

**NEW YORK CITY MUNICIPAL WATER  
FINANCE AUTHORITY**

A meeting of the Board of Directors of the New York City Municipal Water Finance Authority (the “Authority”) was held at 75 Park Place, Room 6M4, New York, N.Y. at 2:30 p.m. on January 21, 2009.

The following Directors were present:

Mark Page;

Jack McKeon (by designation of Authority Director Alexander B. Grannis);

Richard Carroll (by designation of Authority Director Martha Stark);

William Kusterbeck (by designation of Authority Director Steven Lawitts);

Arthur Hill; and

Marc Shaw,

constituting a quorum of the Board. Mr. Page chaired the meeting, and Albert F. Moncure, Jr. served as Secretary of the meeting.

**Approval of Minutes of Meeting of December 1, 2008**

The first item on the agenda was approval of the minutes of the meeting of December 1, 2008. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the Board of Directors has reviewed the minutes of the meeting held on December 1, 2008; it is therefore

**RESOLVED**, that the minutes of the meeting of December 1, 2008 be, and hereby are, approved.

### **Approval of Fiscal 2009 Series EE Bonds**

The next item on the agenda was approval of the Authority's Fiscal 2009 Series EE Bonds. Mr. Page briefly described the details of the proposed financing. Discussion ensued. There being no further discussion, upon motion duly made and seconded, Supplemental Resolution No. 58 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing issuance of up to \$725 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2009 Series EE was unanimously adopted.

### **Approval of Extension of Swap Advisor Contract**

The next item on the agenda was the approval of a 1-year extension of the Authority's contract with its Swap Advisor, Swap Financial Group LLC.

Mr. Page explained that the existing contract, which expired on December 31, 2008, provides for a 1-year renewal at the Authority's option. He observed that the Authority's management is satisfied with the performance of the Swap Advisor and recommends exercise of the renewal option. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the Authority is authorized, pursuant to Section 1045-d(7) of the New York City Municipal Water Finance Authority Act to retain or employ counsel, auditors, engineers and private consultants for rendering professional or technical services and advice; and

**WHEREAS**, pursuant to such authority, and following a competitive procurement process, the Board of Directors previously authorized the Authority to enter into an agreement with Swap Financial Group, LLC ("Swap Financial Group") as its swap advisor; and

**WHEREAS**, the agreement with Swap Financial Group has been effective from January 1, 2005 to December 31, 2008; and

**WHEREAS**, the agreement provides for a one-year optional extension through December 31, 2009; and

**WHEREAS**, management of the Authority believes it is in the best interest of the Authority to renew the agreement with Swap Financial Group; it is therefore

**RESOLVED**, that the Executive Director or the Treasurer of the Authority is each hereby authorized and directed to, in the name of the Authority, exercise its option under the agreement with Swap Financial Group to serve as swap advisor to the Authority for the period from January 1, 2009 to December 31, 2009, or its earlier termination as provided therein, provided that compensation to Swap Financial Group shall not exceed the rates provided within the agreement, as set forth below.

Compensation shall not exceed:

\$400 per hour for senior professionals and \$200 for junior professionals, with a total cap of \$100,000 per calendar year (or a pro-rated portion thereof), and reasonable out-of-pocket expenses to be billed and paid at cost.

#### **Authorization of Engagement Letter for Independent Auditors**

The next item on the agenda was the authorization of an Engagement Letter with the Authority's independent auditors, Deloitte & Touche LLP. Mr. Page explained that it is Deloitte's practice to require an engagement letter for the audit of the Fiscal Year 2009 System Financial Statements. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (the "Authority") and the New York City Water Board (the "Water Board" and together with the Authority, the "System"), as authorized by the Board of Directors of the Authority and the Water Board, previously retained the firm of Deloitte & Touche LLP for such firm to serve as independent auditors for the System's financial statements for the fiscal years ending on June 30, 2008, 2009 and 2010; and

**WHEREAS**, pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors, found their performance to be satisfactory, and

recommended that the Board of Directors authorize the Officers of the Authority to sign an engagement letter with Deloitte & Touche LLP as the independent auditors for the System's financial statements for the fiscal year ending June 30, 2009; it is hereby

**RESOLVED**, that the Board of Directors authorizes the Officers of the Authority to sign an engagement letter with Deloitte & Touche LLP as the independent auditors for the System's financial statements for the fiscal year ending June 30, 2009, as well as any other documents necessary to effectuate the continued retention of the independent auditors.

### **Approval of Amended Policy on the Acquisition and Disposition of Real Property**

The next item on the agenda was the approval of an amendment to the Authority's Policy on the Acquisition and Disposition of Real Property. Mr. Page explained that the Authority is required by the Public Authorities Accountability Act annually to review such Policy and the proposed amendment would correct a transcription error. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (the "Authority"), on June 6, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the "Public Authorities Law"), adopted a Policy on the Acquisition and Disposition of Real Property; and

**WHEREAS**, pursuant to Section 2896 of the Public Authorities Law, the Authority is required annually to review such policies; and

**WHEREAS**, at the time the policy was adopted, the intent of the Board of Directors was to allow for Contracting Officer and Board of Directors approval of both specific transactions and more broadly defined categories or groups of transactions; and

**WHEREAS**, the Authority's management has recommended an amendment to the Approvals section to clarify the intended meaning of that section; and

**WHEREAS**, the Authority has reviewed the attached policy, as amended,<sup>1</sup> and has deemed it to be reasonable and appropriate; it is therefore

**RESOLVED**, that the Policy on the Acquisition and Disposition of Real Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

### **Annual Approval of Policy on the Disposition of Personal Property**

The next item on the agenda was the annual approval of the Policy on the Disposition of Personal Property. Mr. Page explained that the Authority is required by the Public Authorities Accountability Act annually to review such Policy. No amendments to the Policy are proposed. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (the “Authority”), on June 6, 2006, pursuant to Section 2824 of the Public Authorities Law of the State of New York (the “Public Authorities Law”), adopted a Policy on the Disposition of Personal Property; and

**WHEREAS**, pursuant to Section 2896 of the Public Authorities Law, the Authority is required annually to review such policy; and

**WHEREAS**, the Authority has reviewed the attached policy<sup>2</sup> and has deemed it to be reasonable and appropriate; it is therefore

**RESOLVED**, that the Policy on the Disposition of Personal Property, a copy of which will be filed with the Minutes of the Meeting, is hereby approved.

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<sup>1</sup> Filed with Minutes of the Meeting.

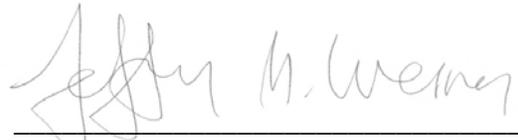
<sup>2</sup> Filed with Minutes of the Meeting.

### **Presentation by Audit Committee Chair**

The next item on the agenda was the presentation by Acting Audit Committee Chair Marc Shaw with respect to the Audit Committee's meeting held immediately prior to today's Board of Directors meeting. Mr. Shaw summarized the business which came before the Audit Committee for the benefit of the entire Board of Directors, including a report of the Committee's activities during the prior calendar year.

### **Adjournment**

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



Assistant Secretary