FOR CONSIDERATION
October 29, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Approval of a Resolution Authorizing the Establishment of a Revolving Credit Line Agreement in a principal amount not to exceed $350 million with JPMorgan Chase Bank, N.A.

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution (i) authorizing the establishment of a revolving credit line agreement with JPMorgan Chase Bank, N.A. (“JPMorgan”) in a principal amount not to exceed $350,000,000 and authorizing the Chief Executive Officer or his designee to execute the revolving credit agreement and (ii) further amending and restating the Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution.

Background

The Long Island Power Authority (the “LIPA”) desires to maintain its overall liquidity levels which are currently comprised of cash on hand and its existing bank facilities program. LIPA believes that maintaining its liquidity will help manage its varying cash flows from its seasonal business, provide for working capital, and provide extra financial support for unexpected events such as major storms. Additionally, refunding outstanding notes and bonds with draws on a bank facility may provide savings.

In 2019, pursuant to Board authorization and following a request for proposals, LIPA entered into a revolving credit agreement with JPMorgan for an amount up to $200,000,000 (the “Existing Revolving Credit Agreement”), which agreement will expire by its terms on March 15, 2022. At its March 2020 meeting, the Board approved a resolution authorizing the Chief Executive Officer to amend the Existing Revolving Credit Agreement to increase the borrowing capacity thereunder to $500,000,000 or to execute credit agreements with other financial institutions; however, due to improvements in LIPA’s liquidity position, no such amendment or other agreements were entered into pursuant to such Board authorization. Pursuant to authorizations of the Public Authorities Control Board, the total amount of General Revenue Notes that may be issued under LIPA’s General Revenue Notes program and amounts drawn under any revolving credit agreements at any time, together, is capped at $1,200,000,000.

Because the Existing Revolving Credit Agreement is set to expire in early 2022, LIPA staff believe it is necessary to replace such agreement with a new revolving credit agreement providing similar borrowing capacity and terms, or to amend the Existing Revolving Credit Agreement.

Accordingly, LIPA issued a Request for Proposal for Revolving Credit Agreements (the “Bank Facilities RFP”) that was sent to thirteen institutions in August 2021. Four proposals were
received. A selection committee consisting of three staff reviewed the proposals and concluded that LIPA should award the contract for the revolving credit agreement to JPMorgan. Under the proposed credit agreement, JPMorgan will be the only lender for a principal amount not to exceed $350,000,000.

<table>
<thead>
<tr>
<th>Tenor</th>
<th>Facility Fee</th>
<th>Applicable Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 year</td>
<td>24.0 bps p.a.</td>
<td>+ 60.0 bps p.a.</td>
</tr>
<tr>
<td>4 year</td>
<td>26.0 bps p.a.</td>
<td>+ 66.0 bps p.a.</td>
</tr>
<tr>
<td>5 year</td>
<td>28.0 bps p.a.</td>
<td>+ 70.0 bps p.a.</td>
</tr>
</tbody>
</table>

As shown in the table above, JPMorgan is offering three term options with indicative pricings. Based upon the proposals and an assessment of LIPA’s needs, it was determined that the execution of a new revolving credit agreement with JPMorgan or an amendment and extension of the Existing Revolving Credit Agreement (such new or amended credit agreement referred to herein as the “Revolving Credit Agreement”) for a term of five years provides the best value to LIPA for the services sought.

In connection with the execution of the Revolving Credit Agreement, the Trustees are also being requested to adopt a Second Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution (the “Second Amended Nineteenth Supplemental Resolution”). The obligation to repay amounts advanced under the Revolving Credit Agreement will be evidenced by notes (the “Authorized Notes”) issued under the Second Amended and Restated Nineteenth Supplemental Resolution and a Certificate of Determination.

As amended, the Second Amended Nineteenth Supplemental Resolution would deem the holder of the Authorized Notes to have consented to the amendment and restatement of the Electric System General Revenue Bond Resolution of the Authority, as set forth in the resolution of the Trustees, dated July 22, 2020.

**Recommendation**

Based upon the foregoing and the recommendation of the Finance and Audit Committee, I recommend that the Trustees adopt the resolutions attached hereto authorizing the execution and delivery of the Revolving Credit Agreement and adopting the Second Amended Nineteenth Supplemental Resolution, all as described above.

**Attachments**

- **Exhibit “A” Resolution**
- **Exhibit “B”** Second Amended and Restated Nineteenth Supplemental Resolution
RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A REVOLVING CREDIT AGREEMENT WITH JPMORGAN CHASE BANK, N.A. ("JPMORGAN") IN A PRINCIPAL AMOUNT NOT TO EXCEED $350,000,000 AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE THE REVOLVING CREDIT AGREEMENT

WHEREAS, on May 13, 1998 the Long Island Power Authority (the “Authority”) adopted its Electric System General Revenue Bond Resolution (the “General Resolution”), which authorizes bonds, notes or other evidences of indebtedness of the Authority, as special obligations of the Authority in accordance with the terms thereof for any lawful purpose of the Authority; and

WHEREAS, on February 1, 2019, the Authority executed a revolving credit agreement with JPMorgan, which expires by its terms on March 15, 2022; and

WHEREAS, pursuant to the Authority’s Request for Proposal for Revolving Credit Agreements, the Authority has received proposals from a number of different banks to enter into lines of credit, revolving credit agreements or other credit facilities, and based on a review of such proposals, the staff has recommended that the Authority enter into a revolving credit agreement with JPMorgan for the purpose of a providing a source of funding for the capital, operating needs, refunding certain outstanding obligations of the Authority, and other purposes of the Authority; and

WHEREAS, on December 13, 2012, the Trustees adopted the Nineteenth Supplemental Electric System General Revenue Bond Resolution and on May 18, 2016, the Trustees approved the amendment and restatement thereof (as so amended and restated, the “Nineteenth Supplemental Resolution”) which authorized Electric System General Revenue Notes in an amount not to exceed $500,000,000 outstanding at any one time; and

WHEREAS, the Authority wishes to make certain amendments to the Nineteenth Supplemental Resolution, including the inclusion of a deemed consent to the amendment and restatement of the Authority’s General Resolution, and in order to achieve such purpose there has been prepared and submitted to the Trustees a form of a Second Amended and Restated Nineteenth Supplemental Electric System General Revenue Bond Resolution (the “Amended Nineteenth Supplemental Resolution”); and

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Amended Nineteenth Supplemental Resolution, in the form presented to this meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The Chief Executive Officer, Chief Financial Officer, General Counsel, Secretary and Controller (the “Authorized Officers”) are each hereby authorized to deliver such Amended Nineteenth Supplemental Resolution to The Bank of New York Mellon, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Authorized Officers, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.
2. That the Board of Trustees hereby establishes a revolving credit agreement with JPMorgan (the “Credit Agreement”) in a principal amount not to exceed $350,000,000, for a term of up to five years, with the option to extend the Credit Agreement for an additional three years upon agreement of the parties. The Authorized Officers may determine to execute the Credit Agreement in the form of a new revolving credit agreement, amendment and restatement of the existing revolving credit agreement with JPMorgan, or an amendment to such existing revolving credit agreement.

3. The payment obligation of the Authority under the Credit Agreement shall be evidenced by the issuance of Notes constituting senior lien obligations under the General Resolution, as provided in the Amended Nineteenth Supplemental Resolution.

4. That the Authorized Officers be, and each of them hereby is, authorized to approve, execute and deliver, under the seal of the Authority if required, the Credit Agreement and such other agreements, certificates and other instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by this resolution and each of the documents authorized thereby and hereby, and each Authorized Officer shall be an Authorized Representative (as defined in the General Resolution) in connection with such matters.

5. This resolution shall take effect immediately.

Dated: October 29, 2021
LONG ISLAND POWER AUTHORITY

SECOND AMENDED AND RESTATED
NINETEENTH SUPPLEMENTAL ELECTRIC SYSTEM
GENERAL REVENUE BOND RESOLUTION

authorizing

ELECTRIC SYSTEM GENERAL REVENUE NOTES,
in a principal amount of up to $500,000,000 outstanding at any time

Adopted December 13, 2012

as

Amended and Restated on May 18, 2016

and as

further amended and restated on October 29, 2021
TABLE OF CONTENTS

ARTICLE I
DEFINITIONS AND STATUTORY AUTHORITY

101. Supplemental Resolution; Authority.................................................................1
102. Definitions.............................................................................................................1

ARTICLE II
AUTHORIZATION OF BONDS

201. Principal Amount, Designation, Series and Trustee ............................................2
202. Purposes ...............................................................................................................2
203. Delegation of Authority ......................................................................................2
204. Form of Notes and Trustee’s Authentication Certificate .......................................3
205. Denominations; Medium of Payment of Principal and Interest; Dating ...............3

ARTICLE III
DELIVERY OF EACH SERIES; CERTAIN FINDINGS, DETERMINATIONS
AND AUTHORIZATIONS

301. Delivery of the Notes .........................................................................................4
302. Further Authority ...............................................................................................4
303. Certain Findings and Determinations ..................................................................4
304. Amendment to the General Resolution ..............................................................5

ARTICLE IV
REDEMPTION OF NOTES

401. Optional and Sinking Fund Redemption.............................................................7

ARTICLE V
MISCELLANEOUS

501. Notices .................................................................................................................8
502. Effective Date .......................................................................................................8
SECOND AMENDED AND RESTATED
NINETEENTH SUPPLEMENTAL ELECTRIC SYSTEM
GENERAL REVENUE BOND RESOLUTION

BE IT RESOLVED by the Trustees of the Long Island Power Authority as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

101. Supplemental Resolution; Authority. This resolution ("Supplemental Resolution") is supplemental to, and is adopted in accordance with Articles II and VIII of, a resolution adopted by the Authority on May 13, 1998, entitled "Electric System General Revenue Bond Resolution," as heretofore supplemented ("General Resolution"), and is adopted pursuant to the provisions of the Act.

102. Definitions. 1. All terms which are defined in Section 101 of the General Resolution (including by cross-reference to Section 101 of the Resolution) shall have the same meanings for purposes of this Supplemental Resolution, unless otherwise defined herein.

2. In this Supplemental Resolution:

"Authorized Denominations" with respect to Notes of a Series, shall have the meaning set forth in the applicable Certificate of Determination.

"Bank" shall mean any bank or other financial institution identified by an Authorized Representative.

"Bank Agreements" means the line of credit, revolving credit agreement or other agreement(s) among or between the Authority and the Banks pursuant to which Notes are delivered.

"Certificate of Determination" shall mean a certificate or certificates of an Authorized Representative of the Authority delivered pursuant to Section 203 of this Supplemental Resolution, setting forth certain terms and provisions of the Notes of a Series, as such certificate(s) may be amended and supplemented.

"Maturity Date" means, with respect to any Note, the final date specified therefor in the Bank Agreement, which shall not be later than five years after the date of issuance or renewal.

"Maximum Rate" means for Notes of a Series, such rate, if any, as may be specified in the applicable Certificate of Determination; provided, however, that in no event shall the Maximum Rate exceed the maximum rate permitted by applicable law.

"Note" shall mean any Bond issued pursuant hereto.

"Notes" or "Notes of a Series" and words of like import shall mean each or all a Series of Bonds issued pursuant hereto collectively, as the context may require.

"Resolution" means the General Resolution, as amended and supplemented by the Supplemental Resolution.
ARTICLE II

AUTHORIZATION OF BONDS

201. **Principal Amount, Designation, Series and Trustee.** Pursuant to the provisions of the General Resolution, one or more separate Series of Bonds entitled to the benefit, protection and security of such provisions are hereby authorized in a not-to-exceed aggregate principal amount of $500,000,000 outstanding at any time and with the following designation: “Electric System General Revenue Notes, Series 20_ _” and with such additional or different designations as may be set forth in the applicable Certificates of Determination and the applicable Bank Agreement. The aggregate principal amount of each Series of Bonds issued pursuant hereto shall be determined by an Authorized Representative of the Authority, subject to the terms of Section 204 hereof. Each Series shall initially bear interest as may be provided by the applicable Certificate of Determination.

202. **Purposes.** (a) The purposes for which the Notes of any Series are to be issued shall include such of the following as shall be specified in the applicable Certificate of Determination:

(i) to fund Costs of System Improvements or Operating Expenses, including reimbursement of moneys theretofore expended by the Authority and the Subsidiary for such Costs or Operating Expenses;

(ii) to refund bonds or notes of the Authority, including, without limitation, any Notes heretofore issued pursuant to this Supplemental Resolution, or to repay amount drawn under a liquidity facility or credit facility to pay, redeem or purchase bonds or notes of the Authority;

(iii) to pay fees and expenses in conjunction with each of the foregoing and the issuance of the Notes of a Series, including reimbursement of fees and expenses expended by the Authority in connection therewith; and

(iv) such other purposes as may be specified by subsequent Authority resolution.

(b) The proceeds of the Notes of any Series shall be deposited and applied in accordance with the applicable Certificate of Determination.

203. **Delegation of Authority.** There is hereby delegated to each Authorized Representative of the Authority, subject to the limitations contained herein, the power with respect to the Notes of each Series to determine and effectuate the following:

(a) the principal amount of the Notes of each Series to be issued, provided that the aggregate principal amount of Notes of all Series issued hereunder outstanding at any time shall not exceed $500,000,000;

(b) the dated date or dates, maturity date or dates and principal amount of each maturity of the Notes of such Series, the first and subsequent interest payment date or dates of the Notes of such Series, and the date or dates from which the Notes of such Series shall bear interest;

(c) the place of payment of the Notes and the appointment of a Paying Agent, if any, for Notes of any Series.
(d) the amounts of the proceeds of the Notes of each Series to be deposited and applied in accordance with Section 202 hereof;

(e) the redemption provisions, if any, of the Notes;

(f) the definitive form or forms of the Notes and the definitive form or forms of the Trustee’s certificate of authentication thereon;

(g) the specification, from time to time, of a new Maximum Rate, in accordance with the definition thereof;

(h) any other provisions deemed advisable by such Authorized Representative, not in conflict with the provisions hereof or of the General Resolution.

Such Authorized Representative shall execute one or more certificates evidencing determinations or other actions taken pursuant to the authority granted herein, an executed copy of which shall be delivered to the Trustee. Each such certificate shall be deemed a Certificate of Determination and shall be conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated in Article II hereof.

204. **Form of Notes and Trustee’s Authentication Certificate.** Subject to the provisions of the General Resolution and this Supplemental Resolution, the form of the Notes of each Series, form of assignment, and the Trustee’s Certificate of Authentication shall be in substantially the form set forth in the applicable Certificate of Determination. Any portion of the text of any Note of a Series may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Note. Notes of any Series may be typewritten, printed, engraved, lithographed or otherwise reproduced and may incorporate such legends and other additional text as may be customary, including but not limited to any legend to reflect delivery of the Notes of any Series to a Securities Depository.

205. **Denominations; Medium of Payment of Principal and Interest; Dating.** The Notes of each Series shall be issued in the form of fully registered notes in Authorized Denominations and shall be numbered, lettered and dated as prescribed in the applicable Certificate of Determination. The principal of and premium, if any, and interest on the Notes of each Series shall be payable in lawful money of the United States of America as provided in the applicable Certificate of Determination and Bank Agreement.

Interest on Notes of a Series shall be calculated as provided in the applicable Certificate of Determination and Bank Agreement.

No Note of a Series may bear interest at an interest rate higher than the Maximum Rate.
ARTICLE III

DELIVERY OF EACH SERIES; CERTAIN FINDINGS, DETERMINATIONS
AND AUTHORIZATIONS

301. **Delivery of the Notes.** (a) The Notes of each Series shall be delivered to the Bank named in the related Bank Agreement and approved by an Authorized Representative of the Authority, upon the terms and conditions set forth in such Bank Agreement.

(b) The Authority hereby authorizes one or more Bank Agreements with respect to the Notes, in such form as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves. Any Authorized Representative of the Authority is hereby authorized to execute and deliver such Bank Agreements, which execution and delivery shall be conclusive evidence of the approval of any such modifications.

302. **Further Authority.** All Authorized Representatives of the Authority are and each of them is hereby authorized and directed to execute and deliver any and all agreements, documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out this Supplemental Resolution and each agreement authorized hereby, the issuance and delivery of the Notes of any Series and for implementing the terms of each such agreement and the transactions contemplated thereby and by this Supplemental Resolution.

303. **Certain Findings and Determinations.** The Authority hereby finds and determines:


(b) The Trust Estate is not encumbered by any lien or charge thereon or pledge thereof which is prior to or of equal rank with the lien and charge thereon and pledge thereof created by the General Resolution.

(c) There does not exist an “Event of Default” within the meaning of such quoted term as defined in Section 1001 of the General Resolution, nor does there exist any condition which, after the giving of notice or the passage of time, or both, would constitute such an “Event of Default.”

304. Amendment to the General Resolution. (a) Amendment. Pursuant to the resolution of the Board of Trustees of the Authority, dated July 22, 2020, the General Resolution shall be amended and restated as set forth in such resolution, subject to the consent or deemed consent of not less than a majority of the holders of Bonds and certain other conditions.

305. Deemed Consents. Pursuant to Section 903 of the General Resolution, the original purchasers and Holders of the Bonds of each Series issued pursuant to this Supplemental Resolution, by their purchase and acceptance thereof, thereby (i) consent, and shall be deemed to have consented to, the amendments made by or pursuant to this Supplemental Resolution, and (ii) waive, and shall be deemed to have waived, any and all other formal notices, implementation or timing requirements
that may otherwise be required under the Resolution, which consents shall be effective and binding unless and until revoked pursuant to and to the extent permitted by said Section 903 of the General Resolution.
ARTICLE IV

REDEMPTION OF NOTES

401. **Optional and Sinking Fund Redemption.** Notes of a Series shall be subject to optional and mandatory redemption as and to the extent and at the times and subject to such conditions, if any, as shall be specified in the applicable Certificate of Determination.
ARTICLE V

MISCELLANEOUS

501. **Notices.** All notices required to be given to Owners of Notes of a Series under this Supplemental Resolution in accordance with the related Bank Agreement.

502. **Effective Date.** This Supplemental Resolution, as amended and restated on October 29, 2021, shall be fully effective in accordance with its terms only upon the filing with the Trustee of a copy hereof certified by an Authorized Representative.