

**FINANCE AND AUDIT COMMITTEE OF THE  
UTILITY DEBT SECURITIZATION AUTHORITY**

**MINUTES OF THE 9TH MEETING**

**HELD ON NOVEMBER 8, 2016**

**AT THE OFFICES OF HAWKINS DELAFIELD & WOOD LLP  
28 LIBERTY STREET, NEW YORK, NY**

The Finance and Audit Committee (the “Committee”) of the Utility Debt Securitization Authority (the “Authority”) was convened for the ninth time at 2:10 pm at Hawkins Delafield & Wood LLP, 28 Liberty Street, New York, NY, pursuant to legal notice given on November 10, 2016; and electronic notice posted on the Long Island Power Authority (“LIPA”) website.

The following Trustees of the Authority were in attendance:

**Bruce Levy, Chair  
Robert Gurman**

Representing the Authority were Thomas Falcone, Chief Executive Officer; Joseph Branca, Chief Financial Officer; and Jon Mostel, General Counsel and Secretary to the Board of Trustees. Representing LIPA were Bobbi O’Connor, Deputy General Counsel and Assistant Secretary to the Board of Trustees; Kenneth Kane, Managing Director of Finance and Budgeting; Paul Acerra, Director of Finance; Justin Bell, Director of Rates & Regulations; Kathleen Mitterway, Director of Audit; and Donna Mongiardo, Controller.

Also in attendance were Todd Fowler and Nicholas DiVirgilio of KMPG; Bruce Van Dusen and Arthur Kimball-Stanley of Hawkins Delafield & Wood LLP.

*The Chair stated that the first item on the agenda is the adoption of minutes from the*

*June 16, 2016 meeting. He asked if there were any changes or deletions. Hearing none, the resolution was then adopted by the Trustees.*

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 16, 2016 MEETING OF THE FINANCE AND AUDIT COMMITTEE OF THE BOARD OF TRUSTEES OF THE UTILITY DEBT SECURITIZATION AUTHORITY**

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**RESOLVED**, that the Minutes of the meeting of the Finance and Audit Committee held on June 16, 2016 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 Committee.

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*The Chair stated that the next item on the agenda is discussion of Financing Savings and Investment Report, to be presented by Joseph Branca.*

*Mr. Branca discussed Financing Savings and the Investment Report and took questions from the Trustees.*

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*The Chair stated that the next item on the agenda is discussion of Rates in Effect November 15th, to be presented by Justin Bell.*

*Mr. Bell discussed rates in effect November 15th and took questions from the Trustees.*

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*The Chair stated that the next item on the agenda is an update on internal audit activities, to be presented by Kathleen Mitterway.*

*Kathleen Mitterway presented internal audit activities and took questions from the Trustees.*

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*The Chair stated that the next item on the agenda is discussion of KPMG's 2016 Audit Plan, to be presented by Nick DiVirgilio and Todd Fowler.*

*Mr. DiVirgilio and Mr. Fowler discussed KPMG's 2016 Audit Plan and took questions from the Trustees.*

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*The Chair stated that the next item on the agenda is the adoption of the resolution recommending approval of the 2017 Budget, to be presented by Joseph Branca.*

*Mr. Branca discussed adoption of the resolution recommending approval of the 2017 Budget.*

*After discussion and questions by the Trustees, the Chair made a motion that the Committee recommend adoption of the resolution by the full UDSA Board, which was seconded. The Committee unanimously agreed to recommend adoption of the following resolution:*

**RECOMMENDATION OF APPROVAL OF THE UTILITY DEBT SECURITIZATION AUTHORITY'S 2017 BUDGET**

**RESOLVED, that the proposed 2017 budget of the Utility Debt Securitization Authority, which is attached hereto as Exhibit A, is hereby recommended by the Finance and Audit Committee of the Board for approval by the Board.**

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*At approximately 2:54 pm the Chair entertained a motion to adjourn, which was duly made and seconded.*

**Respectfully submitted,**

**Jon R. Mostel**