

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD
OCTOBER 23, 2017**

A meeting of the New York City Water Board (the “Board”) was held on October 23, 2017 starting at approximately 8:00 a.m. in Spector Hall at 22 Reade Street, New York, New York 10007. The following members of the Board attended the meeting:

Alfonso Carney,

Evelyn Fernandez-Ketchum,

Jukay Hsu and

Arlene Shaw.

constituting a quorum. Mr. Carney chaired the meeting, and Albert Rodriguez served as Secretary of the meeting.

Approval of the Minutes

The first item on the agenda was approval of the minutes of the Board’s previous meeting held on June 16, 2017. There being no further discussion, upon motion duly made and seconded, the minutes of the meeting held on June 16, 2017 were unanimously adopted.

Acceptance of the Independent Auditor’s Report for Fiscal Years 2017 and 2016.

The next item on the agenda was the presentation and acceptance of the Independent Auditor’s Report on the Audited Financial Statements of the Water and Sewer System for the Fiscal Years ended June 30, 2017 and June 30, 2016 and authorization of the public release of such audited financial statements. Chairman Carney reported that on October 19, 2017 the Joint Audit Committee of the Water Board and the New York City Municipal Water Finance Authority met with the System’s independent auditors, Marks Paneth, and reviewed their report. It was reported the auditors found that the financial statements fairly present the net position of

the System in conformance with generally accepted accounting principles and provided a letter, which stated that they found no material weakness in the System's internal controls over financial reporting. After such review, the Joint Audit Committee unanimously approved a recommendation that the Board and the Authority accept the auditor's report and authorize the public release of the financial statements.

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

RESOLUTION

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 19, 2017, the Audit Committee met with the independent auditors and reviewed their report on the System's audited financial statements for the fiscal years ended June 30, 2017 and June 30, 2016; and

WHEREAS, the Audit Committee believes the independent auditors' report and the financial statements 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 19, 2017 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, 2017 and June 30, 2016 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.

Approval of Investment Guidelines and the Fiscal Year 2017 Investment Report

The next agenda item was the presentation and approval of the Board's Investment Guidelines and the Fiscal Year 2017 Investment Report as annually required by the New York State Public Authorities Act. Chairman Carney noted there were no changes from the Investment Guidelines adopted by the Board in 2016.

There being no further discussion, upon a motion duly made and seconded, the following resolution was unanimously approved by the Board.

RESOLUTION

WHEREAS, the New York City Water Board (the "Board") adopted Investment Guidelines to establish policies for the investment of its funds on May 2, 1986 and subsequently amended the Investment Guidelines on October 24, 1990 and February 14, 1997; and

WHEREAS, pursuant to the Investment Guidelines, the Board is required annually to review and approve both the Investment Guidelines and an Investment Report; and

WHEREAS, the Board has reviewed the Investment Guidelines as contained in the Fiscal Year 2017 Investment Report and finds both the guidelines and report to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines and the Fiscal Year 2017 Investment Report, copies of which will be filed with the minutes of this meeting, are hereby approved.

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

SECRETARY