

FOR CONSIDERATION

July 27, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

REQUEST: Authorizations Related to Credit or Liquidity Facilities and Direct Placements of Electric System General Revenue Bonds

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution authorizing the Chief Executive Officer, or his designee, to select one or more of the following banks: (1) Bank of America, N.A.; (2) Barclays Bank PLC; (3) U.S. Bank N.A.; and (4) Wells Fargo Bank, N.A. (the “Banks”) based on the results of a Request for Proposals (the “RFP”), subject to final negotiation and execution of Credit Agreements or Direct Purchase Agreements, all in connection with the issuance of Electric System General Revenue Bonds.

Background

LIPA Staff issued an RFP for bank facilities or direct placement agreements and has received responses for \$800 million of bank capacity, with pricing better than the average cost of LIPA’s existing bank facilities. A selection committee consisting of LIPA Staff, with the assistance of the LIPA’s financial advisor, recommend the selection of four banks: (1) Bank of America, N.A.; (2) Barclays Bank PLC; (3) U.S. Bank N.A.; and (4) Wells Fargo Bank, N.A. for a total capacity of \$550 million, subject to final negotiation and execution of Credit Agreements or Direct Purchase Agreements.

LIPA Staff has identified several currently outstanding fixed and variable rate bonds that either could be refunded for savings or have expiring terms in the next twelve months. These include the Series 2012A, 2014C, 2015C, 2020C, and 2021C Bonds (collectively, the “Refunded Bonds”).

These proposed transactions would require LIPA to enter into one or more Credit Agreements, expected to be substantially in the form of the credit agreements currently in place with respect to LIPA’s General Revenue Notes or its Revolving Credit Agreement, and/or one or more direct placement or continuing covenant agreements, expected to be substantially in the form of the agreements executed in connection with LIPA’s Series 2015A and 2016A Bonds.

Recommendation

Based upon the foregoing and the recommendation of the Finance and Audit Committee, I recommend that the Trustees adopt the attached resolution.

Attachments

Exhibit “A” Resolution Approving the Selection of Certain Banks, the Negotiation and Execution of Credit Agreements or Direct Purchase Agreements and Approving Certain Related Agreements

RESOLUTION APPROVING THE SELECTION OF CERTAIN BANKS, THE NEGOTIATION AND EXECUTION OF CREDIT OR OTHER AGREEMENTS OR DIRECT PURCHASE AGREEMENTS AND APPROVING CERTAIN RELATED AGREEMENTS

WHEREAS, on May 13, 1998, 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, such bonds to be designated as "Electric System General Revenue Bonds" (the "Bonds"), for, among other purposes, funding Costs of System Improvements (as defined in the General Resolution) and other lawful purposes of the Authority and refunding other bonds or notes of the Authority; and

WHEREAS, the Authority has various series of outstanding Bonds that may, depending on market conditions, advantageously be refunded; and

WHEREAS, the Authority has previously authorized the issuance of one or more series of Bonds (collectively, the "Authorized Bonds") for the purpose of refunding outstanding fixed or variable rate bonds or notes of the Authority, which Authorized Bonds shall be in an aggregate principal amount not to exceed \$1,255,325,000; and

WHEREAS, the Authority has issued a Request for Proposals (the "Bank Facilities RFP") requesting proposals from a number of banks to enter into one or more credit or liquidity facilities, direct placement agreements or other agreements in connection the Authorized Bonds and a LIPA Staff selection committee recommends the selection of Bank of America, N.A., Barclays Bank PLC, U.S. Bank N.A., and Wells Fargo Bank, N.A. for a total capacity of \$550 million, subject to final negotiation and execution of Credit Agreements or Direct Purchase Agreements (such proposals being referred to hereinafter as the "Selected Proposals" and the bank or banks making such proposal being referred to hereinafter as "Selected Banks");

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Chief Executive Officer, Chief Financial Officer, Vice President-Controller, and Secretary (the "Authorized Officers") are each hereby authorized to enter into one or more credit agreements, direct placement agreements or other agreements with the Selected Banks in connection with the Authorized Bonds, which agreements are expected to be substantially similar to the credit agreements currently in place with respect to the Authority's General Revenue Notes, its Revolving Credit Agreement, and/or the agreements executed in connection with the Authority's Series 2015A and 2016A Bonds, with such changes and additions to and omissions from such prior agreements as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval.

2. Each Authorized Officer is hereby authorized and directed to execute and deliver any and all documents and other instruments, and to do any and all acts necessary or

proper for carrying out and implementing this resolution and each of the documents authorized hereby and each Authorized Officer shall be an Authorized Representative (as defined in the General Resolution) in connection with such matters.

This resolution shall take effect immediately.

Dated: July 27, 2022