

**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 December 1, 2008.

The following Directors were present:

Mark Page;

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

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

Peter Kenny; and

Arthur Hill;

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 October 20, 2008**

The first item on the agenda was approval of the minutes of the meeting of October 20, 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 October 20, 2008; it is therefore

**RESOLVED**, that the minutes of the meeting of October 20, 2008 be, and hereby are, approved.

**Approval of Fiscal 2009 Series DD Bonds**

The next item on the agenda was approval of the Authority’s Fiscal 2009 Series DD 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. 57 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing issuance of up to \$550 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2009 Series DD was unanimously adopted.

**Appointment of Assistant Comptroller – Robert L. Balducci**

The next item on the agenda was the appointment of Robert L. Balducci as Assistant Comptroller. Mr. Page briefly described the responsibilities of the position and Mr. Balducci's qualifications therefor. Discussion ensued. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the Board is duly authorized pursuant to Section 1045-d(7) of the New York City Municipal Water Finance Authority Act to appoint such officers as it may require for the performance of its duties; and

**WHEREAS**, the Board believes that it is in the best interest of the Authority to appoint an Assistant Comptroller; and

**WHEREAS**, the staff of the Authority, having worked with Robert L. Balducci, whose resume is attached hereto<sup>1</sup>, in his capacity at the New York City Comptroller's Office, believes he is highly qualified to serve as Assistant Comptroller of the Authority; and

**WHEREAS**, the Board believes that Robert L. Balducci is highly qualified to assume the duties of Assistant Comptroller; it is therefore

**RESOLVED**, that Robert L. Balducci is hereby appointed Assistant Comptroller of the Authority, effective December 2, 2008.

**Approval of Financial Advisor Contract Amendment Re: Special Project**

The next item on the agenda was the approval of an amendment to the Authority's contract with its Financial Advisor, Lamont Financial Services ("Lamont"), to include an

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

additional contract service regarding valuation of certain Forward Purchase Agreements. Mr. Page described the additional services. Discussion ensued. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (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 other private consultants for rendering professional or technical services and advice; and

**WHEREAS**, pursuant to such authority and authorization by the Board of Directors, the Authority previously retained Lamont Financial Services Corporation (“Lamont”) as financial advisors after conducting an request for proposals process; and

**WHEREAS**, the Authority has an existing contract with Lamont through March 14, 2009; and

**WHEREAS**, in order to comply with generally accepted accounting principles for government entities, during the course of the fiscal year 2008 audit process the Authority engaged Lamont to provide valuations of certain forward purchase agreements held by the Authority, which is outside the scope of their existing contract; and

**WHEREAS**, this work is a one-time special project expense and will cost \$15,000; it is therefore

**RESOLVED**, that the Executive Director of the Authority is hereby authorized and directed to amend the existing agreement with Lamont in the name of the Authority to provide for a one-time fixed fee of \$15,000 for valuation of forward purchase agreements.

### **Approval of Bond Counsel Contract Amendment Re: Special Projects**

The next item on the agenda was the approval of an amendment to the Authority’s contract with its bond counsel to provide compensation for special projects undertaken between bond issuances. Mr. Page briefly described the type of additional services which may be provided and the compensation proposed to be paid. Discussion ensued.

There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the Board of Directors of New York City Municipal Water Finance Authority (the “Authority”) previously ratified retention of Orrick Herrington & Sutcliffe LLP (“Orrick”) as the Authority’s bond counsel; and

**WHEREAS**, the current contract with Orrick covers services associated with each bond issuance; and

**WHEREAS**, the Authority’s staff expects that the Authority will engage Orrick for special projects between bond issuances; and

**WHEREAS**, the Authority’s staff has recommended that the hourly fee schedule for special project work performed between transactions be as set forth below; and

**RESOLVED**, that the Board of Directors hereby directs the Authority’s staff to amend the existing bond counsel contract with Orrick to reflect the hourly fee schedule for special projects set forth below, with all previously ratified provisions to remain unchanged.

<b>Fiscal Year</b>	<b>Partners</b>	<b>Other Attorneys</b>	<b>Paralegals</b>
2009	\$458	\$342	\$145
2010	\$481	\$359	\$152

### **Approval of Disclosure Counsel Retentions**

The next item on the agenda was approval of a contract with counsel for the Authority’s underwriters to serve as disclosure counsel to the Authority in connection with Authority financings which do not involve the sale of securities to underwriters. Such transactions include commercial paper transactions and the Authority’s sale of its bonds directly to the New York State Environmental Facilities Corporation (“EFC”) without use of an underwriter as intermediary. Mr. Page explained that in EFC transactions, EFC issues its own bonds to the public through EFC’s underwriters. EFC’s bonds in turn are secured by and payable from the Authority’s bonds which are sold directly to EFC. Discussion ensued. There

being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (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 other private consultants for rendering professional or technical services and advice; and

**WHEREAS**, Nixon Peabody LLP is typically selected by the Authority’s underwriters as their counsel in connection with Authority bond issuances; and

**WHEREAS**, the underwriters’ counsel oversees the process of drafting an official statement for each bond issuance; and

**WHEREAS**, in certain cases the Authority must produce an official statement or offering memorandum where there is no underwriter, such as the issuance of bonds to the New York State Environmental Facilities Corporation and the issuance of commercial paper notes; it is therefore

**RESOLVED**, that the Board of Directors of the Authority hereby authorizes the retention of Nixon Peabody LLP in the name and on behalf of the Authority as disclosure counsel, at the rates set forth in Schedule 1 hereof, and hereby ratifies any previous retentions in such capacity.

**Schedule 1**

Fee	Task
\$20,000	Per bond issuance to the New York State Environmental Facilities Corporation
\$15,000	Annually to update all existing commercial paper memoranda
\$15,000	To draft each new commercial paper memorandum for any new series of commercial paper notes
\$15,000	Substantial revisions to all existing commercial paper memoranda to which the revisions apply

## **Approval of Investment Report**

The next item on the agenda was the annual approval of the Investment Report. Mr. Page explained that the Investment Report is required to be prepared and approved annually pursuant to the Public Authorities Accountability Act. Discussion ensued. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (the “Authority”) pursuant to Section 2925(6) of the Public Authorities Law of the State of New York (the “Public Authorities Law”), is required to annually prepare and approve an Investment Report; and

**WHEREAS**, the Authority has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

**RESOLVED**, that the Investment Report is hereby approved.

## **Adjournment**

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



Assistant Secretary