

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE 206<sup>th</sup> MEETING**

**MARCH 25, 2010**

The Long Island Power Authority (the "Authority") was convened for the two-hundred-and-sixth time at 11:08 AM at the Omni Teleconference Center, in Uniondale, NY, pursuant to legal notice given on March 22, 2010; verbal notice given by the Chairman at the February 25, 2010 meeting of the Board of Trustees; and electronic notice posted on the Authority's website annually.

**The following Trustees of the Authority were present:**

**Howard Steinberg, Chairman  
Laurence Belinsky  
David Calone  
Lawrence Elovich  
John Fabio  
Michael Fragin  
Christopher Hahn  
Neal Lewis  
Susan Gordon Ryan  
Lawrence Waldman  
Diana Weir**

**The following Trustees of the Authority were absent:**

**X. Cristofer Damianos  
James Herrmann  
Suzette Smookler**

Representing the Authority were Kevin S. Law, President and Chief Executive Officer; Lynda Nicolino, General Counsel and Secretary; and Herbert L. Hogue, CFO. Also present were Michael Deering, Vice President-Environmental Affairs; Michael Hervey, Vice President-Operations; and Bruce Germano, Vice President-Retail Services.

*Chairman Steinberg welcomed everyone to the 206<sup>th</sup> meeting of the Long Island Power Authority Board of Trustees. He led the Board in a moment of silence to honor the men and woman serving our country, followed by the Pledge of Allegiance.*

*Chairman Steinberg made a motion to accept the minutes of the February 25, 2010 meeting of the Board of Trustees which was seconded. He asked if there were any additional changes or deletions. Upon hearing none, the resolution was then unanimously adopted by the Trustees:*

**980. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 25, 2010 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY**

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**RESOLVED**, that the Minutes of the meeting of the Authority held on February 25, 2010 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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*The Chairman remarked on the day's agenda. After concluding his remarks Chairman Steinberg turned to President Law for his report.*

*The President then reported on the following items:*

- *Lawrence Waldman's re-appointment to the Board of Trustees;*
- *The upcoming presentation on the recent storm;*
- *LIPA's strategic planning initiatives;*
- *Recent meetings with the rating agencies: Standards and Poors, Moody's and Fitch;*

- *Status of the stimulus grants that LIPA was awarded and LIPA's related obligations;*
- *The progress of LIPA's clean energy programs, including the Solar Pioneer Program, the Backyard Wind Initiative and the Efficiency Long Island Program;*
- *Speaking before the Hauppauge Industrial Association with Trustee Neal Lewis;*
- *His recent participation in a meeting at Con Edison with other state transmission owners; and*
- *An upcoming meeting with the Long Island Delegation of the New York State Senate and Assembly.*

*President Law then concluded his report and took questions from the Trustees.*

*The Chairman stated that the next item on the agenda is the Financial Report, to be presented by Mr. Hogue.*

*Mr. Hogue then presented the Financial Report, which included the financial results for the two months ended February 28, 2010.*

*Mr. Hogue concluded his report and took questions from the Trustees.*

*Chairman Steinberg stated that next on the agenda is the Governance Report, to be presented by the Chairman of the Governance Committee, Trustee Fabio.*

*Mr. Fabio presented the Governance Committee's annual report related to the committee's activities, Trustee self-evaluations, and general corporate governance matters.*

*Mr. Fabio concluded his report.*

*Chairman Steinberg stated that the next item on the agenda is approval of the financial report in LIPA's annual report presented by Ms. Nicolino.*

*Ms. Nicolino presented the following action item:*

### **Requested Action**

The Trustees are being requested to approve the proposed financial report in the 2009 Annual Report of the Long Island Power Authority (the “Authority”), prepared in accordance with Section 2800(1) of the Public Authorities Law (“PAL”).

### **Background**

The Public Authorities Reform Act of 2009 (the “New Act”) amended provisions of the PAL with the stated intention of further improving the transparency and accountability of public authorities and their Boards. Section 2800(1) of the New Act requires the Authority to submit to the Governor, the Chairman and ranking minority member of the Senate Finance committee, the Chairman and ranking minority member of the Assembly Ways and Means committee the State Comptroller, and the Authorities Budget Office, within ninety days after the end of the Authority’s fiscal year an Annual Report, which includes, among other things, its financial report(s). Under Section 2800(1)(a)(2) of the New Act, the “financial report” is comprised of the following: audited financials; grant and subsidy programs; operating and financial risks; current bond ratings; and long-term liabilities (the “Financial Report”).

Section 2800(3) of the New Act requires the Financial Report to be certified in writing by the chief executive officer and chief financial officer and approved by the Trustees. Accordingly, the proposed Financial Report has been so certified in writing by the Authority’s President and Chief Executive Officer and Chief Financial Officer, and thoroughly reviewed by the Finance and Audit Committee of the Board, which has approved a resolution recommending the Trustee’s approval of the Financial Report at this time.

### **Recommendation**

Based upon the foregoing, Ms. Nicolino recommended that the Trustees adopt a resolution in the form of the draft resolution attached hereto.

*After a discussion by the Trustees and comments by the public, the following resolution was unanimously adopted by the Trustees:*

### **981. APPROVAL OF FINANCIAL REPORT IN 2009 ANNUAL REPORT OF THE LONG ISLAND POWER AUTHORITY**

WHEREAS, Section 2800 (1) of the Public Authorities Reform Act of 2009 (the “New Act”) requires public authorities such as the Long Island Power Authority (the “Authority”) to prepare an Annual Report; and

WHEREAS, the Annual Report includes a financial report(s), as defined under Section 2800(1)(a)(2) of the New Act (the “Financial Report”); and

**WHEREAS, Section 2800(3) of the New Act requires the Financial Report to be certified in writing by the Authority's President and Chief Executive Officer and Chief Financial Officer and approved by the Trustees; and**

**WHEREAS, the Authority's Financial Report has been so certified in writing by its President and Chief Executive Officer and Chief Financial Officer; and**

**WHEREAS, the Finance and Audit Committee has thoroughly reviewed the Authority's Financial Report and approved a resolution recommending that the Trustees approve it at this time:**

**NOW, THEREFORE, BE IT RESOLVED, that upon recommendation of the Finance and Audit Committee of the Board, the Trustees hereby approve the Financial Report in the 2009 Annual Report in the form presented at this meeting.**

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*Chairman Steinberg stated that the next item on the agenda is the Operating Report and a discussion of LIPA's response to the Nor'easter of March 13th, which will be presented by Mr. Hervey.*

*Mr. Hervey made a presentation of LIPA's response related to the Nor'easter with the assistance of the following National Grid management staff; John Bruckner, Senior Vice President; John Adragna, Director of Substation Protection and Telecom; Tom Beisner, Director of Overhead and Underground Lines; Ted Pappas, Director of System Operations; Fred Vaupel, Director of Construction Delivery; and Tom Spatz, Director of LIPA Relationships.*

*Mr. Hervey concluded his report and took questions from the Trustees.*

*The Chairman then allowed public comment to be heard, after which he announced that the next Board meeting is scheduled for April 22, 2010 at 11:00 a.m. in Uniondale.*

*The Chairman called for a motion to enter executive session. Upon motion duly made and seconded, the following motion was unanimously approved:*

**982. EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW**

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**RESOLVED**, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation matters.

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*At approximately 1:43 p.m. the open session of the Board of Trustees was temporarily adjourned on motion into Executive Session to discuss Litigation matters which commenced at 2:11 p.m.*

*After noting that no votes were taken in the Executive Session, Chairman Steinberg entertained a motion to adjourn, which was duly made and seconded, after which the meeting ended at 2:25 p.m.*

**Respectfully submitted,**

**Lynda Nicolino**