



**AUDIT, COMPLIANCE AND GOVERNANCE OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Tuesday, January 17, 2023
8:30 a.m. – 9:30 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on January 17, 2023.

Due to COVID-19, all participants joined via the conference call.

Committee Members Present: Thomas Flynn, Matt Ranelli, Lonnie Reed, Joanna Wozniak-Brown

Committee Members Absent: None

Staff Attending: James DeSantos, Brian Farnen, Bert Hunter, Cheryl Lumpkin, Jane Murphy, Ariel Schneider, Eric Shrago, Dan Smith

Others present: None

1. Call to Order

- Thomas Flynn called the meeting to order at 8:56 am due to technical difficulties.

2. Public Comments

- No public comments.

3. Approve Meeting Minutes for October 11, 2022

Resolution #1

Motion to approve the minutes of the Audit, Compliance, and Governance Committee meeting for October 11, 2022.

Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the ACG Committee voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Update of Accounting Internal Control Procedures

- Jane Murphy summarized the internal control procedures and proposed updates to all five procedures. All the position titles are being updated to be generic so that as

personnel may change over time, the procedures remain accurate. As well, a change to higher level accounts payable approvals and for electronic payment approvals while the Head of Finance and Administration is absent or on vacation to be allowed by a designee.

- Matthew Ranelli asked if there was clarity in designating the proper signing authority while she may be unavailable, per the proposed changes, in order to remain transparent. Jane Murphy responded there is a group named as Management As A Whole which anyone in that group would be eligible to be a designee but it would still run through the normal control processes otherwise.
- Thomas Flynn asked if the changes have been run by the auditors prior to the request just to verify. Jane Murphy stated no, as she did not believe it to be a substantial change, but she stated she could, and Thomas Flynn agreed that would be a good idea.
- Matthew Ranelli asked if the delegation by Bryan Garcia would be a written delegation for recordkeeping. Jane Murphy clarified the section where it is specified. He reviewed and stated that the wording is a little vague and suggested that it be a written delegation. Jane Murphy agreed to change the procedure for the upcoming Board of Directors meeting,
- Lonnie Reed asked if there is a special training session that would be given for potential designees before they are required to take over. Jane Murphy stated yes there will be but clarified the system is pretty intuitive and reassured that there is no method for any one person to approve singularly.
- Jane Murphy reviewed the proposed changes to no longer require approval by the President and CEO for intercompany cash transfers in order to make processing smoother. She also reviewed a change to remove a redundancy requiring re-approval by the President and CEO when a designee has approved on his behalf.

Resolution #2

RESOLVED, that the Audit, Compliance and Governance Committee hereby recommends to the Board of Directors for approval the proposed revisions to the Internal Accounting Controls and Procedures as presented and the Committee instructs the Staff to present these proposed changes and the revisions in titles and designees to the auditors to solicit feedback.

Upon a motion made by Matthew Ranelli and seconded by Lonnie Reed, the ACG Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Legislative and Regulatory Policy Update

- Brian Farnen introduced James DeSantos, a new member of the legal team, and then summarized the current updates to the Legislative session. James DeSantos added the team is open to ideas to present to the General Assembly as the focus on specific policies for this session has not yet been refined. Brian Farnen reviewed the key annual dockets, the largest being the Battery Storage docket.
 - Matthew Ranelli noted that the annual reporting requirements are very important and asked that those requirements continue to be met.
 - Matthew Ranelli asked about the tax issue under the solar tariff and net metering program. Brian Farnen summarized the history of the tax litigation from third-party owned systems and stated in relation to over-producing, the previous

energy policy in Connecticut favored on-site use which did not over-produce, but now the new solar tariff policy encourages slight oversizing of onsite PV system. So now there is ambiguity between the clean energy policies and property tax exemption policy as they relate to solar PV. The ambiguity in the statute will likely come to a head as developers are struggling to price out systems due to uncertainty about the taxable status.

6. Review SOC2 Audit Report

- Eric Shrago reviewed what the SOC2 Audit covers and stated that there is no substantial update aside from waiting for the approved report which deems the Green Bank as compliant. He added there are also additional cyber security reviews taking place, but the report so far is looking good.

7. Update on Statutory Report Status

- Brian Farnen stated the statutory report status is currently up to date.

8. Adjourn

Upon a motion made by Lonnie Reed and seconded by Matthew Ranelli, the Audit, Compliance, and Governance Committee Meeting adjourned at 9:30 am.

Respectfully submitted,

Thomas Flynn, Chairperson