

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

May 16, 2019

The Joint Risk Management Committee of the Boards of Directors of Connecticut Municipal Electric Energy Cooperative (CMEEC) and Connecticut Transmission Electric Energy Cooperative (CTMEEC or Transco) met at the CMEEC offices on Thursday, May 16, 2019.

The following Committee Members Participated:

Bozrah Light and Power – Richard Tanger
Groton Utilities – Ronald Gaudet
Jewett City Department of Public Utilities – Louis Demicco (via telephone)
Third Taxing District – Kevin Barber

The following individuals from CMEEC participated:

Michael Lane, CFO, Interim CEO
Robin Kipnis, General Counsel
Scott Whittier, Director Enabling Services
Margaret Job, Executive Assistant/Paralegal

Ms. Job recorded.

In the absence of a Chair of this Committee, Mr. Whittier called this meeting to order at 10:02 a.m. and noted for the record that this meeting was being held at the CMEEC offices, 30 Stott Avenue, Norwich, CT and confirmed a quorum was present.

Mr. Whittier asked those present to identify themselves for those participating via telephone.

Specific Action Items

1) **Selection of Joint Risk Management Committee Chair**

Mr. Whittier stated that the first order of business today is to elect a Chair of the Joint Risk Management Committee and asked for nominations.

After discussion, Committee Member Pete Johnson volunteered to Chair the Joint Risk Management Committee.

A motion was made by Committee Member Tanger, seconded by Committee Member Barber to elect Committee Member Johnson as Chair of the Joint Risk Management Committee.

Motion passed unanimously.

2) Approve Minutes from the August 27, 2018 Joint Risk Management Committee Meeting

A motion was made by Committee Member Demicco, seconded by Committee Member Tanger to approve the Minutes from the August 27, 2018 Joint Risk Management Committee Meeting, with Chair Johnson abstaining.

Motion passed.

3) Enterprise Risk Management Program GAP Analysis (Informing)

Mr. Whittier explained that this agenda item is informing only. He provided a brief background on the Enterprise Risk Management Policy (ERMP) stating that most current ERMP was approved in 2014. He added that the CMEEC internal Risk Management Committee reviews the ERMP annually. He stated that CMEEC has hired a consultant, Deloitte & Touche, LLP, to conduct a GAP Analysis on the existing current ERMP. He stated that the current ERMP is focused mainly on energy purchasing and that Deloitte & Touche would be reviewing the whole enterprise. The gap analysis should be completed by August 2019.

Committee Barber inquired if Deloitte & Touche had expertise and experience in the energy market. Mr. Lane confirmed they do. Committee Member Barber also inquired if the current ERMP was written in house to which Mr. Whittier replied it was. Mr. Lane explained that Ed Pryor, former CMEEC CFO, requested that the ERMP be reviewed at year end in 2016 by Blum Shapiro, Financial Auditors. Blum Shapiro made findings that will be reviewed by Deloitte & Touche during their GAP Analysis.

Ms. Kipnis explained that this committee will be tasked with reviewing the GAP Analysis and to develop new revised policies based on the GAP Analysis.

4) Review of Joint Risk Management Committee Charter

Ms. Kipnis provided a brief over view of the revisions made to the Joint Risk Management Committee Charter. She pointed out that she inserted language stating that members of the committee will have an understanding of risk management policies and procedures commensurate with the company's size, complexity and structure. She also added language that this Committee will be

responsible for reviewing insurance policy renewals and new projects. She concluded by stating she corrected inconsistencies and duplicative language and removed language from this Committee's Charter for consistency with other CMEEC committee charters.

A motion was made by Committee Member Barber, seconded by Committee Member Ronald Gaudet to make a recommendation to the Board of Directors to approve the Joint Risk Management Committee Charter.

Motion passed unanimously.

There being no further business to come before this Committee, Committee Chair Johnson entertained a motion to adjourn.

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

Motion passed unanimously.

This meeting was adjourned at 10:49 a.m.