

FOR CONSIDERATION

March 30, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

REQUEST: Consideration of Approval of Amendments to the Governance, Planning and Personnel Committee Charter

Requested Action

The Board of Trustees (the “Board”) is requested to adopt a Resolution approving certain amendments to the Governance, Planning and Personnel (the “Committee”) Charter (the “Charter”).

Discussion

In 2021, the Board hired Leading Resources, Inc. to facilitate discussion amongst the Trustees on the Board’s policies and amending those policies. Specifically, four separate working groups of Trustees participated in various meetings to develop and draft proposed policies, including the Purpose and Vision, T&D Operations Policy, Customer Experience Policy, and the IT and Cyber Security Policy. Additionally, in September 2021, the Board adopted an amended policy on Strategic Planning and Oversight. This policy defined LIPA’s strategic planning process to include “several complementary elements that articulate strategy at different levels of granularity and across different time horizons.” The Strategic Planning and Oversight policy provides that, “these elements should be collectively coherent, ensuring strategic alignment from the Board-defined Purpose, Vision, and Policies to the annual Work Plan and budget.” The Board’s work on various other policies continues in 2022 with the formation of additional working groups.

In light of these policy changes, LIPA Staff is proposing minor amendments to the Committee’s responsibilities consistent with changes to LIPA’s Purpose and Vision and to its Strategic Planning and Oversight Policy. The amended Committee Charter is attached hereto as **Exhibit “B.”**

Recommendation

Based upon the foregoing, it is recommended that the Trustees adopt the resolution in the form attached hereto as **Exhibit “A”**.

Attachments

- Exhibit “A”** Resolution
- Exhibit “B”** Governance, Planning and Personnel Committee Charter (redline)
- Exhibit “C”** Governance, Planning and Personnel Committee Charter (clean)

**RESOLUTION APPROVING AMENDMENTS TO THE GOVERNANCE, PLANNING
AND PERSONAL COMMITTEE CHARTER**

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the amendments to the Governance, Planning and Personnel Committee Charter, in the form attached hereto, are hereby approved.

Dated: March 30, 2022

**GOVERNANCE, PLANNING AND
PERSONNEL COMMITTEE CHARTER**

Long Island Power Authority

~~February 6, 2020~~ March 30, 2022

PURPOSE:

The purpose of the Governance, Planning and Personnel Committee (the "Committee") of the Board of Trustees (the "Board") of the Long Island Power Authority ("~~the "Authority~~LIPA"), in part, pursuant to Section 2824 of the Public Authorities Law of the State of New York, is to assist the Trustees of the Authority by:

- Keeping the Board informed of current best governance practices;
- Reviewing corporate governance trends for their applicability to ~~the~~ AuthorityLIPA;
- Updating the ~~Authority's~~ LIPA's corporate governance principles;
- Ensuring that the Board's policies provide strategic direction for ~~the~~ AuthorityLIPA and that the Board is being effective in the utilization of the ~~Authority's~~ LIPA's assets and oversight of ~~the~~ Authority'sLIPA's activities; and
- Advising those responsible for appointing Trustees on the skills and experiences required of potential Trustees.

Additionally, the Committee shall be responsible to make recommendations to the Board relating to attraction, appointment, evaluation, retention, compensation, and separation from employment of ~~the Authority's~~ LIPA's Chief Executive Officer ("~~CEO~~"); to oversee the CEO's administration of ~~the Authority's~~ LIPA's compensation and benefit plans and personnel policies and programs including those related to the attraction, retention, continued development, and separation from employment of employees; and to consult with the ~~Chief Executive Officer~~ CEO and advise the Board with respect to the attraction, appointment, retention and separation from employment of the Chief Financial Officer and General Counsel.

MEMBERSHIP:

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair ("Committee Chair"). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio voting member of the Committee.

Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005¹.

MEETINGS:

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the members of the Committee then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee. Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of ~~the Authority~~LIPA, PSEG Long Island or ~~the Authority's~~LIPA's –outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

RESPONSIBILITIES:

The Board hereby assigns the Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Committee has specific expertise or delegated responsibility, as follows:

- Develop and recommend to the Board policies for the sound governance ~~of the Authority~~ including but not limited to the ~~Authority's Mission~~LIPA's Purpose and Vision, the purpose and role of the Board, the Board's relationship with ~~the LIPA's~~ CEO ~~of the Authority~~ and other Board-appointed officers, Codes of Ethics and Conduct, performance standards for the Board and employees ~~of the Authority~~, and other such policies as it deems necessary or appropriate to address transparency, independence, accountability, fiduciary responsibilities, and management oversight (which responsibility may be delegated by this Committee to other board committees that have greater first-hand knowledge or experience with the issue, at its discretion).

¹ An “independent” member is defined in the Act as one who: 1. is not, and in the past two years has not been a) employed by the public authority or an affiliate in an executive capacity; b) employed by an entity that has received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; (c) a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate; and 2. is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.

- Develop and recommend to the Board the number and structure of committees to be created by the Board, including this Committee.
- Develop and provide recommendations to the Board evaluation of the performance of the Board, its committees and the CEO in ~~the Authority's LIPA's~~ governance process, including coordination and oversight of such performance evaluations.
- Examine potential ethical and conflict of interest issues and situations.
- ~~Develop, R~~review on a regular basis, and update as necessary, ~~the Authority's LIPA's Purpose, Vision, and 's Strategic P~~direction, ~~which are a multi-year view of the key themes or categories of initiatives that management must execute to further the Mission Statement Purpose and Visions and, Board Policies and Work Plan (collectively, the "Strategic Plan")~~ to ensure that ~~the Authority LIPA~~ is establishing and following the appropriate and necessary direction for itself, the CEO and all of LIPA's service providers for the immediate and long-term benefit of the customer-owners and residents of Long Island and the Rockaways.
- Develop, review on a regular basis, and update as necessary the ~~Authority's LIPA's~~ Code of Ethics and Conduct, which shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board:
 - any required revisions to ~~the Authority's LIPA's~~ written policies regarding the protection of whistleblowers from retaliation, ~~as included in the Code~~;
 - any required updates on ~~the Authority's LIPA's~~ written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence ~~the Authority's LIPA's~~ procurement process;
 - any required updates on ~~the Authority's LIPA's~~ written policies regarding the disposition of real and personal property;
 - all updates on ~~the Authority's LIPA's~~ other written policies that are required by statute or by resolution of the Board which have not been delegated to other Board committees or retained to itself by the Board; and
 - any other policies or documents relating to ~~the LIPA~~ governance ~~of the Authority practices~~, including rules and procedures for conducting the business of the Board, such as ~~the Authority's LIPA's~~ by-laws. The Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.
- Develop a description of the competencies and personal attributes required of Trustees and Chairs of the Board or Committees to assist those authorized to

appoint members to the Board in identifying qualified individuals.

- Develop and provide recommendations to the Board regarding Trustee education, including new Trustee orientation and regularly scheduled Trustee training.
- Review and report to the Board on the requirement under the LIPA Reform Act to keep ~~the Authority's LIPA's~~ staffing at only those levels necessary to ensure that ~~the Authority~~ it is able to meet its obligations with respect to its bonds and notes and all applicable statutes and contracts and oversee the activities of its service provider.
- Monitor and make recommendations to the Board with respect to ~~the Authority's LIPA's~~ staffing and employment policies, practices, and programs, including those that seek to attract and retain a qualified workforce, support the continued professional development of the ~~Authority's LIPA~~ staff, and ensure employment practices that meet or exceed relevant laws and regulations.
- Recommend for approval by the Trustees the appointment and compensation of the ~~Chief Executive Officer~~CEO and annually evaluate and make recommendations to the Board regarding the performance of the ~~Chief Executive Officer~~CEO relative to the ~~mission, Purpose, and Vision, Values~~, governance, and operating principles approved by the Board.
- Annually review and, if appropriate, recommend to the Trustees changes in the compensation of the ~~Chief Executive Officer~~CEO taking into account such factors as: (i) the compensation and benefits of those at utilities of similar size and complexity; (ii) an appropriate balance of compensation practices among public and private organizations; (iii) industry and regional cost-of-living trends; and (iv) individual performance and contribution.
- Recommend for approval, in consultation with the ~~Chief Executive Officer~~CEO, the appointment of the Chief Financial Officer and General Counsel.
- In consultation with the ~~Chief Executive Officer~~CEO, advise the Board, at least annually, with respect to emergency succession planning for the position of the ~~Chief Executive Officer~~CEO.
- Review and report to the Board at least annually on the effectiveness of the Board, the Board's governance structure and the Board's policies, and make such recommendations to the Board as will improve the effectiveness of the Board, the utilization of ~~the Authority's LIPA~~ assets and the Board's oversight of the Authority's operations. The Committee will similarly assess its own activities and effectiveness as a Committee and report that to the Board annually, including a report on any proposed changes to the charter or the staffing and employment policies of the Board.
- Carry out such other activities consistent with its purpose as may be requested from time to time by the Chair of the Board or the Board of Trustees.

**GOVERNANCE, PLANNING AND
PERSONNEL COMMITTEE CHARTER**

Long Island Power Authority

March 30, 2022

PURPOSE:

The purpose of the Governance, Planning and Personnel Committee (the "Committee") of the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA"), in part, pursuant to Section 2824 of the Public Authorities Law of the State of New York, is to assist the Trustees of the Authority by:

- Keeping the Board informed of current best governance practices;
- Reviewing corporate governance trends for their applicability to LIPA;
- Updating the LIPA's corporate governance principles;
- Ensuring that the Board's policies provide strategic direction for LIPA and that the Board is being effective in the utilization of the LIPA's assets and oversight of LIPA's activities; and
- Advising those responsible for appointing Trustees on the skills and experiences required of potential Trustees.

Additionally, the Committee shall be responsible to make recommendations to the Board relating to attraction, appointment, evaluation, retention, compensation, and separation from employment of LIPA's Chief Executive Officer ("CEO"); to oversee the CEO's administration of LIPA's compensation and benefit plans and personnel policies and programs including those related to the attraction, retention, continued development, and separation from employment of employees; and to consult with the CEO and advise the Board with respect to the attraction, appointment, retention and separation from employment of the Chief Financial Officer and General Counsel.

MEMBERSHIP:

The Committee shall consist of three or more Trustees, who shall be appointed by, and serve at the discretion of, the Chair of the Board of Trustees, including the member designated as its chair ("Committee Chair"). The members shall serve until their resignation, retirement, or removal by the Chair of the Board of Trustees. The Chair of the Board shall serve as an ex-officio voting member of the Committee.

Each Committee member shall meet the independence requirements set forth in the Public Authorities Accountability Act of 2005¹.

MEETINGS:

Meetings of the Committee shall be convened by the Committee Chair and are authorized as often as the Committee Chair deems necessary, but not less than four times a year. A majority of the members of the Committee then sitting shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Committee. Meeting agendas will be prepared for every meeting and provided to the Committee members at least two (2) days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions.

Meetings of the Committee shall be open to the public and governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session, and minutes will be taken and maintained.

The Committee may request any officer or employee of LIPA, PSEG Long Island or LIPA's outside counsel or other consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

RESPONSIBILITIES:

The Board hereby assigns the Committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the Committee has specific expertise or delegated responsibility, as follows:

- Develop and recommend to the Board policies for the sound governance including but not limited to the LIPA's Purpose and Vision, the purpose and role of the Board, the Board's relationship with LIPA's CEO and other Board-appointed officers, Codes of Ethics and Conduct, performance standards for the Board and employees, and other such policies as it deems necessary or appropriate to address transparency, independence, accountability, fiduciary responsibilities, and management oversight (which responsibility may be delegated by this Committee to other board committees that have greater first-hand knowledge or experience with the issue, at its discretion).

- Develop and recommend to the Board the number and structure of committees to

¹ An "independent" member is defined in the Act as one who: 1. is not, and in the past two years has not been a) employed by the public authority or an affiliate in an executive capacity; b) employed by an entity that has received remuneration valued at more than fifteen thousand dollars for goods and services provided to the public authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; (c) a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate; and 2. is not a relative of an executive officer or employee in an executive position of the public authority or an affiliate.

be created by the Board, including this Committee.

- Develop and provide recommendations to the Board evaluation of the performance of the Board, its committees and the CEO in LIPA's governance process, including coordination and oversight of such performance evaluations.
- Examine potential ethical and conflict of interest issues and situations.
- Review on a regular basis, and update as necessary, LIPA's Purpose, Vision, and strategic direction to ensure that LIPA is establishing and following the appropriate and necessary direction for itself, the CEO and all of LIPA's service providers for the immediate and long-term benefit of the customer-owners and residents of Long Island and the Rockaways.
- Develop, review on a regular basis, and update as necessary the LIPA's Code of Ethics and Conduct, which shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board:
 - any required revisions to LIPA's written policies regarding the protection of whistleblowers from retaliation;
 - any required updates on LIPA's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence LIPA's procurement process;
 - any required updates on LIPA's written policies regarding the disposition of real and personal property;
 - all updates on LIPA's other written policies that are required by statute or by resolution of the Board which have not been delegated to other Board committees or retained to itself by the Board; and
 - any other policies or documents relating to LIPA governance practices, including rules and procedures for conducting the business of the Board, such as LIPA's by-laws. The Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.
- Develop a description of the competencies and personal attributes required of Trustees and Chairs of the Board or Committees to assist those authorized to appoint members to the Board in identifying qualified individuals.
- Develop and provide recommendations to the Board regarding Trustee education, including new Trustee orientation and regularly scheduled Trustee training.
- Review and report to the Board on the requirement under the LIPA Reform Act to keep LIPA's staffing at only those levels necessary to ensure that it is able to meet

its obligations with respect to its bonds and notes and all applicable statutes and contracts and oversee the activities of its service provider.

- Monitor and make recommendations to the Board with respect to LIPA's staffing and employment policies, practices, and programs, including those that seek to attract and retain a qualified workforce, support the continued professional development of the LIPA staff, and ensure employment practices that meet or exceed relevant laws and regulations.
- Recommend for approval by the Trustees the appointment and compensation of the CEO and annually evaluate and make recommendations to the Board regarding the performance of the CEO relative to the Purpose, Vision, Values, governance, and operating principles approved by the Board.
- Annually review and, if appropriate, recommend to the Trustees changes in the compensation of the CEO taking into account such factors as: (i) the compensation and benefits of those at utilities of similar size and complexity; (ii) an appropriate balance of compensation practices among public and private organizations; (iii) industry and regional cost-of-living trends; and (iv) individual performance and contribution.
- Recommend for approval, in consultation with the CEO, the appointment of the Chief Financial Officer and General Counsel.
- In consultation with the CEO, advise the Board, at least annually, with respect to emergency succession planning for the position of the CEO.
- Review and report to the Board at least annually on the effectiveness of the Board, the Board's governance structure and the Board's policies, and make such recommendations to the Board as will improve the effectiveness of the Board, the utilization of LIPA assets and the Board's oversight of the Authority's operations. The Committee will similarly assess its own activities and effectiveness as a Committee and report that to the Board annually, including a report on any proposed changes to the charter or the staffing and employment policies of the Board.
- Carry out such other activities consistent with its purpose as may be requested from time to time by the Chair of the Board or the Board of Trustees.