



**MINUTES OF THE JOINT MEETING
OF THE FINANCE COMMITTEE
November 14, 2023**

Table of Contents

<u>Subject</u>	<u>Page No.</u>
Introduction	2
1. Adoption of the November 14, 2023 Proposed Meeting Agenda	2
2. Motion to Conduct an Executive Session	2
3. Motion to Resume Meeting in Open Session	2
4. DISCUSSION AGENDA:	2
a. Financial Operations	2
i. Chief Financial Officer Report	2
ii. New York Power Authority and New York State Canal Corporation Filing of the Proposed 2024-2027 Financial Plan Resolution	3
iii. Release of Funds in Support of the New York State Canal Corporation for Q1 2024 Resolution	4
b. Utility Operations	5
i. Program Controls Services Value Contract Awards Resolution	5
ii. Reimagine the Canals – Guy Park Manor Rehabilitation Project – Change Order Authorization Resolution	6
c. Customer Solutions	7
i. Municipal and Rural Cooperative Electric Utilities Electric-Drive Vehicle Program – Request for Increased Funding Resolution	7

<u>Subject</u>	<u>Page No.</u>
5. CONSENT AGENDA:	8
a. Utility Operations	9
i. Asset Management Support and Implementation Services Value Contract Awards Resolution	9
b. Governance	9
i. Approval of the Minutes of Joint Meeting held on Tuesday, September 19, 2023	9
6. Next Meeting	9
Closing	10

Minutes of the joint meeting of the New York Power Authority and Canal Corporation's Finance Committee held via videoconference at approximately 8:30 a.m.

Members of the Finance Committee present were:

John Koelmel - Chair
Dennis Trainor
Michael Cusick
Cecily Morris
Lewis M. Warren, Jr.
Laurie Wheelock
Bethaida González

Also in attendance were:

Justin E. Driscoll	President and Chief Executive Officer
Philip Toia	President – NYPA Development
Adam Barsky	Executive Vice President and Chief Financial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Karina Saslow	Interim Vice President Human Resources
Lori Alesio	Interim Executive Vice President & General Counsel – Legal Affairs
Daniella Piper	EVP & Chief of Innovation
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology
Joseph Leary	Senior Vice President & Senior Advisor
David Mellen	Senior Vice President and Regional Manager
Alexis Harley	Senior Vice President & Risk Resiliency Officer
Patricia Lombardi	Senior Vice President Project Delivery
Angela Gonzalez	Senior Vice President Internal Audit
Dave Mellen	Regional Manager and Senior Vice President
Keith Hayes	Senior Vice President and Advisor, Executive Office
Karen Delince	Vice Present and Corporate Secretary
John Canale	Vice President – Strategic Supply Management
Carley Hume	Vice President Policy Communication & Chief of Staff
John Cabral	Vice President Digital Architecture
Mario Roefaro	Vice President Community and Government Relations
Rebecca Hughes	Deputy Executive Director Canals
Jesse Scott	Interim Chief of Staff, Policy, Communications & Chief of
John Brennan	Senior Director IT Strategic Planning
Eric Fernstein	Director, Labor Relations
Nicholas Gonzalez	Director Project Finance
Christopher Vitale	Director, Projects
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Senior Assistant Corporate Secretary

Chair John Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chair John Koelmel welcomed committee members and the Authority's senior staff to the meeting. He said that the meeting has been duly noticed as required by New York State's Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Finance Committee Charter.

1. Adoption of the November 14, 2023 Proposed Meeting Agenda

On motion made by member Dennis Trainor and seconded by member Lewis Warren, Jr., the agenda for the meeting was adopted.

Conflicts of Interest

Chair Koelmel and members Trainor, Morris, Wheelock, Warren and Cusick declared no conflicts of interest based on the list of entities previously provided for their review.

2. Motion to Conduct an Executive Session

On motion made by member Bethaida González and seconded by member Lewis M. Warren, Jr. an Executive Session was held to discuss the financial and credit history of a particular corporation pursuant to §105(f) of the New York State Public Officers Law.

3. Motion to Resume Meeting in Open Session

On motion made by member Laurie Wheelock and seconded by member Cecily Morris, the meeting resumed in open session.

Chair Koelmel stated that no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Financial Operations

i. Chief Financial Officer Report

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided an update on the report to the members.

Year-to-Date Actuals through September 30, 2023

The Authority continues to track ahead of the Budget Plan with expenses and some of the margins lower than expected. Non-operating Expenses, mainly Interest Income, (based on the higher interest rates), are tracking ahead of the Budget Plan, significantly, through the end of September. The Authority does not anticipate any other deviations to the end of the year.

2023 Year-End Projection

Net Income projected to the end of the year is in the range of \$120 million (Low Case); \$130 million (Expected); and \$140 million (High Case).

Generation Margin is slightly below the budget; Transmission Margin remains flat; Non-Utility Revenue is slightly below budget; and Operating Expenses below budget. This resulted in a net benefit, including the increase in the Non-Operating income, based on the higher interest rates.

Mr. Barsky ended that the Authority continues to track according to the Budget Plan and does not foresee any deviation from the projection between now and the end of the year.

ii. New York Power Authority and New York State Canal Corporation Filing of the Proposed 2024-2027 Financial Plan

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the proposed Four-Year Budget Plan to be filed with the State. He said that this preliminary plan has been made available for public inspection in seven libraries throughout the state. The members will be requested to approve the Plan at the December meeting of the Board.

Mr. Barsky said that the financial plan is geared toward supporting the Authority's VISION2030 Strategic Plan, while, at the same time, ensuring that the Authority maintains its AA rating from the rating agencies.

- The Net Income will generate sufficient funds to meet the Authority's \$3.1B Capital Plan, while, at the same time, control operating expenses and make sure that its rates remain competitive and affordable.
- The Capital Plan includes a \$1.3B investment in energy efficiency projects to assist the Authority's customers' decarbonization efforts.
- The Growth of the Authority's transmission system continues to be a major driver of the Authority's capital investments, with a \$1.1B investment over the four years. Also included in the plan is a \$537M investment in the Authority's hydropower plants life extension and modernization program to maintain their viability and the Authority to continue to be the low-cost provider of renewable clean power.

VISION2030: Contributing to the Needs of New Yorkers

The Authority's strategic priorities are centered around preserving and enhancing the value of its hydropower; decarbonizing its fossil fuel plants; being the leading transmission owner, developer and operator and growing its transmission base by 2030; partnering with its customers and the state to meet the state's energy goals; and revitalizing the New York State canals for economic and recreational benefits.

NYPA Investments

NYPA's investments provide benefits to the environment and local economics.

Transmission

- The Central East Energy Connect project will result in a reduction of 500,000 tons of CO₂ emissions annually.
- The Smart Path and Smart Path Connect projects will result in a reduction of 1.2 million tons of CO₂ emissions and 160 tons of NO_x emissions reductions, annually.

Customer

- Since the inception of the Energy Efficiency Programs, 1.1 million tons of CO₂ has been reduced.
- 80,000 tons of CO₂ emissions reduction projected over the 4-Year Plan.

Canal Corporation

- The proposed Capital Plan provides funds to address Flood Mitigation, Dam Safety, and Ice Management.
- Investments in the proposed Plan will continue to fuel job creation and retention to spur economic activity, generating revenues for the state and benefit local communities surrounding the Canal System.

Expanded Authority

NYPA's commitments as part of the NYPA Renewable Act includes:

Department of Labor - \$25 million

Master Plan Study - \$20 million in 2024

New Renewables Capacity – \$1.5B of Project costs identified.

2024-2027 Capital Plan

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the New York Power Authority and New York State Canal Corporation's 2024 Capital Plan (\$1,071M) as it aligns to the Authority's VISION2030 Strategic Priorities (Preserve Hydropower (\$124M); Decarbonize Gas Plants (2M); Lead Transmission (321M); Customers and State (\$360M); Revitalize the Canals (\$87M)) and Foundational Pillars (Digitalization (62M)); Resilience (90M)); Resource Alignment (25M).

As it relates to Diversity, Equity, and Inclusion, as of September 2023, NYPA and Canals have spent \$156M with New York State-certified Minority and Women-Owned Business Enterprises ("MWBES"), Service-Disabled Veteran-Owned Businesses ("SDVOBs") and NYS small businesses, and is on track to meet its annual MWBE and SDVOB utilization goals.

In closing, Mr. Barsky requested that the members recommend the Boards' approval of the filing of the 2024-2027 Financial Plan.

On motion made by member Dennis Trainor and seconded by member Lewis Warren, Jr., the recommendation for the Boards' approval of the filing of the New York Power Authority and New York State Canal Corporation 2024-2027 Financial Plan was unanimously adopted.

iii. Release of Funds in Support of the New York State Canal Corporation for Q1 2024

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of staff's recommendation to the members.

On motion made by member Laurie Wheelock and seconded by member Dennis Trainor, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee hereby recommends that the New York Power Authority Trustees authorize the release of up to \$27.0 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2024, as discussed in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance Committee recommends that the New York Power Authority Trustees affirm that amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented (the "General Bond Resolution"), that the amount of up to \$27.0 million in funding as described in the report is not needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That the Finance Committee recommends that the New York Power Authority Trustees affirm that as a condition to making the payments specified in the report, on the day of such payments, either the Executive Vice President and Chief Financial Officer or the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503.1(a)-(c) of the General Bond Resolution; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

b. Utility Operations

i. Program Controls Services Value Contract Awards

Mr. Ricardo DaSilva, Vice President of Strategic Operations, provided highlights of staff's recommendation to the members. He said that the members are requested to recommend the Board's approval of nine Program Control Service contracts, in the aggregate amount of \$30 million and a period of five years, to support the Power Authority and Canal Corporation's projects and programs.

He continued that successful project delivery is underpinned by having strong program controls in place to develop and manage schedules, costs, documentation, and billing in a consistent way to deliver project outcomes. A total of 33 proposals were received and evaluated by a cross-functional team based on their technical ability and commercial competitiveness, achieve MBE goals, and support large projects and programs with scheduling, cost management, document control and billing support services.

He ended that the nine firms recommended, five of which are New York State Certified Minority-Owned Business Enterprise suppliers, will complement the internal Project and Program Controls group with skill sets and resources to further centralize and bolster services to support the project implementation teams, manage delivery on time, within budget, and with the necessary documentation to meet the regulatory requirements.

On motion made by member Dennis Trainor, and seconded by member Lewis Warren, Jr., the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of five-year Program Controls Services value contracts to Arcadis (New York, Inc. Highlands Ranch, CO), Haydan Consultants Inc (Rosedale, NY), Henningson-Durham & Richardson, P.C. (Omaha, NE), InnoActive Group (San Francisco, CA), JCMS, Inc. Dba Jois Construction Management System (Mercerville, NJ), K&A Engineering Consulting, P.C. (White Plains, NY), PMA Consultants LLC (Ann Arbor, MI), Turner & Townsend Inc. (New York, NY), WSP USA Inc. (New York, NY) in the aggregate amount of \$30,000,000 as recommended in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital or Operating Funds, as appropriate, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

ii. **Reimagine the Canals – Guy Park Manor Rehabilitation Project – Change Order Authorization**

Ms. Andrea Luongo, Vice President of Canals Infrastructure Project Deliver, provided highlights of staff's recommendation to the members. She said that staff is requesting the members' approval of the Change Order to increase the contract value for the Guy Park Manor rehabilitation project by \$2 million and the term to August 2025. The contractor for the project is VMJR Companies of Glann Falls, New York.

She continued that Guy Park Manor was built in 1774 and is on the National Register of Historic Places. In 2011, the house sustained significant damage from Hurricane Irene and Tropical Storm Lee prior to the transfer of the Canal Corporation to the Authority. At that time, the Canal Corporation was managed by the New York State Thruway Authority, and they coordinated with New York State Parks to temporarily stabilize the building and site walls along the canals. Canal Corporation also applied for FEMA funding to partially fund the project. The grant was approved in 2022.

In 2017, the Authority took over the management of the New York State Canals system. The Re-Imagine the Canals Competition to identify strategies for revitalization of the canals was also launched and a Task Force was subsequently convened to build on the ideas submitted.

In 2020, the Reimagine the Canals initiative was launched with the publication of the Task Force Report and announcement in the Governor's State of the State Address. Guy Manor Park is one of the five original projects of the Task Force's report. The overall project has two phases, namely, Guy Park Manor Rehabilitation (Phase 1), and Environmental, Educational and Resiliency (Phase 2).

Phase 1 of the Guy Park Manor Rehabilitation Project includes rehabilitation and storm hardening of the historic manor house, which, by the National Historic Preservation Act, is required to have its historic character and architectural integrity retained. Design was completed mid-2022 and the contract for Phase 1 was approved by the Trustees in July 2022 for a term of up to two years and an amount of \$9.5 million.

Additional scope was identified post the abatement of hazardous materials as underlying conditions were exposed. Due to safety concerns and the presence of hazardous materials, the building was not fully accessible to identify or anticipate its condition.

The requested \$2 million Change Order will bring VMJR's contract to \$11.5 million. Additional work under the Change Order will be verified and tracked on a not-to-exceed time and material basis.

In spring 2022, the building was scheduled to be lifted with construction completion anticipated in mid-2025. The overall project cost prior to this Change Order request is estimated at \$36 million.

The design for Phase 2 of the project will be completed in early 2024; construction bids are expected to be issued in July. The scope of the project has been refined to stay within the range of the original project estimate and the members will be requested to approve the final project estimate.

Ms. Luongo ended that funding required for this Change Order will be budgeted as part of the annual budget cycle and is captured in the long-range plan.

On motion made by member Dennis Trainor, and seconded by member Michael Cusick the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts and the Expenditure Authorization Procedures, the change order authorization to Phase 1 of the Guy Park Manor Rehabilitation Project in an amount up to \$2 million and an extension of the contract term for an additional one year to VMJR Companies LLC, as recommended in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs for the project; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

c. Customer Solutions

i. Municipal and Rural Cooperative Electric Utilities Electric-Drive Vehicle Program – Request for Increased Funding

Ms. Maribel Cruz Brown, Senior Vice President of Customer Solutions, provided highlights of staff's recommendation to the members. She said that the Committee is requested to recommend that the NYPA Board of Trustees approve the addition of \$20 million for the continued implementation of the Municipal and Rural Cooperative Electric Utilities Electric Drive Vehicle Program.

She continued that the program helps NYPA's municipal and rural electric cooperative customers finance electric and hybrid vehicles for their fleets, and any associated battery charging equipment. These customers repay NYPA over a three-year period. To date, there have been no repayment issues associated with these loans.

As background, the Trustees first approved and authorized \$1.2 million to finance this Muni-Coop electric utilities electric drive program in May of 2003. Since that time, staff have sought, and NYPA Trustees have authorized additional funding for the program in February 2009, December 2013, January 2017, and 2019, and July 2021, for a total of over \$12 million.

This funding opportunity has led to 101 electric or hybrid vehicles being purchased and financed from 25 of the Authority's municipal and cooperative systems, with many repeat participants. These include low- to medium-duty fleet vehicles, as well as bucket trucks.

This program is funded from Commercial Paper Note proceeds and/or operating fund money. Petroleum Overcharge Restitution Funds allocated to NYPA will be used to offset internal interest charges. Customer feedback has been overwhelmingly positive as customers look to add or replace less efficient fuel vehicles with electric alternatives.

Ms. Cruz-Brown concluded that an added benefit to the communities is the reduced maintenance expense and reduced transportation pollution across the state.

On motion made by member Lewis Warren, Jr., and seconded by member Michael Cusick, the following resolution, as recommended by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance Committee recommends that the Trustees approve additional funding in the amount of \$20 million for the Municipal and Rural Cooperative Electric Utilities Electric-Drive Vehicle Program, as described in the report of the President and Chief Executive Officer, is hereby authorized; and be it further

RESOLVED, That the Electric-Drive Vehicle Program may be funded with the proceeds of Series 1, 2, or 3 Commercial Paper Notes, Operating Fund monies, and/or Petroleum Overcharge Restitution funds allocated to the Authority by New York State legislation, with such Petroleum Overcharge Restitution funding being in amounts as deemed advisable by the Senior Vice President of Customer Solutions; and be it further

RESOLVED, That the Trustees hereby authorize the full-requirements Municipal and Rural Cooperative systems served by the Authority to recover costs for this, and other energy-efficiency programs, through the Purchased Power Adjustment Charge; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

5. CONSENT AGENDA:

On motion made by member Dennis Trainor and seconded by member Michael Cusick, the Consent Agenda, and the following resolution as recommended by the President and Chief Executive officer, were unanimously adopted:

a. Utility Operations

i. Asset Management Support and Implementation Services Value Contract Awards

RESOLVED, That the Finance Committee recommends that the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of five-year Asset Management Support and Implementation Services value contracts to Accenture LLP (Walnut Creek, CA), Basson Trading LLC dba Aladon (Wilmington, NC), Buro Happold Consulting Engineers PC (New York, NY), ChargerHelp Inc (Los Angeles, CA), Deloitte Consulting LLP (Hermitage, TN), EA Technology, LLC (Denville, NJ), Ernst & Young U.S. LLP (Secaucus, NJ), David Groarke dba Indigo Advisory Group LLC (Astoria, NY), Maxgrip Americas Inc. (Houston, TX), Starboard Consulting, LLC (Longwood, FL) WBE, The Woodhouse Partnership North America Ltd (Onancock, VA), Toffler Associates, Inc. (Arlington, VA), Turner & Townsend AMCL Inc (New York, NY), and WSP USA Inc. (New York, NY) in the aggregate amount of \$22,525,000 million, as recommended in the report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital or Operating Funds, as appropriate, which may include proceeds of debt issuances, to finance the costs of projects; and be it further

RESOLVED, That the Chair, the President and Chief Executive Officer, and all other officers of the Authority be, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

b. Governance

i. Approval of the Minutes of the Joint Meeting held on September 19, 2023

On motion made by member Dennis Trainor and seconded by member Cecily Morris, the Minutes of the joint meeting held on September 19, 2023 were unanimously adopted.

6. Next Meeting

Chair John Koelmel stated that the next regular meeting of the Finance Committee is to be determined.

Closing

On a motion made by Member Dennis Trainor and seconded by member Cecily Morris, the meeting was adjourned at approximately 10:30 a.m.

Karen Delince

Karen Delince
Corporate Secretary