

LONG ISLAND POWER AUTHORITY

MINUTES OF THE OVERSIGHT and REV COMMITTEE MEETING

HELD ON DECEMBER 18, 2019

The Oversight and REV Committee of the Long Island Power Authority (the "Authority") was convened at 10:25 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on December 13, 2019; and electronic notice posted on the Authority's website.

The following Trustees of the Authority were present:

Mark Fischl, Committee Chair
Matthew Cordaro, Committee Member
Peter Gollon, Committee Member
Ali Mohammed, Committee Member
Elkan Abramowitz
Sheldon Cohen

Representing the Authority were Thomas Falcone, Chief Executive Officer; Bobbi O'Connor, Vice President of Policy & Strategy and Secretary to the Board of Trustees; Mujib Lodhi, Chief Information Officer; and Rick Shansky, Vice President of Operations Oversight.

Representing PSEG Long Island were John O'Connell, Vice President of Transmission and Distribution; and Gregory Player, Director of Transmission and Distribution Services.

Committee Chair Fischl welcomed everyone to the Oversight and REV Committee meeting of the Long Island Power Authority Board of Trustees and stated that the first item on the agenda was the adoption of the minutes from the July 24, 2019 Oversight and REV Committee meeting.

Upon motion duly made and seconded, the minutes of the July 24, 2019 Oversight and REV Committee meeting were approved unanimously.

Chair Fischl stated that the next item on the agenda is the Recommendation for Approval of the Annual Report on the Board's Policy on Safety to be presented by Rick Shansky and Gregory Player.

Mr. Shansky and Mr. Player presented the following action item and took questions from the Trustees:

Requested Action

The Oversight and REV Committee (the "Committee") of Board of Trustees of the Long Island Power Authority (the "Board") is requested to adopt a resolution recommending that the Board: (i) find that the Long Island Power Authority and its subsidiary, LIPA (collectively the "Authority"), have complied with the Board Policy on Safety (the "Policy") for the period since the last annual review; and (ii) approve the annual report for the Policy, which resolution is attached hereto as Exhibit "A".

Background

By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by Staff to enable the Board to assess the adequacy of the service provider's policies, procedures, and practices for safety; compliance with applicable health and safety laws and regulations; safety performance, including comparisons to peer electric utilities; and initiatives to improve safety of the service provider's operations. The Policy was last reviewed by the Board in November 2018.

Compliance with the Policy

Staff recommends that the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review for the reasons set forth below.

The Policy provides the following:

"Reviewing on a periodic basis no less than every three years the policies, procedures, and practices of the Authority's service provider."

- In 2017, the Authority hired Schumaker & Company ("Schumaker") to complete a Safety Assessment of PSEG Long Island. Schumaker's report concluded that PSEG Long Island "has an effective safety organization" and a "positive safety culture" in which safety is a top priority. The Schumaker report also contained nine recommendations aimed at improving safety performance in such areas as staffing, training, performance metrics, material storage racks, and disposal of obsolete tools

and equipment. Since 2017, PSEG Long Island has made substantial progress toward implementing these recommendations.

- The next in-depth assessment and review of the policies, procedures and practices of the Authority’s service provider is scheduled for 2020, in compliance with the Board’s Policy of a review “no less than every three years.”

“Benchmarking the safety performance of the service provider to the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate.”

- PSEG Long Island benchmarks its safety performance against a nationwide panel of electric utilities. That benchmarking is used by LIPA and PSEG Long Island to set Safety Targets for the Operations Services Agreement and results are reported to the Board as part of PSEG Long Island’s Scorecard at each Board meeting.

“Assessing the operational factors that contribute to injuries, motor vehicle accidents and red-light violations and the efforts to improve performance, where necessary.”

- PSEG Long Island has an ongoing process for assessing the factors that drive safety performance. PSEG Long Island has identified several areas that merit close tracking and has established programs to reduce safety risks, including: removal of work hazards, and reducing musculoskeletal injuries through improved work techniques.
- Motor vehicle safety is an area of focus and was added as a Tier 1 performance metric in 2019. The addition of the automated vehicle location system, which monitors factors such as speeding, rapid acceleration and hard breaking, along with culture change, has been credited with reducing both motor vehicle accidents and red-light violations.

Further details on PSEG Long Island’s Safety Program are contained in the attached presentation as Exhibit “B”.

Annual Review of the Policy

Staff recommends no changes to the Policy.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

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

RESOLUTION RECOMMENDING APPROVAL OF THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON SAFETY

WHEREAS, the Board Policy on Safety (the “Policy”) was originally approved by the Board of Trustees (the “Board”) Resolution No. 1739, dated September 27, 2017; and

WHEREAS, the Oversight and REV Committee (the “Committee”) has conducted an annual review of the Policy and recommends that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board: (i) find that the Authority has complied with the Policy for the period since the last annual review; and (ii) approve the annual report to the Board.

Chair Fischl stated that the last item on the agenda is the Recommendation for Approval of a Board Policy on Information and Physical Security to be presented by Mujib Lodhi.

Mr. Lodhi presented the following action item and took questions from the Trustees:

Requested Action

The Oversight and REV Committee (the “Committee”) of the Board of Trustees (the “Board”) is requested to adopt a resolution, attached hereto as Exhibit “A”, recommending approval of the proposed Board Policy on Information and Physical Security (the “Policy”) for the Long Island Power Authority and its subsidiary, LIPA (collectively “LIPA” or the “Authority”), which Policy is attached hereto as Exhibit B.

Discussion

The safe, reliable, and secure performance of LIPA’s information and physical assets is necessary to ensure the delivery of service to customers.

The proposed Policy provides the Board’s expectations and direction for information and physical security in accordance with public safety, operational, reputational, and compliance requirements and establishes a reporting requirement to the Board on compliance with the key provisions of the Policy.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of the Resolution in the form attached hereto.

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

**RESOLUTION RECOMMENDING APPROVAL OF THE BOARD POLICY ON
INFORMATION AND PHYSICAL SECURITY**

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Oversight and REV Committee recommends that the proposed Policy on Information and Physical Security, in the form attached hereto, be approved.

Chair Fischl then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 10:49 a.m.
