

**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 June 4, 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 Michael Hyman);

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 March 20, 2009

The first item on the agenda was approval of the minutes of the meeting of March 20, 2009. 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 March 20, 2009; it is therefore

RESOLVED, that the minutes of the meeting of March 20, 2009 be, and hereby are, approved.

Approval of 2009 Series GG Bonds

The next item on the agenda was approval of the Authority's Fiscal 2009 Series GG 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. 62 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing issuance of up to \$650 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2009 Series GG was unanimously adopted.

Approval of Financial Advisor Contract

The next item on the agenda was the approval of a contract with MFR Securities, Inc. ("MFR") to serve as one of the Authority's Financial Advisors. Mr. Page explained that an existing Financial Advisor contract, with Ramirez & Co., Inc. has been terminated and that Tom Mead, Ramirez's former account representative to the Authority, is now employed by MFR where he will service the Authority's account in his new capacity. Mr. Page observed that the Authority's management has always been completely satisfied with the services provided by Mr. Mead. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Tom Mead has served as financial advisor to the New York City Municipal Water Finance Authority (the "Authority") in his capacity at Ramirez & Co., Inc. and has recently joined MFR Securities, Inc. ("MFR"); and

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, the Authority's officers have recommended the retention of MFR pursuant to such authority and a waiver of the Authority's selection criteria pursuant to Section 5 of the

Authority's Policy on the Procurement of Goods and Services, in light of the extraordinary circumstances of Mr. Mead's unexpected change of employer, reflecting the officers' desire to provide continuity in financial advisory services and in consideration of Mr. Mead's unique and superior qualifications to provide public finance advisory expertise at a fair and reasonable price; and

WHEREAS, the Authority's officers have recommended a retention from May 1, 2009 through March 14, 2010, to coincide with the end of the agreement with the Authority's other financial advisor, recognizing that a request for proposals will be issued and a new contract for financial advisor will begin March 15, 2010; and

RESOLVED, that the Executive Director of the Authority is hereby authorized and directed to enter into an agreement in the name of the Authority whereby MFR will serve as Financial Advisor to the Authority upon such terms as the Executive Director deems reasonable and appropriate, provided however that such agreement shall be effective from May 1, 2009 to March 14, 2010 or upon its earlier termination as provided therein, provided that compensation to MFR shall be a pro-rated portion of the fixed fee previously authorized for an extension to the agreement with Ramirez & Co., Inc. of \$171,449.77 for the entire term.

Approval of Extension of Consulting Engineer Contract

The next item on the agenda was the approval of the extension of the Authority's Contract with its Consulting Engineer, ACECOM USA, Inc., formerly known as Metcalf and Eddy of New York, Inc. Mr. Page described the Consulting Engineer's responsibilities pursuant to the Authority's Bond Resolution as well as qualifications and experience of the Authority's current Consulting Engineer. A brief discussion ensued.

There being no further 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, the Authority has previously retained Metcalf & Eddy of New York, Inc. (“Metcalf & Eddy”) to provide consulting engineer services; and

WHEREAS, the Authority’s agreement with Metcalf & Eddy was subsequently assigned to Metcalf & Eddy’s parent company, AECOM USA, Inc.; and

WHEREAS, the existing agreement between the Authority and AECOM USA, Inc. expires on June 30, 2009; and

WHEREAS, a request for proposals has been issued for consulting engineering services, proposals have been received, and review is expected to last beyond the expiration of the existing contract; and

WHEREAS, the Authority’s officers believe it is in the best interests of the Authority to ensure continuity of service and a smooth transition by extending its agreement with AECOM USA, Inc.; and

WHEREAS, the agreement with AECOM USA, Inc. shall run concurrently with the Authority’s agreement with the proposer selected pursuant to the request for proposals for Consulting Engineer, and in the event that AECOM USA, Inc. is selected, this extension shall be terminated in favor of such new agreement; and

WHEREAS, pursuant to Section 2(B) of the original agreement, the amendment may be terminated at any time in the event that another firm is selected and the Authority determines that the services of AECOM USA, Inc. are no longer needed; it is therefore

RESOLVED, that the Executive Director is hereby authorized and directed to extend the agreement in the name of and on behalf of the Authority with AECOM USA, Inc. to serve as Consulting Engineer to the Authority, upon such terms and conditions as the Executive Director may consider reasonable and appropriate, which agreement shall be effective from July 1, 2009 to June 30, 2010; provided, however, that total compensation under such extension shall not exceed \$88,000.

Approval of Directors’ and Officers’ Liability Insurance

The next item on the agenda was the approval of Directors’ and Officers’ Liability insurance policies. Mr. Page described the coverage to be provided by the policies. A brief discussion ensued.

There being no further 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 and ratifies the procurement of Directors’ and Officers’ Liability Insurance policies 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, 2009 through May 24, 2010 for directors and officers of the Authority for loss, subject to customary exclusions, arising from a claim or claims resulting from any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by such persons in connection with their service to the Authority to the extent not indemnified by the Authority; provided that the annual premium payable by the Authority to the Insurers will not, exceed \$275,000, 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.

Adjournment

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



Assistant Secretary