

UTILITY DEBT SECURITIZATION AUTHORITY
MINUTES OF THE 6th MEETING
HELD ON MARCH 30, 2015
AT THE OFFICES OF HAWKINS DELAFIELD
ONE CHASE MANHATTAN PLAZA, NEW YORK, NY

The Utility Debt Securitization Authority (the "Authority") was convened for the sixth time at 10:00 a.m. at Hawkins Delafield, One Chase Manhattan Plaza, NY, pursuant to legal notice given on March 25, 2015; and electronic notice posted on the Long Island Power Authority's ("LIPA") website.

The following Trustees of the Authority were present:

Paul Francis, Chair
Bruce Levy
Robert Gurman

Representing the Authority were John McMahon, Chief Executive Officer; Tom Falcone, Chief Financial Officer; and Jon Mostel, Secretary. Representing the Long Island Power Authority were Bobbi O'Connor, Deputy General Counsel; Kenneth Kane, Managing Director of Finance and Budgeting; and Donna Mongiardo, Controller.

Also in attendance were Todd Fowler and Jessica DiGiamo Diaz of KMPG, Bruce Van Dusen of Hawkins Delafield & Wood, and Elizabeth Columbo of Nixon Peabody.

The Chair welcomed everyone to the Sixth meeting of the Authority.

The Chair stated that the first item on the agenda is consideration of the resolution appointing the Chief Executive Officer, Chief Financial Officer, and Secretary. Upon motion duly made and seconded, the following motion was approved:

12. APPOINTMENT OF CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND SECRETARY

RESOLVED, that John D. McMahon be, and hereby is, appointed Chief Executive Officer of the Utility Debt Securitization Authority (the “Authority”), effective as of March 30, 2015, until the earlier of his resignation or removal; and be it further

RESOLVED, that Thomas Falcone be, and hereby is, appointed Chief Financial Officer of the Authority, effective as of March 30, 2015, until the earlier of his resignation or removal; and be it further

RESOLVED, that Jon R. Mostel be, and hereby is, appointed Secretary of the Authority, effective as of March 30, 2015, until the earlier of his resignation or removal.

The meeting was adjourned for approximately 53 minutes pending a meeting of the Finance and Audit Committee. Upon conclusion of the Finance and Audit Committee meeting, the meeting of the full board was resumed at approximately 10:53 a.m.

The Chair stated that the next item on the agenda is the adoption of minutes from the March 24, 2014 meeting. He asked if there were any changes or deletions. Upon hearing none, the resolution was then adopted by the Trustees.

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

13. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 24, 2014 MEETING OF THE BOARD OF TRUSTEES OF THE UTILITY DEBT SECURITIZATION AUTHORITY

RESOLVED, that the Minutes of the meetings of the Authority held on March 24, 2014 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 Chair stated that the next item on the agenda is consideration of a resolution approving the 2015 Budget. After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was unanimously adopted by the Trustees:

14. APPROVAL OF THE UTILITY DEBT SECURITIZATION AUTHORITY'S 2015 BUDGET

RESOLVED, that the proposed 2015 budget of the Utility Debt Securitization Authority (“Authority”), is hereby approved, in the form presented at this meeting; and

BE IT FURTHER RESOLVED, that the Authority intends to finance the requirements of the 2015 budget, as adjusted from time to time, through the collection of restructuring charges as provided for in Part B of the LIPA Reform Act, signed into law on July 29, 2013, and the financing order adopted by the Long Island Power Authority’s Board of Trustees on October 3, 2013.

The Chair stated that the next item on the agenda is the consideration of a resolution approving the 2014 Financial Report. After a discussion by the Trustees and the opportunity for the public to be heard, the following resolution was unanimously adopted by the Trustees:

15. APPROVAL OF 2014 FINANCIAL REPORT OF THE UTILITY DEBT SECURITIZATION AUTHORITY

WHEREAS, Section 2800(1) of the Public Authorities Law (“PAL”) requires public authorities such as the Utility Debt Securitization Authority (the “Authority”) to prepare an annual report; and

WHEREAS, the Authority’s annual report includes, among other things, a financial report, as defined under Section 2800(1)(a)(2) of PAL (the “Financial Report”); and

WHEREAS, the Authority has prepared its Financial Report, which, pursuant to Section 2800(3) of PAL, is subject to the approval of the Trustees; and

WHEREAS, the Finance and Audit Committee has thoroughly reviewed the Authority’s Financial Report and approved a resolution recommending its approval by the Trustees at this time:

NOW, THEREFORE, BE IT RESOLVED, that the Trustees hereby approve the 2014 Financial Report of the Utility Debt Securitization Authority, in the form presented at this meeting.

The Chair stated that the next item on the agenda is the consideration of a resolution modifying the Investment Guidelines and the 2014 Annual Investment Report.

After a discussion by the Trustees and the opportunity for the public to be heard,

the following resolution was unanimously adopted by the Trustees:

16. APPROVAL OF (1) MODIFICATIONS TO INVESTMENT GUIDELINES AND (2) THE 2014 ANNUAL INVESTMENT REPORT PURSUANT TO THE AUTHORITY'S INVESTMENT GUIDELINES

WHEREAS, the Utility Debt Securitization Authority (the "Authority") is required by Section 2925(6) of the Public Authorities Law, as amended, to periodically review, amend and adopt investment guidelines which detail the Authority's operative policy and instructions regarding the investing, monitoring and reporting of funds of the Authority; and

WHEREAS, the Authority adopted the Utility Debt Securitization Authority Guidelines for Investing, Securing, Monitoring and Reporting Authority Funds Available for Investment (the "Investment Guidelines"), in November 2013; and

WHEREAS, the staff of the Long Island Power Authority ("LIPA") has proposed certain amendments to the Investment Guidelines as specifically detailed in the accompanying memorandum; and

WHEREAS, the Finance and Audit Committee of the Authority's Board of Trustees has reviewed the proposed modifications to the Investment Guidelines and finds them to be reasonable and appropriate; and

WHEREAS, the Investment Guidelines require that the Board annually approve an investment report to be prepared by LIPA staff; and

WHEREAS, the Finance and Audit Committee of the Authority's Board of Trustees has reviewed the annual investment report for 2014 (the "2014 Investment Report") with the appropriate members of LIPA staff and recommended approval of the 2014 Investment Report by the Board:

NOW THEREFORE BE IT RESOLVED, that the Trustees hereby approve and adopt modifications to the Investment Guidelines in the form presented at this meeting; and be it

FURTHER RESOLVED, that the Trustees hereby approve and adopt the 2014 Investment Report in the form presented at this meeting.

A discussion was then held regarding scheduling of future meetings and other administrative items.

At approximately 10:59 a.m. the Chair entertained a motion to adjourn, which was duly made and seconded.

Respectfully submitted,

Jon R. Mostel