

NEW YORK CITY WATER BOARD

October 10, 2008

RESOLUTION

WHEREAS, the New York City Water Board (the "Board") and the New York City Municipal Water Finance Authority (the "Authority") established an Audit Committee pursuant to the requirements of the Public Authorities Accountability Act of 2005; and

WHEREAS, in light of the joint role of the Board and the Authority in the financial operations of the water and wastewater system of the City of New York (the "System"), a Joint Audit Committee was established on January 25, 2008, comprising representatives of both the Board and the Authority; and

WHEREAS, pursuant to the Joint Audit Committee Charter and the Board resolution of January 25, 2008 establishing the Joint Audit Committee, the Board and the Authority each acting separately, after receiving a recommendation from the Joint Audit Committee, shall annually approve the audited financial statements of the System; and

WHEREAS, on October 7, 2008, the Joint Audit Committee met with Deloitte & Touche LLP ("D&T") as independent auditors and reviewed their report on the audited financial statements of the New York City Water and Sewer System for the fiscal years ended June 30, 2007 and June 30, 2008; and

WHEREAS, the Joint Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Water Board and the Authority accept the independent auditors' report and authorize the release of the financial statements; and

WHEREAS, the Board of Directors of the Authority approved the independent auditors' report and authorized the release of the financial statements on October 7, 2008 contingent on their approval by the Water Board; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2007 and June 30, 2008 and authorizes the release of such audited financial statements, provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority