

**JOINT MEETING OF THE 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 2:15 p.m. on October 7, 2009.

The following Committee members were present:

Marc Shaw, Acting Chair

Jack McKeon (by designation of Committee member Alexander B. Grannis)

Arthur Hill;

Amaziah Howell; and

Benjamin Tisdell

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

Election of Marc Shaw as Acting Chair.

Upon motion duly made and seconded, Marc Shaw was elected as Acting Chair in the absence of Committee Chair, Peter Kenny.

Approval of Minutes of Meeting of June 4, 2009

The first item on the agenda was the approval of the minutes of the Committee’s meeting of June 4, 2009. 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 June 4, 2009; it is therefore

RESOLVED, that the minutes of the meeting on June 4, 2009 be, and they hereby are approved.

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

The next item on the agenda was a presentation by the Authority's management and independent auditors relating to the System's Fiscal Year 2009 and 2008 Financial Statements which had been distributed to the Committee. Comptroller Michele Levine described and presented an overview of the Statements.

Deloitte and Touche partner, David Jones, described the scope of review of the financial statements by Deloitte and Touche, the Authority's independent auditors, and noted that this year's management letter contains no new material weaknesses and that the Authority's management has made substantial progress resolving the material weaknesses identified in last year's management letter.

Audit Committee Meets with Independent Auditors

Following a discussion of the importance of executive session to allow time for the Committee to discuss concerns with the independent auditors, upon motion duly made and seconded, the Committee resolved to convene in Executive Session to meet with the Independent Auditors.

Recommendation to the Authority Board of Directors and the 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, 2009 and June 30, 2008, and the issuance of such financial statements.

Following Executive Session, the Committee reconvened in open session without having taken any action in Executive Session. 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, 2009 and June 30, 2008 and such financial statements, as submitted to the Committee; and

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

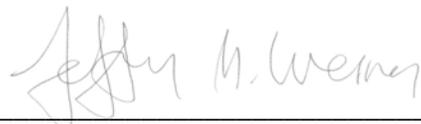
RESOLVED, that the joint Audit Committee recommends to the Board of Directors of the Authority and the Water Board the acceptance of the independent auditors’ report and the authorization of the release of the audited financial statements of the System for the fiscal years ended June 30, 2009 and June 30, 2008; 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.

Discussion of Amended and Restated Audit Committee Charter

Next Authority Comptroller Michele Levine described the proposed Amended and Restated Audit Committee Charter which contains revisions to comply with the New York City Comptroller’s Directive No. 22.

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