

NEW YORK CITY WATER BOARD

May 16, 2008

RESOLUTION

WHEREAS, the Board is authorized pursuant to Section 1045-g(4) of the New York City Municipal Water Finance Authority Act (the "Act") to establish, in accordance with Section 1045-j of the Act, fees, rates, rents or other charges for the use of, or services furnished, rendered or made available by the water and waste water system of the City of New York; and

WHEREAS, in accordance with Section 1045-j(9-a) of the Act, public hearings concerning certain proposals regarding water and waste water system rates and charges were held in each borough of the City on May 5, 6, 7 and 8, 2008, and transcripts of said hearings have been received and reviewed by the Board; and

WHEREAS, in accordance with certifications received from (i) the New York City Municipal Water Finance Authority (the "Authority") with respect to the Authority's annual budget for the fiscal year commencing July 1, 2008 ("FY2009"), (ii) The City of New York (the "City") with respect to (a) the amounts which the City reasonably anticipates it will expend during FY2009 in connection with the operation and maintenance of the water and sewer system and (b) rental payments requested from the Board, and (iii) Metcalf & Eddy, Inc. of New York, Consulting Engineer, with respect to the reasonableness of the City's certification of certain expenses, the Board has on this day adopted its annual budget for FY2009; and

WHEREAS, based on the requirements set forth in the Board's annual budget for FY2009 and the testimony and reports submitted at the aforementioned public hearings, the

Board has determined that, effective July 1, 2008, the water rate for all in-City customers, flat rate and metered, should increase by 14.5% over the rate in effect in Fiscal Year 2008 and the rate for waste water services should remain at 159% of the applicable water charge; it is therefore

RESOLVED, that the FY2009 Rate Schedule (a copy of which is attached hereto as Exhibit A), which reflects an increase of 14.5% for in-City water rates, is approved.