

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 September 13, 2010 at 12:40 p.m. at 75 Park Place, Room 6M4, New York, New York 10007.

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); and

Peter Kenny,

constituting a quorum of the Committee. 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 of the Board which occurred on June 18, 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 June 18, 2010; it is therefore.

RESOLVED, that the minutes of the meeting of June 18, 2010, be, and they hereby are approved.

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

The next item on the agenda was approval of a one-year extension of the contract with Lamont Financial Services Corporation as one of the Authority’s Financial Advisors. Mr. Page said the compensation proposed to be paid during the term of the extension would be consistent with that payable during the initial term of the contract. 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, pursuant to such authority and authorization by the Board of Directors, the Authority previously retained Lamont Financial Services Corporation (“Lamont”) as one of its financial advisors after conducting a request for proposals process; and

WHEREAS, the existing contract provides for three one-year optional extensions ending March 14, 2009, 2010 and 2011; it is therefore

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 agreement shall be effective from August 15, 2010 to March 14, 2011 or upon its earlier termination as provided therein, provided that compensation to Lamont shall not exceed a fixed fee of \$228,936 for the term of the contract, or a pro-rated portion thereof.

Approval of Extension of Financial Advisor Contract - MFR Securities Inc.

The next item on the agenda was approval of a one-year extension of the contract with MFR Securities Inc., one of the Authority’s Financial Advisors. Mr. Page noted the

compensation proposed to be paid during the term of the extension was consistent with that payable during the initial term of the contract. 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, the Authority's officers have recommended the retention of MFR Securities, Inc. ("MFR") pursuant to such authority and a waiver of the Authority's selection criteria pursuant to Section II(6) of the Authority's Policy on the Procurement of Goods and Services, in light of the need to provide continuity in financial advisory services and to coordinate a request for proposal process for financial advisors; and

WHEREAS, the Authority's officers have recommended a retention from August 15, 2010 through March 14, 2011, 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 is expected to be executed in the near future; 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 August 15, 2010 to March 14, 2011 or upon its earlier termination as provided therein, provided that compensation to MFR shall not exceed a fixed fee of \$119,445, or a pro-rated portion thereof.

Approval of 2011 Series AA Bonds (Second Resolution) (Build America Bonds)

The next item on the agenda was approval of the Authority's Fiscal 2011 Series AA 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. 73 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$750 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2011 Series AA was unanimously adopted.

Approval of 2011 Series BB Bonds (Second Resolution)

The next item on the agenda was approval of the Authority's Fiscal 2011 Series BB 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. 74 to the Authority's Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$250 million Water and Sewer System Second General Resolution Revenue Bonds Fiscal 2011 Series BB was unanimously adopted.

Approval of Amendment to Bond Counsel Contract

The next item on the agenda was an amendment to the Authority's contract with its Bond Counsel, Orrick Herrington & Sutcliffe LLP. Mr. Page explained that the amendment would add, as an additional service to be provided by bond counsel, the preparation of an international Blue Sky Survey. Mr. Page explained that the Authority's taxable Build America Bonds are now offered and sold in various overseas markets and it is therefore advisable to be

cognizant of the securities laws of such foreign jurisdictions. 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 of the New York City Municipal Water Finance Authority Act, to retain or employ bond counsel; and

WHEREAS, following a request for proposals issued in conjunction with other issuers, including the City of New York (the “City”), the Board of Directors of the Authority previously retained Orrick, Herrington & Sutcliffe, LLP (“Orrick”) as bond counsel to the Authority; and

WHEREAS, the authorization to issue Build America Bonds has expanded the marketability of the Authority’s bonds outside the United States; and

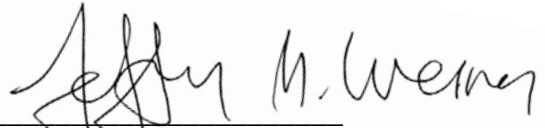
WHEREAS, in connection with the marketing of the Authority’s bonds to international buyers, additional disclosure may be needed in certain jurisdictions and it is therefore necessary to prepare an international blue sky survey, which falls outside the scope of the Authority’s agreement with Orrick; it is hereby

RESOLVED, that the Board of Directors of the Authority hereby approves an amendment to the agreement with Orrick for the initial preparation of the international blue sky survey for a fee not to exceed \$10,000 and a fee not to exceed \$2,500 per subsequent transaction in which the survey is included at the Authority’s option, to update the survey, as well as a fee not to exceed \$3,000 per jurisdiction for each jurisdiction added to the survey.

Adjournment

Mr. Page acknowledged that Arthur Hill, a long-serving member of the Board of Directors, passed away subsequent to the Board’s last meeting. Mr. Page explained that the

Board would honor his service at their next meeting. There being no further business to come before the Board, upon motion duly made and seconded, the meeting was duly adjourned.

A handwritten signature in black ink, appearing to read "Jeffrey M. Werner". The signature is written in a cursive style with a large initial "J".

Assistant Secretary