

**MEETING OF THE JOINT AUDIT COMMITTEE
OF 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 was held at 75 Park Place, New York, N.Y. at 2:00 p.m. on December 1, 2008.

The following Committee members were present:

Peter J. Kenny, Chair;

Donald Capoccia;

Arthur Hill;

Amaziah Howell; and

Alan Moss;

Constituting a quorum of the Committee. Mr. Kenny chaired the meeting, and Albert F. Moncure, Jr., served as secretary of the meeting.

Approval of Minutes of Meeting of October 7, 2008

The first item on the agenda was approval of the minutes of the Committee’s meeting of October 7, 2008. 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 October 7, 2008; it is therefore

RESOLVED, that the minutes of the meeting of October 7, 2008 be, and they hereby are approved.

Review and Acceptance of Management Letter

The next item on the agenda was the review and acceptance of the Management Letter prepared by the System's independent auditors, Deloitte & Touche relating to the Financial Statements of the Water and Sewer System.

Deloitte & Touche partner, David Jones, led the Committee in a discussion of the System's Management Letter, attached hereto.

Discussion of Internal Control Policies

Next Ms. Levine discussed the draft Internal Control Policies prepared by Authority staff. There were no questions from Committee members.

Adjournment

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



Assistant Secretary