

UTILITY DEBT SECURITIZATION AUTHORITY

MINUTES OF THE 29TH MEETING

HELD ON DECEMBER 11, 2023

The Board of Trustees of the Utility Debt Securitization Authority (“UDSA” or the “Authority”) was convened at approximately 10:05 a.m., at the offices of the Nixon Peabody LLP, Tower 46, 55 West 46th Street, New York, NY, pursuant to legal notice given on December 5, 2023; and electronic notice posted on LIPA’s website.

The following Trustees of the Authority were in attendance via video conference:

**Robert Gurman, Acting Chair
Bruce Levy**

Representing the Authority in person were Thomas Falcone, Chief Executive Officer and Interim Chief Financial Officer; and Bobbi O’Connor, Secretary to the Board of Trustees. Representing LIPA, in person, were Donna Mongiardo, Vice President-Controller; Vinay Dayal, Director of Finance and Treasury; and via video conferencing Jason Horowitz, Assistant General Counsel.

Representing KPMG, in person, were Ed Lee, Lead Audit Partner; and Todd Fowler, Partner.

Also, in attendance from Nixon Peabody, LLP, in person, were Christopher Reitzel, Esq. and Elizabeth Columbo, Esq.

The Acting Chair welcomed everyone to the 29th meeting of the Authority.

The Acting Chair stated that the first item on the agenda is the adoption of minutes from the March 28, 2023 meeting. He asked if there were any changes or deletions. Hearing none, the Acting Chair entertained a motion to adopt the minutes. Upon motion duly made and

seconded, the following resolution was approved:

93. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 28, 2023 MEETING OF THE BOARD OF TRUSTEES OF THE UTILITY DEBT SECURITIZATION AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on March 28, 2023 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.

The Acting Chair stated that the next item on the agenda is the Overview of Quarterly Financials Ended September 30 to be presented by Donna Mongiardo.

Ms. Mongiardo presented the Overview of Quarterly Financials Ended September 30 and took questions from the Trustees.

The Acting Chair stated that the next item on the agenda is the Discussion of Year-to-Date Tracking Report to be presented by Donna Mongiardo.

Ms. Mongiardo presented the Discussion of Year-to-Date Tracking Report and took questions from the Trustees.

The Acting Chair stated that the next item on the agenda is the Presentation from KPMG on the 2023 Audit Plan, to be presented by Ed Lee and KPMG.

Mr. Lee presented the Presentation from KPMG on the 2023 Audit Plan, and took questions from the Trustees.

The Acting Chair stated that the last item on agenda is the Adoption of Resolution

Approving the 2024 Budget 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 (“Board”) is being requested to adopt a resolution attached hereto as Exhibit “A”: (i) approving the UDSA 2024 Budget as more particularly shown on Exhibit “B”; and (ii) approving the adoption of GASB No. 65, Items previously reported as Assets and Liabilities as it relates to the accounting treatment of Debt Issuance Costs for all future UDSA bond issuances.

2024 Budget

The proposed 2024 Budget totals \$378 million (Exhibit “B”). The proposed 2024 Budget funds general and administrative expenses and debt service related to the UDSA Restructuring Bonds.

GASB No. 65, Items previously reported as Assets and Liabilities as it relates to the accounting treatment of Debt Issuance Costs

On April 2, 2012, GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, which requires debt issuance costs be expensed in the current financial period as opposed to the previous deferral treatment. However, UDSA elected to follow GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre November 30, 1989, FASB and AICPA Pronouncements. GASB No. 62 outlines regulatory accounting for entities which are rate regulated and allowed UDSA to record costs related to debt issuances as a regulatory asset and amortize these costs over the life of the related debt. As such UDSA deferred debt issuance costs for bonds issued from 2013 through 2022. However, effective with 2023 and thereafter, the proposal as described in this memorandum is to follow GASB No. 65 and expense debt issuance costs in the financial period incurred. This is consistent with the accounting treatment being utilized for LIPA debt.

Recommendation

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

Upon motion duly made and seconded the following resolution was approved:

94. APPROVAL OF THE UTILITY DEBT SECURITIZATION AUTHORITY’S 2024 BUDGET AND ADOPTION OF GASB NO. 65 ACCOUNTING TREATMENT FOR DEBT ISSUANCE COSTS

RESOLVED, that the proposed 2024 budget of the Utility Debt Securitization Authority (“UDSA”), which is attached hereto as Exhibit “B”, is hereby approved; and

RESOLVED, that the Board of Trustees hereby approves the adoption of GASB No. 65 accounting treatment as it relates to bond issuance costs for all future UDSA bond issuances, in the form presented at this meeting.

The Acting Chair then asked for a motion to adjourn to Executive Session and announced that no votes would be taken, and the Trustees would not be returning to public session. The motion was duly made and seconded and the following resolution was adopted:

95. 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 personnel matters.

At approximately 10:39 a.m. the Open Session of the Board of Trustees was adjourned on a motion to enter into Executive Session.
