

**LONG ISLAND POWER AUTHORITY**

**MINUTES OF THE 306th MEETING**

**HELD ON FEBRUARY 17, 2022**

*The Long Island Power Authority (“LIPA”) was convened for the three hundred and sixth time at 11:23 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on February 11, 2022, and electronic notice posted on the LIPA’s website.*

*In compliance with New York State Open Meeting Law and in furtherance of COVID-19 public safety, the following guidelines were publicly posted and followed:*

*The Long Island Power Authority is taking steps to minimize the risk of exposure for the public and our employees. As such, LIPA will not be permitting in-person access to its February 17, 2022 Board meeting. Members of the public are encouraged to observe the live stream of the Board meeting posted at the LIPA website. The meeting will also be recorded and posted to LIPA’s website for later viewing.*

*The following LIPA Trustees were present:*

**Mark Fischl, Acting Chair (in person)**  
**Elkan Abramowitz (via video conferencing)**  
**Valerie Anderson Campbell (via video conferencing)**  
**Drew Biondo (in person)**  
**Sheldon Cohen (in person)**  
**Nancy Goroff (in person)**  
**Laureen Harris (in person)**  
**Ali Mohammed (via video conferencing)**

**Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, General Counsel & Board Secretary; Tamela Monroe, Chief Financial Officer; Mujib Lodhi, Chief Information Officer and Senior Vice President of Customer Experience; Rick Shansky, Senior Vice President of Power Supply and Whole Markets; Jen Hayen,**

Director of Communications; and Andrew Berger, Communications Assistant. Participating via video conferencing were Billy Raley, Senior Vice President of T&D Oversight; Donna Mongiardo, Vice President-Controller; Thomas Locascio, Director of External Affairs; Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; and Osman Ahmad, IT-Consultant.

*Acting Chair Fischl welcomed everyone to the 306th meeting of the Long Island Power Authority Board of Trustees.*

*After the Chair remarks, Acting Chair Fischl stated that the first item on the agenda was the Consideration of the Consent Agenda Items.*

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolutions were unanimously adopted by the Trustees based on the memoranda summarized below:*

**1704. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE DECEMBER 15, 2021 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY**

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**RESOLVED**, that the Minutes of the meeting of the Authority held on December 15, 2021 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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**Requested Action**

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is being requested to adopt a Resolution approving certain amendments to the Oversight and Clean Energy Committee (the “Committee”) Charter.

**Discussion**

On November 9, 2021, LIPA announced a revised four-year management services contract with PSEG Long Island, which included the reforms designed to drive performance and

accountability, while providing an unprecedented level of oversight of PSEG Long Island's operations. The Second Amended and Restated Operations Services Agreement (“Second A&R OSA”) delivers concrete contract improvements on all the Board’s stated objectives for a reformed contract with PSEG Long Island. The Board approved the Second A&R OSA at its meeting in December 2021.

In reviewing the roles and responsibilities of the Oversight and Clean Energy Committee, LIPA Staff is proposing to amend the Committee’s responsibilities consistent with certain of the oversight requirements in the Second A&R OSA. 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”.

**1705. RESOLUTION APPROVING AMENDMENTS TO THE OVERSIGHT AND CLEAN ENERGY COMMITTEE CHARTER**

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

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*Acting Chair Fischl stated that the next item on the agenda was the CEO’s Report to be presented by Thomas Falcone.*

*Mr. Falcone presented the CEO Report and took questions from the Trustees.*

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*Acting Chair Fischl stated that the next item on the agenda was the Discussion of 2021 Accomplishments and 2022 Work Plan to be presented by Thomas Falcone.*

*Mr. Falcone presented the Discussion of 2021 Accomplishments and 2022 Work Plan and took questions from the Trustees.*

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*Acting Chair Fischl stated that the next item on the agenda was the Consideration of Adoption of PSEG Long Island Implementation Plans for the Isaias Task Force Recommendations to be presented by Mujib Lodhi.*

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

### **Requested Action**

**The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution adopting certain Isaias Task Force (the “Task Force”) Project Implementation Plans (“PIPs”), which resolution is attached hereto as Exhibit “A.”**

### **Background**

**On Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour. The resulting damage to the electrical system caused approximately 646,000 customer outages.**

**On August 5, LIPA’s Chief Executive Officer initiated an independent investigation of the circumstances and root causes that led to well-documented lapses in PSEG Long Island’s storm response. The Task Force was charged with providing actionable recommendations and overseeing PSEG Long Island’s remediation activities.**

**The Task Force presented a 30-Day Report to the Board on September 23, 2020, and a 90-Day Report to the Board on November 18, 2020. As set forth in Appendix 2 and Appendix 3 of the 90- Day Report, the Task Force provided actionable recommendations for the Board’s consideration (the “Task Force Recommendations”).**

**Between November 2020 and December 2021, the Board adopted various PIPs for the Task Force Recommendations and directed PSEG Long Island to resubmit certain PIPs to address the Board’s objectives better.**

**Additionally, between December 2020 and December 2021, the Board adopted recommendations covering certain other operational areas, including, but not limited to, risk management, budgeting and reporting, real estate, asset management, inventory management, collections, affiliate services, strategic planning, information technology, small generator interconnection, workforce management, and data access, among others (the “Management Recommendations”).**

**In total, the Board has adopted 168 recommendations resulting in 146 PIPs, which are in various stages of Implementation by PSEG Long Island. The Board also directed the Task Force, together with PSEG Long Island, to implement the Task Force Recommendations, including creating Project Implementation Plans (PIPS) and reporting to the Board at least quarterly until such Task Force and Management Recommendations are fully implemented.**

### **Discussion of Implementation Plans**

In December and January, PSEG Long Island submitted revised PIPs for 12 of the 14 Task Force and Management open recommendations. PSEG Long Island also submitted one deliverable for Task Force review.

The Task Force recommends the Board adopt four (4) of the 12 PIPs submitted by PSEG Long Island as attached hereto as Exhibit “C”.

PSEG Long Island has not yet submitted one revised PIP rejected in June on Strategic Planning. The revised 9 Plans shall be submitted by PSEG Long Island for Task Force review no later than March 10, 2022, for consideration at the Board’s March meeting.

### **Recommendation**

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

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.*

### **1706. RESOLUTION ADOPTING THE ISAIAS TASK FORCE QUARTERLY REPORT AND CERTAIN IMPLEMENTATION PLANS**

WHEREAS, on Tuesday, August 4, 2020, Tropical Storm Isaias landed on Long Island with rain and wind gusts of up to 70 miles per hour, resulting in damage to the electrical system and causing approximately 646,000 customer outages; and

WHEREAS, pursuant to Section 1020-f(y) of the Public Authorities Law, General Powers of the Authority, LIPA, in part, may “make any inquiry, investigation, survey or study which the authority may deem necessary to enable it effectively to carry out the provisions of this title. . .”; and

WHEREAS, on August 5, 2020, LIPA’s Chief Executive Officer initiated an independent review of the circumstances and root causes that led to the lapses in PSEG Long Island’s Tropical Storm Isaias storm restoration; and

WHEREAS, LIPA’s Chief Executive Officer appointed an Isaias Task Force that was charged with both providing actionable recommendations and overseeing PSEG Long Island’s remediation activities; and

**WHEREAS, the Task Force presented the 30-Day Report to the Board at the September 23, 2020 Board Meeting and released it to the public; and**

**WHEREAS, on November 18, 2020, the Task Force presented the 90-Day Report, which provided recommendations to, among other things, (i) Change Management Incentives and Accountabilities; (ii) Reform Information Technology and Emergency Management; and (iii) Strengthen LIPA’s Oversight (together with the 30-Day Report recommendations, the “Task Force Recommendations”); and**

**WHEREAS, the Board has adopted additional recommendations since December 2020 to address management deficiencies outside the scope of the Task Force review; and**

**WHEREAS, the Board has requested written Quarterly Reports with a comprehensive summary of the status of the implementation of all the Board-adopted recommendations until all such recommendations have been completed; and**

**WHEREAS, LIPA Staff has submitted to the Board four (4) Implementation Plans recommended for the Board’s approval: and**

**NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts Implementation Plans for the Task Force and Management Recommendations attached hereto as Exhibit “B”.**

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*Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of the Annual Governance Package to be presented by Bobbi O’Connor.*

*Ms. O’Connor presented the following action item and took questions from the Trustees.*

### **Requested Action**

**The Board of Trustees (the “Board”) of the Long Island Power Authority (the “LIPA”) is requested to adopt a resolution approving the annual review of the Board Governance policies (i.e., procurement, lobbying, property disposition, real property acquisition, code of ethics and conduct, and Bylaws), including approval of amendments to: (i) the Board Policy on Procurement; (i) the Board Policy on Lobbying; and (ii) the LIPA Code of Ethics and Conduct.**

### **Board Policies Required by Law to be Reviewed Annually: Procurement and Property Disposition**

**In accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement and the Board Policy on Property Disposition. Section 2879(1) of the PAL requires that the procurement guidelines be annually reviewed and approved by LIPA. Additionally, Section 2896(1) of the**

**PAL requires that the property disposition guidelines be annually reviewed and approved by LIPA.**

**LIPA Staff recommends no changes to the Board Policy on Property Disposition. With respect to the Board Policy on Procurement, LIPA Staff recommends amending the section relating to procurement lobbying to clarify that Trustees, in addition to LIPA Staff and consultants, are not designated contacts consistent with applicable law and the Board Policy on Lobbying. The amendment to the Board Policy on Procurement is more particularly shown on Exhibit “C”.**

### **Board Policy on Lobbying**

**New legislation was recently enacted to amend section 1020-kk of the Public Authorities Law requiring LIPA to prepare a semi-annual expenditure and lobbying report regarding certain advertising and lobbying activities. LIPA shall provide such report to the governor, president of the senate, and speaker of the assembly beginning March 31, 2022. This policy was modified to reflect the change in law.**

**The amendments to the Board Policy on Lobbying are more particularly shown on Exhibit “E”.**

### **LIPA Code of Ethics and Conduct**

**The LIPA Code of Ethics and Conduct was amended to clarify that Trustees should recuse themselves from all deliberations and decisions involving an entity that has, within the past 24- months, paid remuneration to the Trustee’s employer valued at more than fifteen thousand dollars for goods and services or for which the Trustee’s employer has received any other form of financial assistance valued at more than fifteen thousand dollars, as such situations would constitute either an actual or perceived conflict of interest. This definition is consistent with the Public Authorities Accountability Act of 2005, which defined an “independent” member as one who “is not, and in the past two years has not been... 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.” The amendments to the LIPA Code of Ethics and Conduct are more particularly shown on Exhibit “G”.**

### **Recommendation**

**LIPA Staff has reviewed the other Board Governance policies, including the LIPA By-laws and recommends no changes at this time.**

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

*After questions and a discussion by the Trustees, and the opportunity for the public to be heard, upon a motion duly made and seconded, the following resolution was approved by the Trustees.*

**1707. RESOLUTION APPROVING THE ANNUAL REVIEW OF THE GOVERNANCE PACKAGE**

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**WHEREAS, in accordance with the New York State Public Authorities Law (“PAL”) and governance best practices, the Board has adopted the Board Policy on Procurement, the Board Policy on Property Disposition; and**

**WHEREAS, Section 2879(1) of the Public Authorities Law requires that the procurement guidelines be annually reviewed and approved by LIPA; and**

**WHEREAS, Section 2896(1) of the Public Authorities Law requires that the property disposition guidelines be annually reviewed and approved LIPA; and**

**WHEREAS, LIPA Staff recommends no changes to the Board Policy Property Disposition; and**

**WHEREAS, LIPA Staff recommends certain changes to the Board Policy on Lobbying, the Board Policy on Procurement, and LIPA’s Code of Ethics and Conduct; and**

**WHEREAS, LIPA Staff has reviewed the other Board Governance policies, including the LIPA By-laws and recommends no changes at this time.**

**NOW, THEREFORE, BE IT RESOLVED, that pursuant to the Public Authorities Law, the Board of Trustees hereby approves the annual review of the Board Policy on Procurement and Board Policy on Property Disposition; and**

**BE IT FURTHER RESOLVED, the Board of Trustees hereby approves the amendments to the Board Policy on Procurement, as shown on Exhibit “C”, the Board Policy on Lobbying, as shown on Exhibit “E”, and amendments to the LIPA Code of Ethics and Conduct, as shown on Exhibit “G”.**

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*Acting Chair Fischl then stated that the final agenda item, Secretary’s Report on Board Policies and Communications, would be in written submission only, and available at the Long Island Power Authority website for viewing.*



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*Acting Chair Fischl then announced that the next Board meeting is scheduled for Wednesday, March 30, 2022 in Uniondale.*

*Acting Chair Fischl then asked for a motion to adjourn to Executive Session to discuss litigation matters and announced that no votes would be taken and that the Board would not be returning to Open Session. The motion was duly made and seconded, and the following resolution was adopted:*

**1708. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW**

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**RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing litigation matters.**

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*At approximately 12:19 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.*