

**NEW YORK CITY MUNICIPAL WATER
FINANCE AUTHORITY**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 75 Park Place, Room 6M4, New York, N.Y. 10007 at 2:10 p.m. on May 31, 2011.

The following Directors were present:

Mark Page;

Richard Carroll (by designation of Authority Director David M. Frankel);

Venetia Lannon (by designation of Authority Director Joseph Martens);

Steve Lawitts (by designation of Authority Director Cas Holloway);

Marc Shaw; and

Peter J. Kenny,

constituting a quorum of the Board of Directors. Mr. Page chaired the meeting, and Uyen Nguyen served as Secretary of the meeting.

Approval of Minutes of Meeting of March 17, 2011

The first item on the agenda was approval of the minutes of the meeting of March 17, 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 March 17, 2011; it is therefore

RESOLVED, that the minutes of the meeting of March 17, 2011 be, and they hereby are, approved.

Approval of the 2011 Series 1 and Series 2 Bonds (EFC)

The next two items on the agenda were the proposed approvals and authorizations of the Authority's Fiscal 2011 Series 1 Bonds (EFC) and Fiscal 2011 Series 2 Bonds (EFC), both of which had been recommended by the Finance Committee.

Upon motion duly made and seconded, the following resolutions were unanimously adopted: (a) Supplemental Resolution No. 80 to the Authority's Water and Sewer System Second General Revenue Bonds Resolution authorizing the issuance of up to \$700 million Second General Resolution Revenue Bonds, Fiscal 2011 Series 1; and (b) Supplemental Resolution No. 81 to the Authority's Water and Sewer System Second General Revenue Bonds Resolution authorizing the issuance of up to \$200 million Second General Resolution Revenue Bonds, Fiscal 2011 Series 2.

Approval of 2011 Series HH Bonds (Second Resolution) (Refunding) (Fixed Rate)

The next item on the agenda was the proposed approval and authorization of the Authority's Fiscal 2011 Series HH Bonds for refunding purposes, which had been recommended by the Finance Committee.

Upon motion duly made and seconded, Supplemental Resolution No. 82 to the Authority's Water and Sewer System Second General Revenue Bonds Resolution authorizing the issuance of up to \$750 million Second General Resolution Revenue Bonds, Fiscal 2011 Series HH was unanimously adopted.

Approval of Directors' and Officers' Insurance Contracts

The next item on the agenda was the proposed approval of Directors' and Officer's Liability Insurance. Mr. Page explained that the resolution would authorize the procurement of Directors' and Officer's Liability Insurance to provide coverage for the period from May 25, 2011 through May 25, 2012. Mr. Page further explained that the annual premium for the Directors' and Officer's Liability Insurance will not exceed \$147,253, which was the amount the Authority paid last year. In addition, the resolution would authorize the procurement of the insurance from the same companies the Authority used last year.

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

WHEREAS, despite their diligence and good faith, directors and officers of the New York City Municipal Water Finance Authority (the "Authority") may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Authority; and

WHEREAS, Article V of the Bylaws of the Authority provides that the Authority shall indemnify each, director and officer, to the fullest extent permitted by law; and

WHEREAS, Directors' and Officers' Liability Insurance is a prudent supplement to such indemnification; it is therefore

RESOLVED, that the Authority hereby approves the procurement of Directors' and Officers' Liability Insurance policies through Wells Fargo Insurance Services, USA, Inc. from Allied World Assurance Company, Inc. ("AWAC"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual") and Arch Insurance Group, Inc. ("Arch" and together with AWAC, Zurich, and Liberty Mutual, the "Insurers"), or such other substitute insurers as the Executive Director shall determine, providing coverage for the period from May 25, 2011 through May 25, 2012; provided that the annual premium payable by the Authority to the Insurers will not exceed \$147,253, and said policies shall contain such other

terms and conditions not inconsistent with the foregoing which the Executive Director or such other officer of the Authority shall deem necessary, desirable or appropriate and that the Executive Director shall be authorized to procure such insurance coverage.

Report of the Audit Committee Chair

The next item on the agenda was a presentation by the Audit Committee Chair. Mr. Peter Kenny, the Chair of the Audit Committee, directed the Board's attention to the report included in the package. Mr. Kenny noted that the Audit Committee found its performance to be satisfactory during fiscal year 2010.

Report of the Governance Committee Chair

The last item on the agenda was a presentation by the Governance Committee Chair. Mr. Peter Kenny, the Chair of the Governance Committee, directed the Board's attention to the report included in the package. Mr. Kenny noted that the Governance Committee found its performance to be satisfactory during fiscal year 2010.

Adjournment

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


Assistant Secretary