephonically:

Dave Meisinger, CMEEC CEO
Robin Kipnis, Esquire, CMEEC General Counsel
Patricia Meek, CMEEC Interim Director of Finance and Accounting
Joanne Menard, CMEEC Controller
Leslie Williams, CMEEC Principal Billing & Rate Analyst
Scott Whittier, CMEEC Director of Enabling Services
Margaret Job, CMEEC Executive Assistant / Paralegal

Other participants:

David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Steward Peil called the meeting to order at 1:02 p.m. noting for the record that today's meeting is being held telephonically and via Zoom. Chair Peil explained the conduct of today's meeting reminding participants to keep their devices on mute unless speaking to eliminate background noise and for clarity of the records.

Specific Agenda Item

A Public Comment

No public comment was made.

B Roll Call

Ms. Job conducted roll call with each participant responding individually as their names were called. Chair Peil confirmed a quorum of this Committee was present.

C Vote to Approve the Minutes of the May 7, 2020 Regular Meeting of the Joint Audit Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Kevin Barber to approve the Minutes of the May 7, 2020 Regular Meeting of the Joint Audit Committee.

Motion passed unanimously.

D Proposed Executive Session pursuant to C.G.S. Section 1-210-(b)(24): Presentation of auditing firm responses to RFQ for Preparation of Annual Audited Financial Statements

Chair Peil explained that after consultation with CMEEC staff, there would be no need to enter Executive Session for this discussion stating that none of the audit firms that responded to the RFQ provided confidential bids.

He entertained a motion to amend the Agenda to hold the discussion in Public Session.

A motion was made by Committee Member Barber, seconded by Committee Member Oefinger to hold Agenda Item D in Public Session.

Motion passed unanimously.

Joanne Menard, CMEEC Controller, walked the Committee through the slide deck which provided a high-level overview of the RFQ process. She explained that the RFQ was submitted to 16 firms. She added that the Connecticut Society of CPAs was the source from which firms were chosen to receive the RFQ. She explained that of the 16 firms, six (6) responded to the RFQ (Blum, Shapiro & Company, PC, Whittlesey, PC, CohnReznick, LLP, PFK O'Connor Davies, LLP, Grant Thornton, LLP, and Mahony Sabol & Company, LLP).

Ms. Menard explained that a Kepner Trego (K-T) decision analysis was used to rate the firms who responded to the RFQ. Ms. Menard then walked the Committee through the spreadsheet containing the K-T analysis.

After lengthy discussion, the Committee agreed that Blum Shapiro would be the right fit emphasizing that Blum would be rotating the lead partner assigned to CMEEC.

E Vote to Select Auditor for Up to a Five (5) Year Engagement and subject to entering into a mutually acceptable Engagement Letter

Chair Peil entertained a vote to select Blum Shapiro as Auditor for up to a five (5) year engagement subject to entering into a mutually acceptable engagement letter.

A motion was made by Committee Member Robert Staley, seconded by Committee Member Kenneth Sullivan to select Blum Shapiro as Auditor for up to a five (5) year engagement subject to entering into a mutually acceptable engagement letter.

Motion passed unanimously.

F Report on Status of Internal Audit

Ms. Menard explained that Novus Insight was engaged as a consultant to assist CMEEC in developing a scope for an internal audit of CMEEC's cybersecurity program. She walked the Committee through the slide deck detailing Novus Insight's suggested recommendations.

Ms. Menard provided a brief background of the meetings with Novus Insight and stated that as a first step, a gap analysis will be conducted. Scott Whittier, CMEEC Director of Enabling Services, explained that the gap analysis will produce a standard against which a true audit could later be conducted.

Lengthy discussion followed regarding the conduct of the internal audit on the CMEEC cybersecurity program and Novus Insight's role. The Committee agreed that given the relationship between CMEEC and Novus Insight, that Novus Insight would not conduct the internal audit of the cybersecurity program at the completion of the gap analysis. At Committee Member Oefinger's suggestion, the Committee agreed that CMEEC will provide reports on the progress of the phases of the gap analysis and subsequent audit.

G New Business

There being no new 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 Oefinger to adjourn.

Motion passed unanimously.

The meeting was adjourned at 2:19 p.m.