



RELIABILITY FIRST

Agenda

Board of Directors • Finance and Audit Committee

August 21, 2024 • 3:10 PM – 5:20 PM (ET)

Gervasi Vineyard

1700 55th Street NE • Canton, OH 44721

Room: Villa Grande Ballaria Sophia

Attire: Casual

Open Agenda

1. **Call to Order** 3:10 PM
 Presenter: Patrick Cass, Chair
2. **Appoint Secretary to Record Minutes**
 Presenter: Patrick Cass, Chair
3. **Antitrust Statement**
 Presenter: Patrick Cass, Chair
4. **Approve Finance and Audit Committee Meeting Minutes** 3:15 PM
 Presenter: Patrick Cass, Chair
 Reference: [Draft Minutes for the June 24, 2024 Finance and Audit Committee Meeting](#)
 Action: **Approve Minutes**
5. **Financial Update** 3:20 PM
 Presenter: Beth Dowdell, Senior Director, Corporate Services
 Description: Ms. Dowdell will present the 2024 2nd Quarter Statement of Activities to advise the Committee of ReliabilityFirst's financial status and effective use of funds by identifying budget to actual trends.
 Reference: a) Presentation
 b) 2024 2nd Quarter Statement of Activities
 c) 401k Financials
 Action: Information and Discussion
6. **Working Capital and Investment Analysis** 3:40 PM
 Presenter: Christi Klein, Manager, Finance and Accounting
 Description: Ms. Klein will present an analysis on the working capital and investment account to advise the Committee on the effective use of operating cash and reserves.
 Reference: Working Capital and Investment Account Analysis
 Action: Information and Discussion

- 7. Review of Policies** 3:55 PM
- Presenter: Christi Klein, Manager, Finance and Accounting
- Description: Ms. Klein will review all the financial policies and provide updates for any recommended changes. According to the Finance and Audit Committee Charter guidelines, the Committee is required to annually review all financial policies. This is important to ensure that the policies are keeping pace with the current business environment and reflect any changes that have occurred throughout the year.
- Reference: a) Summary
b) Whistleblower Policy
c) Fraud
d) Policy and Procedure for Investment of Corporate Funds
e) Code of Conduct
f) Policy on Personnel Conflicts Related to Entity Employment and Certain Financial Interest in Entities
g) Policy and Procedure on the Working Capital and Operating Reserve
- Action: Review and Discuss any Recommended Changes
- 8. 2024 Finance and Audit Committee Planner** 4:05 PM
- Presenter: Beth Dowdell, Senior Director, Corporate Services
- Description: Ms. Dowdell will discuss the progress of activities in the 2024 planner so the Committee can verify that all the required duties within the charter are being upheld.
- Reference: Finance and Audit Committee Charter Planner and Performance of Specific Duties for 2024
- Action: Information and Discussion
- 9. Future Meetings** 4:15 PM
- December 4, 2024 • Washington D.C.

Closed Agenda

- 10. Independent Accountant** 4:20 PM
- Presenter: Chair Pat Cass and Christi Klein, Manager, Finance and Accounting
- Description: Chair Cass and Ms. Klein will discuss engaging the independent accountant's service agreements so the Committee is informed and approves the steps taken on the upcoming year's audit.
- Reference: a) RSM US LLP – 2024 Audit Arrangement Letter
b) RSM US LLP – 2024 Planning Letter
c) RSM US LLP – 2024 Audit Plan Presentation
- Action: **Approve Letters**

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- 11. Executive Session** (Finance and Audit Committee and Beth Dowdell, Senior Director, Corporate Services) 4:40 PM
Presenter: Patrick Cass, Chair
Description: The Committee will hold an executive session with Beth Dowdell to discuss specific questions regarding the current year activities.
Action: Information and Discussion
- 12. Executive Session** (Finance and Audit Committee, Tim Gallagher, CEO, and Niki Schaefer, General Counsel) 4:55 PM
Presenter: Patrick Cass, Chair
Description: The Committee will hold an executive session to discuss confidential matters with Tim Gallagher and Niki Schaefer.
Action: Information and Discussion
- 13. Adjourn** 5:20 PM

Roster • Finance and Audit Committee

Patrick Cass, **Chair** • Independent (2026)
Jennifer T. Sterling, **Vice Chair** • Exelon (Large LSE • 2025)
Joanna Burkey • Independent (2025)
Nelson Peeler • Duke Energy (Transmission • 2024)
Robert Taylor • Invenergy (At-Large • 2026)
Joseph Trentacosta • Southern Maryland Electric Cooperative (AL • 2025)

Draft Minutes for the June 24, 2024 Finance and Audit Committee Meeting



RELIABILITY FIRST

Minutes

Board of Directors • Finance and Audit Committee

June 24, 2024

Teleconference

Open Session

Call to Order – Chair Patrick Cass called to order a duly noticed open meeting of the Finance and Audit Committee (Committee) on June 24, 2024, at 11:06 am (ET). A quorum was present, consisting of the following members of the Committee: Chair Patrick Cass, Vice Chair Jennifer Sterling, Joanna Burkey, Nelson Peeler, and Joseph Trentacosta. A list of others present during the Committee meeting is set forth in Attachment A.

Appoint Secretary to Record Minutes – Chair Cass designated Niki Schaefer as the secretary to record the meeting minutes.

Antitrust Statement – Chair Cass advised all present that this meeting is subject to, and all attendees must adhere to, ReliabilityFirst's (RF) Antitrust Compliance Guidelines.

Approve Minutes – Chair Cass presented the draft minutes for the May 1, 2024 meeting, which were included in the agenda package. Upon a motion duly made and seconded, the Committee approved the minutes as presented.

2025 Business Plan and Budget – Beth Dowdell, Senior Director Corporate Services, presented the final 2025 Business Plan and Budget (BP&B) to the Committee, which was included in the agenda package. She began by noting that there were no changes to the budget numbers since what was presented to the Committee in May and the public posting of the first draft of the 2025 BP&B. Ms. Dowdell reported that the 2025 BP&B was posted publicly for the required period, and she discussed the analytics from the RF website of the numbers of users who searched for and viewed the document. She noted that there were no comments received from the public posting.

She then discussed RF's meetings with NERC and FERC about the 2025 BP&B and the items discussed during those meetings. As a result of the FERC meeting, RF made edits to the language in the 2025 BP&B to further explain how RF forecasts future budgets. She stated that RF is the only region that projects high and low numbers for its budget forecasts. Ms. Dowdell stated that there were some minor edits from NERC legal, and noted that one change to the 2025 BP&B is that RF is holding \$30,000 of penalties in the assessment stabilization reserve. These penalties were collected after the first draft of the 2025 BP&B was published, and they will be used for the 2026 BP&B. There was also clarifying language added to explain how RF forecasts and holds penalties.

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Ms. Dowdell then reviewed the 2025 NERC and Regional budgets and assessment variances year over year. She noted that the NERC and Regional budgets for 2025 are still in varying stages of approval with their respective boards.

Upon a motion duly made and seconded, the Committee unanimously approved the 2025 BP&B, which will next go to the full Board for approval.

Next Meeting – Chair Cass noted that the next Committee meeting will be on August 21, 2024.

Adjourn – Upon a motion duly made and seconded, Chair Cass adjourned the Committee meeting at 11:30 am (ET).

As approved on this 21st day of August, 2024 by the
Finance and Audit Committee,

Niki Schaefer
*Vice President, General Counsel & Corporate
Secretary*

Attachment A

Others Present During the Finance and Audit Committee Meeting

Tim Gallagher • ReliabilityFirst
Jeff Craigo • ReliabilityFirst
Marcus Noel • ReliabilityFirst
Niki Shaefer • ReliabilityFirst
Christi Klein • ReliabilityFirst
Beth Dowdell • ReliabilityFirst
Diane Holder • ReliabilityFirst
Jody Tortora • ReliabilityFirst