

**LONG ISLAND POWER AUTHORITY**  
**MINUTES OF THE GOVERNANCE COMMITTEE MEETING**  
**HELD ON DECEMBER 20, 2016**

*The Governance Committee of the Long Island Power Authority (the "Authority") was convened at 10:03 a.m. at LIPA Headquarters, Uniondale, NY, pursuant to legal notice given on December 15, 2016; and electronic notice posted on the Authority's website.*

*The following Trustees of the Authority were present:*

*Mark Fischl, Committee Chair  
Thomas McAteer  
Suzette Smookler  
Elkan Abramowitz  
Sheldon Cohen  
Matthew Cordaro  
Jeffrey Greenfield  
Peter Gollon*

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

*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 September 21, 2016 Committee meeting.*

*The Chair requested a motion to accept the minutes of the September 21, 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 consideration of a Recommendation to Approve a Policy Regarding Trustee Communications and Conduct and Amendments to LIPA's Bylaws, which would be presented by Thomas Falcone and Jon Mostel.*

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

### **Requested Action**

The Governance Committee (the "Committee") of the Board of Trustees (the "Board") is being requested to adopt the resolutions attached hereto as Exhibits A and D recommending that the full Board approve (i) revisions to the By-Laws of the Long Island Power Authority (the "Authority"), in the form attached hereto as Exhibit C, and (ii) the Policy Statement on Trustee Communications and Conduct, in the form attached hereto as Exhibit E.

### **Bylaws**

The Authority's By-Laws provide for, among other things, the regulation and management of the Authority's business, and were last amended in 2014. The Committee has been tasked in its charter with overseeing the implementation and effectiveness of the Authority's By-Laws and recommending modifications.

Accordingly, the Committee has undertaken a periodic review of the By-Laws and determined that the following changes are appropriate to reflect the Authority's current and desired practices as well as best practices in governance generally:

- Updates to better reflect the roles and responsibilities of the Trustees and Officers;
- Updates to the emergency succession of the Chief Executive Officer, Chief Financial Officer and General Counsel;
- Changes to reflect the Authority's current organizational structure by eliminating the position of General Manager;
- Addition of a definition of the role of Controller; and
- Provision for the use of a consent agenda.

### **Trustee Communications and Conduct Policy**

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 to be developed and reviewed by the various respective Board Committees for ultimate adoption by the full 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 Trustee Communications and Conduct was identified by the members of the Committee for development and is hereby presented for your review and consideration. The intent of this policy statement is to (i) summarize the practical implications of each Trustee’s fiduciary responsibilities; and (ii) recognize and reaffirm a Board member’s right to express his or her own opinion while reinforcing and defining the Trustees’ obligations with regard to statements of fact or opinion that are made directly to the public, media, or the various other communications channels regarding Authority matters.

Staff notes that other public power authorities have found it appropriate to develop policy statements regarding communications and conduct by individual members of their governing boards that are similar to the proposed language, that doing so avoids confusion between the personal opinions of Trustees and statements attributable to the Board and Authority, and that the proposed language derives from and reinforces the obligations of individual board members as contained in existing legislation and the Authority’s Trustee Code of Ethics and Conduct. Examples of such policies adopted by other public power authorities are attached hereto as Exhibit F.

To ensure that the Policy Regarding Trustee Communications and Conduct is providing appropriate guidance to the members of the Board and safeguarding the reputation and mission of the Authority, the Committee recommends an annual review of the effectiveness of the Policy so as to recommend any changes to the policy or actions to make the policy more effective.

The Authority is in receipt of a copy of an advisory opinion from the New York Committee on Open Government delivered to Trustee Cordaro regarding the definition of confidential information. Staff addressed the comments of the Committee on Open Government by making a clarifying revision to the proposed Policy.

The Policy on Trustee Communications and Conduct has undergone extensive review and revision by the members of the Board of Trustees over the last several months.

### **Recommendation**

Based upon the foregoing, I recommend approval of the above-requested action by adoption of the resolutions attached hereto.

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

**RECOMMENDATION FOR APPROVAL OF REVISED BY-LAWS OF THE LONG ISLAND POWER AUTHORITY**

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**WHEREAS, the Long Island Power Authority (the “Authority”) has adopted By-Laws with respect to the regulation and management of the affairs of the Authority, as amended most recently in February 2014; and**

**WHEREAS, the Governance Committee (the “Committee”) has been tasked in its charter with overseeing the implementation and effectiveness of the Authority’s By-Laws and from time to time recommending modifications thereto:**

**NOW, THEREFORE, BE IT RESOLVED, that Committee recommends that the full Board approve and adopt the “By-Laws of the Long Island Power Authority (as amended December 20, 2016)” in the form presented at this meeting.**

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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 10:18 a.m.*