

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 28, 2010 at 4:00 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 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 which occurred on September 13, 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 September 13, 2010; it is therefore.

RESOLVED, that the minutes of the meeting of September 13, 2010, be, and they hereby are approved.

Honoring Arthur Hill

The next item on the agenda was the presentation of a plaque from the Mayor designating September 28, 2010, as Arthur Hill Day in honor of the Authority’s late Director, Arthur Hill who recently passed away. Mr. Page presented the plaque to Mr. Hill’s widow and two adult

daughters and expressed his and the Board's gratitude for Mr. Hill's dedication and service to the Authority.

Approval of Supplemental Resolution to Amend Supplemental Resolution No. 65

The next item on the agenda was an amendment to Supplemental Resolution No. 65 to effect a technical change relating to the timing of draws on the liquidity facility relating to the Fiscal 2010 Series CC Bonds. The change would conform the draw procedure to standard market practice for variable rate demand obligation bonds. Mr. Page described the substance of the amendment. There being no discussion, upon motion duly made and seconded, the Supplemental Resolution amending Supplemental Resolution No. 65 was unanimously adopted.

Approval of Graphic Design Consultant

The next item on the agenda was approval of the retention of a graphic design consultant in connection with the preparation of the Authority's Comprehensive Annual Financial Report. Mr. Page explained that following a request for proposals, Corchia Woliner Rhoda, a woman-owned minority business, was selected based on price, experience and prior demonstrated ability to provide excellent service. 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") conducted a Request for Proposals process for a graphic design consultant to work with the Authority in connection with the preparation of the Authority's Comprehensive Annual Financial Report ("CAFR"); and

WHEREAS, Corchia Woliner Rhoda was selected based on price, experience and prior demonstrated ability to provide excellent service; and

WHEREAS, the Board of Directors believes that it is in the best interests of the authority to execute a contract with Corchia Woliner Rhoda: it is therefore

RESOLVED, that the Chief Executive Officer or the Executive Director of the Authority is each hereby authorized and directed to enter into an agreement in the name of the Authority whereby Corchia Woliner Rhoda will serve as graphic design consultant to the Authority upon such terms as the Chief Executive Officer or the Executive director deems reasonable and appropriate; provided, however, that such agreement shall be limited to work on the fiscal year 2010 CAFR; and provided, further, that compensation to Corchia Woliner Rhoda shall be in the amount of \$12,600 and not to exceed \$15,600, plus an amount not to exceed \$30,000 to be pre-approved by the President or Treasurer of the Authority for Payment of printing services to be performed under a sub-contract managed by Corchia Woliner Rhoda.

Annual Approval of Investment Guidelines

The next item on the agenda was the annual approval of the Authority's Investment Guidelines. Mr. Page explained that the Investment Guidelines were unchanged from the version approved last year.

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") adopted Investment Guidelines on April 10, 1986 to establish policies for the investment of its funds and subsequently amended the Investment Guidelines on August 10, 1993, February 18, 1998, April 17, 1998 and March 20, 2009; and

WHEREAS, the Authority is required annually to review its Investment Guidelines; and

WHEREAS, the Board of Directors has reviewed the attached Investment Guidelines¹ and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.

¹ Filed with Minutes of the meeting.

Approval of Investment Report

The next item on the agenda was the annual approval of the Investment Report. Mr. Page explained that the Investment Report is required to be prepared and approved annually pursuant to the Public Authorities Accountability Act. 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”), pursuant to the Authority’s Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report² and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Distribution of Financial Plan

The next item on the agenda was the presentation of the 4-year Financial Plan to the Board for information purposes. Mr. Page said that the Public Authorities Accountability Act requires preparation of such a plan.

Acceptance of the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2010 and June 30, 2009 and authorization to release such Financial statements

Following a brief recess to permit the Joint Audit Committee (The “Audit Committee”) of the Authority and the New York City Water Board to meet, the final item on the agenda was the acceptance of the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2010 and June 30, 2009 and authorization to release such financial statements. Mr. Page explained that the Audit Committee had reviewed

² Filed with Minutes of the meeting.

the auditors' report, audited financial statements, met with the System's auditors, and recommended to the Water Board and the Authority's Directors that the auditors' report and financial statements be accepted by the Water Board and by the Authority. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the joint Audit Committee of the New York City Municipal Water Finance Authority (the "Authority"), and the New York City Water Board (the "Water Board") has met with the independent auditors of the water and sewer system of the City of New York (the "System") and has reviewed the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2010 and June 30, 2009 and such financial statements; and

WHEREAS, the joint Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board of Directors of the Authority and the Water Board accept the independent auditors' report and authorize the release of the financial statements, it is therefore

RESOLVED, that the Board of Directors of the Authority hereby accepts the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2010 and June 30, 2009 and authorizes the release of such audited financial statements upon approval of the Water Board; provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Adjournment

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


Assistant Secretary