

**ECONOMIC DEVELOPMENT & ENERGY COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE**

Minutes

A regular meeting of the Economic Development & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, Veterans Memorial Highway, Smithtown, New York, on Friday,

**November
15, 2002.**

MEMBERS PRESENT:

Legislator Jon Cooper - Chairman
Legislator Allan Binder
Legislator Vivian Fisher
Legislator George Guldi

MEMBERS NOT PRESENT:

Legislator Fred Towle - Excused Absence

ALSO IN ATTENDANCE:

Paul Sabatino II - Counsel to the Legislature
Joe Schroeder - BRO
Kevin Duffy - BRO
Vinny Iaria - KeySpan
Ted Sklar - County Attorney's Office
Mitch Pally - Suff. Co. Electrical Agency
Ken Knappe - County Executive's Office
Barbara LoMoriello - Aide to Chairman Cooper
All other interested parties

MINUTES TAKEN BY:

Donna Barrett - Court Stenographer

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(* THE MEETING WAS CALLED TO ORDER AT 10:55 A.M.*)

CHAIRMAN COOPER:

I'd like to welcome everyone to the November 15th meeting of the Economic Development and Energy Committee. Legislator Fisher, if you can lead us in the Pledge, please.

LEG. FISHER:

Sure thing.

SALUTATION

CHAIRMAN COOPER:

Thank you. Before we move to the agenda, we have one presentation. I'd like to introduce Joe Schroeder. He is the newly hired energy specialist in the Budget Review Office, LIPA Oversight Division. Joe, would like to say a few words? We have handed out copies of your resume, but if you'd like to just very briefly go over your background and open yourself up to any questions as there may be from the committee.

MR. SCHROEDER:

Sure. Thank you. I'm glad to be here. I have about 20 years of experience in the energy business. Last 13 of which were with LILCO an KeySpan covering various areas of energy technologies and projects.

And I'm looking forward to helping the County formulate a more energy responsible policy to bring new technologies to bear on our energy needs and in all other issues that might satisfy the Legislature.

CHAIRMAN COOPER:

Thank you. I've already met with Joe and interviewed him at length, but do the other committee members have any questions?

LEG. BINDER:

Sure. How are you doing?

MR. SCHROEDER:

Okay.

LEG. BINDER:

We haven't met, so I just -- till a handshake a little while ago. So we haven't gotten to discuss anything. I'm curious, can you give me your take on the LILCO-LIPA deal, which obviously was very controversial around here for a long time, and I was as many of us caught up in the middle of that -- that mess, could you tell me what your opinion is of the deal? Was it a good deal? Is it well structured? I mean, from what you know of -- obviously, you've looked at it, you had something to do with it here. You were with the Long Island Lighting Company, you were with KeySpan. So how do you -- what did you think of the LIPA deal?

CHAIRMAN COOPER:

That's Allan's way of saying welcome.

LEG. BINDER:

That's my way of saying hello.

MR. SCHROEDER:

That's --

LEG. BINDER:

Loaded, yes.

MR. SCHROEDER:

As an employee of LILCO and KeySpan, no one really asked me for my input on the --

LEG. BINDER:

Or maybe your opinion.

MR. SCHROEDER:

I think that it offers a lot of opportunity for the residents of Nassau and Suffolk County in that it took the private sector out of the electric business here on Long Island and put a public authority in place. That being a done deal, moving forward, I'm hoping to have a more -- more -- more policies based on community needs than on business growth as a profile of the authority. In that light, I think it's a great thing for the residents of Nassau and Suffolk Counties. I think that in light of deregulation, we've already benefited somewhat from that deal in that while wholesale commodity costs have soared, skyrocketed, in other areas of the country that have experience deregulation, we've been very much insulated from that with the arrangement that exists right now.

LEG. BINDER:

So you think it was -- you think it was well structured for the people of Suffolk. The truth is, I'll be honest with you, I don't really care how it is structured for the people of Nassau County. At some level I do, but not really in terms of my job as representing people in Suffolk County. Do you think -- you think it's well structured and was a good deal for the people of Suffolk County in all ten towns?

MR. SCHROEDER:

Well, as -- speaking as to some of the issues that are currently in the news relating to the LIPA deal and how it affects the residents of Suffolk County, I'm not in a position at this point to stipulate that it's an advantage or a disadvantage to the residents of Suffolk County as structured, only in that conversationally and in spirit, I think it can be a good thing for the residents of Suffolk County.

LEG. BINDER:

Do you think it's proper that people let's say in Huntington who had to pay into the cost and now in a bifurcated rate end up having to pay also, so their only benefit was that it came to the County. In other words, their benefit -- if they're not in Shoreham-Wading River, they're not in Brookhaven, if they're anywhere else in the County, it cost them, because they had to pay the overassessment, like Nassau.

The only difference is that quote benefit came back to them through the amount that was given to Suffolk County in the overassessment, which was deminimus and probably affected their taxes almost nothing.

And though that was their benefit, they're paying on a par with everyone in Suffolk County, and they're paying through the rates, and so they're getting double hit where Nassau County gets full benefit

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for the fact that they got overaccessed. And if you look at the other part of the deal, which was where these lawsuits were dropped, the grievances were dropped on different power plants. Again, Nassau County comes out the very high winner on this thing, on their plants, as opposed to Suffolk. And so again, I guess, I'm asking how you could see that as something that was good for the people of Suffolk County in general who are now paying into a system that actually cost them more, it cost them, it cost them again? And by the way, if you lived in Nassau when you paid and now you now live in -- because you moved -- now you live in Huntington, you are paying again through your rates. So I'm not sure how you think this might be a good thing for us -- for Suffolk.

MR. SCHROEDER:

Well, as I said, conversationally and theoretically, moving forward, I think it can be a good thing for the residents of Suffolk County. I know that Fred has suggested that I'm going to be involved somewhat as his back up in the pending litigation. I'm look forward to becoming more familiar with the subtleties of that. I'm not in a position at this point to comment specifically about those issues.

LEG. BINDER:

Okay. So now that was your initiation. Now I'm going to make it a little easier on you.

MR. SCHROEDER:

Thank you.

LEG. BINDER:

You're welcome. What I would just suggest -- I just wanted to leave that out there, because obviously, there are some of us that have very strong opinions on what happened and think that Suffolk County got the real shaft on this deal, and people that we represent, people I represent specifically in this bifurcation of rates, as far as I'm concerned, got completely shafted. And I would just suggest that you spend -- and I only did this to give you a little incentive to do it and spend a lot of time with Robert and Fred, and the depth of knowledge you will be surprised at and the stuff that you will learn

that wouldn't get at LIPA, you won't hear from LIPA, you wouldn't have heard from LIPA.

That's the other reason I did this is because, because this is on your resume and because you were there, I want it kind of public that people like you that were inside were probably not hearing. You will be surprised at the depth -- and I mean depth -- that is low stuff, of how this was put together and things that happened that are not good just literally not good for Suffolk County; surcharges that were hidden. The subtleties you were talking about are there, and they're there for you to learn it. And my concern as you go forward and into this job is that you familiarize yourself soup to nuts with everything that they don't want you to know and they didn't want you to know while you were there.

I think you'll have a whole different view of what happened, I think, and that's the only reason -- I didn't do this because I thought we should knock you out of the box or anything. It was more that I

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wanted you to see that there's going to be another side. And to, I think, serve us well as a body, you're going to need to completely familiarize yourself with stuff that isn't in the public domain. As much as we want it to be, Newsday doesn't want it to be, they wouldn't write about it, they won't talk about it. A little bit, Long Island Business News did talk about it a little bit and then, you know, there was a lot of condemnation, and they got slammed. You're not allowed to pursue this really. But you're going to see that there's a lot of information. It's real, it's not made up, and it's a product of thousands of hours that were put in by a lot of people to uncover and unearth the information. So I just ask that you spend the time and attention on this for a little while and get completely familiarized with this stuff, then you you'll come back, I'll ask you about those questions. My guess is that your answers will be a little different.

MR. SCHROEDER:

I look forward to the revelation. Just a point of clarification, I was not employed by LIPA, I was a KeySpan employee and was operating on the gas side of the business.

LEG. BINDER:

That's not as bad, right, Vinny? Thanks.

CHAIRMAN COOPER:

Legislator Fisher.

LEG. FISHER:

Welcome.

MR. SCHROEDER:

Thank you.

LEG. FISHER:

How are you doing. I have three areas which I would like to discuss with you. The first being, as you're probably aware, the siting of power plants has been the eye of the storm in energy production here, and we run into the problem of trying to balance between NIMBY issues and true legitimate concerns. And part of the view that I can take on this is that if we had a master plan in place where we could try to project the needs, project siting where -- or plants siting where it is feasible, where it would do least harm to the environment and neighboring communities, that if we had a master plan of that sort, we could certainly make more intelligent decisions. What is your view on the siting practices that we are currently using as our process?

MR. SCHROEDER:

Well, the siting of power plants other 80 megawatts is covered in Article 10 New York State requirements. Recently, we've seen a proliferation of plants that are under that threshold. So the siting issues are done a little --

LEG. FISHER:

You went into 1-B, which was my -- I was going to talk about those peaking units and how they come under the wire. It's a little bit sneaky.

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MR. SCHROEDER:

It's a practical method of them to get very expeditious supply on line.

LEG. FISHER:

Unfortunately, we just can't have these peaking units popping up all over. There should be a master plan. We shouldn't be put in the -- paint ourselves into the kind of corner that requires us to have emergency plants.

MR. SCHROEDER:

You're absolutely right. And LIPA did just publish its energy plan October 17th, covers up to the year 2011. And since I have arrived here, I have been reading through that document and familiarizing myself with their positions.

LEG. FISHER:

Now, have you looked at that document, vis a vis, the energy master plan that was the draft that was proposed by the Citizens Advisory?

MR. SCHROEDER:

I've actually looked at both plans, and am in the process --

LEG. FISHER:

I shouldn't be -- it's C, the Sustainable Energy Alliance Group.

MR. SCHROEDER:

Yes. Yes, I am looking currently at both plans.

LEG. FISHER:

Okay. There will be a public hearing of the Energy Advisory Committee. I hope that you will be attending that. I'm not certain that you are aware of the date and time.

MR. SCHROEDER:

I spoke with Jim {Hartnit} yesterday, he was going to advise me when the next committee meeting was going to be held.

LEG. FISHER:

Okay. There's a public hearing as well.

MR. SCHROEDER:

I am interested in attending.

LEG. FISHER:

Okay. So I'll have my aide give you the times on that, because it's important for us to look at the master plans from the citizens' point of view. And there are many communities that are involved that were involved in creating and drafting this document and put it side by side with LIPA's proposal. My second question is, as I look at your resume, I see that you began actually in energy -- in energy conservation. On your resume, it looks that was where you came from.

MR. SCHROEDER:

Yes. As part of my new career path, the I started under the title of energy specialist.

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LEG. FISHER:

Okay. How do you propose to use that kind of background in your present -- in this position?

MR. SCHROEDER:

Well, energy conservation is intergyral to any energy issue. You don't approach an energy project without considering the possibility of conservation as a means of moving forward. So, for instance, years ago it was -- when energy was cheap, it was very common practice to oversize appliances. And as an energy conservationist, the first thing I look at is the appropriateness of any given order of magnitude

of existing equipment. So the first thing you'd want to do is check to see that what you're replacing is of appropriate size and is being applied appropriately. If it's not, then you begin to redesign based on that premise.

LEG. FISHER:

When you looked at the master plan as proposed by LIPA, were you satisfied that they spent enough energy and resources in conservation efforts?

MR. SCHROEDER:

Well, I'm still going through the document. I think there are a lot of good things in the document relating to much of the investment that LIPA has made since it was formed. I think what it doesn't say speaks large volumes about what they could be doing in the area of conservation and demand side management and so forth.

LEG. FISHER:

Okay. Back to different sources, alternative sources, of energy. I see that you also worked on CNG vehicles.

MR. SCHROEDER:

Yes.

LEG. FISHER:

We have been trying in Suffolk County to make some inroads into using natural gas powered vehicles. Now you haven't worked on that since 1998 according to this.

MR. SCHROEDER:

No. I continued to work on that until my departure. In fact, I was aware of your efforts with the trolley. That was more or less within my bailiwick. I handled all municipal accounts in Suffolk County including Suffolk County.

LEG. FISHER:

I'm still trying to work on that. I have a Clean Cities Grant to continue to work on that.

MR. SCHROEDER:

It wasn't at the point where I would normally be as actively involved as I was in most of those projects.

LEG. FISHER:

How feasible do you think it is to bring natural gas powered vehicles

MR. SCHROEDER:

In relation to the type of project that you're working on, I think it's -- I think it's quite feasible, but as CNG has always had a problem, there's the chicken and egg philosophy, and you can't buy vehicles unless you have a place to fuel them. Nobody wants to build fuel facilities --

LEG. FISHER:

Well, that infrastructure is coming -- is now available.

MR. SCHROEDER:

Yes. And a large amount of credit belongs to the Clean Cities Council of New York State for developing a lot of the fueling infrastructure that exists here now. But there are a number of private sector companies moving into the market now and are interested in the formulating fueling station plans. And they work closely with the Clean Cities organization and the fleets that are involved with that.

LEG. FISHER:

Okay. With regard to the fleets, one of the impediments that we've seen is that you wouldn't have the mechanics here who have the expertise on working on gas powered vehicles. What's your take on that? Do you think that's a real problem?

MR. SCHROEDER:

No, I don't think that's an insurmountable problem. Manufacturer dealerships have been holding off getting qualified or certified because they haven't had a large volume of vehicles to work on as. It's an expense for them to get certified. During the first purchase period on all these vehicles, it's my understanding that they're all covered under warranty and they get warrantee services. So the initial period of service would be done at the -- at the OEM supplier. The -- the training is available for -- for any staff of mechanics to become certified on CNG issues.

LEG. FISHER:

Thank you. I just want to revisit my first point for a moment, because I wanted to be certain that you understood where I was going. We all know that we have Article 10, and we have New York State Siting is the last word. However, I feel that we need to be proactive as a community and as a County in clearly defining what we feel are appropriate sites for power plants. We do have sanitary codes in place that help define where those should be, we have our ground water protection, which is very important here, and so I feel that if we were not willing to look very carefully at siting, to look at siting as a major part of our master plan, we will be relinquishing our ability to have any input. We can't just say no to all siting without having a logical set of criteria in place. And that's what I think our goal should be.

MR. SCHROEDER:

I agree.

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LEG. FISHER:

Otherwise we give up. We won't have the final say. So we must be proactive in that. We can't just be reactive, otherwise the state will make all of your decisions, and we can't give that up. That's why I wanted to go back to that to clarify that. Thank you.

MR. SCHROEDER:

Thank you.

CHAIRMAN COOPER:

Legislator Guldi.

LEG. GULDI:

My turn.

LEG. FISHER:

He speak more loudly than I do.

LEG. GULDI:

I do want to point out, I don't remember how you voted on the vote to create this position, but I know that Legislator Cooper, Legislator Binder and myself all voted against it. We felt that the -- I personally felt that the creation of the position was a result of the conflict -- the fact that the we voted against the position for fear of redundancy with CAP, duplication of efforts, duplication of expertise, establishment of expertise. At the moment, we're in an odd place. How exactly do you intend to address that inherent conflict of tension?

MR. SCHROEDER:

Well, I am eager and willing to work with the outside consultant that you currently have on board. I mean, this is not an issue that precludes a public-private partnership. In fact, the magnitude of the issues, the scope of our needs dictate that this is going to take more than one person to adequately wrestle with over the coming years. So what I envision is -- is a public-private partnership whereby the County works with public sector -- private sector contributors.

LEG. GULDI:

I understand that. What's your degree of familiarity with CAP and its consulting work that done for the County in the past, the nature of the scope of the work?

MR. SCHROEDER:

I am aware that CAP responded to specific requests from the committee

and satisfied those requests. That's really the limit of what I understand about CAP's role here.

LEG. GULDI:

Okay. What do you know about CAP's role in history in general?

MR. SCHROEDER:

I'm not intimately familiar, although I have heard of some of the their other activities. I'm not intimately familiar with them.

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LEG. GULDI:

All right. Without that familiarity, how do you intend to pursue this position to avoid duplication of expertise and work?

MR. SCHROEDER:

Well, I'll be responding, as I understand it, to the needs of the committee. I expect that the committee will be filtering out any duplication in projects, unless it's the committees intent to have a parallel effort on any given issue.

LEG. GULDI:

Okay. I understand the position that it puts you in. I just wondered how you envisioned addressing it. I don't see it -- I see inherent conflicts in who does what and creating in-house and outside expert that you already have on retainer, or are we replacing outside experts with development of inside experts, which is part of the reason that I had reservations about the resolution in the first place. Good luck.

MR. SCHROEDER:

Thank you.

VICE-CHAIR COOPER:

Thank you, Joe. We can now move to the agenda.

TABLED RESOLUTIONS

IR 1977-02 (P) Amending the Capital Budget and Program and appropriating funds in connection with the renovation and construction of facilities at Frances Gabreski - demolition. (COUNTY EXEC)

MR. SABATINO:

This is the airport lighting systems. It's basically appropriating \$811,000 by increasing the Capital Budget by approximately \$370,000. There's no offset here, because there's federal funding.

LEG. GULDI:

Some of our experience with these has been that the cabling projects we've done in the past have resulted in substantial savings in power

consumption because of the condition of the cables we were replacing. So the deminimus share of the cost that we have has been very rapidly recovered.

MR. SABATINO:

I take it back. I made a mistake. This particular one has an offset, but the offset's coming from within the airport. I apologize. This one doesn't have the funding, but it gets the offset from -- so it's just basically moving monies within the airport fund. I apologies.

LEG. GULDI:

My motion.

LEG. BINDER:

Second.

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CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is APPROVED. (VOTE: 4-0-0-1) (Not Present; Leg. Towle)

PROCEDURAL MOTION 9. Authorizing litigation against LIPA to recover County construction project utility costs. (TOWLE)

LEG. FISHER:

Well, we have the firm, right?

LEG. BINDER:

Let me ask Counsel. Where are we in terms of County Attorney with this?

MR. SABATINO:

The last Executive Session that we had discussed what the strategy was going to be with the full Legislature. And at a juncture they were supposed to commencing litigation. That was back in September. I don't know what stage the litigation has achieved, so it would probably be a good idea for the committee to just get an update, because at that particular time when we had the Executive Session it was just to give some direction. And we had suggested two or three different alternatives, and I'm not sure if they were actually implemented. So it would be a good idea to follow up.

LEG. BINDER:

I would ask if the Chairman at the next meeting would ask them to come in and have an Executive Session.

CHAIRMAN COOPER:

Okay. I make a motion to table.

LEG. FISHER:
Second.

CHAIRMAN COOPER:
All those in favor? Opposed? Procedural motion 9 is
TABLED (VOTE: 4-0-0-1) (Not Present; Leg. Towle)

INTRODUCTORY RESOLUTIONS

IR 1999-02. To study reduction of energy consumption at County
Correctional Facility in Riverhead via new technology. (POSTAL)

MR. SABATINO:
I'm working on a corrected copy, Mr. Chairman. It was not done in a
timely fashion, so this should be tabled.

LEG. FISHER:
Motion to table.

LEG. GULDI:
Second.

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CHAIRMAN COOPER:
All those in favor? Opposed? IR 1999 is TABLED. (VOTE: 4-0-0-1) (Not
Present; Leg. Towle)

IR 2018-02. (P) Directing County Department of Public Works to
implement compliance with emission standards for County vehicles.
(TOWLE)

CHAIRMAN COOPER:
Is there a motion?

LEG. BINDER:
Let me get a clear explanation from Counsel.

MR. SABATINO:
This is a little complicated, but Legislator Towle had adopted --
sponsored legislation, I should say, which was adopted in the Year
2000, which basically directed at that juncture for Public Works to
come back with a report on what could be done to bring the County into
compliance with the truck emissions standards. That report was issued
on June 28th of 2001 with a lot of technical detail, but no real
detailed recommendations. So the problem is that particular report
wasn't filed with our Legislators, so Towle's resolution in front of
you would do a couple of things. It would direct Public Works to file
that report with every Legislator since it wasn't done at that time,

and then it would basically ask for an implementation of concern items that Legislator Towle is proposing which is somewhat not technical in nature, but it's basically he is looking for Public Works to implement this diesel oxidation catalyst and filter equipment, and it gives them concern deadlines to be met.

LEG. BINDER:

Mr. Chairman, I would suggest that as an Introductory Resolution we should table this today and ask Public Works -- have your staff ask Public Works to come here and have a discussion with them, and they can bring the report with them. So they can deliver to us the report that was delivered to Legislator Tonna and the County Executive.

LEG. FISHER:

I agree. That makes good sense.

LEG. BINDER:

Motion to table.

LEG. FISHER:

I second that. Mr. Chairman, I would like to request of Public Works that they explain the technology that's discussed here in {Teldyne} or comparable technologies; what are the choices. There's one brand name here, and then it says other comparable technologies, so I would like to know what those technologies are.

CHAIRMAN COOPER:

Fair enough. We have a motion and a second. All in favor? Opposed? IR 2018 is TABLED (VOTE: 4-0-0-1) (Not Present; Leg. Towle)

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IR 2023-02 (P) Amending the 2002 adopted Operating Budget to provide funds for the cost of special counsel in connection with Suffolk County Electrical Agency litigation before the Federal Energy Regulatory Commission. (COUNTY EXEC)

CHAIRMAN COOPER:

Why don't you both come up.

LEG. FISHER:

What's the status right now?

MR. SKLAR:

We're here, Legislator Fisher, to ask for an additional \$300,000 of funding to pay our FERC counsel. That status is that a hearing will commence on next Wednesday, November 20th, to address such issues as

what the rates shall be that LIPA can charge the electric agency to use its distribution system. Other issues that will be addressed would be the nature of the services to be rendered. There's a dispute over who should be in charge of the billing, there's also a dispute over whether the electric agency has to actively solicit customers or whether those customer lists should be turned over to us by LIPA. So we're basically at the end game. All the efforts that we've put in over the last five or six years are culminating at this point, and we'd like very much to be able to finish what we've started. We have outstanding bills that we owe our special counsel, {Brichfield-Bershette} in Washington. They've also paid for the consultants that have been needed during the FERC proceedings. So that bill includes not only their charges, but the charge for all the experts that are required to present a case of this nature before the Federal Energy Regulatory Commission.

LEG. FISHER:

Ted, if I remember correctly, the last time you came before us to speak about this and the rates being set, an agreement on the rates, I believe that you mentioned that there would be a third party that would be brought in to help set -- an arbitrator kind of situation.

MR. PALLY:

That's what's going on at FERC now. FERC sets out a process as to assuming -- first assuming that the two parties can agree on whatever rates there are.

LEG. FISHER:

How close are we, Mitch?

MR. PALLY:

The two parties could not agree on the rates.

LEG. FISHER:

And they're not close.

MR. PALLY:

They're not close. So therefore, because of the time period that FERC gives the two parties to agree, no agreement could be reached within that period of time. FERC then sets the case down for a hearing, and FERC will make the decision. And that is the process that --

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LEG. FISHER:

So that is what will be happening on Wednesday.

MR. PALLY:

That is the process that will start on Wednesday the 20th before FERC, and then FERC will after whatever hearing process they believe is

appropriate under federal law, will make a decision. Either party obviously has the authority and ability to appeal that decision, both internally in FERC and to the US Federal Courts. But the hope is that at some period of time in the not too distant future, we will know exactly what the price we would have to pay to LIPA to distribute the power that we want to bring in and then be able to determine whether or not we're actually going to provide the power to the residents of Suffolk County. Because we're obviously not going to provide the power if it's more expensive than the power we're getting now. But we don't know that at the moment, because we don't know what the -- we know what are power costs may be, but we don't know what the distribution costs are until that is settled. We cannot determine whether or not we're going to actually deliver the power.

LEG. FISHER:

Thank you, Mitch. Thank you, Ted.

LEG. BINDER:

So we're not sure basically what the savings quote could be overall, we don't even know if we're going to be able to do this. So the litigation costs could end far in excess -- I mean, that's a risk you always take.

MR. PALLY:

There is no question that, you know, since the Suffolk County Electrical Agency started this process, almost eight or nine years ago, obviously the energy situation has changed, not only in Suffolk County or on Long Island, but in the country. The rules have changed, deregulation has come in, New York State has changed their rules --

LEG. BINDER:

No more Enron.

MR. PALLY:

Whatever it happens to be, things have changed. So assumptions you made when you started the case, may not be the conclusion you're going

to reach when the case is finished. We are -- we still believe, the electrical agency, believes that we can save the residents of Suffolk County money, that's our job to do. We started this process with that intent. We believe that by finishing the process, we will be able to accomplish that fact. However, obviously, we have a situation here where we, meaning the electrical agency, is not the final arbiter of a certain portion of the rate, only FERC is, because the rules changed. And so we are now before FERC trying to get them -- and they're obviously going through their procedural process to do so. Once they do that, then we'll know what the combined rate that we would have to charge would be and then we'll be able to determine whether or not we're actually going to do what we hoped to be able to do eight years ago.

LEG. BINDER:

So what's been the current conversations between you and Mr. Kessel? Because obviously this blew up in Newsday sometime ago, and a lot of us were pretty upset at what -- at Mr. Kessel's. And I don't want to go -- we don't -- we don't particularly have to rehash them, but they were disingenuous to say -- the best I can say about his comments and what was going on was that they were disingenuous.

MR. PALLY:

Well, obviously as Ted indicated, there are a variety of issues between which the Electrical Agency and LIPA cannot reach an agreement,

and Ted has indicated those. Those discussions obviously ensued both informally and then also formally under the FERC procedure, because the FERC procedure starts with a hearing officer who is defined to mediate or attempt to mediate between the two parties to bring the two parties to closure. Unfortunately, even with the assistance of the Federal Hearing Officer at FERC, that was not possible. LIPA has issues that they think we're being unreasonable, and I'm sure we have issues we think LIPA is being unreasonable. So obviously no solutions can be reached in the mediation stage of the process. Now we are starting the process on Wednesday in the actual hearing process, and at that time, unlike the mediator who is not empowered to issue final ruling, the Hearing Officer at FERC now is empowered by FERC to issue a final ruling. So while the two sides can continue to negotiate, if at the end of the process the two sides cannot negotiate a settlement, FERC will issue a decision, and that will be the end of that.

LEG. BINDER:

And our feeling is that we're going to get a good decision, otherwise we wouldn't be continuing to go forward. We have a good chance.

MR. PALLY:

We believe that our position is favorable and that in the end, FERC will decide a rate that will be beneficial to the residents of Suffolk County. But as we all know in litigation and in -- procedural manners, or there is no guarantee. But we believe we have a very strong case.

LEG. BINDER:

Okay. I have one more kind of out of left field question, it's not going to sound like it has a purpose, but for me it has a purpose. Can you tell me, procedurally -- maybe MR. Sklar knows -- who put together the resolution, the backup and then submitted it to us? Who -- I want to know the specific person that was responsible for giving us the package in the County Executive Office or in the County Attorney's Office, I would like to know who is -- who is responsible

for putting it together, writing it, putting it together with the backup and sending it over here. I just want to know who.

MR. KNAPPE:

The person who prepared the backup, I think her name is on the fiscal impact. It is a member of the County Executive's Budget Office, Debra Kolyer. As far as the actually wordage in the resolution, I think it was done by several different people, different resolve clause and whereases were done, I think in consultation with somebody from the County Attorney's Office as well as the Budget Office.

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LEG. BINDER:

And who was responsible for putting the whole package together to us for the resolution and the backup and submitting it to us and filing it? Who had the final say? Who looked over and said, okay, and I'm bringing it over and I'm going to file it? I just want to know who the -- who would be responsible.

MR KNAPPE:

The Budget Office prepared the whole document, and as is in the case with every resolution that comes across from the County Executive's Office, the County Executive's Office themselves submit those resolutions through, the Division of Intergovernmental Relations.

LEG. BINDER:

So the Division of Intergovernmental Relations looked over this, signed off and said this is proper to send over. And I assume the County Attorney's Office looked over the resolution and the package and stuff and said this was fine to send over. Was this signed off by the County Attorney's Office?

MR KNAPPE:

Yes, it was.

LEG. BINDER:

Okay. Thanks. Who specifically in the County Attorney's Office was responsible for looking over this and -- and saying this is okay to send to us as is?

MR KNAPPE:

I believe it was Dave Grier.

LEG. BINDER:

Okay. Thanks.

CHAIRMAN COOPER:

It there a motion on 2023?

LEG. BINDER:
I'll make a motion.

LEG. GULDI:
I'll second it.

CHAIRMAN COOPER:
All in favor? Opposed? 2023 is APPROVED (VOTE: 4-0-0-1) (Not Present;
Leg. Towle)

IR 2026-02 (P) Amending the 2002 Operating Budget, transferring funds from the fund balance and amending and appropriating funds in the 2002 Capital Budget for Downtown Revitalization Program. (COUNTY EXEC)

CHAIRMAN COOPER:
I'll make a motion.

LEG. BINDER:
Second.

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CHAIRMAN COOPER:
All those in favor? Opposed? 2026 is APPROVED. (VOTE: 4-0-0-1) (Not Present; Leg. Towle)

IR 2104-02 (P) Adopting Local Law No. -Year 2002, a Local Law authorizing the County Treasurer to collect and distribute excess budgeted revenues received pursuant to Chapter 327 of the Suffolk County Code. (COUNTY EXEC)

CHAIRMAN COOPER:
Lastly, 2104. I make a motion -- motion to table for a public hearing.

LEG. BINDER:
Second.

CHAIRMAN COOPER:
All those in favor? Opposed? 2104 is TABLED. (VOTE: 4-0-0-1) (Not Present; Leg. Towle)

Thank you very much. Have a good afternoon.

(*THE MEETING WAS ADJOURNED AT 11:35 P.M.*)

{ } DENOTES BEING SPELLED PHONETICALLY