

**DRAFT**

**NEW YORK CITY MUNICIPAL WATER  
FINANCE AUTHORITY**

A meeting of the Board of Directors of the New York City Municipal Water Finance Authority (the "Authority") was held at 75 Park Place, Room 6M4, New York, N.Y. 10007 at 4:30 p.m. on November 9, 2009.

The following Directors were present:

Mark Page;

Richard Carroll (by designation of Authority Director David M. Frankel);

Steven Lawitts;

Arthur Hill; and

Peter J. Kenny,

constituting a quorum of the Board of Directors. Mr. Page chaired the meeting, and Uyen Nguyen served as Secretary of the meeting.

**Approval of Minutes of meeting of October 14, 2009**

The first item on the agenda was approval of the minutes of the meeting of October 14, 2009. 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 October 14, 2009; it is therefore

**RESOLVED**, that the minutes of the meeting of October 14, 2009 be, and they hereby are, approved.

### **Approval of Fiscal 2010 Series 1 Bond Anticipation Notes**

The next item on the agenda was the proposed approval of the Fiscal 2010 Series 1 Bond Anticipation Notes (the “Notes”) and authorization allowing the Authority to enter into a project finance agreement (the “Agreement”) with the New York State Environmental Facilities Corporation (“EFC”). Mr. Page noted that the Authority was awarded \$220 million of the funds made available under the American Recovery and Reinvestment Act of 2009 (“ARRA”) for capital projects of the System. Mr. Page explained that the ARRA award will be paid to the Authority through the EFC under the terms of the Agreement. The Authority will owe EFC money through the Notes, which EFC will forgive upon the satisfactory completion of projects in accordance with the Agreement. However, if EFC decides that the Authority has not met all the requirements, then the Authority will have an obligation to take out the Notes with long-term bonds. A brief discussion ensued regarding the benefits of this arrangement and some of EFC’s requirements under the project finance agreement.

There being no further discussion, upon motion duly made and seconded, the attached resolution was unanimously adopted.

### **Approval of Extension of Swap Advisor Contract**

The next item on the agenda was the proposed extension of an existing contract with Swap Financial Group, LLC (“Swap Financial”). Mr. Page noted that Swap Financial is currently the Authority’s swap advisor. Mr. Page explained that despite the Authority’s lack of participation in the swap market for the last couple of years, the Authority still has some swap contracts in place and has an obligation to report on the value of these outstanding swaps. Mr. Page noted that Swap Financial already has a system in place which allows them to easily report on the value of the outstanding swaps at a minimal cost to the Authority. Mr. Page explained

that the proposed resolution would extend the contract until June 30, 2010, which would accommodate the schedule for a request for proposals (“RFP”) for swap advisors. 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 private consultants for rendering professional or technical services and advice; and

**WHEREAS**, pursuant to such authority, and following a competitive procurement process, the Board of Directors previously authorized the Authority to enter into an agreement with Swap Financial Group, LLC (“Swap Financial Group”) as its swap advisor; and

**WHEREAS**, the agreement with Swap Financial Group expires December 31, 2009 and the Authority plans to issue a request for proposals for swap advisor in the near future; and

**WHEREAS**, management of the Authority believes it is in the best interest of the Authority to extend the agreement with Swap Financial Group; it is therefore

**RESOLVED**, that the Executive Director or the Chief Executive Officer of the Authority is each hereby authorized and directed to, in the name of the Authority, extend the agreement with Swap Financial Group to serve as swap advisor to the Authority for the period from January 1, 2010 to June 30, 2010, or its earlier termination as provided therein, provided that compensation to Swap Financial Group shall not exceed the rates provided within the agreement, as set forth below.

Compensation shall not exceed:

\$400 per hour for senior professionals and \$200 for junior professionals, with a total cap of \$100,000 per calendar year (or a pro-rated portion thereof), and reasonable out-of-pocket expenses to be billed and paid at cost.

**Adjournment**

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

A handwritten signature in cursive script, appearing to read "Jeffrey M. Werner". The signature is written in dark ink and is positioned above a horizontal line.

Assistant Secretary