

MINUTES OF THE TWELFTH MEETING OF THE  
GOVERNANCE COMMITTEE  
HELD ON APRIL 16, 2012

Pursuant to notice dated April 6, 2012, the twelfth (12<sup>th</sup>) meeting of the Governance Committee (“Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (“Authority”) was convened in the Authority’s New York City office at 485 Seventh Avenue, 10th floor, New York, New York and by video conference in the Authority’s Albany office at 17 Columbia Circle, Albany New York, on Monday, April 16, 2012, at 10:00 a.m.

The following members of the Committee were present in New York City unless otherwise indicated:

David D. Elliman, Chair

George F. Akel, Jr. (by video conference from Albany)

Mark A. Willis

Also present were Francis J. Murray, Jr., President and CEO; Robert G. Callender, Vice President for Operations and Energy Services; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey J. Pitkin, Treasurer; Hal Brodie, Esq., General Counsel; Sara L. LeCain, Esq., Senior Counsel and Secretary to the Governance Committee; and various other staff of the Authority.

Mr. Elliman called the meeting to order and noted the presence of a quorum.

The first item on the agenda concerned the approval of the minutes of the eleventh (11<sup>th</sup>) meeting of the Governance Committee held on June 20, 2011. Mr. Elliman indicated that the minutes will be amended to remove references to a confidential attachment.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the minutes of the eleventh (11<sup>th</sup>) meeting of the Governance Committee were approved.

The Chair indicated that the next item on the agenda concerned a resolution to convene in private session to discuss the results of the Annual Confidential Board Member Performance Evaluation. Section 108 of the Public Officers Law authorizes the Members to convene in private session in order to review a matter made confidential by State law. Since Section 2800 of the Public Authorities Law states that the annual Board Member Performance Evaluation is confidential, it may be discussed by the Members in private session.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee members, the following resolution was adopted:

#### Resolution No. 16

RESOLVED, that pursuant to Section 108 of the Public Officers Law and Section 2800 of the Public Authorities Law, the Members of the Governance Committee shall convene in private session on April 16, 2012 for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation of the Authority.

At the conclusion of the private session, Mr. Elliman reconvened the meeting in open session. Mr. Elliman announced that no formal action was taken during the private session.

Mr. Elliman said that the next item on the agenda concerned proposed amendments to the Authority's Internal Control Manual. Jeffrey J. Pitkin, the Authority's Internal Control Officer, explained that the Members are requested to adopt a resolution approving amendments to the Internal Control Manual to incorporate a formal whistleblower policy.

Recently, the Authorities Budget Office ("ABO") issued a model Whistleblower Policy and Procedures which details how allegations of wrongdoing are reported and investigated. The ABO recommended that all public authorities adopt policies generally similar to the model document.

The Internal Control Manual already contained provisions requiring employees to report potential weaknesses in, or deviations from the Authority's internal control policies through a fraud and abuse hotline independently operated by an outside accounting firm. The policies contained provisions for how such reports are investigated and also contain language providing protections to employees from retaliation provided that they report in good faith.

The proposed Whistleblower Policy merges the ABO model with the Authority's current procedures and establishes a separate formal policy statement included as an Appendix to the Internal Control Manual.

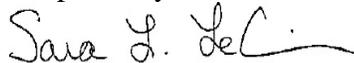
Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee members, the following resolution was adopted:

Resolution No. 17

RESOLVED, that the Governance Committee recommends that the Members of the Authority adopt a resolution in substantially the same form as the resolution submitted to the Committee (attached as Exhibit A), authorizing amendments to the Internal Control Manual.

Mr. Elliman stated that the last agenda item concerned other business. There being no further business, upon motion duly made and seconded, and by unanimous voice vote of the Committee members, the meeting was adjourned.

Respectfully submitted,



Sara L. LeCain  
Secretary to the Committee

**NOTICE OF MEETING AND AGENDA**

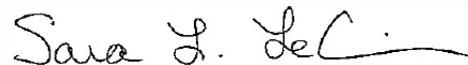
April 2, 2012

TO THE MEMBERS OF THE GOVERNANCE COMMITTEE:

PLEASE TAKE NOTICE that the twelfth (12<sup>th</sup>) meeting of the GOVERNANCE COMMITTEE of the New York State Energy Research and Development Authority will be held in the Authority's New York City Office at 485 Seventh Avenue, 10<sup>th</sup> floor, New York, New York, and by video conference in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and by video conference in the Authority's Buffalo Office at 726 Exchange Street, Suite 821, Buffalo, New York, on Monday, April 16, 2012, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of the 11<sup>th</sup> meeting held on June 20, 2011.
2. To consider and act upon a motion to enter into private session for the purpose of reviewing the results of the Annual Confidential Board Member Performance Evaluation.
3. To consider and recommend the approval of modifications to the Authority's Internal Control Manual with respect to the Authority's Whistleblower Policy.
4. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at any of the above locations. The Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at <http://www.nysesda.ny.gov/en/About/Board-Governance/Board-and-Committee-Meetings.aspx>.



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Sara L. LeCain  
Secretary to the Committee

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Exhibit A

Resolution No. \_\_\_\_

RESOLVED, that the amendments to the Internal Control Manual, as submitted at this April 16, 2012 meeting, are hereby approved and adopted.