

LONG ISLAND POWER AUTHORITY
MINUTES OF THE GOVERNANCE COMMITTEE MEETING
HELD ON JANUARY 24, 2018

The Governance Committee of the Long Island Power Authority (the "Authority") was convened 10:42 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on January 19, 2018; and electronic notice posted on the Authority's website.

The following Trustees of the Authority were present:

*Mark Fischl, Committee Chair
Thomas McAteer, Committee Member
Matthew Cordaro, Trustee
Peter Gollon, Trustee
Drew Biondo, Trustee*

Representing the Authority were Thomas Falcone, Chief Executive Officer; Jon Mostel¹, General Counsel & Secretary to the Board of Trustees; Joseph Branca, Chief Financial Officer, Rick Shansky, Vice President of Operations Oversight, Ken Kane, Vice President of Financial Oversight; and Jason Horowitz, Assistant General Counsel.

Chair Fischl welcomed everyone to the Governance Committee meeting of the Long Island Power Authority Board of Trustees.

Chair Fischl stated the first item on the agenda was the adoption of the minutes from September 27, 2017 Committee meeting.

Upon motion duly made and seconded, the minutes of the September 27, 2017 were approved unanimously.

¹ Jon Mostel participated via conference call

Chair Fischl stated that the next item on the agenda was the Review of the Annual Governance Package, including Committee Charter, to be presented by Jon Mostel.

Mr. Mostel presented the Review of the Annual Governance Package, including the following action items regarding revisions to the Committee Charter, and took questions from the Trustees.

Requested Action

The Governance Committee is being requested to adopt a resolution recommending revisions to the Long Island Power Authority (the “Authority”) Governance Committee Charter (the “Charter”) in the form attached hereto.

Background

The Charter was adopted by the Board of Trustees on November 26, 2013 and was last revised in January 2017. It establishes the purpose, membership, meeting requirements and responsibilities of the Governance Committee (the “Committee”) and serves as the governing document for the Committee. Consistent with the Charter, the Committee has undertaken a thorough review of the Charter’s adequacy and compliance with applicable law, and has noted certain changes that provide consistency with the New York State Open Meetings Law and New York State Public Officers Law and those provisions relating to a “quorum” of the Committee.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of the following resolution.

A motion was duly made and seconded, and the Trustees unanimously adopted the following resolution:

RECOMMENDATION FOR THE APPROVAL OF THE REVISED LONG ISLAND POWER AUTHORITY GOVERNANCE COMMITTEE CHARTER

WHEREAS, the Trustees adopted, on November 26, 2013, a Governance Committee Charter (“Charter”) which establishes, among other things, the purpose, powers, composition and key responsibilities of the Governance Committee (the “Committee”); and

WHEREAS, the Committee has reviewed the proposed revised Charter and believes it is reasonable and appropriate to revise it for the reasons set forth in the accompanying memorandum.

NOW, THEREFORE, BE IT RESOLVED, that the Governance Committee hereby recommends to the Board of Trustees the adoption of the Long Island Power Authority's "Governance Committee Charter (January 24, 2018)" in the form presented at this meeting.

Requested Action

The Board of Trustees of the Long Island Power Authority (the "Authority") is requested to adopt a resolution approving revisions to the Board Policy on Property Disposition.

Board Policy on Property Disposition

Section 2896 of the Public Authorities Law ("PAL") requires the Authority to adopt, and periodically review and approve comprehensive guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Authority property. Such guidelines were last reviewed and approved by the Trustees on March 29, 2017. Based on Staff's review, the proposed Board Policy on Property Disposition is intended to replace the prior guidelines and incorporates the following modification:

- (i) Removes an unnecessary and potentially confusing reference to a \$5,000 threshold set forth in the definition of "Property" as it relates to personal property. In accordance with the PAL, Section C.3 of the Property Disposition guidelines already allow for disposition of personal property up to \$15,000 without, generally, the need for public bidding or auction.

The Authority is required to annually file with the State and make available on its website a report on all property dispositions, including the value received and method of procurement, which is provided to the Board of Trustees.

Recommendation

Based upon the foregoing, I recommend the approval of the above requested action by adoption of the resolution in the form attached hereto as Exhibit A. Further, Staff has reviewed all other Board governance policies, as applicable, and the Trustee Code of Ethics and Conduct and recommends no change at this time.

A motion was duly made and seconded, and the Trustees unanimously adopted the following resolution:

APPROVAL OF BOARD POLICY ON PROPERTY DISPOSITION

RESOLVED, that the LIPA Board of Trustees hereby approves and adopts the Board Policy on Property Disposition Guidelines, in the form presented at this meeting to be effective immediately.

Chair Fischl stated that the final item on the agenda was Discussion of 2017 Goals and Accomplishments, to be presented by Thomas Falcone, Rick Shansky, Kenneth Kane and Joseph Branca.

Thomas Falcone and LIPA's Senior Staff presented the Discussion of 2017 Goals and Accomplishments and took questions from the Trustees.

Chair Fischl then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 11:35 a.m.