

**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 2:15 p.m. on May 5, 2008.

The following Committee members were present:

Jack Mckeon (by designation of Authority Director Alexander B. Grannis),

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 February 4, 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 February 4, 2008; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of February 4, 2008, are hereby approved.

Review of the Amended and Restated Audit Policies on Travel Allowance and Salary, Compensation, Reimbursements, Time and Attendance of Senior Management

The next item on the agenda was the review of the Amended and Restated Policies on Travel Allowance and Salary, Compensation, Reimbursements, Time and Attendance of Senior Management for recommendation to the entire Board of Directors of the Authority for adoption.

Prescott Ulrey, Assistant Secretary, described the changes to the policies which would revise the required signoffs for travel and other expenses incurred by Senior Management. Discussion ensued. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, pursuant to subsections III(a)(iii) and (iv) of the Governance Committee Charter, the Governance Committee of the New York City Municipal Water Finance Authority (the “Authority”), shall periodically review the Policy on Travel Allowance and the Policy on Salary, Compensation, Reimbursements, Time and Attendance of Senior Management; and

WHEREAS, the Governance Committee of the Authority has reviewed both policies, as attached hereto as Exhibits A and B¹, respectively; and

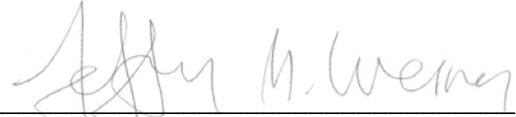
WHEREAS, the Governance Committee believes the changes to both policies, regarding the process by which travel expenditures and other reimbursements are approved, are reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby recommends that the Board adopt both the Amended and Restated Policy on Travel Allowance and the Amended and Restated Policy on Salary, Compensation, Reimbursements, Time and Attendance of Senior Management, copies of which shall be filed with the minutes of the Governance Committee.

¹ Filed with Minutes of the Meeting.

Adjournment

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

A handwritten signature in cursive script, appearing to read "Jeffrey H. Werner", written in black ink on a white background.

Assistant Secretary