

NEW YORK CITY WATER BOARD

May 16, 2008

RESOLUTION

WHEREAS, the New York City Water Board (the “Board”) and the New York City Municipal Water Finance Authority (the “Authority”) are authorized by the New York City Municipal Water Finance Authority Act to retain or employ independent financial auditors; and,

WHEREAS, pursuant to a request for proposals dated February 11, 2008, the Selection Committee, consisting of representatives of the Board, the Authority and the Office of the Comptroller of the City of New York, recommended the retention of the firm of Deloitte & Touche LLP to serve as the System’s independent auditors for fiscal years 2008 through 2011; and,

WHEREAS, the Joint Audit Committee of the System received a report, which summarized the basis for the Selection Committee’s recommendation, and concurs with the proposed retention of Deloitte & Touche LLP to serve as the System’s independent auditors; and,

WHEREAS, both the Board and the Authority are required to approve the retention of the independent auditors; and

WHEREAS, the Authority approved the retention of Deloitte & Touche LLP as auditors on May 5, 2008; it is hereby

RESOLVED, that the Board approves the retention of Deloitte & Touche LLP as independent auditors; and be it

FURTHER RESOLVED, that the Authority is authorized to enter into an agreement with Deloitte & Touche LLP to serve as independent auditors for the System’s financial statements for fiscal years ending June 30, 2008, 2009 and 2010, with one one-year extension upon recommendation of the Joint Audit Committee to cover the audit of

the System's financial statements for the fiscal year ending June 30, 2011, and upon such other terms and conditions not inconsistent with this resolution as the staff of the System shall determine, provided that annual compensation shall not exceed the following for Audit Services

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$225,000	\$236,000	\$248,000	\$260,000

and provided that compensation for any additional services requested shall be based on the following hourly rates:

Special Projects (per hour)

Partner	\$370	\$370	\$370	\$370
Senior Manager	\$300	\$300	\$300	\$300
Manager	\$250	\$250	\$250	\$250
Senior	\$170	\$170	\$170	\$170
Semi-Senior	\$140	\$140	\$140	\$140
Assistant	\$130	\$130	\$130	\$130

The staff of the system is authorized to execute any documents necessary to effectuate the retention of Deloitte & Touche LLP as independent auditors of the System and to take such other and further actions, as they deem necessary or appropriate in order to effectuate the foregoing resolution.