

Long Island Regional Planning Council  
Summary Minutes

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Meeting of June 28, 2016 Meeting  
Molloy College, The Barbara Hagan Center for Nursing

**LIPRC Members Present**

John D. Cameron, Jr., Chair  
Richard V. Guardino, Jr., Vice Chair  
Jeff Kraut, Secretary  
Barbara Donno, Mayor  
Elizabeth Custodio  
Ed Romaine, Supervisor  
Michael White  
Theresa Sanders  
Nancy Engelhardt

**Staff and Guests Present**

Neal Lewis  
Peter Quinn  
Richard Weinscheng  
Nicholas Nevante  
Johnny Milano  
Timothy Rothang  
John Ellsworth  
David Berg  
Tom Falcone  
Stan Klimberg  
Sid Nathan  
Keith Brown  
Sarah Anker  
Michael Deering

Meeting Commenced:

- John D. Cameron, Jr., opened the meeting at approximately 11:10 a.m.
- Pledge of Allegiance

John Cameron welcomed everyone to the meeting.

**Roll Call**

John D. Cameron, Jr., Chair  
Richard V. Guardino, Jr., Vice Chair  
Jeff Kraut, Secretary  
Barbara Donno, Mayor  
Elizabeth Custodio

Ed Romaine, Supervisor  
Michael White  
Theresa Sanders  
Nancy Engelhardt

We have a quorum;

The council went into Executive Session. The Council returned at 11:25 a.m.

Three resolutions were read announcing the employment of the following new staff members:

Richard V. Guardino, Jr., Executive Director

Elizabeth Cole, Deputy Executive Director (not present)

David Berg, Long Island Nitrogen Action Plan Program Manager

A vote was taken on each resolution:

Richard V. Guardino, Jr.'s appointment was approved by the eight members present with Richard V. Guardino, Jr. abstaining. Chairman Cameron said we could not have gotten anybody better or more up to speed with what the council has been doing and the issues facing Long Island and that he is respected on every front, whether it is the business community, the not-for-profits, labor or government. Mr. Guardino said he was interested in several economic and environmental initiatives, including transit oriented development and an update on the council's visioning plan for the future of infrastructure on the island.

Elizabeth Cole was unanimously approved. In Ms. Cole's absence Mike White spoke about her background. Ms. Cole has been involved with any number of issues related to the topics we deal with at the Council. She is a Legislative Analyst for Assemblywoman Michelle Schimel. She has a Master of Public Administration and Masters in Social Work and a Bachelor of Arts in Psychology from Hofstra University.

David Berg was unanimously approved. Mr. Berg will oversee the Long Island Nitrogen Action Plan. He thanked the council and said they were the right partner to manage this project, along with the DEC. It is a critically important project socially, environmentally and economically for all of Long Island, particularly Suffolk County.

Ralph Scordino, Mayor and Anthony Santino, Supervisor submitted proxies appointing John Cameron as their proxy to vote in favor of the new Council employees.

Chairman Cameron commented that we have a lot of work to do, not just in the Nitrogen Action Plan but also the work for the counties as part of their funding.

**Presentation by Thomas Falcone, Chief Executive Officer and Chief Financial Officer,  
Long Island Power Authority titled "Update Since the LIPA Reform Act of 2013"**

Good morning. I appreciate everyone having me here today. It has been three years since the LIPA Reform Act. Things are going very well.

- LIPA is one of the largest utility companies in the country. They have an excellent reputation for customer service as well as being a well-run utility. PSEG Long Island is now in charge of operations and communications. One of the goals was to improve customer service and satisfaction. Record infrastructure investment in storm hardening and reliability was achieved; improved processes and technology for emergency response and storm resiliency was achieved. They continue to make investments in clean energy and energy efficiency. We have a very reliable utility on Long Island.
- LIPA is a state agency with 44 employees that owns the electric grid and owns the utility here on Long Island. The Federal government provided \$1.4 billion in grants in the last several years. LIPA owns the utility holding company, PSEG. PSEG manages the day to day services (2,200 employees). They handle storm preparedness and response, planning and executing infrastructure and IT improvements. The Department of Public Service makes independent recommendations to the LIPA Board of Trustees about rates, capital spending, emergency response, operating practices and management audits and reviews and resolves customer complaints.
- Customer service has dramatically improved since 2013. In 2013 their approval rating was 64% and in 2015 it was 83%. They look at how many outages do people get a year. The average customer has .84 outages and the average for the state is .92. We do have a utility that provides reliable service.
- We have a 3 year capital plan of \$2 billion, which is double what we spent in the past. The plan aims to improve service for storm response and reliability, a storm hardening program, hardening 1,000 miles of mainland circuits and improvement for electric circuits responsible for 50% of customer outages in 2015.
- Last year LIPA went through a rate case. It is the first time in 20 years. The New York State Department of Public Service ensures a professional review. The DPS review found the cumulative rate increase went from 6% to 4.5% over 3 years. For the average residential customer the rate increase is worth about \$.02 a day for 2016, \$.11 in 2017 and 2018.
- Lower gas and purchased power costs have lowered electric rates over the last two years. Average residential customer bills are down 27% over the last two years.

LIPA is taking three steps to better manage and reduce the cost of debt:

- Continues to pay off the purchase of LILCO along original schedule ending in 2033.
- Brings down each year's borrowing for infrastructure investments to industry standards while funding a reliable electric system.
- Reduces the cost of existing and future debt.
- As reported by Fitch Ratings: LIPA's new financial policy "provides sound long-term financial goals and policies, should moderate future borrowings, and is in-line with industry standards."
- LIPA continues to challenge plant tax assessments to ensure a fair plant tax for all customers
- We need a certain amount of renewable energy. We develop various procurements that test the market place. We have procurements that target different things like the clean

energy initiative and net metering. We give rebates and the Federal government has tax incentives, and we do feed-in tariffs to target specially solar panel commercial rooftops.

- LIPA has no role in deciding land use. It is the community that decides if a solar farm is going to be built. Something that would be very useful is for the regional or local governments of Long Island to decide if they have properties or rooftops that they would like to see developed and to make them available to developers or make their desires known.

### **Question and Answer Period**

Did the state legislature mandate that LIPA pay the property taxes in the National Grid Plant which is a privately owned utility?

The arrangement that we have with National Grid is essentially that they are regulated by the Federal Regulatory Commission, it is cost to service. They have to file rate cases and they have to pay their actual cost, plus a return on the capital they have invested. It is not a private market transaction, it is a very regulated transaction and since we pay their actual costs, the property taxes are one of the costs we pay. So LIPA's pays the actual dollar amount that we pay, no more or no less.

A question was asked about why are there so many different agencies that are involved in the Long Island power agency?

When we bought LILCO we bought it as a subsidiary but it does not cost any money to run it because all the utility assets sit in that subsidiary. It is just a legal device but there are still only 44 people at LIPA. So at the end of the day, PSEG is basically a contractor running these assets we own. There is only one electric utility company on Long Island. It is owned by its customers and we have hired PSEG to run daily operations.

Sarah Anker, a Suffolk County legislator asked if there was a way to help the seniors in her area. There are seniors who have all electric homes and some of their bills are \$1,000 a month.

Mr. Falcone responded that they are looking at low and moderate income seniors and there will likely be more assistance at the end of the year.

Chairman Cameron stated that there are many of us who would be interested in looking at the RFP once it comes out so we hope he will come back. Mr. Falcone said he would be happy to come back.

Chairman Cameron mentioned earlier about the work the council has to do and the need to staff it. He talked about the Long Island Nitrogen Action Plan and funding both Nassau and Suffolk Counties projects. We will be upgrading and updating our social media, in particular our website immediately. For the counties we will be developing an update to the Comprehensive Economic Development Strategy which would qualify not-for-profits and governments for additional Federal funds. We are also doing a property tax alternative study. Both counties were very interested. The Long Island Board of Realtors is going to participate and offered to fund a part of

that study. Taxes are a major challenge on Long Island so we are going to look and see nationally some other models that we could be looking at here on Long Island. We will be doing an economic development analysis of two major development scenarios on Long Island, the Nassau Hub and in Suffolk, the Ronkonkama Hub. We will be evaluating and hiring outside expertise to project if both counties have the economic development potential to advance major development initiatives. I am anxious to get going. Thank you very much for coming.

Next meeting: To be decided

Meeting adjourned at 12:30 p.m.