

**NEW YORK CITY MUNICIPAL WATER
FINANCE AUTHORITY – GOVERNANCE COMMITTEE**

A meeting of the Governance Committee (the “Committee”) of the Board of Directors of the New York City Municipal Water Finance Authority (the “Authority”) was held at 75 Park Place, New York, N.Y. at 2:00 p.m. on October 7, 2008.

The following Committee members were present:

Peter J. Kenny,

Arthur Hill, and

Marc Shaw;

constituting a quorum. Mr. Kenny chaired the meeting, and Albert F. Moncure, Jr., served as secretary of the meeting.

Adoption of Minutes

The first item on the agenda was the approval of the Minutes of the Committee’s Meeting of May 5, 2008. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Governance Committee of the New York City Municipal Water Finance Authority has reviewed the minutes of the previous meeting of the Governance Committee held on May 5, 2008; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of May 5, 2008, are hereby approved.

Annual Self-Evaluation

The next item on the agenda was a discussion of the Committee’s Annual Self-Evaluation and Report to the Board of Directors. Mr. Kenny led the Committee in their the Self-Evaluation and reviewed the Committee’s findings. In response to inquiries by Mr. Hill about


the scope of the report, Prescott Ulrey, Assistant Secretary, explained that the report was simply a summary of the Committee's activities during the previous year. Mr. Hill and Mr. Shaw indicated their approval of the report.

Review of Compensation and Benefits

The next item on the agenda was a review of the Authority's compensation and benefit expenses, including the salaries of the Executive Director and Treasurer, who work exclusively for the Authority, as described in a report presented to Committee members. Mr. Ulrey further explained that the report contained personnel costs incurred for employees of the Authority as well as costs reimbursed to the City for work performed by City employees. The Committee expressed its approval of the salary and benefit information provided to it, attached hereto.

Adjournment

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


Assistant Secretary