



Annual Board and Committee Agenda Planning for 2022 – Proposed for Board Consideration

December 15, 2021

SUMMARY OF PROPOSED 2022 LIPA MEETINGS

Board/Committee	Number of Meetings	Average Length	Total Time
Board	7	1 hour, 30 mins.	11 hours
F&A	7	1 hour, 15 mins.	8.75 hours
Oversight & Clean Energy	5	1 hour, 10 mins.	6.0 hours
Governance, Planning and Personnel	4	50 minutes	3.25 hours
Total Number of Meetings	23	Total Time Spent*	29 hours

***The proposed Board agenda for 2022 does not include:**

1. A time allowance for executive sessions or emerging issues, which are likely to increase the total time spent by the Board during the year by 3-4 hours; or
2. Board briefings, workshops and training, which are in addition to the Board's meeting schedule, and will include work with the Board's governance consultant

PROPOSED FEBRUARY XX, 2022 MEETINGS

Board

- Roll call, pledge, consent agenda, CEO, Secretary and Operating Reports (“Routine Board Matters”) (30 mins.)
- Discussion of ER&T 2021 Metrics Performance (20 mins.) [50 mins.]
- Public Comment (20 mins.)

Governance, Planning & Personnel

- Discussion of 2021 Projects and Accomplishments and 2022 Work Plan (30 mins.)
- Annual Governance Package (see Appendix) (10 mins.) [55 mins.]
- EXECUTIVE SESSION: Succession Planning (15 mins.)

F&A

- Routine F&A Matters (30 mins.)
- Discussion of Internal Audit Activities (10 mins.)
- Approval of 2022 Internal Audit Plan, 2022 Internal Audit Budget, and Resource Requirements (15 mins.) [75 mins.]
- Annual Financial Package (see Appendix 10) (10 mins.)
- Committee’s Annual Self Report (10 mins.)

Total proposed time for February meetings: 3 hours

PROPOSED MARCH 30, 2022 MEETINGS

Board

- Routine Board Matters (30 mins.)
- Review and Approval of 2020 Financials (10 mins.)
- Isaias Task Force Progress Discussion and Consideration of the Adoption of the Task Force Quarterly Report (20 mins.) [120 mins.]
- Public Comment (20 mins.)
- EXECUTIVE SESSION: Board's Self Evaluation (40 mins.)

F&A

- Routine F&A Matters (20 mins.)
- 2021 Audit Results from Independent Auditors (20 mins.)
- EXECUTIVE SESSION with Independent Auditors (15 mins.) [90 mins.]
- Recommendation to Approve 2020 Financials (15 mins.)
- Debt and Capital Markets Policy (20 mins.)

Governance, Planning & Personnel

- EXECUTIVE SESSION: CEO Performance and Compensation (20 mins.) [45 mins.]
- Committee's Annual Self Report to the Board (includes results of Board's self-evaluation for 2021) (15 mins.)
- Review Committee Charter (10 mins.)

PROPOSED MARCH 30, 2022 MEETINGS, CONT.

Oversight & Clean Energy

- Briefing on Winter Storm Summary (20 mins.)
- Committee's Annual Self Report to the Board (10 mins.)
- EXECUTIVE SESSION: Cybersecurity (20 mins.)

[50 mins.]

Total proposed time for March meetings: 5 hours

PROPOSED MAY 18, 2022 MEETINGS

Board

- Routine Board Matters (30 mins.)
 - Taxes and PILOTs Policy (20 mins.)
 - Review of Strategic Planning & Oversight Policy (20 mins.)
 - Public Comment (20 mins.)
- [90 mins.]

F&A

- Routine F&A Matters (20 mins.)
 - EXECUTIVE SESSION: Internal Audit (10 mins.)
 - Review Quarterly Financials Ended March 30 (10 mins.)
 - Review Audit Relationships Policy, Internal Audit Charter and Confirmation of Independence and Code of Ethics (15 mins.)
 - Presentation from PSEG ER&T on Power and Fuel Supply Management and Hedging (20 mins.)
 - Customer Value and Affordability Policy (15 mins.)
- [90 mins.]

Oversight & Clean Energy

- Update on Implementation of 2021 Utility 2.0 Programs (20 mins.)
 - T&D Operations Policy (20 mins.)
 - Summer Preparation for Power Supply & T&D (20 mins.)
 - Review Committee Charter (10 mins.)
 - Approval of ISO-New England Capacity Contract(s) (10 mins.)
- [80 mins.]

MAY 18, 2022 MEETINGS, CONT.

Governance, Planning & Personnel

- Values of Integrity and Responsiveness Policy (15 mins.)
- Trustee Communications Policy (15 mins.)
- EXECUTIVE SESSION: Succession Planning (20 mins.)

[50 mins.]

Total proposed time for May meetings: 5 hours

PROPOSED JUNE 29, 2022 MEETINGS

Board

- Routine Board Matters (30 mins.)
 - Isaias Task Force Progress Discussion and Consideration of the Adoption of the Task Force Quarterly Report (20 mins.)
 - Discussion of 2021 OSA Performance Metrics (20 mins.)
 - Public Comment (20 mins.)
- [90 mins.]

Oversight & Clean Energy

- Update on T&D Capital Budget (20 mins.)
 - Review Annual Update to Emergency Restoration Plan (20 mins.)
 - Resource Planning and Clean Energy Policy (20 mins.)
 - Presentation of Annual Energy Efficiency Report (20 mins.)
 - Review Utility 2.0 Proposals (20 mins.)
 - Report on Y-49 Cable (10 mins.)
- [110 mins.]

F&A

- Routine F&A Matters (15 mins.)
 - Investment Policy (10 mins.)
 - Economic Development & Community Engagement Policy (15 mins.)
 - Review Committee Charter (10 mins.)
- [50 mins.]

PROPOSED JUNE 29, 2022 MEETINGS, CONT.

Governance, Planning & Personnel

- Staffing & Employment Policy (15 mins.)
- Diversity, Equity, and Inclusion Policy (15 mins.)
- Purposes and Roles of the LIPA Trustees Policy (15 mins.)

[45 mins.]

Total proposed time for June meetings: 5 hours

PROPOSED SEPTEMBER 28, 2022 MEETINGS

Board

- Routine Board Matters (30 mins.)
- Construction of T&D Projects Policy (20 mins.)
- Isaias Task Force Progress Discussion and Consideration of the Adoption of the Task Force Quarterly Report (20 mins.) [120 mins.]
- Discussion of Integrated Resource Plan (30 mins.)
- Public Comment (20 mins.)

F&A

- Routine F&A Matters (20 mins.)
- Review Quarterly Financials Ended June 30 (10 mins.)
- Discuss Independent Auditor's 2023 Audit Plan (20 mins.) [50 mins.]

Oversight & Clean Energy

- Briefing on PSEG Long Island's Energy Efficiency & Renewables Plan (20 mins.)
- Customer Experience Policy (20 mins.) [60 mins.]
- Briefing on Implementation of Management Audit Recommendations (20 mins.)

Total proposed time for September meetings: 4 hours

PROPOSED NOVEMBER 16, 2022 MEETING

Board

- Budget Presentation (60 mins.)
 - Q&A (30 mins.)
- [90 mins.]

F&A

- Routine F&A Matters (20 mins.)
 - Review Quarterly Financials Ended September 30 (10 mins.)
 - Presentation from PSEG ER&T on Power and Fuel Supply Management and Hedging (20 mins.)
 - Power Supply Hedging Policy (15 mins.)
 - Enterprise Risk Management Policy and Annual Insurance Review (30 mins.)
- [95 mins.]

Total proposed time for November meetings: 3 hours

PROPOSED DECEMBER 14, 2022 MEETINGS

Board

- Routine Board Matters (30 mins.)
- Approval of Tariff Changes (15 mins.)
- Isaias Task Force Progress Discussion and Consideration of the Adoption of the Task Force Quarterly Report (20 mins.) [100 mins.]
- Governance and Agenda Planning Policy (15 mins.)
- Public Comment (20 mins.)

F&A

- Routine F&A Matters (20 mins.)
- Approval of 2023 Budget (10 mins.)
- Approval of 2023 Plan of Finance (10 mins.) [75 mins.]
- Approval of 2023 Internal Audit Plan, 2023 Internal Audit Budget and Resource Requirements (10 mins.)
- EXECUTIVE SESSION: Internal Audit (10 mins.)
- Approval of Tariff Changes (15 mins.)

Oversight & Clean Energy

- Safety Policy (20 mins.)
- Information Technology and Cyber Security (10 mins.) [55 mins.]
- EXECUTIVE SESSION: Cybersecurity (25 mins.)

Total proposed time for December meetings: 4 hours

Appendix

ANNUAL GOVERNANCE PACKAGE

- Procurement Policy
- Property Acquisition / Disposition Policy
- Lobbying Policy
- By-Laws
- Code of Ethics and Conduct
- Trustee Communications Policy
- Whistleblower Policy

ANNUAL FINANCIAL PACKAGE

- Investment and Risk Policy
- Interest Rate Exchange Agreement Policy
- Prompt Payment Policy
- Investment Report

FOR CONSIDERATION

December 15, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Approval of the Annual Report on the Board's Policy on Governance and Agenda Planning

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution: (i) finding that LIPA has complied with the Policy on Board Governance and Agenda Planning (the "Policy") for the period since the last annual review on the Policy; and (ii) approving the annual report for the Policy, which resolution is attached hereto as **Exhibit "A."**

Background

By Resolution No. 1323, dated September 21, 2016, the Board adopted the Policy. The Policy provides that the "members of the Board of Trustees of the Long Island Power Authority are fiduciaries who are collectively entrusted with responsibility for the Authority, including ensuring LIPA achieves its mission and values for the benefit of its customer-owners. The Chief Executive Officer of the Authority, including acting through the Authority's service provider, is responsible for implementing the Board's policies and the day-to-day operations of the Authority."

The Board conducts an annual review of the Policy and considers as part of its annual review whether LIPA has remained in compliance with the Policy and whether any updates or revisions should be made to the Policy. The Board last reviewed and amended the Policy in December 2020.

Compliance with the Board Policy on Governance and Agenda Planning

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

The Policy provides that the Board will "Use the expertise of individual members to enhance the understanding of the Board as a body, without allowing the expertise of individual members or staff to substitute for the judgment of the Board as a whole."

- Trustees are assigned by the Chair to Board Committees based, in part, on their individual experience outside of LIPA. In 2021, Trustees Cockfield and Goroff were assigned to the Oversight and Clean Energy Committee, and Trustee Anderson Campbell was assigned to the Governance, Planning and Personnel Committee.
- The Trustees have adopted a Board Policy Governance process to provide clear direction to LIPA Staff from the Board, acting as a whole, rather than Trustees acting as individual members, including the Board Policy on Trustee Communication.

- The Trustees have annually conducted a survey and review of their collective performance, and have instituted improvements to the Board’s governance, such as a facilitated process to review and enhance the Board Policy governance model, changes to Committee charters, a process to receive constructive feedback from staff on the Board’s performance, and better use of the Board’s time through judicious use of a Consent Agenda for consensus and ministerial items.

The Policy provides that the Board will “Direct and control the Authority through the careful establishment of broad written policies reflecting the Board’s values and perspectives for the benefit of the Authority’s customer owners. The Board’s major policy focus will be on the intended long-term impacts, not on the administrative means of attaining those impacts, which are the role of the chief executive and service provider.”

- The Board has over the course of seven years, adopted approximately 30 policies that focus on the intended long-term impacts, rather than the administrative means of achieving those impacts. New policies are developed, and existing policies are revised at the direction of the Board to address LIPA’s long-term plans and values or adapt to changing circumstances in the industry or within LIPA’s operations.
- In 2021, the Board adopted a new policy on Asset Management.
- In 2021, the Board hired Leading Resources, Inc. to conduct a review of the Board policy structure and to facilitate working group discussions to amend certain Board policies to better align with LIPA’s vision for the utility. At the November 2021 meeting, the Board adopted updated policies on LIPA’s Purpose and Vision, Transmission and Distribution Operations, Customer Experience, and Information Technology and Cyber Security.
- With Leading Resources, Inc., the Board has formed additional working groups to review the following policies in 2022: Resource Planning and Clean Energy; Customer Value and Affordability; Role of LIPA Trustees; Staffing and Employment; Values of Responsiveness and Integrity; and Trustee Communications.

The Policy provides that “the Board will monitor the Board’s process, performance and activities in comparison to its governance objectives” and “Monitor the Board’s process, performance and activities in comparison to its governance objectives.”

- The Board policies are reviewed by the Board or appropriate Committee annually for compliance purposes. The annual reports include information relating to performance and activities in furtherance of the Board’s governance objectives. In addition, the Governance, Planning and Personnel Committee (the “Governance Committee”) conducts an annual review of the overall effectiveness of the Board.
- The Board Policy Implementation Reports are available on the LIPA’s website.

The Policy provides that the Board “Pursue continual board education and development across all areas of the Authority’s operations and Board activities, including orientation of new members in the Board’s fiduciary duties, governance process, and periodic discussion of governance process improvement.”

- LIPA Staff regularly provides the Board with training opportunities, including those requested by the Trustees, in a variety of different areas, including governance, utility operations and trends, electric rates, and finance. For example, in November 2021, the Board had a presentation from Carl Mas of NYSERDA describing certain surveys undertaken by the Climate Action Council in furtherance of the Climate Leadership and Community Protection Act.

The Policy provides that “the Board will establish and maintain an outline of the core competencies required for an effective Board member (see, Appendix A of the Policy); establish and maintain an outline of the core competencies required for an effective Chairperson and Committee Chairs (see, Appendix A of the Policy); and establish and maintain a list of Trustee expectations to ensure that all Trustees have a common understanding of the requirements for a productive and engaged Board member (see, Appendix B of the Policy).”

- The Board has adopted both a set of core competencies and a list of expectations for all Trustees and specifically for the Chairperson and Committee Chairs, which are reviewed annually.

The Policy provides that the Board “Systematically monitor the performance of the Chief Executive Officer and service provider relative to the policies of the Board relating to its mission and values and any limitations established by Board policy. To do so, the Board will adopt a schedule developed as part of the annual Board agenda planning process...”

- Annually, the Governance Committee reviews the performance of the Chief Executive Officer relative to the policies of the Board.
- Annually, LIPA Staff provides the Board with the proposed agenda for all Board meetings for the Board’s review and comment. Likewise, the Secretary to the Board provides periodic reports relating to compliance with each policy, as appropriate.
- LIPA’s Service Provider regularly provides the Trustees with information relating to the Service Provider’s performance under the Amended and Restated Operations Services Agreement.

Proposed Changes to the Board Policy

LIPA Staff has completed its annual review of the Policy and has no suggested amendments at this time.

Recommendation

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

Attachments

Exhibit “A” Resolution

RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD GOVERNANCE AND AGENDA PLANNING POLICY

WHEREAS, the Board Governance and Agenda Planning Policy (the "Policy") was originally approved by the Board of Trustees by Resolution No. 1323, dated September 21, 2016; and

WHEREAS, the Policy was last amended by the Board pursuant to Resolution No. 1505, dated December 18, 2019; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Board hereby finds that LIPA has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Dated: December 15, 2021