

**NEW YORK CITY MUNICIPAL WATER  
FINANCE AUTHORITY**

**BOARD OF DIRECTORS**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held on February 28, 2011 at 4:40 p.m. at 75 Park Place, Room 6M4, New York, N.Y. 10007.

The following Directors were present:

Mark Page;

Suzanne Mattei (by designation of Authority Director Joseph Martens);

Steven Lawitts (by designation of Authority Director Caswell F. Holloway IV);

and

Peter J. Kenny;

constituting a quorum of the Board. Mr. Page chaired the meeting, and Jeffrey M. Perlman served as Secretary of the meeting.

**Approval of Minutes**

The first item on the agenda was approval of the minutes of the meeting of the Board of Directors which occurred on January 18, 2011. 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 its meeting held on January 18, 2011; it is therefore

**RESOLVED**, that the minutes of the meeting of January 18, 2011, be, and they hereby are, approved.

**Approval of 2011 Series FF Bonds (Second Resolution) (New Money) (Variable Rate)**

The next item on the agenda was the authorization of the Authority's Fiscal 2011 Series FF Bonds, approval of which had been recommended by the Finance Committee.

Upon motion duly made and seconded, Supplemental Resolution No. 78 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$200 million Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2011 Series FF was unanimously adopted.

**Approval of Supplemental Resolution to Amend Supplemental Resolution No. 79**

The next item on the agenda was the approval of a supplemental resolution to amend the Authority's supplemental resolution number 79, approval of which had been recommended by the Finance Committee. Upon motion duly made and seconded, the Supplemental Resolution Amending Seventy-Ninth Supplemental Resolution to the Authority's Water and Sewer System General Revenue Bond Resolution, Authorizing the Issuance of up to \$600,000,000 Water and Sewer System Revenue Bonds, Adjustable Rate Fiscal 2008 Series B" was unanimously adopted.

**Appointment: Deputy Comptroller – Robert Balducci**

The next item on the agenda was the appointment of Robert Balducci as Deputy Comptroller of the Authority. Mr. Page explained that Eileen Moran, the Authority's Deputy Comptroller was retiring on March 4 and it was proposed that Robert Balducci, the Authority's Assistant Comptroller, be promoted. Mr. Page expressed to Ms. Moran the Authority's gratitude for her service. There being no 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**, Eileen Moran, who served as Deputy Comptroller of the Authority since November of 2007, and has made a significant contribution to the successful operation of the Authority, is retiring; and

**WHEREAS**, the staff of the Authority, having worked very closely with Robert L. Balducci in his capacity as Assistant Comptroller, believes he is highly qualified to succeed Ms. Moran as Deputy Comptroller of the Authority, and has recommended his appointment to the Board; it is hereby

**RESOLVED**, that Robert L. Balducci is hereby appointed Deputy Comptroller of the Authority, effective March 5, 2011; and

**FURTHER RESOLVED**, that the Board expresses its sincere gratitude to Eileen Moran for her years of dedicated service to the Authority and expresses its best wishes to her in her retirement.

**Approval of Financial Advisor Contract Extension – Lamont Financial Services**

The next item on the agenda was the proposed extension of the Authority's contract with Lamont Financial Services. Mr. Page explained that the existing contract expires March 14, 2011 and that a one-year extension was proposed at a cost not to exceed \$399,950 for the term of the amendment, which represented the same rate the Authority is currently paying. 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 other private consultants for rendering professional or technical services and advice; and

**WHEREAS**, Lamont Financial Services Corporation (“Lamont”) currently serves as financial advisor to the New York City Municipal Water Finance Authority (the “Authority”); and

**WHEREAS**, the Authority’s contract with Lamont expires March 14, 2011; and

**WHEREAS**, the Authority’s officers have recommended that the contract be extended until March 14, 2012; it is hereby

**RESOLVED**, that the Executive Director of the Authority is hereby authorized and directed to extend the existing agreement in the name of the Authority whereby Lamont will serve as a Financial Advisor to the Authority upon such terms as the Executive Director deems reasonable and appropriate, provided however that such extension shall be effective from March 15, 2011 to March 14, 2012 or upon its earlier termination as provided therein, provided that compensation to Lamont shall not exceed a fixed fee of \$399,950 for the term of the extension, or a pro-rated portion thereof.

**Approval of Financial Advisor Contract Extension – Drexel Hamilton, LLC**

The next item on the agenda was the proposed extension of the Authority’s contract with Drexel Hamilton, LLC. Mr. Page explained that the existing contract expires March 14, 2011 and that a one-year extension was proposed at a cost not to exceed \$208,668 for the term of the amendment, which represented the same rate the Authority is currently paying. 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 other private consultants for rendering professional or technical services and advice; and

**WHEREAS**, Drexel Hamilton, LLC currently serves as financial advisor to the New York City Municipal Water Finance Authority (the “Authority”); and

**WHEREAS**, the Authority’s contract with Drexel Hamilton, LLC expires March 14, 2011; and

**WHEREAS**, the Authority's officers have recommended that the contract be extended until March 14, 2012; it is hereby

**RESOLVED**, that the Executive Director of the Authority is hereby authorized and directed to extend the existing agreement in the name of the Authority whereby Drexel Hamilton, LLC will serve as a Financial Advisor to the Authority upon such terms as the Executive Director deems reasonable and appropriate, provided however that such extension shall be effective from March 15, 2011 to March 14, 2012 or upon its earlier termination as provided therein, provided that compensation to Drexel Hamilton, LLC shall not exceed a fixed fee of \$208,668 for the term of the extension, or a pro-rated portion thereof.

### **Approval of TM3 Subscription Extension**

The next item on the agenda was the proposed extension of the Authority's subscription with the Thomson Municipal Market Monitor ("TM3") for web-based services. Mr. Page explained that the Board previously approved the subscription through March 30, 2010 for use of a proprietary web-based information service focusing on the tax-exempt fixed-income capital market. Mr. Page went on to describe the proposed ratification and approval of the subscription through March 30, 2012. 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") is authorized, pursuant to Section 1045-d(5) of the New York City Municipal Water Finance Authority Act to enter into contracts to carry out any powers expressly given under the Act; and

**WHEREAS**, the Board of the Directors of the Authority previously authorized and ratified a subscription agreement with Thomson Municipal Market Monitor ("TM3"), a proprietary web-based information service, dated as of April 1, 1998 (the Subscription Agreement"), through March 30, 2010; and

**WHEREAS**, the management of the Authority recommend that the subscription be extended through March 30, 2012; it is therefore

**RESOLVED**, that the Board of Directors hereby approves and ratifies the TM3 Subscription Agreement and further authorizes the Authority to pay TM3 a subscription fee, for the period from April 1, 2010 through March 30, 2012, not to exceed \$1,000 per month.

### **Approval of Investment Management Services Contract Extension**

The next item on the agenda was the proposed approval of an extension of the Authority's contract with Cutwater Investor Services Corp. Mr. Page explained that the current agreement expires May 9, 2011 and contains a one-year optional extension. He explained that the resolution would authorize the exercise of the option at the same rates. 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 request for proposals process, the Authority previously retained MBIA Asset Management Group ("MBIA") to provide investment management services and later amended the agreement to reflect MBIA's current name of Cutwater Investor Services Corp. ("Cutwater"); and

**WHEREAS**, the current agreement with Cutwater expires on May 9, 2011 and includes one additional one-year optional extension; and

**WHEREAS**, the management of the Authority believes that it is in the best interests of the Authority to exercise the second of the two optional extensions with Cutwater; it is therefore

**RESOLVED**, that the Board of Directors hereby authorizes and directs the Executive Director to exercise the second of the optional extensions to the agreement with Cutwater for the period from May 10, 2011 through May 9, 2012, on the same terms as the original agreement, at the same rate of compensation, not to exceed .07% for the investment of funds up

to \$100 million and .05% for the investment of funds over \$100 million.

### **Approval of Mission Statement and Measurement Report**

The next item on the agenda was the proposed approval of the Authority's mission statement and performance measurements. Mr. Page explained that the Authority had previously approved a mission statement that must be reviewed annually, and, beginning this year the Authority is required under the Public Authorities Law to issue a measurement report as an assessment of the Authority's performance in carrying out its mission. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

**WHEREAS**, pursuant to recent amendments to the Public Authorities Law (the "PAL"), the Board of Directors (the "Board") of the New York City Municipal Water Finance Authority (the "Authority") is required to adopt a mission statement and a list of measurements by which performance of the Authority and the achievement of its goals may be evaluated; and

**WHEREAS**, the Authority is also required to issue a Measurement Report each year based on its mission statement and list of measurements; and

**WHEREAS**, the Board previously adopted a mission statement on October 1, 2007 and amended it on March 29, 2010; and

**WHEREAS**, the Board has reviewed its mission statement, as attached, and finds it to be reasonable; and

**WHEREAS**, the Board has reviewed the attached Measurement Report and finds it to be reasonable; it is hereby

**RESOLVED** that the Mission Statement and Measurement Report as attached hereto are hereby approved and adopted.

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

The next item on the agenda was the proposed annual approval of the Authority's real property policy. Mr. Page explained that the Authority owns no real property and the policy has not changed since it was last approved. 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 (the "Policy") and subsequently amended the Policy on January 21, 2009; and

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

**WHEREAS**, the Authority has reviewed the attached policy, as amended, 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 final item on the agenda was the proposed annual approval of the Authority's personal property policy. Mr. Page explained that the policy has not changed since it was last approved. 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 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.

**Adjournment**

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

  
Assistant Secretary