

MUNICIPAL ELECTRIC CONSUMER ADVOCATE

SECOND QUARTERLY REPORT

During the second quarter of 2018, the following matters were addressed by the Municipal Electric Consumer Advocate (MECA):

- **FORENSIC AUDIT**: Took the following steps this quarter to assist in effectuating the legislative mandate that CMEEC undergo a 5 year forensic audit:
 - Worked with the Legislature, CMEEC General Counsel and the State Office of Consumer Counsel on corrective revisions to audit language in PA 17-73, to allow the issuance of a revised Forensic Audit RFP (Request for Proposals);
 - Provided a list of 70 forensic auditors which CMEEC utilized in reissuing the RFP;
 - Reviewed the bids received by CMEEC, and;
 - Participated in the June 1, 2018 Audit Committee meeting, presented my comments on each of the bid received, and indicated that the CohnReznick response appeared to be the strongest.

The Audit Committee voted to award the contract to CohnReznick.

- **MEETING TRANSPARENCY** – Negotiated with CMEEC to improve its website homepage, by adding a monthly calendar indicating all upcoming meetings. This will eliminate the current required process of checking each committee individually and through multiple drop- down boxes, to determine if and when a meeting has been scheduled (e.g., the current process requires opening the CMEEC home page "Resources" tab, then the "Governance" tab, then either the "Board of Directors" or "Committees" tab, then a specific committee tab, then the "Notices" tab). The new calendar will eliminate that hassle, and will indicate all scheduled meetings for the month at a glance and in one location.
- **ETHICS CODE/CODE OF CONDUCT REVISIONS**: Participated in Ethics Committee meetings and discussions with CMEEC General Counsel and Board members re: adoption of recommended improvements to the Ethics Policy and Code of Conduct. Suggested at June 28, 2018 Board of Directors meeting that staff report quarterly to the Board on any complaints filed under the new Ethics Policy and Code of Conduct for the previous quarter. Such reporting will enhance public transparency of CMEEC operations and will ensure that Board Members are apprised of and can intervene in any potential ethical issues that arise.

- BYLAWS AMENDMENTS/INDEMNIFICATION: Continued monitoring finalization of CMEEC Bylaws changes through internal processes; held multiple communications and/or meetings with CMEEC General Counsel, CMEEC outside counsel, and downstream ratepayer constituents concerning the remaining open issue of indemnification of CMEEC employees and directors for litigation expenses. Proposed several amendments to the Bylaws relating to indemnification and advancement of funds, including the requirement of express Board of Directors approval, and ability to cap CMEEC (and therefore, downstream member utility and ratepayer) financial exposure in the event of a potential settlement. Negotiations are ongoing.
- BENCHMARKING – Reviewed spreadsheet of information provided by CMEEC staff, providing initial information and status of outreach to other Cooperatives or Joint Action Agencies; Awaiting additional information; conducted research re: similar entities in the region and beyond (e.g., Delaware); Negotiations are ongoing.
- CMEEC ANNUAL REPORT – Researched content provide by Cooperatives in other states to member utility downstream ratepayers in their annual reports. Creating a list and examples of “best practices” for possible use by CMEEC in formulating a template annual report. Will provide a list and samples to CMEEC in the third quarter.
- BOARD OF DIRECTORS MEETINGS: Attended the April 6, 2018, May 23, 2018 and June 28, 2018 CMEEC Board of Directors meetings, raised questions and comments re: ratepayer interests as appropriate; followed up on issues raised during meetings with CMEEC General Counsel and staff
- COMMITTEE MEETINGS: Attended multiple committee and/or subcommittee meetings including: April 4, 2018 Ethics Committee Meeting; April 30, Governance Committee Meeting; May 2, 2018 Member Delegation Committee Meeting; May 11, 2018 Risk Management Meeting; and June 1, 2018 Audit Committee Meeting;
- MISCELLANEOUS LEGAL RESEARCH: Researched several legal issues, including review of CMEEC “Creation Document” (Articles of Incorporation) at Connecticut Secretary of State’s Office; and Freedom of Information Act applicability to CMEEC proceedings.
- CONSUMER INQUIRY RESPONSES: April – June, 2018 - Responded to consumer inquiries, including several relating to new the Ethics Code/Code of Conduct, and Employee/Director Indemnification. Requested answers to specific questions from CMEEC General Counsel relating to particular constituent concerns and operational history.