NEW YORK STATE OF OPPORTUNITY. | NY Power Authority | Canal Corporation

MINUTES OF THE JOINT MEETING
OF THE FINANCE and RISK COMMITTEE
March 18, 2022

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Minutes of the joint meeting of the New York Power Authority and Canal Corporation's Finance and Risk Committee held via videoconference at approximately 12:09 a.m.

Members of the Finance Committee present were:

Tracy B. McKibben - Chair
John R. Koelmel
Eugene Nicandri
Michael Balboni

Excused: Anthony Picente, Jr., Dennis Trainor and Bethaida González

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Also in attendance were:

Justin E. Driscoll	Interim President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Sarah Salati	Executive Vice President Chief Commercial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Kristine Pizzo	Executive Vice President and Chief Human Resources & Administrative Officer
Daniella Piper	Regional Manager and CTO
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology Officer
Lee Garza	Senior Vice President – Financial Operations
Angela Gonzalez	Senior Vice President – Internal Audit
Patricia Lombardi	Senior Vice President – Project Delivery
Scott Tetenman	Senior Vice President – Finance
James Levine	Assistant General Counsel – Finance & Bonds
Adrienne Lotto Walker	Vice President and Chief Risk & Resilience Officer
Eric Meyers	Vice President and Chief Information Security Officer
Girish Behal	Vice President – Project & Business Development
Andrew Boulais	Vice President – Project & Construction Management
John Canale	Vice President – Strategic Supply Management
Angelyn Chandler	Vice President – Planning
Joseph Leary	Vice President – Community & Government Relations
Shirley Marine	Vice President – Enterprise Shared Services
Fabio Mantovani	Vice President – Head of e-Mobility
Victor Costanza	Senior Director – Cyber Security & Deputy CISO
Christina Reynolds	Treasurer
Sundeep Thakur	Controller
Earl Faunlagui	Senior Director – Market & Commodities Risk
Carley Hume	Chief of Staff
Christopher Vitale	Finance Performance & Reporting Manager
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary
Michele Stockwell	Project Coordinator - Corporate Secretary
Christopher Davan	KPMG
Scott Heiser	KPMG

Chairperson Tracy McKibben presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairperson Tracy McKibben welcomed committee members and the Authority's senior staff to the meeting. She said that the meeting had 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 March 18, 2022 Proposed Meeting Agenda

On motion made by Member John Koelmel and seconded by Member Eugene Nicandri, the agenda for the meeting was adopted, as amended.

Conflicts of Interest

Chairperson McKibben and Members Koelmel, Nicandri, Picente, Balboni, Trainor, and González declared no conflicts of interest based on the list of entities previously provided for their review.

2. Motion to Conduct and Executive Session

On motion made by Member John Koelmel and seconded by Member Eugene Nicandri, 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 Michael Balboni and seconded by Member Eugene Nicandri, the meeting resumed in open session.

Chairperson McKibben said no votes were taken during the Executive Session.

4. DISCUSSION AGENDA:

a. Financial Operations

i. Chief Risk & Resilience Officer Report – Managing Credit Exposure

Ms. Adrienne Lotto Walker, Vice President and Chief Risk & Resilience Officer said that the committee members, at the January Finance and Risk Committee meeting, requested staff provide an update on the counterparties used to support the Commodity Hedging Program. The Risk Management group recognizes credit risks from counterparties that Commercial Operations and Treasury departments utilize for transactions related to energy, capacity, and aluminum products, with credit exposures managed through coordinated activities between the Chief Financial Officer, Chief Commercial Officer, and Risk Management. Ms. Lotto Walker invited Mr. Earl Faunlagui, Senior Director of Market & Commodities Risk, to provide an overview.

Mr. Earl Faunlagui provided an overview of Risk Management's activities related to how the Authority's credit exposure is managed, in regard to counterparties used to support the Commodity Hedging Program.

Credit Risk throughout the Organization

Credit Risk is defined as the possibility of loss resulting from failure to receive payments from contractual obligations. In terms of NYPA's Business Lines, these risks come from the Commodity Hedging Program, Clean Energy Solutions Portfolio, and Short-Term Account Receivables. The Enterprise Credit Risk Committee was established to provide oversight, controls, and guidance for the organization in terms of the risks it manages.

Commodity Hedging Program – Managing Counterparties & Risk

<u>Hedging with Counterparties</u>
Market price risk is mitigated through the execution of hedge positions, however, potential credit risk with the counterparty is introduced. To mitigate against this exposure, the Authority continually monitors the creditworthiness of counterparties.

<u>Disciplined Daily Collateral Management</u>
The Authority has daily collateral arrangements so that exposures are protected, in the event of counterparty default. Counterparty arrangements are governed by industry-standard Credit Support agreements, from which the Authority leverages it strong credit rating.

Member Koelmel opined on the place of non-rated counterparties in the credit portfolio.

In closing, Mr. Faunlagui said that the team will continue to develop further guidance to minimize credit exposures and will reassess the use of select counterparties, communicating subsequent actions to the Committee.

ii. **Chief Financial Officer Report**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided an update on the Authority's financial results for January and February 2022.

<u>YTD Actuals (January-February 2022)</u>
The Authority is off to a good start for the reporting period. This is due mainly to the fact that energy prices are higher, in general, and also, the month of January was colder than normal. The Authority did well in terms of market-base sales and its merchant margins which is projected to do well over the course of the year.

Margins – Generation – above projection

Margins – Transmission – slightly above projection

Margins – Non-Utility – slightly below projection

Operating Expenses – slightly higher than projection

Overall, the Authority is tracking ahead of the Budget Plan.

iii. **Amendment and Restatement of the 2020 Revolving Credit and Note Purchase Agreements**

Ms. Christina Reynolds, Treasurer, provided highlights of the Amendment and Restatement of the 2020 Revolving Credit and Note Purchase Agreements to the members. She said that the members are requested to approve a new, $150 million sub-limit under the Authority's existing hybrid facility which is currently a commercial paper backstop facility. The Letters of Credit ("LCs") are requested as an alternative to cash postings.

At present, the Authority has about $130-150 million of cash posted pursuant to its hedging activities. Staff recently negotiated $110 million of incremental counterparty lines with the Authority's banks, which are presently being documented. Staff would also like to have LCs as an option to post as collateral and remove cash when these lines are exceeded.

In terms of the backstop facilities, the Authority has $950 million of facilities, $700 million of which are commercial paper backstop facilities. The $250 million facility was put in place as part of the Authority's plan of finance in 2020. It is not only a commercial paper backstop facility, but it also provides for revolving loans on an as-needed basis on a LIBOR basis. The pricing when the Authority first put the facility in place was 175 basis points over LIBOR and had a 75-basis point commitment fee. With the renewal in 2021, it dropped to an average because there is a differential between taxable and tax-exempt of 80 basis points and 27-1/2 fixed commitment fee. This year, the Authority received a further ten percent improvement with the renewal effective in April. The Authority will see 65 basis points over SOFR because it is transitioning to SOFR instead of LIBOR. The 65 basis points were tax exempt, and 84 basis points were taxable. The LCs will be tied to the cash pricing at 75 basis point per annum.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

> RESOLVED, that the Finance and Risk Committee recommends that the Trustees approve the Amended and Restated 2022 Revolving Credit Agreement and Amended and Restated 2022 Note Purchase Agreement, the form of which is attached hereto as Exhibit 1 and as discussed in the foregoing report of the Interim

President and Chief Executive Officer; with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the Interim President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby, and be it further

RESOLVED, that the Finance and Risk Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.

iv. **Release of Funds in Support of the New York State Canal Corporation**

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

On motion made by member John Koelmel and seconded by member Eugene Nicandri, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance and Risk Committee hereby recommends that the Trustees authorize the release of an additional up to $21.3 million in funding to the Canal Corporation to support operations of the Canal Corporation in calendar year 2022, as discussed in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503.2 of the Authority's Bond Resolution, that the amount of up to $21.3 million in funding as described in the foregoing report is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That Finance and Risk Committee recommends that the Trustees affirm that as a condition to making the payments specified in the foregoing report, on the day of such payments, the Executive Vice President and Chief Financial Officer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.

v. **Contribution of Funds to the State Treasury**

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of staff's recommendation to the members. He said that staff is requesting the Board's approval to make a voluntary contribution of $17.5 million to the state. He said that following discussions with the state, and directions from Board, the goal is to continue the dialogue with the state to ensure that the contributions continue go down to zero in the near future.

He continued that, in order to approve the request, the Trustees need to find that it is deemed feasible and advisable, and it meets with the Board's resolution that, after the payment, and other releases, the Authority still maintain its 2.0 debt service coverage ratio, which it has. He said that it is important to note that this money must go into energy-related projects to help support the state in its energy goals and programs, and it has to be consistent with the statutory mission of the Authority.

Member Eugene Nicandri opined that his understanding at the time of the transfer of the Canals to the Power Authority for operational purposes was that there was an approximate $70 - $90 million "hole" that needed to be filled which, over the 4-5 years that the Power Authority has been running Canals, has turned out to be about a $130 million hole. Therefore, with that reality, he has a deep concern with continuing to make contributions to the State General Fund even if they are tied to specific mission-stated objectives. He said he understands that the state is paying back the loan made by the Power Authority during the financial crisis, that they are making good progress and have been true to their word on making those payments. He continued that the Authority has a lot of projects in the pipeline, and there are always contingencies. He said his concern is about $17-$20 million going out the door when it may become necessary for the Authority's purposes during the course of a particular period of time. He understands that the Chief Financial Officer has looked at all the metrics and the Authority is still within its guiderails; and that is encouraging. However, he has an ongoing concern about these continued payments, going forward, and would like to go on record that it is a concern for him.

Chair McKibben said the concern is shared across the board, and, as Adam has indicated, in his dialogue with the State, he has gotten indications that this ultimately will go to zero. The Authority looks forward to continuing the dialog with the State in this regard.

On motion made by member John Koelmel and seconded by member Eugene Nicandri, the following resolution, as recommended by the Interim President and Chief Executive Officer, with the understanding of the voiced concerns, was unanimously adopted.

RESOLVED, That the Finance and Risk Committee recommends that the Trustees hereby authorize the release of funds from the Operating Fund to the State's general fund in the amount of $17.5 million as authorized by Section 17 of Part JJJ of Chapter 59 of the Laws of 2021 as discussed in the memorandum of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the $17.5 million to the State's general fund described in the foregoing resolution is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented, and that such release is deemed feasible and advisable; and be it further

RESOLVED, That as a condition to making the payments specified in the foregoing resolution, on the day of such payments, the Executive Vice President and Chief Financial Officer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Resolution Authorizing Revenue Obligations, as amended and supplemented; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be, and each of them hereby is, authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.

b. Utility Operations

i. **<u>Supply Chain and Inflation Risk – Report</u>**

Ms. Adrienne Lotto Walker, Vice President, Chief Risk and Resilience Officer, John Lom, Vice President of Strategic Supply Management, Scott Tetenman, Senior Vice President of Finance and Patricia Lombardi, Senior Vice President, Project Delivery, provided an update on how the supply chain constraints and inflation are impacting the Authority to the members.

Ms. Lotto Walker discussed Market Forces; Mr. Canale, Mitigation Strategies; Ms. Lombardi, Impacts to NYPA Projects; and Mr. Tetenman, Inflation Risks and Impacts.

1. Market Forces

Historically, steel prices are rising and will continue to rise, at least midway through 2022, according to the American Metal markets. Similarly, aluminum prices are higher and craft labor has increased. Workforce constraints in tightening labor markets impacts the Authority's projects in terms of being able to procure and obtain resources in order to build those projects. Transportation and logistics have impacted the global supply market and trans-ocean delivery, including shipment costs, have risen significantly over the past year and no relief is anticipated for the remainder of the year.

2. Key Mitigation Strategies and Actions

Multiple market forces are stressing the Authority's supply chain. Supply chain risks are widening and deepening across most industries. This can be attributed to the COVID-19 shutdowns over the last two years, the slow reopening and restarting of projects, and disruptions in craft workforce. This has led to capacity constraints, extended lead times, increases in materials, labor and transportation costs, and other challenges including the current Ukraine and Russia conflict.

Specific to the utility industry and NYPA, there are several challenges that the Authority have been closely monitoring. To that end, the Authority has developed and implemented mitigating strategies and actions as follows:

- **Cost increases in material and commodities and transportation and labor constraints**
  NYPA's mitigation strategies are hinged upon effective monitoring of the market and timely production release actions. In the last 18 months, the Authority has intensified the

monitoring of the material commodities market, working closely with its supply chain consultants, and regularly receiving market intelligence. Staff also works closely with suppliers of major materials and equipment to gain further insights based on their experience and expertise and leveraging their resources.

- **Identifying Adequate Suppliers and Ensuring Supply Chain Capacity**
  NYPA is continuously conducting risk assessments of its key suppliers to ensure adequate capacity and to ensure that their lead times are in line with the Authority's needs. To that end, staff worked on identifying and qualifying suppliers with an interest in domestic operations, and, where possible, New York State-based companies. The Authority is leveraging the current portfolio of large projects into its competitive bidding process to identify and on-board new suppliers with the intent to create long-term relationships with strategic suppliers. The Authority is also adopting new contract strategies and/or enhancing existing strategies by putting in place long-term, fixed-price contracts in its contracts with appropriate escalation for material and labor costs based on industry indices. The Authority is also enhancing its contract terms and conditions to ensure the appropriate retention language and liquidated damage clauses are included. In addition, the Authority conducts monthly performance reviews with key suppliers, increasing, expediting, and monitoring services by deploying on-site surveillance resources, where necessary.

- **Global Supply Chain**
  Many of the Authority's suppliers' operations in manufacturing and services have shifted globally, which has implications on quality, delivery, and costs. There are currently not many domestic suppliers that can meet the Authority's needs for the purchase of high-voltage equipment. In the global market, in most cases, it does not make economic sense to ship U.S. Steel, even if available, overseas for use by non-domestic manufacturers. In those, cases where non-U.S. steel is used, staff has to request the Board's approval for a U.S. Steel waiver. However, staff ensures that each supplier provides alternate U.S. pricing so that they can evaluate the economic impact.

  In 2020 and 2021, several steel waivers were approved by the Board relating to the Next Generation Niagara Wicket Gates and Shafts, Niagara Autotransformers, Transit Overhead Structural Steel and East Garden City Transformers and Reactors. The values of those contracts were approximately $85 million, and the U.S. Steel Waiver cost avoidance was approximately $26 million.

3. Cost Impacts

The Authority continues to track pricing very closely and, most of its major equipment, aluminum, copper, and steel, are key materials. Although the content varies depending on the equipment, the commodity is going to contribute up to 50% percent of the total cost of that equipment. Therefore, it is critical that the Authority continues to look at these commodities very closely.

In a cost comparison of specific equipment purchased in 2019 and subsequent pricing for the same equipment purchased in 2021, there has been 20 to 30 percent increases in several major equipment categories.

The Authority has been closely tracking commodity prices. Between 2020 and 2021, two extremes were noticed. In 2020, prices dropped considerably about 50 percent due mainly to the COVID-19 pandemic. However, in 2021, prices rebounded and, to date, remain very high, up to historical high levels, more than doubling the pre-COVID pricing, in some cases.

Correspondently, the cost for equipment mainly used in utility operations is about 25 percent higher than the pre-pandemic prices. It is important to know that the Authority is affected by many commodities such as resin, wood pulp, and timber, all of which has drastically increased in pricing and challenges in sourcing.

Staff had originally forecasted escalation for steel in 2019 at $3.5 million, but successfully working with the supplier, pulling in releases when prices were really low, they have been able to save $2 million on the escalation, and the projected escalation for that contract is $1.5 million.

Lead-time Impacts – Due to the COVID-19 shutdown, lead times went up by an average of 30 percent for major equipment categories. In addition, the RFP response time has also gone up to two to three weeks.

Although the demand for power projects is relatively flat and stable, prior to and during COVID, the capacity and reliability of the supply chain, on the other hand, has been significantly reduced.

Some of the key drivers are:

- 10 to 15 percent increase in absenteeism due to COVID, whether directed to employees or family members.
- 25 to 35 percent workforce reduction on a factory floor office setting to help maintain social distancing.
- Significant instability and increase in transportation lead time, both overseas and domestic, due to equipment availability of vessels, trucks, congestion at ports, and delays in customs clearances.
- Fluctuation and availability of materials and components for things manufactured outside the United States.

Steel Poles source for Smart Path – In general, when staff prepare bid evaluations, the Authority's own market assessments with intelligence from bidders are used to assess the risk and derive what contingency funds may be required for that contract. In 2019, NYPA awarded a contract to Sabre for steel poles for the Smart Path project in the amount of $79 million. Based on the commodity costs and forecasted escalation at the time, an additional 3.5 million in contingency was requested for managing material transportation. In 2019, the Authority had originally forecasted escalation for steel at $3.5 million; however, working with the supplier, the Authority was able to save $2 million; the projected escalation for the contract is now $1.5 million.

4. Inflation Risks and Impacts

The Authority studied the financial exposure for increases in inflation using different scenarios based on the 6% inflation estimate. For the Authority's cost-base hydro and preference power customers, this would result in a 3.7 percent rate increase, i.e., $2,000 impact on a $53,000 monthly bill. For the economic development customers, Western New York and Recharge New York, the result is a 4.4% increase, i.e., $450 on a $10,000 per month bill. The New York City governmental customers would absorb the entire 6% increase because most of the costs associated with serving that group of customers are "pass-through" costs. These customers pay fuel costs because they are served from the Zeltmann Plant and the Astoria Energy II Plant as opposed to the hydro power customers which are served from the hydro power plants. As it relates to transmission, a $0.03 increase to a $1.18 monthly bill, which is fairly negligible.

ii. **High Voltage Circuit Breakers – On-Call Contract Awards**

Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff's recommendation to the members.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk 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 two, ten-year equipment contracts to Hitachi Energy USA, Inc. of Raleigh, North Carolina, and Siemens Energy Inc. of Orlando, Florida, in the aggregate amount of $50,000,000, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

Contractors	Contract Approval
Hitachi Energy USA, Inc. Raleigh, NC Siemens Energy, Inc. Orlando, FL	$50,000,000

RFP # S21-0772LH

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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.

iii. **Substation Transformers and Shunt Reactors – On-Call Contract Awards**

Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff's recommendation to the members.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk 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 two, ten-year equipment contracts to Hitachi Energy USA, Inc. of Cary, North Carolina, and Royal SMIT Transformers BV of Nijmegen, Netherlands in the aggregate amount of $110,000,000, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

Contractors	Contract Approval
Hitachi Energy USA, Inc. Cary, NC Royal SMIT Transformers BV. Nijmegen, Netherlands	$110,000,000
RFP # Q21-7227AP	

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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.

iv. **St. Lawrence Power Project – Replacement of Robert Moses Power Dam Autotransformer 1 – Capital Expenditure Authorization Request**

Mr. Andrew Boulais, Vice President of Project and Construction Management, provided highlights of staff's recommendation to the members.

On motion made by member John Koelmel and seconded by member Michael Balboni, the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted:

RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to the Authority's Capital Planning and Budgeting Procedures, approve capital expenditures in the amount of $13,044,000 for the Replacement of the Robert Moses Power Dam Autotransformer 1 Project, in accordance with, and as recommended in, the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of this project.

Capital	Expenditure Authorization
Replacement of St. Lawrence RMPD Autotransformer 1	$13,044,000

AND BE IT FURTHER RESOLVED, That the Finance and Risk 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 two, ten-year equipment contracts to Hitachi Energy USA, Inc. of Cary, North Carolina, and Royal SMIT Transformers BV of Nijmegen, Netherlands in the aggregate amount of $110,000,000, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

Contractors	Contract Approval
Hitachi Energy USA, Inc. Cary, NC Royal SMIT Transformers BV. Nijmegen, Netherlands	$110,000,000
RFP # Q21-7227AP	

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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 Michael Balboni and seconded by member John Koelmel, the Consent Agenda was unanimously adopted by the Trustees:

a. Utility Operations

i. **Architecture and Engineering Design Contracts – Recommendation for Contract Awards**

On motion made and seconded the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance and Risk Committee recommends that the Trustees authorize the Interim President and Chief Executive Officer, the Chief Operating Officer, and officers designated by the Interim President and Chief Executive Officer to execute agreements and other documents between the Authority, and the following firms:

- BKSK Architects LLP “BKSK”; New York, NY
- Cooper Robertson; New York, NY
- Fisher Associates, P.E., L.S., L.A., D.P.C. “Fisher Associates”; Rochester, NY
- Interboro Partners LLC “Interboro”; Brooklyn, NY (WBE)
- OSD Outside LLC “OSD”; Brooklyn, NY
- Office for Visual Interaction, Inc. “OVI”; New York, NY (WBE)
- SBP Engineering PC “SBP”; New York, NY
- Starr Whitehouse Landscape Architects and Planners “Starr Whitehouse”; New York, NY
- SHoP Architects LLP “SHoP”; New York, NY
- Studio V Design & Planning “Studio V”; New York, NY (MBE/WBE)
- Wallace Roberts & Todd, LLC “WRT”; Philadelphia, PA
- Claire Weisz Architects (dba WXY Architecture + Urban Design) “WXY”; New York, NY (WBE)

Such agreements having such terms and conditions as the executing officer may approve, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel, to facilitate the performance of Design Services in support of the Reimagine the Canals Program in alignment with the Authority's VISION2030 strategy; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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. **Disconnect Switches On-Call Contract – Request for Waiver to Article 22 "STEEL COMPONENTS"**

On motion made and seconded the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance and Risk Committee recommends that the Trustees approve waiver of the Authority's Agreement Article 22 "STEEL COMPONENTS" that the purchasing of steel be produced or made in whole or substantial part in the United States or its territories or possessions, in compliance with Public Authorities Law §2603-a for manual and motor-operated disconnect switches, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital or Operating Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

<u>Contractor</u>

GE Grid Solutions, LLC
Atlanta, GA

RFP # Q21-7238JM

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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.

iii. **Overhead Conductor and Overhead Ground Wire – On-Call Contract Award**

On motion made and seconded the following resolution, as recommended by the Interim President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance and Risk 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 a ten-year equipment contract to Midal Cables, Ltd. of Askar, Bahrain in the amount of $20,000,000, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs of the projects.

Contractor	Contract Approval
Midal Cables, Ltd. Askar, Bahrain	$20,000,000

RFP # Q22-7272AP

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and 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. Approval of the Minutes of the Joint Meeting held on January 12, 2022

On motion made and seconded the Minutes of the New York Power Authority's and Canal Corporation's Finance Committee held on January 12, 2022 were unanimously adopted.

6. Next Meeting

Chairperson McKibben stated that the next regular meeting of the Finance and Risk Committee will be held on April 26, 2022.

Closing

On motion made by Member Michael Balboni and seconded by Member John Koelmel, the meeting was adjourned by at approximately 2:00 p.m.

Karen Delince
Karen Delince
Corporate Secretary