

**NEW YORK CITY MUNICIPAL WATER
BOARD OF DIRECTORS
March 28, 2023**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 10:07 a.m. on March 28, 2023 via conference call. The following Board members were present:

David Womack (by designation of Authority Director Jacques Jiha);

Joseph Murin (by designation of Authority Director Rohit Aggarwala);

Selvin Southwell (by designation of Authority Director Basil Seggos);

Diana Beinart (by designation of Authority Director Preston Niblack);

Max Von Hollweg; and

Marc Shaw;

constituting a quorum of the Board. Mr. Womack chaired the meeting, and Deborah Cohen served as Secretary of the meeting. Members of the public attended in person and via conference call.

Approval of Minutes of Previous Meeting

The next item on the agenda was approval of the minutes of the previous meeting of the Board. There being no discussion the following resolution was unanimously adopted by vote:

WHEREAS, the Board of Directors has reviewed the minutes of its meeting held on February 24, 2023 it is therefore

RESOLVED, that the minutes of the meeting of February 24, 2023 be, and they hereby are, approved.

Approval of Authority Budget

The next item on the agenda was the approval of the Authority's budget and four year plan. Mr. Womack explained that the Authority is required to submit a budget, containing estimated receipts and expenditures for the current and next fiscal year, as well as actual receipts for the most recently completed fiscal year. Additionally, he explained, the Authority must submit a four year financial plan. Mr. Womack noted that Raymond Lee, the Authority's Comptroller, was available for questions. Discussion ensued. Then, upon unanimous vote, the following resolution was adopted:

WHEREAS, the New York City Municipal Water Authority (the "Authority"), pursuant to Section 2801(1) of the Public Authorities Law (the "PAL"), is required to submit to the Governor, the Chair and Ranking Minority Member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee and the Authorities Budget Office, within ninety days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

WHEREAS, the Authority is also required, pursuant to the PAL, Section 2800(1)(a)(14) to submit to the Governor, the Chair and Ranking Minority Member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of its fiscal year, together with other reports, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

WHEREAS, the Board has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

RESOLVED, that the Board authorizes the submission of the budget information and financial plan as attached hereto, provided that the budget information and financial plan may be amended to reflect non-material changes acceptable to the Comptroller or Executive Director of the Authority.

Resolution: Approval of Resolution Authorizing the Issuance of Fiscal 2023 Series 3 Bond Anticipation Notes

The next item on the agenda was a resolution authorizing the issuance of the Authority's Fiscal 2023 Series 3 Bond Anticipation Notes. Mr. Womack noted that the resolution would authorize up to \$122 million of Bond Anticipation Notes to the New York State Environmental Facilities Corporation, and that this action had been recommended by the Finance Committee. Then, upon unanimous vote, the resolution was approved.¹

Approval of Amendment of Supplemental Resolutions Authorizing Direct Purchase Mode Bonds

The next item on the agenda was the approval of a resolution authorizing the amendment of the Authority's Supplemental Resolutions which authorized direct purchase mode bonds. Mr. Womack explained that the amendments were necessary due to the cessation of LIBOR in the coming months, and that the amendments would substitute SOFR for LIBOR as an alternate index. Discussion ensued. Then, upon unanimous vote, the following resolution was approved.

WHEREAS, the Board of Directors approved Supplemental Resolutions No. 48, No. 115 and No. 139 ("Supplemental Resolutions") which authorized the issuance of the Authority's Water and Sewer System Second General Resolution Revenue Bonds, Fiscal 2008 Series BB, Fiscal 2016 Series AA and Fiscal 2019 Series CC (together, the "Bonds"); and

WHEREAS, the Supplemental Resolutions, as subsequently amended, authorized a direct purchase mode for the Bonds, with interest calculated based upon the SIFMA Municipal Index plus or minus an applicable spread, or, if such SIFMA Municipal Index is unavailable, at an Alternate Index of 70% of USD-ICE LIBOR with a designated maturity of one month; and

WHEREAS, on March 5, 2021, ICE Benchmark Administration Limited and the Financial Conduct Authority announced that, for most USD LIBOR tenors, including the 1-month LIBOR index, LIBOR would cease to exist on June 30, 2023; and

WHEREAS, on February 2, 2023, in anticipation of the future unavailability of LIBOR as an index or alternate index in setting rates for interest rate exchange agreements and other financial products, the Board of Directors authorized the Authority to adhere to the ISDA 2020

¹ Filed with the meeting minutes.

IBOR Fallbacks Protocol to amend its interest rate exchange agreements that utilize USD LIBOR as an index in order to substitute other indices as the basis for calculating such rates; and

WHEREAS, the Secured Overnight Financing Rate (“SOFR”) is a broad measure of the cost of borrowing cash overnight collateralized by treasury securities and is utilized, as applicable, on a daily basis or on a term basis, in the ISDA 2020 IBOR Fallbacks Protocol and in the Adjustable Interest Rate (LIBOR) Act and related Regulation ZZ as a replacement for US Dollar LIBOR; and

WHEREAS, the Authority now seeks to amend the Supplemental Resolutions to modify the definition of Alternate Index to be based upon a percentage of SOFR plus or minus a spread adjustment, if any, and SOFR to be utilized on either a daily basis or on a term basis, in each case, as determined to be reasonable by the Authority’s Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary and to so amend any Direct Purchase Agreements related to the Bonds accordingly; and

WHEREAS, the Finance Committee has recommended the Board of Directors approve such action; it is therefore

RESOLVED, that the Board of Directors hereby approves an amendment to the Supplemental Resolutions to modify the definition of Alternate Index to be based upon a percentage of SOFR plus or minus a spread adjustment, if any, and SOFR to be utilized on either a daily basis or on a term basis, in each case, as determined to be reasonable by the Authority’s Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary and authorizes the amendment of any Direct Purchase Agreements related to the Bonds accordingly.

Resolution: Approval of Extension of Bond Counsel Contracts

The next item on the agenda was a resolution authorizing the extension of the Authority’s bond counsel agreements. Mr. Womack explained that the Authority plans to issue a competitive request for proposals for bond counsel services in the coming year, and, to ensure there is no lapse in service, now seeks to extend its current agreements through August 31, 2024. Upon unanimous vote, the following resolution was thereby adopted.

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”) is authorized, pursuant to Section 1045-d of the New York City Municipal Water Finance Authority Act, to retain or employ bond counsel; and

WHEREAS, the Board of Directors (the “Board”) of the Authority previously authorized the Authority to retain Nixon Peabody LLP (“Nixon”) and Hardwick LLC (“Hardwick”) to serve as co-bond counsel to the Authority; and

WHEREAS, the Board previously authorized the Authority to retain Orrick, Herrington & Sutcliffe, LLP (“Orrick”) to serve as disclosure counsel for issuances in which there is no underwriters’ counsel, such as the issuance of bonds to the New York State Environmental Facilities Corporation (“EFC”), the issuance of commercial paper notes or to meet continuing disclosure obligations and to provide book running services for such transactions; and

WHEREAS, the Authority now seeks to extend the agreements with Nixon, Hardwick and Orrick for a period of one year for the fees listed in Schedule I; it is therefore

RESOLVED, that the Board of Directors of the Authority hereby authorizes the extension of the Authority’s agreements with Nixon and Hardwick to serve as co-bond counsel, and the extension of the Authority’s agreement with Orrick to serve as disclosure counsel for a period from September 1, 2023 through August 31, 2024, and directs the Authority’s Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary to enter into such agreements, for such other terms and conditions as they deem reasonable or necessary, provided such agreements provide for compensation not to exceed the fees listed in Schedule I.

Schedule I

Co-Bond Counsel - Nixon

\$150,000	per new money and/or refunding transaction
\$20,000	per series of variable rate/conversion/substitution with an official statement or direct purchase (not to exceed \$80,000)
\$30,000	swap master agreement
\$10,000	substitution or extension of liquidity facility or letter of credit without an official statement, with an opinion, per substitution
\$10,000	IRS Audit – initial inquiry and document request
\$8,000	IRS Audit – subsequent document requests
\$5,000	Cash defeasance

Co-Bond Counsel - Hardwick

\$35,000	per new money and/or refunding transaction
\$5,000	per series of variable rate/conversion/substitution with an official statement or direct purchase

	(not to exceed \$20,000)
\$1,500	Cash Defeasance

Disclosure Counsel – Orrick

\$35,000	Drafting of disclosure documents when there is no underwriters counsel (such as EFC transactions, commercial paper, etc.)
\$5,000	Book running services when serving as disclosure counsel

Resolution: Approval of Bloomberg Terminal Subscription

The next item on the agenda was a resolution approving a subscription for a Bloomberg Terminal. Mr. Womack noted that the Authority utilizes the Bloomberg Terminal for data and analytics, and now seeks to enter into a subscription agreement with Bloomberg for access to the Terminal. There being no discussion, the following resolution was adopted.

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”) is authorized, pursuant to Section 1045-d(7) of the New York City Municipal Water Finance Authority Act, to retain or employ private consultants for rendering professional or technical services and advice; and

WHEREAS, Bloomberg Professional Services (“Bloomberg”) provides data and analytics vital to the work of the Authority; and

WHEREAS, the Authority seeks to enter into a subscription with Bloomberg for access to the Bloomberg Terminal, a depository for financial data for a not to exceed fee of \$35,000 per fiscal year beginning July 1, 2023; it is therefore

RESOLVED, that the Board of Directors hereby approves the Authority entering into a subscription agreement with Bloomberg for access to the Bloomberg Terminal for fees not to exceed \$35,000 per fiscal year, with the subscription beginning July 1, 2023, and directs the Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary to enter into an agreement with Bloomberg for such subscription.

Resolution: In Recognition of Olga Chernat

The final item on the agenda was a resolution recognizing the work of Olga Chernat, the Authority's Executive Director. Mr. Womack noted that Ms. Chernat had announced her resignation from the Authority, and that the resolution would express the gratitude of the Board and Authority staff for her service. Upon unanimous vote, the following resolution was adopted.

WHEREAS, Olga Chernat has served as the Executive Director of the New York City Municipal Water Finance Authority (the "Authority") since 2017; and

WHEREAS, Ms. Chernat has provided the Authority with unparalleled service, a dedicated work ethic, and immeasurable skills which have helped guide the Authority; and

WHEREAS, Mr. Chernat has announced her resignation from the Authority, effective in April 2023; it is therefore

RESOLVED, that the Board of the Authority, on behalf of themselves and the staff of the Authority, recognize Ms. Chernat's years of dedication and service to the Authority and wish her the best of luck on her future endeavors.

Adjournment

There being no further business before the Board, upon unanimous vote, the meeting of the Board of Director's was adjourned.


ASSISTANT SECRETARY