

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 309th MEETING

HELD ON JULY 27, 2022

The Long Island Power Authority (“LIPA”) was convened for the three hundred and ninth time at 11:04 a.m. at LIPA’s Headquarters, Uniondale, NY, pursuant to legal notice given on July 22, 2022, and electronic notice posted on the LIPA’s website.

The following LIPA Trustees were present:

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

Representing LIPA, in person, were Thomas Falcone, Chief Executive Officer; Bobbi O’Connor, General Counsel & Board Secretary; Mujib Lodhi, Chief Information Officer and Senior Vice President of Customer Experience; Rick Shansky, Senior Vice President of Power Supply and Whole Markets; Justin Bell, Vice President of Public Policy and Regulatory Affairs; Donna Mongiardo, Vice President-Controller; Barbara Ann Dillon, Director of Human Resources and Administration; Jen Hayen, Director of Communications; and Andrew Berger, Communications Assistant. Participating via video conferencing were Jason Horowitz, Assistant General Counsel and Assistant Secretary to the Board; and Osman Ahmad, IT-Consultant.

Representing the Department of Public Service Long Island (DPS) in person, were Carrie Meek Gallagher, Director; Nicholas Forst, Assistant Counsel; and Sanielle Worrell, Chief of Office of Accounting, Audits and Finance.

Representing Leading Resources, via video conferencing, was Eric Douglas, Senior Partner.

Acting Chair Fischl welcomed everyone to the 309th meeting of the Long Island Power Authority Board of Trustees.

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 below¹:

1731. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 18, 2022 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on May 18, 2022 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.

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve a resolution, attached hereto as Exhibit “A”, authorizing the Chief Executive Officer, or his designee, to engage six firms to provide legal services in the areas

¹ Trustee Abramowitz abstained from voting on *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*

described below, on an as needed basis for LIPA and its subsidiary, the Long Island Lighting Company d/b/a LIPA for a term not to exceed five years.

Background

To supplement its in-house resources, LIPA has found it necessary to engage law firms to provide various legal services and expertise on an as-needed basis. As LIPA’s needs continue, and certain of its existing contracts for legal services expire, it is necessary to solicit for new, additional and/or replacement legal services to ensure that LIPA has adequate and continuous advice, assistance and representation in its numerous existing and upcoming projects, initiatives, and cases.

As such, on March 14, 2022, LIPA issued a Request for Proposals (“RFP”) seeking experienced law firms to provide legal services to LIPA for a period of up to five years in the following scope areas:

1. Environmental;
2. Insurance Coverage;
3. Asbestos; and
4. Grant Support.

The RFP was distributed to 30 firms. The RFP was also posted on LIPA’s website and on the New York State Contract Reporter. Nine firms responded to the RFP, some in multiple practice areas. The nine proposals were evaluated by teams of LIPA technical staff for each scope under the guidance of LIPA’s Legal and Procurement departments. The selection committee evaluating the firms in the asbestos scope conducted interviews of the top-qualifying firms in that scope to better assess the strengths and weaknesses of each firm with respect to LIPA’s needs.

Discussion

The nine responsive proposals were evaluated according to the guidelines set forth in the RFP, which included assessments of the firms’ experience and qualifications, their hourly rates, proposed changes to LIPA’s standard consulting contract, and their proposals to comply with state requirements for participation by minority and women-owned business enterprises. Based on the evaluation, LIPA Staff recommends that the following firms be awarded contracts in the scopes indicated:

	Scopes Description	Firms
1	Environmental	Sive, Paget & Riesel PC; and Carter Ledyard & Milburn LLP
2	Insurance Coverage	Hoguet Newman Regal & Kenney LLP*; and Anderson Kill PC
3	Asbestos	Cullen and Dykman LLP
4	Grant Support	Holland & Knight

*- Hoguet Newman is an WBE firm.

The hourly rates proposed by the firms have been determined to be reasonable and reflect discounts from current market rates for the services to be provided.

Recommendation

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

1732. RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO LEGAL SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the firms so designated in the accompanying memorandum to provide legal services, in the areas described, on an as-needed basis for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, "LIPA") for a term not to exceed five years from the date of approval of the contracts with each firm by the New York State Office of the State Comptroller.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to approve updates to its regulations for filing requests under the New York State Freedom of Information Law ("FOIL") and to conform with FOIL's statutory provisions regarding the collection of fees for copying and producing records as permitted by the FOIL statute.

Background

New York's FOIL statute, Article 6 (Sections 84-90) of the Public Officers Law, requires that LIPA promulgate rules pertaining to its procedures for processing FOIL requests from the public. LIPA's current regulations were promulgated in 1994, prior to its acquisition of the transmission and distribution system previously operated by the Long Island Lighting Company and when the Internet and ability to file requests for information electronically was nascent. LIPA Staff is recommending updates to the regulations to: (a) reflect LIPA's current mailing address; (b) identify the current titles of officials responsible for overseeing records access and administrative appeals as well as other non-substantive changes; (c) provide regulatory notice that requests may be filed electronically (a practice that LIPA has used for years); and finally (d) permit charging non-customers modest fees to defray the costs associated with copying voluminous requests for records, such as those filed by commercial entities seeking utility records.

Proposed Modifications

LIPA's FOIL regulations are set forth at Title 21, New York Codes, Rules and Regulations ("NYCRR") Sections 10050.1 through 10050.5. The specific proposed revisions are as follows: Section 10050.1 would be updated to reflect LIPA's current business headquarters at 333 Earle Ovington Boulevard, Suite 403, Uniondale, NY 11553.

Section 10050.2(a) adds a provision notifying the public that FOIL requests may be submitted by using LIPA's website and New York State's Open FOIL on-line platform, in addition to submitting requests via mail or in person at LIPA's office. An existing requirement for submitting a self-addressed envelope and pre-paid postage when mailing a request for records is deleted. Finally, Section 10050.2(a) would be amended to conform with current LIPA policy designating LIPA's General Counsel as the Records Access Officer and clarifying that the Records Access Officer coordinates with LIPA's service provider in responding to requests submitted under FOIL.

10050.4 relates to fees that LIPA may charge for duplication of records. Currently, the Section only permits LIPA to charge \$0.25 per page for copying paper records that are letter-sized.

Almost all FOIL submissions and record disclosures are conducted electronically, nearly eliminating the need to make or charge for paper copies. Furthermore, LIPA customers seeking their own account records, or persons seeking to inspect records, will continue to be able to do so free of charge.

However, LIPA has seen a dramatic increase in FOIL requests from commercial entities such as engineering, surveying, and property development firms seeking utility records. As of this date, LIPA is on pace to process at least 500 FOIL requests in 2022. To defray those additional costs, LIPA proposes adding fee provisions to permit LIPA to collect the "actual cost" of reproducing records, which FOIL defines, and the amended LIPA regulations are as follows:

- i. an amount equal to the hourly salary attributed to the lowest paid employee who has the necessary skill required to prepare a copy of the requested record;**
- ii. the actual cost of the storage devices or media provided to the person making the request in complying with such request;**
- iii. the actual cost to the Authority of engaging an outside professional service to prepare a copy of a record, but only when the Authority or its service provider's information technology equipment is inadequate to prepare a copy, if such service is used to prepare the copy.**

The text above quotes verbatim the permissible "actual cost" fee criteria set forth in FOIL at Section 87(1)(c). The proposed amendment includes those provisions from FOIL that

prohibit the collection of fees for the time it takes to search for responsive records or administrative costs associated with processing a request. In conformity with FOIL, the amendment would also require LIPA to provide a requestor notice of an estimated charge if it is believed reproduction will take longer than two hours.

Finally, Section 10050.5(b) would correct the title of LIPA's administrative appeals officer in cases involving a denial of records and LIPA's present address where appeals may be filed. LIPA Staff also proposes to delete sub-division (c), which merely restates FOIL's provision regarding judicial hearing of a denial of records access pursuant to Article 78 of the New York Civil Procedure and Law Rules.

Financial Impacts

There is no financial impact to LIPA associated with the proposed changes, nor to LIPA customers, who largely use FOIL to seek copies of their own account records. LIPA Staff notes that the addition of fee criteria for "actual costs" associated with larger FOIL requests has always been permitted by FOIL, and is in response to significant increases in requests in recent years from commercial entities for records that are not normally provided free of charge, even under FOIL. Even then, as noted above, the fees will only apply in cases where reproduction is extensive, that is, involving more than two hours of labor to complete.

Public Comments

This proposal also seeks to address the concerns raised by various stakeholders relating to the proposed Notice of Proposed Rulemaking originally filed in September 2021. Most notably, LIPA now proposes no changes to the definition of "trade secrets" and will not require an appointment for those looking to make a FOIL request in person. Together with the SAPA notice, LIPA filed a description of concerns received in response to the September 2021 Notice of Proposed Rulemaking, which specifically sets forth those concerns and proposed changes for this rulemaking. LIPA has also provided a [Fact Sheet](#) on the proposed changes.

LIPA held virtual public comment sessions on the proposed changes on June 27, 2022, and solicited written comments. No members of the public commented at the virtual sessions on the FOIL proposals, nor has LIPA received any written comments to date. Transcripts and recordings (audio and video) of the virtual public comment sessions are available upon request by emailing foil@lipower.org.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications described herein and set forth in the accompanying resolutions.

1733. APPROVAL OF MODIFICATIONS TO LIPA'S FOIL REGULATIONS

WHEREAS, New York's FOIL statute, Article 6 (Sections 84-90) of the Public Officers Law, requires that LIPA promulgate rules and regulations pertaining to the availability of records and procedures to be followed, including, but not limited to: i. the times and places such records are available; ii. the persons from whom such records may be obtained; and iii. the fees for copies of record as limited by statute. Public Officers Law, section 87(1); and

WHEREAS, this proposal seeks to revise those regulations to make technical corrections regarding the methods by which FOIL requests may be filed, repeal of provisions already mandated and defined by the FOIL statute itself, and finally to amend the criteria by which fees may be collected for copying of records provided to the public by conforming with FOIL's provisions; and

WHEREAS, following the issuance of public notice in the State Register on April 27, 2022, public hearings were held on June 27, 2022, and were accessible to participants by phone and video conference, and the public comment period has since expired.

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's FOIL Regulations are hereby adopted and approved to be effective immediately; and

BE IT FURTHER, RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement these changes.

Requested Action

The Board of Trustees (the "Board") of the Long Island Power Authority is requested to approve a resolution, attached hereto as Exhibit "A", authorizing the Chief Executive Officer, or his designee, to engage Kyriba Corp. to provide a Treasury Management System and Services for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, "LIPA") for a term not to exceed five (5) years.

Background

LIPA has recently completed the implementation of a new Enterprise Planning System ("ERP") to support improving LIPA financial operations. LIPA also identified opportunities to modernize its Treasury Management functions during the planning phase by implementing a new Treasury Management System supported by improved business processes. The new system will help the Finance and Treasury team enhance efficiencies, collaboration, and overall business performance.

Discussion

On April 26, 2022, LIPA issued a Request for Proposals (“RFP”) for experienced firms to provide a Treasury Management System and Services. On or before May 20, 2022, LIPA received timely proposals from two firms.

Responses from the two firms were evaluated according to the criteria set forth in the RFP by LIPA’s team composed of LIPA’s Director of Finance and Treasury, LIPA’s Manager of Accounting, and LIPA’s Senior Finance Analyst. After proposal evaluation, both firms were invited to conduct solution demonstrations based upon the script created by LIPA’s evaluation team.

Technical guidance was provided by LIPA IT, while LIPA’s Procurement Department, as required by State law, ensured compliance with Minority/Women Based Enterprise (MWBE), Service- Disabled Veteran-Owned Business (SDVOB) solicitation opportunities, as well as reviewed the cost aspects of each of the proposals.

Based on the evaluation, LIPA Staff recommends that Kyriba Corp. be awarded the contract to provide a Treasury Management System and Services. Kyriba Corp. demonstrated significant experience providing systems for other utilities and suitability of software to LIPA’s needs, including its ability to interface with LIPA’s ERP, Microsoft Dynamics.

LIPA Staff estimates that the cost of the contract for the new Treasury Management System will be approximately \$945,000 over the next five years. These fees were determined to be reasonable for the scope of services provided for in the RFP.

Recommendation

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

1734. RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO PROVIDE A TREASURY MANAGEMENT SYSTEM AND SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Kyriba Corp. to provide Treasury Management System and Services for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA for a term not to exceed five (5) years.

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.

1735. 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.

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.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of Department of Public Service Management Audit Contract to be presented by Carrie Meek Gallagher, Nicholas Forst, and Sanielle Worrell from DPS.

The representatives from DPS presented the following action item and took questions from the Trustees.

Requested Action

The Department of Public Service ("DPS") is recommending that the Trustees adopt a resolution authorizing the Chief Executive Officer, or his designee, to engage NorthStar Consulting Group, Inc. ("NorthStar"), to provide management and operations audit services for and under the direction of DPS in accordance with the LIPA Reform Act of 2013 (the "LIPA Reform Act").

Background

The Department of Public Service ("DPS" or "Department") issued a Request for Proposals ("RFP") on April 8, 2022, seeking an experienced consulting firm to conduct the audit. The RFP was: (i) distributed to 98 firms on a list maintained by DPS (identifying firms that have indicated an interest in receiving requests for proposals regarding management and operations audits of utilities in New York State), (ii) posted on the DPS website, and (iii) posted on the State Contract Reporter website.

The Department received three proposals by the June 8, 2022 deadline for responses to the RFP. DPS disqualified one proposal for failure to conform to the requirements of the RFP. An evaluation committee made up of 16 representatives from various offices within DPS conducted a comprehensive review of the remaining proposals. The evaluation criteria were based on the following factors:

(1) **Audit Approach and Quality** – considers and evaluates a) proposed methods to perform the audit, b) how well the firm demonstrates an understanding of the scope areas to be reviewed, c) amount of research the firm did regarding LIPA and its Service Provider and audit related subject matter, d) customer benefit analyses approach, e) proposed schedule,

and f) time allocated for each scope area to be reviewed; g) Quality – considers and evaluates the consulting firm’s quality of writing and its ability to clearly convey an understanding of each scope area in the proposal evaluation and then considers and evaluates the preparation and presentation exhibited by the proposed team during the finalist interviews;

(2) Relevant Experience of the Firm and Individuals – considers and evaluates the relevant experience of the firm performing an audit, the proposed team’s ability to work together, and the experience of the proposed members of the team relative to their scope area assignments;

(3) MWBE and SDVOB – reviews and evaluates if the firm is certified as a Minority and Women Owned Business Enterprise (MWBE) or a Service Disabled Veteran Owned Business (SDVOB); and

(4) Cost – based on a formula.

Based on DPS Staff’s proposal evaluations, interviews were conducted with the two highest scored firms based on the evaluation criteria outlined above. Following the interviews, the selection committee determined that NorthStar Consulting Group, Inc. scored the highest points and provides the best value, also taking into account its prior audit experience that is aligned with this audit and NorthStar’s proven ability to be responsive to changes.

NorthStar is located in Santa Maria, California and specializes in services to the utility, transportation and public service industries. NorthStar’s core members have worked on numerous engagements for utilities and public utility commissions, and they are working on the current Con Edison and Orange and Rockland (CECONY and O&R) Management and Operations Audit, which is scheduled to be finalized in August 2022. In addition, NorthStar has performed the following six prior DPS audits (year indicates when the final audit report was released publicly): National Grid Electric MA (2009), Central Hudson Gas and Electric MA (2011), LIPA MOA (2013), National Grid Gas Companies MA (2014), CECONY and O&R MOA (2016), LIPA PSEG LI MOA (2018), and National Fuel Gas MA (2020). Furthermore, based on NorthStar’s proposal and interview, DPS determined that each member of NorthStar’s proposed team demonstrated a sufficient understanding of LIPA, and had sufficient experience to properly conduct the audit, which set NorthStar apart from its nearest competitor. NorthStar has proposed to conduct the audit for a not-to-exceed cost of \$1,922,400.

Recommendation

Based on the foregoing, DPS recommends approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

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.

1736. ENGAGEMENT OF CONSULTANT TO PROVIDE MANAGEMENT AND OPERATIONS AUDIT SERVICES TO THE DEPARTMENT OF PUBLIC SERVICE

RESOLVED, that consistent with the accompanying memorandum, the Chief Executive Officer, or his designee be, and hereby is, authorized to engage NorthStar Consulting Group, Inc., to provide management and operations audit services for and under the direction of the Department of Public Service consistent with the LIPA Reform Act of 2013, and to take such other and further actions necessary to effectuate and implement such audit.

Acting Chair Fischl stated that the next item on the agenda was the Quarterly Presentation on the Status of PSEG Long Island 2022 Metrics to be presented by Mujib Lodhi.

Mr. Lodhi presented the Quarterly Presentation on the Status of PSEG Long Island 2022 Metrics and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Quarterly Presentation of the Status of the Isaias Task Force and Management Recommendation to be presented by Mujib Lodhi.

Mr. Lodhi presented the Quarterly Presentation of the Status of the Isaias Task Force and Management Recommendation and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of Tariff Amendments to be presented by Justin Bell.

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

Requested Action

The Trustees are requested to approve two proposals to modify LIPA's Tariff for Electric Service:

- (1) **Commercial Time-of-Use: Introducing a new, optional time-of-use ("TOU") rate for large commercial customers.**
- (2) **Manual Meter Reading Fee Update: Updating manual meter reading fee provisions to reflect early completion of smart meter deployment.**

Commercial Time-of-Use: Background

In 2018, LIPA and PSEG Long Island began executing a long-term plan to modernize electric rates, enabled by territory-wide deployment of advanced metering infrastructure ("AMI" or smart meters). Under the rate modernization program, LIPA's objective is to offer customers rate options that are simple to understand, easy to compare, create opportunities for participating customers to save money on their electric bills, and lower costs for all customers by encouraging more efficient use of the electric grid. The smart meter program provides the functionality required to modernize LIPA's rates and provide customers with a wide variety of options and tools to control electric usage and make cost-effective choices with increased convenience.

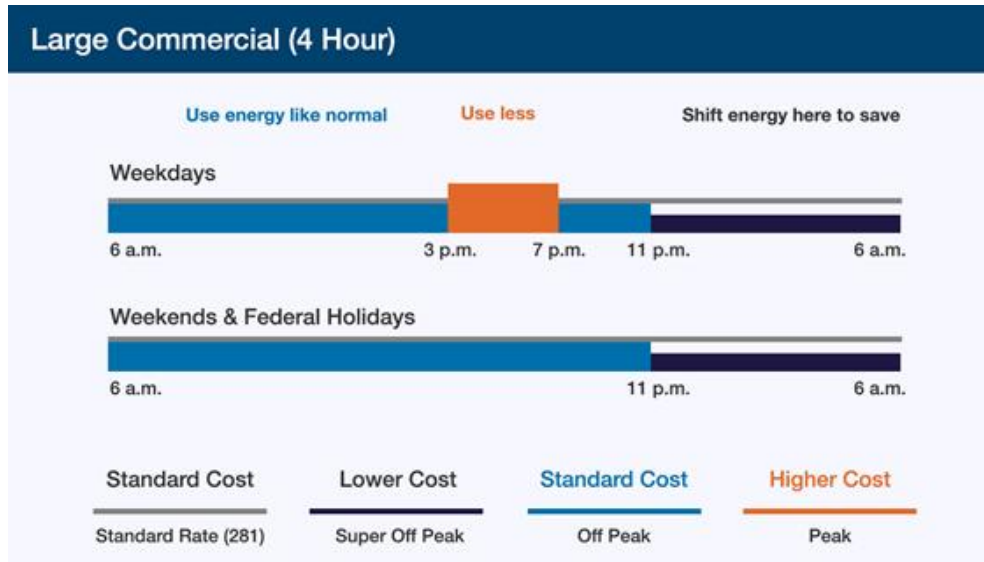
The 2018 Utility 2.0 Filing and subsequent updates proposed a rate engine and new customer rate comparison tools. On December 16, 2020, the LIPA Board of Trustees approved four residential TOU rate options and one small business TOU rate option, each featuring modern rate designs with short (three- or four-hour) peak periods. These rate periods give customers the opportunity to reduce or shift demand more easily and manage their usage outside of the peak timeframe. All five of these existing TOU rate options went into effect on February 1, 2021.

Commercial Time-of-Use: Proposed Action

The proposed Tariff modifications will introduce a new TOU rate option for large commercial customers beginning January 1, 2023. With customers' needs in mind, this rate will offer a shorter peak period than has been available in the past, so that customers can more easily shift their energy use to off-peak times, and a super off-peak price overnight.

In addition to giving customers more options and opportunities to save, this rate will also help in reducing the peak load of the utility. When customers choose to shift their load to less costly times of the day, this decreases the amount of energy production and delivery needed during peak times of the day. In turn, this reduces fuel and purchased power costs, carbon emissions, and may reduce or defer the need for new capital expenditures as customers reduce the capacity needs on certain circuits.

The proposed TOU rate will have three daily periods and three pricing seasons: (1) summer (2) spring and fall (shoulder), and (3) winter. The new TOU rate has the same time periods and seasons previously designed for the small commercial TOU rate (292), which include a peak period from 3 PM to 7 PM on weekdays and a super off-peak from 11PM to 6AM.



Energy, demand, and power supply pricing will be differentiated by time of day and season. During the summer period, when the energy rates have the largest variability, the peak-period rate is set to about 1.6 times the off-peak rate, and the super off-peak rate will be about 60% of the off-peak rate. The Power Supply Charge will be time-differentiated for the proposed new rate code using a multiplier against the standard non-time-differentiated Power Supply Charge.

The periods, summer ratios to the standard energy rate, and summer ratios to the standard demand rate are shown in the table below.

Summer season	Hours	Ratio to standard energy rate	Ratio to standard demand rate
Peak	3pm – 7pm (weekdays only)	1.6:1	2.1:1
Super off-peak	11pm – 6am	0.6:1	No charge
Off-peak	All other	1:1 (standard)	1:1 (standard)

The new Large Commercial TOU rate will also follow the Net Metering banking rules previously put into place with the original group of TOU rates. If a customer switches from a rate with one rate period to a rate with multiple rate periods, any billing credits will transfer to the off-peak period, as this is set to equal the standard rate. Additionally, to address the reverse situation, customers who move from multiple rate periods to one rate period will have all credits consolidated to the standard rate bank.

The off-peak period for the proposed rate will include the hours from 3 PM to 7 PM on the following Federal Holidays: New Year’s Day, Martin Luther King, Jr. Day, Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

With the introduction of the proposed large commercial TOU rate (294), Staff proposes to close rates 282 under Service Classification 2-VMRP to existing, new or transferring customers effective January 1, 2023. Staff proposes to close rates M282 under Service Classification 2-VMRP effective January 1, 2023. Customers may request the non-TOU Service Classification No. 2L or rate 294 under Service Classification 2L-VMRP.

Manual Meter Reading Fee Update: Background

PSEG Long Island began deploying AMI equipped smart meters as part of the 2017 Utility 2.0 plan and filed a 2018 Utility 2.0 plan featuring a proposal for full service-territory-wide smart meter deployment to all customer classes by 2023. The LIPA Board approved full smart meter deployment on December 19, 2018.

PSEG Long Island installed smart meters ahead of schedule, with the milestone of 95% deployment completed in August 2021, approximately 15 months ahead of the original plan. Upon completion of 95% deployment, PSEG Long Island transitioned from a mass deployment approach to a targeted approach because the remaining installations required individual customer outreach. As of today, 98% of residential customers have received a smart meter and the deployment is considered substantially complete.

Smart meters empower customers with tools to make more informed energy choices and enable the development of new energy products and services. Despite these benefits, approximately 0.5% of customers choose to opt-out of the smart meter program. While LIPA does not require residential customers to accept installation of a smart meter, we recognize that legacy meters require manual, in-person meter reads, which incur operational costs including labor and fuel. To avoid shifting these costs onto other customers, the LIPA Board approved the addition of manual meter reading fee provisions to the LIPA Tariff concurrently with its approval of smart meter deployment on December 19, 2018.

Manual Meter Reading Fee Update: Proposed Action

The manual meter reading fee applies to customer who have opted out of the smart meter program. As originally approved, the manual meter reading fee was scheduled to begin on January 1, 2023. Because mass smart meter deployment was completed 15- months ahead of the original schedule, this proposal moves the start date to August 1, 2022.

Beginning on August 1, 2022, customers who have opted-out of receiving an AMI-equipped smart meter will be subject to the manual meter reading fee (“AMI Smart Meter Daily Opt-Out Fee”).

The AMI Smart Meter Daily Opt-Out Fee is posted in the “Statement of AMI Smart Meter Fees (AMI)” on LIPA’s website, which is updated as needed, based on the average actual cost of manually reading non-AMI meters. Fee updates are performed administratively by LIPA staff, working collaboratively with PSEG Long Island and the Department of Public Service staff. This proposal affects only the start date, and does not affect the amount of the fee, which has been set to \$0.38 per day or \$11.40 per 30-day month.

Financial Impacts

Commercial Time-of-Use. Staff does not anticipate substantial revenue impacts from the proposed TOU rate, which was set to be revenue neutral to the parent rate class. Any reduction in revenue will be recovered in the Revenue Decoupling Mechanism. The financial impact on any particular customer will depend on the customer’s ability and willingness to reduce usage during the peak period.

The cost of introducing this additional proposed TOU rate was included as part of the approved Utility 2.0 Rate Modernization Project. LIPA and PSEG Long Island have contracted with GridX, who has built the billing system add-on and customer-facing website for the existing TOU rates approved in 2021. Capital expenditures for this project are expected to be \$1.9 million in 2022, which includes other work in addition to the new Commercial TOU pilot.

Manual Meter Reading Fee Update. No net financial impacts are expected to LIPA or those customers that accept AMI metering. The AMI Smart Meter Daily Opt-Out Fee is designed to recover the costs associated with a manual monthly meter read for those customers that elect not to accept AMI metering, which are estimated to be \$51,300 per month assuming 4,500 cumulative customer opt-outs.

Department of Public Service Input

The DPS has provided a letter recommending adoption of these tariff modifications, which is attached as an exhibit. The proposed tariffs incorporate the DPS’ recommendations. The DPS also provided feedback and input throughout the process of developing the tariffs, which was already reflected in the proposals published on LIPA’s proposed rulemaking web page and in this memorandum.

Public Comments

LIPA held public comment sessions on the proposed tariff changes on June 27, 2022, at 10:00am and 6:00pm, and solicited written comments. Transcripts of the virtual public comment sessions are attached as exhibits and the comments are summarized here, together with responses from LIPA Staff.

One member of the public attended and spoke at the public comment sessions. The subject of the comments was the Manual Meter Reading Fee proposal. The commenter recommended delaying the start date of the manual meter reading fee because, in his opinion,

not enough time has passed to determine if smart meters are accurate, fair, and pose no negative health effects. The commenter provided anecdotes of acquaintances who experienced bill increases contemporaneously with the installation of smart meters at their residence. The commenter also expressed the opinion that implementing a manual meter reading fee effectively negates the choice to opt-out for customers who cannot afford the fee.

LIPA Staff Response: All installed meters as subject to ANSI C12 revenue-grade accuracy standards, are individually tested by the manufacturer, and the test results are provided to the utility upon shipment. PSEG Long Island also performs sample tests of every batch of meters received to ensure accuracy. On an ongoing basis, PSEG Long Island performs periodic testing annually to check meter accuracy using sample methods established under ANSI z1.4 standards. Additional testing of individual customer meters is performed upon request for customers experiencing high bills and concerned about the accuracy of their meter.

LIPA shares the view of the commenter that opt-out fees should not unduly impact affordability for customers who choose to opt-out of receiving a smart meter, and believes that the fee of \$0.38 per day to be effective August 1, 2022 appropriately balances the need to keep this option affordable for customers who select it against the need to keep bills affordable for all customers including those who participate in the smart meter program, which results in operational savings shared by all customers.

No public comments were received on the Commercial Time-of-Use proposal. No written comments were received from members of the public.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions

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 approved by the Trustees.

1737. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO COMMERCIAL TIME-OF-USE RATE OPTIONS

WHEREAS, the Board of Trustees of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, and

encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's mission and values, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 27, 2022, public hearings were held on June 27, 2022, by phone and video conference accessible to participants in Nassau and Suffolk County, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA's Tariff are hereby adopted and approved to be effective January 1, 2023; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved

**1738. APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO
MANUAL METER READING FEE UPDATE**

WHEREAS, the Board of Trustees of the Long Island Power Authority ("LIPA") has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board's commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, and encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA's mission and values, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 27, 2022, public hearings were held on June 27, 2022, by phone and video conference accessible to

participants in Nassau and Suffolk County, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective August 1, 2022; and be it further;

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Acting Chair Fischl stated that the next item on the agenda was the Discussion of Low and Moderate Income Customer Arrears Forgiveness to be presented by Justin Bell.

Mr. Bell presented the Discussion of Low and Moderate Income Customer Arrears Forgiveness and took questions from the Trustees.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of the Adoption of the PSEG Long Island Project Implementation Plan for Recommendations to Improve Work Management to be presented by Donna Mongiardo.

Ms. Mongiardo presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees (the “Board”) is requested to adopt a resolution approving a Project Implementation Plan (“PIP”) for recommendations regarding improvements to the work management practices of PSEG Long Island, which resolution is attached hereto as Exhibit “A”.

Background

In June 2021, the Board approved eight recommendations designed to improve work management practices at PSEG Long Island. Subsequently, LIPA met with PSEG Long Island to further understand its workforce management with respect to overtime practices. LIPA hired a third-party consultant to review PSEG Long Island's time management and related timekeeping processes.

LIPA recognizes that supplemental overtime pay related to incremental scheduling beyond the normal work schedule is beneficial to provide staffing flexibility. For example, there are periods when non-recurring projects, unplanned work, or storm restoration can use supplemental time effectively in lieu of hiring additional staff. However, such scheduling needs to be managed properly to ensure the incremental work time is necessary and fiscally responsible.

Recommendations

LIPA Staff reviewed the consultant's report and compared the recommendations and findings contained in the report to efforts underway in accordance with June 2021 Board approved Recommendations and associated PIPs. Based on this review, on March 30, 2022, the Board adopted the following four additional Work Management Recommendations:

1. **Improved coding and description enhancements:** Expand the review of Work Breakdown Structure and work order coding for all projects (including operating funded activities). Ensure coding is useful for straight time and overtime analysis purposes, including an annual review of its "short text" activity codes to ensure usefulness and ability to enhance decision-making.
2. **Enhanced management review:** Establish policies and procedures to enhance the internal PSEG Long Island management review of workforce resources and any related overtime, including comparing actuals to target and analyzing in greater detail areas and specific jobs that exceeded established thresholds.
3. **Training:** Develop training materials for supervisors making staffing and overtime decisions to guide decision-making in a consistent manner. Formalize the scheduling of initial training for new supervisors and refresher training for existing supervisors.
4. **Multi-year overtime target planning:** Utilize workforce planning models and techniques to establish long-range (out-year) overtime targets by craft as a guide to ensuring effective and efficient use of overtime utilization.

On June 10, 2022, PSEG Long Island submitted to LIPA Staff a PIP for the recommendations described above. After review and discussion among PSEG Long Island and LIPA Staff, LIPA Staff recommends the adoption of the PIP as set forth in Exhibit "B".

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by the 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 resolutions were approved by the Trustees.

1739.RESOLUTION ADOPTING A PROJECT IMPLEMENTATION PLAN (“PIP”) FOR THE ADDITIONAL RECOMMENDATIONS TO IMPROVE WORK MANAGEMENT

WHEREAS, the workforce time management and timekeeping process recommendations described in the accompanying memorandum are critical to ensuring efficient processes to maximize the value provided to our customers; and

WHEREAS, on March 30, 2022, the Board adopted the four additional work management Recommendations; and

WHEREAS, on June 10, 2022, PSEG Long Island submitted to LIPA Staff a Project Implementation Plan (“PIP”) for the recommendations described in the accompanying memorandum, and after review and discussion among PSEG Long Island and LIPA Staff, LIPA Staff recommends adoption of the PIP as set forth in Exhibit “B”.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby adopts the PIP for the additional work management policies and procedure recommendations described in the accompanying memorandum, as set forth in Exhibit “B”.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of Extension of Contracts Related to the Y-49 Cable and Establishment of a Regulatory Asset for Amortization of Certain Y-49 Repairs to be presented by Rick Shansky.

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

Requested Action

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to approve a resolution (i) authorizing the Chief Executive Officer or his designee to execute an agreement for an approximately six-month extension of the existing Sound Cable Project Facilities and Marketing Agreement, dated August 26, 1987 (“F&M Agreement”) between the Long Island Lighting Company, a wholly-owned subsidiary of the Long Island Power

Authority (collectively “LIPA”) and the Power Authority of the State of New York (“NYPA”), and (ii) establishing regulatory accounting treatment of costs associated with LIPA’s contractual obligations for certain repairs of the Sound Cable Project under the F&M Agreement, which resolution is attached hereto as Exhibit “A”.

Background

Since 1991, LIPA has paid NYPA for transmission service over the Y-49 Cable under the F&M Agreement. The Y-49 Cable consists of certain 345 kV transmission facilities between Con Edison’s Sprain Brook substation located in Yonkers, NY, and LIPA’s East Garden City Substation. Under the F&M Agreement, LIPA has paid NYPA’s costs of debt service, maintenance and repair of facilities associated with the cable, and assumes certain operating risks. As long as LIPA is the holder of transmission rights for the Y-49 Cable, LIPA is entitled to the transmission congestion contracts (“TCCs”) associated with the cable, which are valuable financial instruments that provide the financial equivalent of delivering energy purchased in the NYISO market from the Sprain Brook point of injection to Long Island. LIPA is compensated for the “congestion” (essentially, the difference in electricity price) between the two locations.

In November 2020, the original project debt was fully retired, which would have also completed the term of the F&M Agreement. At the time, NYPA was in the process of evaluating its options for long-term life extension of the cable. NYPA and LIPA executed a two-year extension to maintain the benefits that inure to both parties while the long-term extension was evaluated. That extension terminates on November 30, 2022.

The cable has experienced multiple failures and required several substantial repairs in recent years, for which LIPA is contractually responsible. The cost of three recent failures repaired and billed by NYPA is approximately \$25 million and the estimated cost of two additional fault repairs is expected to be approximately \$20 million (collectively, the “Cable Repair Costs”).

During the past two years, NYPA has completed its life extension analysis and is currently planning to take an approximately six-month extended outage from the Fall of 2022 to the Spring of 2023 to perform the required work. LIPA has also completed its analysis of the long-term benefits of extending the transmission service contract and determined that the benefits to LIPA do not support the debt service for the life extension project once it goes into service plus the ongoing Operations & Maintenance (“O&M”) costs. A long-term extension of the F&M Agreement, therefore, is not recommended.

Discussion

Although a long-term F&M Agreement extension is not recommended, there would be a significant benefit to LIPA customers from a short-term extension for the duration of cable life extension measures while the cable is out of service. During this period, LIPA would still be entitled to the TCC revenues while the only significant O&M costs would be the reimbursement to NYPA of the estimated \$45 million of Cable Repair Costs, which LIPA is

already obligated to pay. The additional TCC revenues from the extension are estimated to offset approximately \$30 million of the Cable Repair Cost, with a net cost to LIPA of approximately \$15 million over the remainder of the extended contract.

It should be noted that there are no significant changes to the other terms and conditions of the F&M Agreement and, a related O&M Agreement that dates from 1991 will remain unchanged and in effect until the expiration of the F&M Agreement.

LIPA staff recommends amortizing the Cable Repair Costs over the approximately ten-month period to coincide with the extended F&M Agreement to mitigate bill impacts to customers. Accordingly, LIPA Staff recommends that the Board authorize the treatment of the incurred Cable Repair Costs as regulatory asset to be amortized over a 10-month period.

Recommendation

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

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 approved by the Trustees.

1740. AUTHORIZATION TO EXECUTE AN AGREEMENT FOR A SHORT-TERM EXTENSION OF THE SOUND CABLE PROJECT FACILITIES AND MARKETING AGREEMENT AND TO ESTABLISH A REGULATORY ASSET FOR CERTAIN SOUND CABLE PROJECT REPAIR COSTS

WHEREAS, LIPA and its predecessor LILCO have paid for transmission service on the Sound Cable Project since 1991 and the current Facilities and Marketing Agreement (“F&M Agreement”) between LIPA and the New York Power Authority (“NYPA”) as amended is set to expire on November 30, 2022;

WHEREAS, PSEG Long Island has negotiated an extension of the F&M Agreement (“Extension Agreement”) under favorable terms and conditions which enable LIPA to continue to benefit from the TCC revenues during the approximately six-month planned cable outage from fall 2022 through spring 2023;

WHEREAS, LIPA anticipates receiving additional transmission congestion contract (“TCC”) revenues associated with the extension of the F&M Agreement;

WHEREAS, LIPA is contractual obligated to pay for certain repairs of the Sound Cable Project under the F&M Agreement; and

WHEREAS, LIPA is obligated to pay approximately \$25 million for certain recent repairs and a further approximately \$20 million for additional repairs under the F&M Agreement;

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Chief Executive Officer or his designee is authorized to execute the Extension Agreement and such other documents and take such actions as may be necessary or appropriate to effectuate it; and

BE IT FURTHER RESOLVED, that, consistent with the accompanying memorandum, LIPA establish a regulatory asset for the repairs of the South Cable Project to the extent to which LIPA is liable for such repairs under the F&M Agreement, and amortize such regulatory asset over the period of 10 months that would remain in the term of the F&M Agreement including the extension authorized above.

Acting Chair Fischl stated that the next item on the agenda was the Consideration of Approval of the Establishment of a 457(f) Plan to be presented by Barbara Ann Dillon.

Ms. Dillon presented the following action item and took questions from the Trustees.

Requested Action

The Board of Trustees (the “Board”) is requested to approve a resolution, attached hereto as Exhibit "A", authorizing the Chief Executive Officer (“CEO”), or his designee, to implement a 457(f) Deferred Compensation Plan.

Background

The Board’s [Policy on Staffing and Employment](#) authorizes and directs the CEO to administer “compensation practices and benefits for LIPA’s Staff that are sufficient but not excessive to attract and retain a qualified, experienced workforce.” Attracting and retaining high-performing, experienced, utility employees is critical to delivering the Board’s vision for clean, reliable, affordable energy for Long Island and Rockaways customers.

The Great Resignation has been a prominent feature of the U.S. labor market since Spring 2021, while inflation and employee wage growth are significantly above historical levels. According to Willis Towers Watson’s 2022 Global Benefits Attitudes Survey, 44% of employees are “job seekers,” and over half of workers said higher pay was a top reason they would look for a new job. A strong job market with ample opportunities and higher pay are luring employees to find work elsewhere throughout the economy, including in the utility sector. The competitive job market has also made finding qualified employees more challenging.

Other large public power utilities have found success with incorporating 457(f) plans into their salary and benefit plans and similar deferred compensation programs are common in the utility industry more broadly.

457(f) plans award deferred compensation that is paid out over several years based on continued satisfactory job performance. Presently, LIPA only has salary that is paid out immediately as an attraction and retention tool for employees. Incorporating deferred compensation into benefit offerings encourages employee retention and performance and is more advantageous to customers than limiting compensation tools solely to salary.

457(f) Deferred Compensation Plan

The 457(f) Deferred Compensation Plan (the “Plan”) is intended to defer a percentage of an employee’s salary each year based on the employee’s performance evaluation. The Plan may also selectively be used to attract a candidate to accept a LIPA job offer for a particularly hard-to-recruit position (e.g. information technology).

The deferred compensation as a percentage of salary will be set annually by the CEO as part of the performance evaluation process and will be the same for all employees at a similar performance level. The Board’s Policy requires LIPA to establish a salary range for each position and the deferred compensation will be part of the benchmarking of compensation for each position to ensure that total compensation is competitive but not excessive.

All full-time employees are eligible for this benefit. The deferred compensation would generally vest over three years provided the employee continues to receive performance evaluations of “meets expectations” or better. For retirement-eligible employees, deferred compensation would vest upon retirement eligibility.

Plan Investments

This Plan is funded solely by LIPA and is owned and controlled by LIPA. LIPA will make all decisions regarding the investment and allocation of the Plan. The Plan shall be part of the general assets of LIPA, subject to all claims of its creditors, and shall not be a trust fund or collateral security for LIPA's obligation to pay the employee participant the amount of the deferred salary.

LIPA's funding, or Plan contributions, will be held in a LIPA account, and employee participants will receive a pro-rata share of the interest paid into the account from investing the funds. Plan assets will be valued once per year following the end of the Plan Year.

Cost

The cost for administering the Plan is approximately \$10,000 per year after an initial one-time \$6,000 fee to prepare the Summary Plan Document. This annual fee includes allocating earnings to participants' accounts annually, issuing annual benefit statements, and being available to answer questions throughout the year.

Recommendation

LIPA Staff recommends the approval of the 457(f) Deferred Compensation Plan as described above.

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 approved by the Trustees.

1741. APPROVAL OF THE ESTABLISHMENT OF A 457(F) PLAN

WHEREAS, it is the policy of the Long Island Power Authority (“LIPA”) to foster a work environment that attracts and retains experienced professionals of diverse talents and backgrounds and promotes an ethical, productive, and accountable workplace; and

WHEREAS, the Board of Trustees authorizes and directs the Chief Executive Officer to establish and administer compensation practices and benefits for LIPA’s Staff that are sufficient but not excessive to attract and retain a qualified, experienced workforce; and motivate and reward individual performance; and

WHEREAS, establishing a performance based 457(b) deferred compensation plan is an effective tool for attracting and retaining the high-performing, experienced, utility employees critical to delivering the Board’s vision for clean, reliable, affordable energy for Long Island and Rockaways customers.

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the Board hereby directs the establishment of a 457(f) Plan.

Acting Chair Fischl stated that the next item on the agenda was the Discussion of Board Policies on Employee Relations, CEO Evaluation, Fiscal Sustainability, and Economic Development and Community Engagement to be presented by Eric Douglas of Leading Resources.

Mr. Douglas presented the Discussion of Board Policies on Employee Relations, CEO Evaluation, Fiscal Sustainability, and Economic Development and Community Engagement and took questions from the Trustees.

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.

Acting Chair Fischl then announced that the next Board meeting is scheduled for Wednesday, September 28, 2022.

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:

1742. EXECUTIVE SESSION – PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

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.

At approximately 12:50 p.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
