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

December 10, 2020

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" and "Transco") was held via Zoom and telephonically on Thursday, December 10, 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:

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 DelGreco

The following non-Voting Members also participated via Zoom and telephonically:

Jewett City Department of Public Utilities: Louis Demicco
Norwich Public Utilities: Christopher LaRose

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

Others participating via Zoom and telephonically:

Matthew Coit, Manager, BlumShapiro
Vanessa Rossitto, Engagement Partner, BlumShapiro
David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Job recorded.

Committee Chair Stewart Peil called the meeting to order at 1:01 p.m. noting for the record that today's meeting is being held telephonically and via Zoom. Committee Chair Peil explained the conduct of today's meeting reminding 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

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 Minutes of the August 13, 2020 Special Meeting of the CMEEC / CTMEEC Joint Audit Committee

A motion was made by Committee Member Mark Oefinger, seconded by Committee Member Kevin Barber to approve the Minutes of the August 13, 2020 Special Meeting of the CMEEC / CTMEEC Joint Audit Committee.

Motion passed unanimously.

D Annual Audit Planning, Matthew Coit and Vanessa Rossitto, BlumShapiro

Committee Chair Peil explained that during its discussion surrounding an RFP for audit services on May 7, 2020, this Committee agreed that should BlumShapiro continue to conduct the financial audit of CMEEC and Transco, that CMEEC would request a rotation of partner or principal that was currently assigned to a CMEEC audit project. He stated that as a result, Jonathan Fink, a partner with BlumShapiro and member of the team conducting CMEEC's financial audits, would be replaced. Committee Chair Peil then introduced Matthew Coit and Vanessa Rossitto as part of the team conducting this year's financial audits.

Ms. Rossitto identified the team conducting this year's financial audit. She discussed the scope of services and components of the financial statement audit objectives and responsibilities.

Mr. Coit walked the Committee through the handout setting forth BlumShapiro's audit approach that was provided to the Committee in advance of today's meeting. He highlighted certain GASB standards that will be applicable for 2020 as well as those coming into play through 2023. Discussion ensued as to the impact on CMEEC, if any. He identified the audit schedule beginning with the preliminary fieldwork that has begun on December 9 and continuing to December 10, 2020. Final fieldwork will take place during the weeks of February 1, 2021 and February 8, 2021. BlumShapiro will then meet with this Committee at its meeting on March 11, 2021 with the financials expected to be finalized by March 31, 2021.

Ms. Rossitto highlighted activities that will take place at the completion of the audit explaining the audit team will communicate in writing certain standard items related to the audit.

Lengthy discussion followed with Mr. Coit and Ms. Rossitto answering questions posed by Committee members and Mr. Silverstone.

E Possible Vote to Authorize Signature on Engagement Letters

Committee Chair Peil entertained a motion to authorize the CMEEC CEO to sign the BlumShapiro Engagement Letter with the fee schedule as proposed and based on the planning discussion reviewed at this meeting.

A motion was made by Committee Member Oefinger, seconded by Committee Member Robert Staley to authorize the CMEEC CEO to sign the Engagement Letter with BlumShapiro with the fee schedule as proposed and based on the planning discussion reviewed at today's meeting.

Motion passed unanimously.

F Progress Report on Cybersecurity Gap Analysis

Mr. Whittier walked the Committee through the progress of the Cybersecurity Gap Analysis conducted by IT consultant, Novus Insight. He explained that the ISO 27001 standard was chosen to test CMEEC's current cybersecurity program against as it best suits CMEEC's requirements of protecting the confidentiality, integrity, and availability of information.

Mr. Whittier explained that Novus Insight interviewed CMEEC staff to gain an understanding of all systems used and conducted penetration testing, which did not reveal major security system vulnerabilities. Upon completion of its review, Novus Insight identified up to ten (10) recommendations for CMEEC to improve its current

Cybersecurity program. Once the selected recommendations have been implemented, CMEEC will be positioned to initiate steps to launch a Cybersecurity audit, which is anticipated to be late 2022.

Lengthy discussion followed.

G Other Business

Lengthy discussion ensued following Committee Member Staley's inquiry related to executive sessions to discuss draft preliminary audited financials. Ms. Kipnis explained that Mr. Silverstone has been invited to participate in executive session discussion of the draft audited financials in the past contingent upon his entering into a confidentiality agreement since the materials of the draft audited financials are highly confidential. Mr. Silverstone explained his reasoning for declining to do so. Further discussion followed.

After discussion regarding the Internal Audit Mechanism, the Committee agreed that, at its meeting on March 11, 2021, CMEEC staff will provide a list to this Committee of potential focus areas on which to conduct the 2021 internal audit.

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 Oefinger, seconded by Committee Member Dawn DelGreco to adjourn the meeting.

Motion passed unanimously.

The meeting adjourned at 1:59 p.m.