

Joint Audit Committee Meeting of October 14, 2016

THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY AND NEW YORK CITY WATER BOARD

A meeting of the Joint Audit Committee (the “Committee”) of the Board of Directors of the New York City Municipal Water Finance Authority (the “Authority”) and the New York City Water Board (the “Water Board”) was held at 255 Greenwich Street, Room 6M4, New York, N.Y. 10007 at 9:30 a.m. on October 14, 2016.

The following members of the Committee were present:

Max Von Hollweg;

Robert Elburn (by designation of Authority Director Basil Seggos);

Marc Shaw;

Jonathan Goldin;

Adam Freed; and

Alfonso Carney, Jr.

constituting a quorum of the Committee. Mr. Von Hollweg chaired the meeting, and Deborah Cohen served as Secretary of the meeting.

Approval of Minutes of Meeting of May 20, 2016

The first item on the agenda was approval of the minutes of the meeting of May 20, 2016. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, The Audit Committee has reviewed the minutes of its meeting held on May 20, 2016; it is therefore

RESOLVED, that the minutes of the meeting of May 20, 2016 be, and they hereby are, approved.

Presentation by Management and Independent Auditors Regarding the Annual Audited Financial Statements of the System

The next item on the agenda was a presentation by the Authority's management and independent auditors relating to the New York City Water and Sewer System's (the "System") Fiscal Year 2016 and 2015 financial statements which had been distributed to the Committee. The Authority's Comptroller, Robert Balducci, presented an overview of the financial statements. He noted there had been minor changes made from the document that had been previously emailed to the Committee, but explained that these changes were minor formatting, typographical and rounding edits. Mr. Balducci answered Committee member questions regarding the financial statements and changes in the Governmental Accounting Standards Board ("GASB") categorization.

Mr. Balducci then introduced the Authority's independent auditors, Marks Paneth. He noted that this was the first year Marks Paneth worked on the System's financial statements, and introduced Warren Ruppel, the lead partner from Marks Paneth. Mr. Ruppel introduced his colleague Daniel McElwee and proceeded to discuss the presentation provided by Marks Paneth on the financial statements. Discussion ensued.

Recommendation to the Authority Board of Directors and Water Board of the acceptance of the independent auditors' report on the audited financial statements of the System for the Fiscal Years ended June 30, 2016 and June 30, 2015, and the issuance of such financial statements

Following the presentation by management and independent auditors regarding the annual audited financial statements of the System , upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

WHEREAS, the Joint Audit Committee of the New York City Municipal Water Finance Authority (the "Authority") and the New York City Water Board (the "Water Board") has met with the independent auditors of the water and sewer system of the City of

New York (the “System”) and has reviewed the independent auditors’ report on the audited financial statements of the Authority for the fiscal years ended June 30, 2016 and June 30, 2015 and such financial statements, as submitted to the Committee; and

WHEREAS, the Joint Audit Committee believes the independent auditors’ report and the financial statements are reasonable and appropriate; it is therefore

RESOLVED, that the Joint Audit Committee recommends to the Board of Directors of the Authority and the Water Board the acceptance of the independent auditors’ report and the authorization of the release of the audited financial statements of the System for the fiscal years ended June 30, 2016 and June 30, 2015; 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.

Review and Approval of the Audit Committee Charter

The next item on the agenda was the review and approval of the Audit Committee Charter. Mr. Von Hollweg said no changes to the existing Charter are proposed at this time. Brief discussion ensued regarding specific duties of the Audit Committee as enumerated in the Committee Charter. Then, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Joint Audit Committee Charter was adopted by the New York City Water Board (the “Water Board”) on January 28, 2008 and by the Board of Directors of the New York City Municipal Water Finance Authority (the “Authority”) on February 4, 2008 and amended on October 7, 2009 by the Authority and October 30, 2009 by the Water Board; and

WHEREAS, pursuant to the Joint Audit Committee Charter, section III(s), the Joint Audit Committee of the Water Board and the Authority is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Authority and the Water Board; and

WHEREAS, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and finds it to be reasonable and appropriate; it is hereby

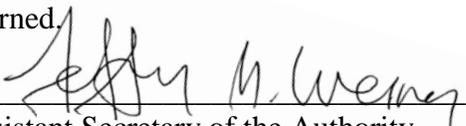
RESOLVED, that the Audit Committee hereby approves the Audit Committee Charter as adopted and attached hereto.¹

Review of Audit Committee's Schedule of Dates

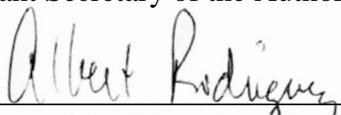
The next item on the agenda was a review of the Audit Committee's Schedule of Dates. Mr. Von Hollweg noted that there were no proposed changes to the Schedule of Dates.

Adjournment

There being no further business to come before the Committee, upon motion duly made and seconded, the meeting was duly adjourned.



Assistant Secretary of the Authority



Secretary of the Water Board

¹ Filed with Minutes of the meeting.