MINUTES OF THE

REGULAR HYBRID MEETING OF THE
AUDIT COMMITTEE

OF THE JOINT BOARD OF DIRECTORS OF

CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE
AND
CONNECTICUT TRANSMISSION MUNICIPAL ELECTRIC ENERGY COOPERATIVE

January 8, 2026

A Regular Hybrid Meeting of the Audit Committee of the Joint Board of Directors of Connecticut Municipal Electric Energy Cooperative ("CMEEC") and Connecticut Transmission Municipal Electric Energy Cooperative ("CTMEEC" dba Transco) was held in person at 30 Stott Avenue, Norwich, CT and via Zoom on Thursday, January 8, 2026 at 10:00 a.m.

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

The following Committee Members participated via Zoom:

Bozrah Light & Power: Scott Barber (joined at 10:30 a.m.)
East Norwalk, Third Taxing District: Kevin Barber
Groton Municipal Representative: Mark Oefinger (left at 11:54 a.m.)
Jewett City Department of Public Utilities: Elier Alvarado
Norwich Public Utilities: Stewart Peil
Norwich Municipal Representative: David Eggleston

The following Non-Voting Members participated via Zoom:

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

The following CMEEC staff participated in person unless otherwise noted:

Shadaya Bransford, Treasury & Risk Assurance Analyst
Chris Collins, Accounts Payable Accountant
Anthony DePaolis, Billing Accountant
Candice DiVita, Director of Finance & Accounting
Lauren Gaudet, Engagement Strategist
Margaret Job, Director of Administrative Services
Pulat Matyakubov, Director of Business Intelligence
Patricia Meek, Senior F&A Advisor

<u>The following CMEEC staff participated in person unless otherwise noted (Cont'd):</u>

Dave Meisinger, CEO
Joanne Menard, Controller
Ginger Palmer, Cyber Systems & Security Manager
Heidi Winnick, Director of Treasury & Risk Assurance (via Zoom)

<u>Others who participated via Zoom:</u>

Rocky Bragg, Novus Insight (left at 10:54 a.m.)
Megan Cahill, Baker Tilly US, LLP (left at 10:30 a.m.)
Dan La Haye, Baker Tilly US, LLP (left at 10:30 a.m.)
Bethany Ryers, Baker Tilly US, LLP (left at 10:30 a.m.)
David Silverstone, Esquire, Municipal Electric Consumer Advocate

Ms. Gaudet recorded.

Committee Chair Stewart Peil called the meeting to order at 10:00 a.m. He reminded participants to state their names when speaking for clarity of the record.

<u>Specific Agenda Item</u>

A Public Comment Period

No public comment was made.

B Roll Call

Ms. Gaudet conducted a roll call to identify the voting persons at today's meeting and confirmed a quorum of the Committee was present.

C Select 2026 Joint Audit Committee Chair

Committee Chair Peil invited nominations for the 2026 Audit Committee Chair position.

Committee Member Kevin Barber nominated Committee Chair Peil to continue to serve as Chair in 2026. No other nominations were made.

A motion was made by Committee Member Eggleston, seconded by Committee Member Kevin Barber to appoint Committee Member Peil as Chair of the Audit Committee for 2026.

Motion passed unanimously.

D Approve the Minutes of the August 1, 2025 Special Hybrid Meeting of the Joint Audit Committee

A motion was made by Committee Member Oefinger, seconded by Committee Member Eggleston to approve the minutes of the August 1, 2025 Special Hybrid Meeting of the Audit Committee.

Motion passed unanimously.

E Annual Audit Planning with Baker Tilly (Bethany Ryers, Dan La Haye, Megan Cahill)

Committee Chair Peil and Ms. Menard welcomed Ms. Ryers, Mr. La Haye, and Ms. Cahill of Baker Tilly. Ms. Menard explained that the Baker Tilly team will be presenting a PowerPoint that details their planned approach to conducting the 2025 Financial Audit.

After the Baker Tilly team provided an overview of the individuals responsible for this year's audit, Mr. La Haye outlined the scope of the audit and the projected timeline.

Ms. Ryers then guided the Committee through the required audit communications, the areas of audit emphasis, the latest GASB standards impacting this year's audit and those in the coming years, the audit plan, and the resources available to the Committee.

Discussion concerning opportunities for the Committee to meet the auditing team ensued.

F Status Update on Cybersecurity Gap Analysis (Ginger Palmer / Novus)

Committee Chair Peil explained that the Committee selected a review of the CMEEC Cybersecurity Program as its additional audit topic in 2020, which resulted in the recommendation that CMEEC align its cybersecurity policies with the ISO 27001 framework. He further noted that, following a risk analysis conducted by Novus Insight in 2024, the Cybersecurity Gap Analysis project strategy was refined to focus on a reduced and more targeted set of ISO 27001 controls, and that Ms. Palmer and Mr. Bragg of Novus Insight would be providing an update on the implementation of this alignment.

Mr. Bragg walked the Committee through a presentation detailing the progress made toward alignment with the ISO 27001 framework since the last update to the Committee. He provided updates on securing cybersecurity insurance, developing Acceptable Use Policies, providing IT support for the 2025 Financial Audit, creating an Incident Response Plan, enabling Data Loss Prevention in Office 365, implementing multi-factor authentication, piloting a records retention program, identifying and remediating cybersecurity vulnerabilities, evaluating alternative asset inventory platforms, refining threat detection and containment measures, acquiring a new data protection and management tool, migrating Board meeting materials to a more secure site, upgrading operating systems, and identifying a new disaster recovery colocation site. Mr. Bragg then reviewed next steps, and Ms. Palmer invited questions.

Robust discussion followed.

G Review the Results of the 2025 Joint Audit Committee Self-Assessment

Committee Chair Peil indicated that Ms. Gaudet would be presenting the results of the 2025 Audit Committee Self-Assessment.

Ms. Gaudet thanked the four of seven members of the 2025 Audit Committee who completed the self-assessment and then reviewed the findings with the Committee. After noting that the multiple-choice questions were rated on a 1 – 4 scale, where lower scores generally reflected room for improvement and higher scores reflected strong performance, she reported that four questions received an average score below 3.5 and were therefore flagged for further discussion.

Discussion ensued regarding these four questions, and the comments on other questions.

The Committee agreed that during New Business at each Regular Meeting of the Committee, the Audit Committee CMEEC Staff Lead should report whether any related party transactions have been disclosed since the last Regular Meeting of the Committee.

H Discuss 2026 Committee Goals and Assess the Need for an Additional Audit in 2026

Ms. Gaudet presented the potential Committee goals for 2026 that were proposed in the self-assessment, and Committee Chair Peil facilitated the discussion of those goals and whether an additional audit was needed in 2026.

Mr. Silverstone suggested that the Committee consider both the CMEEC Safety Manual and expense allocations to projects and customers as potential 2026 additional audit topics, and Committee Member Alvarado suggested incident response readiness.

Mr. Meisinger recommended that, because the CMEEC Safety Manual is currently undergoing revision and the Incident Response Plan is still being completed, it may be preferable to postpone the consideration of these additional audit topics to a later date.

Ms. Meek proposed that the scope of Mr. Silverstone's second suggested additional audit topic encompass both project and customer expense and revenue allocations, rather than limiting its focus to project and customer expense allocations only.

Extensive discussion followed.

Ms. Winnick and Mr. Meisinger confirmed that the Treasury and Risk Assurance Department will have sufficient capacity in 2026 to conduct an audit on project and customer allocations.

The Committee agreed that the CMEEC Treasury and Risk Assurance Department should conduct an internal audit in 2026 focused on the allocation of project and customer expenses and revenues.

I Review the Joint Audit Committee Charter

Committee Chair Peil noted that CMEEC staff had drafted a few minor revisions to the Audit Committee Charter and led the Committee through a discussion of the changes. He explained that the revisions included updating the Committee's name and removing references to Alternate Directors in alignment with recent CMEEC Bylaws changes. A reporting requirement was added to inform the Committee from time to time at an appropriate meeting of any material disclosures regarding the Related Party Transaction Policy.

After discussion, the Committee agreed that the proposed edits were appropriate.

At this time, Committee Chair Peil entertained a motion to recommend the adoption of the amended Audit Committee Charter, as discussed at today's meeting, to the Joint Board of Directors.

A motion was made by Committee Member Kevin Barber, seconded by Committee Member Alvarado to recommend the adoption of the amended Audit Committee Charter, as discussed at today's meeting, to the Joint Board of Directors.

Motion passed unanimously.

J New Business

Ms. Menard reported that there were no exceptions to the CMEEC Travel, Events, and Retreats Policy and no related party transactions disclosed since the last reports provided to the Committee.

K Adjourn

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

Motion passed unanimously.

The meeting was adjourned at 11:57 a.m.