

**LONG ISLAND POWER AUTHORITY**  
**MINUTES OF THE GOVERNANCE COMMITTEE MEETING**  
**HELD ON SEPTEMBER 21, 2016**

*The Governance Committee of the Long Island Power Authority (the "Authority") was convened 10:55 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on September 16, 2016; and electronic notice posted on the Authority's website.*

*The following Trustees of the Authority were present:*

*Mark Fischl, Committee Chair  
Suzette Smookler  
Elkan Abramowitz  
Sheldon L. Cohen  
Matthew Cordaro  
Peter Gollon*

**Representing the Authority were; Thomas Falcone, Chief Executive Officer; Joseph Branca, Chief Financial Officer; Jon Mostel, General Counsel; Bobbi O'Connor, Deputy General Counsel & Assistant Secretary to the Board of Trustees; Kenneth Kane, Managing Director of Financial Oversight; John Little, Managing Director of Strategy and Policy; Rick Shansky, Managing Director of Operations Oversight; and Barbara Ann Dillon, Director of Human Resources and Administration.**

**Representing the Large Public Power Council were John Di Stasio, Chief Executive Officer; and Missy Mandell, Executive Director,**

*Chair Fischl welcomed everyone to the Governance Committee meeting of the Long Island Power Authority Board of Trustees.*

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*Chair Fischl stated the first item on the agenda is the adoption of the minutes from the May 18, 2016 Committee meeting.*

*The Chair requested a motion to accept the minutes of the May 18, 2016 meeting. Upon motion duly made and seconded, the minutes were approved unanimously.*

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*Chair Fischl stated that the next item on the agenda was a presentation by John Di Stasio, CEO of the Large Public Power Council, Regarding Best Practices in Public Power Governance Policies.*

*Mr. Di Stasio made a presentation regarding Best Practices in Public Power Governance Policies and then took questions form the Trustees.*

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*Chair Fischl stated that the next item on the agenda was consideration of recommendation to Approve Policy Regarding Trustee Communications and Conduct.*

*This item was removed from the agenda to allow LIPA staff an opportunity to discuss with the author an advisory opinion from the Committee on Open Government, received on the eve of the Committee meeting that had been requested by Trustee Cordaro.*

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*Chair Fischl stated that the next item on the agenda was consideration of recommendation to Approve Policy Regarding Governance Process and Agenda Setting, which would be presented by John Little.*

*Mr. Little presented the following item and then took questions from the Trustees:*

**Requested Action**

The Governance Committee of the Board of Trustees is requested to approve a resolution (in the form of Exhibit A) recommending that the full Board adopt the proposed Statement of Policy regarding Board Governance and Agenda Planning (in the form of Exhibit B) for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively the “Authority”).

### **Background on the Policy Regarding Board Governance and Agenda Planning**

The Finance and Audit Committee of the Board of Trustees (the “F&A Committee”), in its Charter, was delegated the responsibility for overseeing the strategic planning process of the Authority. The strategic planning process anticipates that the direction of the Authority will be developed and periodically reviewed through a series of policy statements approved by the Board. Such policy statements are also a key element of the Authority’s Enterprise Risk Management program, which was adopted by the Board at its August 7, 2015 meeting.

This policy statement regarding Board Governance and Agenda Planning was identified by the members of the Governance Committee for development and is hereby presented for your review and consideration. The intent of this policy statement is to (i) affirm the Board’s objectives for its self-governance in recognition of its fiduciary responsibilities for the benefit of its customer-owners; (ii) establish principles of self-governance for the Board and the Board’s relationship with the CEO; and (iii) establish a process for continually improving the Board performance through Board education, development and deliberation through an annual cycle of items (Agenda Planning) that will be approached in an orderly and comprehensive manner.

To ensure that the Policy Regarding Board Governance and Agenda Planning is providing appropriate guidance to the members of the Board, staff recommends that the Governance Committee perform an annual review of the effectiveness of the Policy and recommend any changes to the policy or remedial actions to make the policy more effective.

### **Recommendation**

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

*A motion was made and seconded, and the Trustees unanimously adopted the following resolution:*

### **RECOMMENDATION OF APPROVAL OF STATEMENT OF POLICY REGARDING BOARD GOVERNANCE AND AGENDA PLANNING**

WHEREAS, the Finance and Audit Committee (“F&A Committee”) of the Board of Trustees, in its Charter, was delegated the responsibility for overseeing the strategic planning process of the Authority; and

**WHEREAS, the F&A Committee of the Board of Trustees, has assigned the responsibility for developing certain Policies related to corporate governance to the Governance Committee; and**

**WHEREAS, the Governance Committee recognizes that a statement of the policy on Board Governance and Agenda Planning is in the best interest of the Authority and its customers; and**

**WHEREAS, the Governance Committee has considered and is in agreement with the Policy Regarding Board Governance and Agenda Planning appended to the accompanying memorandum:**

**NOW, THEREFORE, BE IT RESOLVED, that, consistent with the accompanying memorandum, the proposed Policy Regarding Board Governance and Agenda Planning, in the form appended to the accompanying memorandum, is hereby recommended for approval by the full Board; and**

**BE IT FURTHER RESOLVED, that the Governance Committee recommends that the Policy Regarding Board Governance and Agenda Planning be subject to annual review and evaluation by the Governance Committee in accordance with the accompanying memorandum.**

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*Chairman Fischl then entertained a motion to adjourn, which was duly made and seconded, after which the meeting concluded at approximately 11:34 a.m.*