

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

May 15, 2024

A Special Hybrid 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 in person at 30 Stott Avenue, Norwich, CT on Wednesday, May 15, 2024 at 10:00 a.m.

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

The Following Committee Members participated in person or Via Zoom:

Bozrah Light & Power: Scott Barber, via Zoom
Groton Municipal Representative: Mark Oefinger in person (arrived at 11:07 a.m.)
Jewett City Department of Public Utilities: Kenneth Sullivan, via Zoom
Norwich Public Utilities: Stewart Peil, via Zoom, Robert Staley, via Zoom
Norwich Municipal Representative: David Eggleston, via Zoom
South Norwalk Municipal Representative: Dawn DelGreco, via Zoom
Third Taxing District, East Norwalk: Kevin Barber, via Zoom

The following Non-Voting Members participated via Zoom:

Bozrah Light & Power: William Ballinger
Jewett City Department of Public Utilities: Louis Demicco, James Derusha
Jewett City Municipal Representative: George Kennedy
Norwich Public Utilities: Christopher LaRose
South Norwalk Electric & Water: Alan Huth
East Norwalk Municipal Representative: Pete Johnson

The following CMEEC Staff participated in person or via Zoom:

Dave Meisinger, CMEEC CEO, in person
Patricia Meek, CMEEC Director of Finance & Accounting, in person
Joanne Menard, CMEEC Controller, in person
Margaret Job, CMEEC Director of Administrative Services, in person
Michael Rall, CMEEC Director of Asset Management, in person
Candice DiVita, CMEEC Financial Analyst, via Zoom
Leslie Williams, CMEEC Principal Accountant, in person
Heidi Winnick, CMEEC Financial & Treasury Analyst, in person
Chantal Maxwell, CMEEC Administrative Coordinator, in person
Lauren Gaudet, CMEEC Administrative and Sustainability Specialist, in person
Linda Audet, CMEEC Human Resource Lead, via Zoom
Ginger Palmer, CMEEC Cyber Systems & Security Manager, in person

The following Invited Guests participated via Zoom:

Greg Bugbee, Novus Insight
Stephanie Hyde, PE-Risk

Others participated 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 for the record that today's meeting is being held via Zoom and in person at 30 Stott Avenue, Norwich, CT. He reminded participants to keep their devices on mute unless speaking to eliminate background noise and 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 Approve the Minutes of the March 20, 2024 Regular Hybrid Meeting of the CMEEC / CTMEEC Joint Audit Committee

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Scott Barber to Approve the Minutes of the March 20, 2024 Regular Hybrid Meeting of the CMEEC / CTMEEC Joint Audit Committee.

Motion passed unanimously.

D Status Updates on Current and Past “Internal Audits”

a. Cybersecurity Gap Analysis

Committee Chair Peil explained that this Committee agreed at its last meeting that updates on the three listed audits would be discussed at today’s meeting. He then introduced Ms. Palmer who explained that while CMEEC is in the midst of a multi-year Cybersecurity Gap Analysis project, it was determined prudent to revisit and update an overarching risk assessment in order to most appropriately align and apply the relevant aspects of the ISO 27001 cybersecurity framework to CMEEC’s perceived cyber risks. She added that Novus and CMEEC agreed to review and conduct a risk-based approach to the design of the CMEEC cybersecurity plan. Ms. Palmer then introduced Mr. Bugbee who walked the Committee through the slide deck provided in advance of today’s meeting.

Mr. Bugbee provided an overview of the approach taken for the Gap Analysis project. He too noted that the ISO 27001 alignment project had been briefly paused in order to re-align efforts and resources to focus on cybersecurity risks faced by CMEEC. He added that a risk management workshop was facilitated by Novus for CMEEC staff in April, which included risk and business obligation surveys completed by each CMEEC department. The results of the surveys were compiled by Novus into a risk register. Mr. Bugbee explained that the next phase of the process will include review and prioritization of risks adding that the results of the surveys will assist in determining the level of ISO 27001 adoption for CMEEC.

Finally, Mr. Bugbee provided a brief update of the status of the ISO 27001 project timeline including the performance of a Risk Assessment update scheduled to be completed in the third quarter of 2024 and the anticipated rollout of a revised approach to password management to be completed in the fourth quarter of 2024.

Ms. Hyde of PE-Risk offered insight into the focus of current cyber insurance coverage, noting that phishing email filtering, training, and established incident response plans for disaster recovery along with secure VPNs are currently the focus of insurance carriers. She added that her review of CMEEC’s current insurance and risk management program revealed that CMEEC’s current cyber-related coverage is very good.

b. Implementation of Recommendations Associated with the Review of the CMEEC Safety Manual

Mr. Rall reminded the Committee that at its meeting on January 9, 2024 he presented a timeline identifying proposed completion of TRC's recommendations from its 2023 audit of CMEEC Safety Manual and Guidelines and that a status on the timeline would be discussed at a special meeting of this Committee. Mr. Rall then walked the Committee through the slide deck provided in advance of today's meeting highlighting completed and partially completed TRC recommendations. He then discussed status and considerations for the partially completed TRC recommendations.

Finally, Mr. Rall walked through the proposed timeline of completion dates for certain remaining tasks under the review of the CMEEC Safety program.

Discussion followed.

c. Results of the Review of the CMEEC Insurance Program

Ms. Audet explained that this Committee requested an audit of CMEEC's property and casualty insurance program. She explained that an RFP was released and PE-Risk was selected to conduct the review. Ms. Audet then introduced Stephanie Hyde of PE-Risk.

Ms. Hyde introduced herself and provided a brief overview of PE-Risk. She explained that the scope of engagement was to prepare a report providing review and assessment of CMEEC's current insurance coverage. Ms. Hyde then highlighted information shared by CMEEC to facilitate the review.

Ms. Hyde walked the Committee through key findings and recommendations noting that CMEEC's existing insurance limits and deductibles seem appropriate and that premiums are competitively priced. She added that all current coverages are placed with financially stable insurers and loss history is clean and better than market for similar exposures in CMEEC's industry and geographic location. Ms. Hyde did note that PE-Risk recommends CMEEC evaluate the policy limits under the employment practices liability program based on number of employees as well as other coverages under this policy.

After discussion and based on PE-Risk's review of information provided to it by CMEEC, Ms. Hyde noted that CMEEC's current insurance coverages appear to be commercially reasonable for the size and scope of operations. She further highlighted recommendations to potentially enhance current coverages. Ms. Hyde also walked the Committee through a deeper dive of CMEEC's current insurance program observations.

After brief discussion, Committee Chair Peil thanked Ms. Hyde for PE-Risk's thorough review and report on the CMEEC insurance program. He stated the Committee is pleased to see CMEEC's insurance program is strong.

E Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:23 a.m.