

**AUDIT, COMPLIANCE AND GOVERNANCE COMMITTEE OF THE
CLEAN ENERGY FINANCE AND INVESTMENT AUTHORITY**

**Minutes – Special Meeting
Tuesday, December 11, 2012**

A regular meeting of the Audit, Compliance and Governance Committee (“Audit Committee”) of the Board of Directors of the **Clean Energy Finance and Investment Authority (the “Authority”)** was held on December 11, 2012, at the office of CEFIA, 865 Brook Street, Rocky Hill, CT.

1. **Call to Order:** John Olsen, Chairperson of the Audit Committee, called the meeting to order at 11:04 a.m. Audit Committee members participating: John Olsen, Matthew Ranelli (by phone) and Patricia Wrice (by phone).

Staff Attending: George Bellas, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Bert Hunter, Shelly Mondo, Gladys Rivera, and Bob Wall.

2. **Public Comments:** There were no public comments.

3. **Approval of Minutes:**

Mr. Olsen asked the Audit Committee members to consider the minutes from the September 20, 2012 meeting.

**Upon a motion made by Mr. Ranelli, seconded by Ms. Wrice, the
Audit Committee members voted unanimously in favor of adopting
the minutes from the September 20, 2012 meeting as presented.**

4. **Review and Recommendation for Approval of Fiscal Year 2012 Annual Report:**

Attorney Farnen stated that the proposed Annual Report is the first for CEFIA. He explained that the Audit Committee is responsible for reviewing the “sufficiency of financial and compliance reports required by statute.” Mr. Wall asked the Audit Committee to consider recommending the proposed Annual Report for CEFIA for 2012 to the Board. He mentioned that in 2012, CEFIA moved from a calendar year to a fiscal year. Mr. Wall stated that the overarching theme of the annual report is to explain the foundation of the new organization and the activities that occurred from July 1, 2011 to June 30, 2012. He mentioned that financial highlights have been provided along with a breakdown of the programs and the impacts on the communities throughout the state. Mr. Wall acknowledged Gladys Rivera for helping to manage the process internally and John Murphy for the design of the report.

Staff was asked whether the annual report addresses outreach efforts to underserved communities as indicated in Public Act 11-80. Mr. Wall stated that the Department of Energy and Environmental Protection (“DEEP”) fulfills the statutory reporting

requirements with respect to programs for the underserved communities, and CEFIA works with DEEP to prepare the reports. Mr. Dykes explained that changes are being made so that the report in the future is more comprehensive. A suggestion was made and there was consensus to make a notation in this annual report indicating that the information for underserved communities and/or low-income households is included in a separate report and/or to report specifically about CEFIA's activities and initiatives in this area.

Upon a motion made by Mr. Ranelli, seconded by Ms. Wrice, the Audit Committee members voted unanimously in favor of adopting the following resolution:

WHEREAS, pursuant to Public Act 11-80, "An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future," Section 99(f)(1), the Clean Energy Finance and Investment Authority ("CEFIA") Board of Directors is required to issue an annual report;

WHEREAS, pursuant to Section 5.3.1 of the CEFIA Bylaws, the Audit, Compliance & Governance ("ACG") Committee shall review the sufficiency of financial and compliance reports required by statute;

NOW, therefore be it:

RESOLVED, that the Audit, Compliance & Governance Committee hereby recommends that the CEFIA Board of Directors approves the Fiscal Year 2012 Annual Report, as amended.

There being no objection, the order of the agenda was changed.

5. Authorization for Funding Requests Under \$300,000:

Attorney Farnen explained that under Section 5.3.1. of CEFIA's Bylaws, the Audit Committee has the responsibility of reviewing and approving recommendations to the Board on all governance and administrative matters. He stated that in accordance with the Bylaws, the Deployment Committee has the authority to approve project and programmatic funding requests between \$300,000 and \$2,500,000. However, the Bylaws are silent on approval requests below \$300,000. Attorney Farnen stated that the Connecticut Clean Energy Fund ("CCEF") passed a resolution empowering staff to approve funding requests below \$300,000. He indicated that CEFIA staff recommends a similar process wherein staff could approve funding requests below \$300,000 pursuant to a formal approval process, consistent with the Comprehensive Plan, within CEFIA's fiscal budget but no more than \$500,000 from the date of the last Deployment Committee meeting. He noted that the limit of \$500,000 between Deployment Committee meetings was added after obtaining input from the Deployment Committee, which tabled the issue to let CEFIA staff address their request for a total limit between meetings.

Upon a motion made by Ms. Wrice, seconded by Mr. Ranelli, the Audit Committee members voted unanimously in favor of adopting the following resolution regarding funding requests under \$300,000:

WHEREAS, pursuant to Section 5.3.1 of the Clean Energy Finance and Investment Authority (“CEFIA”) Bylaws, the Audit, Compliance & Governance (“ACG”) Committee is charged with the review and approval of, and in its discretion, recommendations to the Board regarding all governance and administrative matters affecting CEFIA, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, pursuant to Section 5.3.3 of the CEFIA Bylaws, the Deployment Committee has been granted the authority to evaluate and approve funding requests between \$300,000 and \$2,500,000; and

WHEREAS, CEFIA staff requests that staff have the authority to evaluate and approve funding requests less than \$300,000, which are consistent with the CEFIA Comprehensive Plan and approved within CEFIA’s fiscal year budget.

NOW, therefore be it:

RESOLVED, that the ACG Committee recommends that the CEFIA Board of Directors hereby approves the authorization of CEFIA staff to evaluate and approve funding requests less than \$300,000 which are pursuant to an established formal approval process requiring the signature of a CEFIA officer, consistent with the CEFIA Comprehensive Plan and approved within CEFIA’s fiscal budget and in an aggregate not to exceed \$500,000 from the date of the last Deployment Committee meeting.

6. Meeting Calendar for 2013:

Mr. Olsen asked the Audit Committee members to consider the proposed Audit Committee dates for 2013:

Upon a motion made by Ms. Wrice, seconded by Mr. Ranelli, the Audit Committee members voted unanimously in favor of approving the following meeting schedule for the Audit Committee for 2013:

- **Monday, May 6, 2013**
- **Monday, September 9, 2013**

7. Legislative Update:

Attorney Farnen provided an update on some of the issues staff will be exploring and working with others on for the 2013 legislative session, including the expansion of clean energy property tax exemption, property tax exemption with a municipal opt-in provision and having a standardized mill rate across municipalities.

Mr. Garcia mentioned that staff will be sending to the Board the comments on the draft Comprehensive Energy Strategy before sending them to DEEP.

8. Ethics Update:

Attorney Farnen reminded the Audit Committee members that ethics training will be held at 8:00 a.m. on Friday, December 21, before the Board meeting. He noted that on-line training will be available for anyone that cannot attend the December 21 training. Attorney Farnen stated that Board members are considered “public officials” and are required to receive ethics training.

9. Adjournment: Upon a motion made by Ms. Wrice, seconded by Mr. Ranelli, the Audit Committee members voted unanimously in favor of adjourning the December 11, 2012, meeting at 11:30 a.m.

Respectfully submitted,

John Olsen, Chairperson of Audit
Committee