

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

A meeting of the Governance Committee (the “Committee”) of the New York City Municipal Water Finance Authority (the “Authority”) was held on June 18, 2010 at approximately 11:35 a.m. at 75 Park Place, Room 6M4, New York, New York 10007.

The following members of the Committee or their designees were present:

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

Arthur Hill;

Marc Shaw; and

Peter Kenny,

constituting a quorum of the Committee. Mr. Kenny chaired the meeting, 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 Committee which occurred on March 5, 2010. 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 March 5, 2010; it is therefore

RESOLVED, the minutes of the Governance Committee meeting of March 5, 2010, are hereby approved.

Recommendation to Board – Approval of Policy on Minorities Women and Contracts

The next item on the agenda was the recommendation to the Board to adopt a Policy on Minorities, Women and Contracts. Board Chair Mark Page said the policy is being proposed in response to requirements of the Public Authorities Accountability Act. Mr. Page

observed that the Authority's existing procurement policies have always been inclusive with respect to women and minority contractors and the adoption of the proposed policy will not significantly change the Authority's procurement practices. Responding to Mr. Hill, Mr. Page noted that two of the Authority's five book running senior managing underwriters are minorities and that twenty percent of all of the Authority's contracts are with women and minority-owned businesses. There being no further 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 (the "Policy"); 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 finds the adoption of the Policy, as attached hereto, to be reasonable and appropriate, it is therefore

RESOLVED, that the Governance Committee hereby recommends the adoption of the Policy by the Board of Directors, as attached¹ hereto.

Recommendation to Board – Approval of Amended and Restated Policy on the Procurement of Goods and Services

The next item on the agenda was the recommendation to the Board to adopt the Amended and Restated Policy on the Procurement of Goods and Services. The amendment

¹ Filed with Minutes of the Meeting.

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 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 Governance Committee hereby recommends to the Board of Directors that the Policy be adopted, as amended and attached² hereto.

Adjournment

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


ASSISTANT SECRETARY

² Filed with Minutes of the Meeting.