

**MINUTES OF A SPECIAL MEETING
OF THE NEW YORK CITY WATER BOARD**

A Special Meeting of the New York City Water Board (the “Board”) was held on October 14, 2009, at 5:00 p.m. at 75 Park Place, Room 6-M4, New York, New York 10007. The following members of the Board were present:

Alan M. Moss;

Marcia Bystryn;

Amaziah Howell;

Mehul J. Patel, and

Benjamin Tisdell,

constituting a quorum of the Board. Mr. Moss chaired the meeting, and Albert F. Moncure, Jr., served as Secretary of the Meeting.

Adoption of Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on October 7, 2009. There being no discussion, upon motion duly made and seconded, the minutes of the Board’s meeting held on October 7, 2009 were unanimously adopted.

Acceptance of the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2008 and June 30, 2009 and authorization to release such financial statements.

The next item on the agenda was the reconsideration of the independent auditors report on the audited financial statements for the fiscal years ended June 30, 2008 and June 30, 2009, and reauthorization to release such financial statements, the Board having previously approved such items at its prior meeting held on October 7, 2009. The Water Authority’s Comptroller Michele Levine explained that reconsideration of the report and financial statements

is required because of an adjustment to the financial statements to reflect approximately \$141 million payable by the System to the City for capital asset construction costs incurred prior to the end of the fiscal year which item was inadvertently omitted from the financial statements previously approved by the Board. A brief discussion ensued. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the New York City Water Board (the "Board") and the New York City Municipal Water Finance Authority (the "Authority") established a Joint Audit Committee in light of their joint role in the financial operations of the water and wastewater system of the City of New York (the "System"); and

WHEREAS, pursuant to the Joint Audit Committee Charter and the Board resolution of January 25, 2008 establishing the Joint Audit Committee, the Board and the Authority each acting separately, after receiving a recommendation from the Joint Audit Committee, shall annually approve the audited financial statements of the System; and

WHEREAS, on October 7, 2009, the Board and the Authority held meetings to accept and release the independent auditors' report and financial statements and subsequent to these meetings the System's auditors were informed of a material change to the draft financial statements and have issued a revision to the independent auditors' report and financial statements; and

WHEREAS, the Joint Audit Committee believes the independent auditors' report and the financial statements as revised are reasonable and appropriate and has recommended that the Board and the Authority accept the independent auditors' report and authorize the release of the financial statements; and

WHEREAS, the Board of Directors of the Authority approved the independent auditors' report and authorized the release of the financial statements on October 14, 2009 contingent on their approval by the Board; it is therefore

RESOLVED, that the Board hereby accepts the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2009 and June 30,

2008 and authorizes the release of such audited financial statements, 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.

SECRETARY