

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 on June 18, 2010 at 12:00 noon at 75 Park Place, Room 6M4, New York, New York.

The following Directors were present:

Mark Page;

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

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

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

Arthur Hill; and

Peter Kenny,

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

The first item on the agenda was the approval of the minutes of the meeting of the Board of Directors which occurred on March 29, 2010. 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 29, 2010; it is therefore.

RESOLVED, that the minutes of the meeting of March 29, 2010 be, and they hereby are approved.

Approval of 2010 Series GG Bonds (Second Resolution) (Build America Bonds)

The next item on the agenda was approval of the Authority's Fiscal 2010 Series GG Bonds (the "Bonds"). Mr. Page explained that the Finance Committee has referred to the Board a resolution with respect to the offering of the Bonds. There being no discussion, upon motion duly made and seconded, Supplemental Resolution No. 72 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$650 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2010 Series GG was unanimously adopted.

Approval of Policy on Minorities, Women and Contracts

The next item on the agenda was the adoption of a Policy on Minorities, Women and Contracts. Mr. Page explained that the Governance Committee has referred to the Board a resolution adopting a Policy on Minority and Women participation in Authority contracts as required by recent amendments to the Public Authorities Accountability Act. 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 of the State of New York, the New York City Municipal Water Finance Authority (the "Authority") is subject to State requirements regarding participation by minority group members and women with respect to state contracts; and

WHEREAS, the Authority's Officers have recommended the adoption of a Policy on Minorities, Women and Contracts; and

WHEREAS, the Policy specifies procedures for employment and personnel and contracts and requests for proposals; and

WHEREAS, pursuant to subsection III(b) of the Governance Committee Charter, the Governance Committee has recommended the adoption of the **Policy**, as attached hereto; it is therefore

RESOLVED, that the Board of Directors hereby adopts the Policy, as attached hereto.¹

Approval of Amended and Restated Policy on the Procurement of Goods and Services

The next item on the agenda was the approval of the Amended and Restated Policy on the Procurement of Goods and Services. Mr. Page explained that the Governance Committee has referred to the Board a resolution adopting the Amended and Restated Policy on the Procurement of Goods and Services. The amendment clarifies that the small purchase exception from the competitive bidding requirement applies to procurements of goods and services, the value of which is less than \$7,500 in a single year and not in the aggregate. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the New York City Municipal Water Finance Authority (the “Authority”) is required to establish a policy on the procurement of goods and services; and

WHEREAS, the Authority adopted a Policy on the Procurement of Goods and Services (the “Policy”) on June 6, 2006 and amended the Policy on March 20, 2009; and

WHEREAS, the Policy specifies that procurements of goods and services, the value of which is less than \$7,500 do not require competition or approval of the Board of Directors; and

WHEREAS, the Authority’s Officers have recommended that the small purchase exception to the Authority’s requirement for competitive procurements be clarified to state explicitly that such exception applies to contracts the value of which is less than \$7,500 in any one fiscal year; and

WHEREAS, the Authority’s Officers have recommended that, considering recent market conditions, specific provisions be added to the Policy concerning letters of credit and liquidity

¹ Filed with Minutes of the Meeting.

facilities expressing a preference for but not requiring competition;
and

WHEREAS, the Authority's Officers have recommended that the Policy contain a reference to the newly adopted Policy on Minorities, Women and Contracts; and

WHEREAS, pursuant to subsection III(a)(viii) of the Governance Committee Charter, the Governance Committee has reviewed the Policy, as amended and attached hereto, and recommended its approval; it is therefore

RESOLVED, that the Board of Directors hereby adopts the Policy, as amended and attached hereto.²

Approval of Webcasting and Closed Captioning Provider Contract Extension

The next item on the agenda was the approval of a one-year extension of the contract with National Captioning Institute to provide webcasting and closed captioning services in connection with the Authority's meetings as required by a gubernatorial Executive Order. Mr. Page described the compensation proposed to be paid to the contractor for the term of the extension. 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(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 New York State Governor Elliot Spitzer's Executive Order No. 3, all Board meetings of the Authority, including committee meetings, must be broadcast over the internet, which broadcast must include closed captioning; and

WHEREAS, pursuant to a request for proposals process, the Authority previously retained National Captioning Institute

² Filed with Minutes of the Meeting.

("NCI") to provide webcasting and closed captioning services for the Authority's Board meetings; and

WHEREAS, the contract with NCI expires August 31, 2010 and provides for two one-year optional extensions; and

WHEREAS, the management of the Authority believes that it is in the best interests of the Authority to authorize the exercise of the first of the two optional extensions; it is therefore

RESOLVED, that the Executive Director or the Treasurer of the Authority is each hereby authorized and directed to extend the Authority's agreement with NCI for webcasting and closed captioning services for the Authority's Board meetings, upon the same terms as the existing agreement, which extension shall be effective from September 1, 2010 to August 31, 2011; provided, however, that compensation under such agreement shall be no greater than \$315 per hour, prorated on the quarter hour.

Approval of Investment Management Services Contract Extension

The next item on the agenda was approval of a one-year extension of the contract with MBIA Asset Management Group as the Authority's Investment Manager. Mr. Page briefly described the duties of the Investment Manager and the compensation proposed to be paid during the term of the extension. 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 request for proposals process, the Authority previously retained MBIA Asset Management Group ("MBIA") to provide investment management services; and

WHEREAS, the current agreement with MBIA expired May 9, 2010 and includes two one-year optional extensions; and

WHEREAS, MBIA has changed its name to Cutwater Investor Services Corp. (“Cutwater”); and

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

RESOLVED, that the Board of Directors hereby authorizes and directs the Executive Director to amend the agreement with MBIA as investment manager to the Authority to reflect the Cutwater name and the Board of Directors authorizes and ratifies the exercise of the first of the agreement’s optional extensions for the period from May 10, 2010 through May 9, 2011, 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 Arbitrage Rebate Consultant Contract Extension

The next item on the agenda was approval of a five-year extension of the contract with Bond Logistics LLC as the Authority’s Arbitrage Rebate Consultant. Mr. Page described the compensation proposed to be paid to the contractor during the term of the extension. 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, Authority staff, following a competitive request for proposals process, previously retained Bond Logistix LLC (“Bond Logistix”) as the Authority’s arbitrage rebate consultant; and

WHEREAS, the current agreement with Bond Logistix expires June 30, 2010 and includes an optional five-year extension; and

WHEREAS, the management of the Authority has recommended the exercise of the optional extension to the agreement; it is therefore

RESOLVED, that the Executive Director is hereby authorized and directed to exercise the optional extension to the Authority's agreement with Bond Logistix, on the same terms, for such firm to serve as arbitrage rebate consultant to the Authority for the period from July 1, 2010 through June 30, 2015, provided, however, that compensation under the agreement shall not exceed the amounts listed in Schedule A hereto.

SCHEDULE A

<u>REPORT FEE SCHEDULE</u>	<u>FEE</u>
One Time Engagement Fee (per issue engaged)	\$200
Base Report Fee (per report)	\$1,400
<u>ADDITIONAL FEES</u> (per report as appropriate)	
Variable Rate	\$250
Commingled Funds	\$250
Transferred Proceeds	\$250
Qualified Hedge/Derivative Fee	\$250
Computation Periods in Excess of 12 Months (per year)	\$250
<u>COMMERCIAL PAPER REPORT FEE SCHEDULE</u>	
Annual Fee per Spending Exception Analysis	\$1,000
Annual Rebate Report Fee (per single issue for tax purposes if spending exception is not met)	\$2,000
Annual Rebate Uncommingling Fee (if applicable)	\$2,000
<u>OPTIONAL SERVICES</u>	
<i>Evaluating various elections and applications</i>	<i>Negotiated separately</i>

To the extent amendments to calculations are necessitated by changes in the regulations, the Consultant will be compensated at a maximum not-to-exceed fee of \$2,000

per calculation. Furthermore, there will be no additional fees charged by the Consultant for legal consultation in performance of the Services.

Approval of Rate Consultant Contract Extension

The next item on the agenda was approval of a one-year extension of the contract with Amawalk Consulting Group LLC as the Authority's Rate Consultant. Mr. Page explained that the compensation to be paid to the consultant during the period of the extension would be the same as provided for the initial contract period. 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, Authority staff, following a competitive request for proposals process, previously retained Amawalk Consulting Group LLC ("Amawalk") as the Authority's rate consultant, and the agreement with Amawalk expires June 30, 2010 and provides for two optional one-year extensions; it is therefore

WHEREAS, the management of the Authority believes that it is in the best interests of the Authority to authorize the exercise of the first of the two optional extensions; it is therefore

RESOLVED, that the Executive Director is hereby authorized and directed to extend the agreement with Amawalk to serve as Rate Consultant to the Authority, on the same terms as the existing agreement, which extension shall be effective from July 1, 2010 to June 30, 2011, provided, however, that compensation under such agreement shall be as set forth in Schedule B.

SCHEDULE B

Hourly Rates .Team Members

Position	July 1, 2010 to June 30, 2011	July 1, 2011 to June 30, 2012
President	\$214	\$221
Vice President	\$214	\$221
Senior Manager	\$197	\$203
Manager	\$169	\$174
Senior Analyst	\$141	\$145
Analyst	\$123	\$127

Out-of-Pocket Expenses

Out-of-pocket expenses will be fixed at \$250 per year for each year of the Agreement.

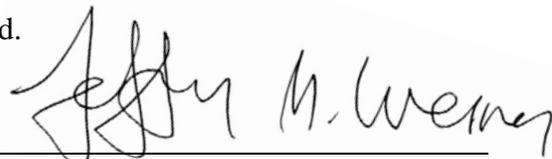
Total Fees and Expenses

The not-to-exceed amounts shall be as follows:

July 1, 2010 - June 30, 2011 \$103,786; and
July 1, 2011 - June 30, 2012 \$106,892.

Adjournment

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



Assistant Secretary