

**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
FINANCE COMMITTEE
March 28, 2023**

A meeting of the Finance Committee (the “Committee”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 10:02 a.m. on March 28, 2023 via conference call. The following Committee 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 Finance Committee. 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 first item on the agenda was the approval of the minutes of the previous Finance Committee meeting. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted by the members present:

WHEREAS, the Finance Committee of the New York City Municipal Water Finance Authority has reviewed the minutes of the previous meeting of the Finance Committee held on February 24, 2023; it is therefore

RESOLVED, that the minutes of the Finance Committee meeting of February 24, 2023 are hereby approved.

Recommendation to the Board of Directors - Approval of Issuance of Fiscal 2023 Series 3

Bond Anticipation Notes

The next item on the agenda was a recommendation to the Board of Directors that it approve a resolution authorizing the Issuance of Fiscal 2023 Series 3 Bond Anticipation Notes. Mr. Womack noted that the resolution would authorize the issuance of \$122 million of BANS to the NYS Environmental Facilities Corporation. He noted that the BANS would be used to reimburse Drinking Water project costs, and would have a maturity of April 13, 2028. Then, upon unanimous vote, the following resolution was adopted.

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Finance Committee has received and reviewed a proposal for the approval of Supplemental Resolution Authorizing the Issuance of Fiscal 2023 Series 3 Water & Sewer System Second General Resolution Revenue Bond Anticipation Notes; it is therefore

RESOLVED, that the Finance Committee recommends to the Board of Directors the approval Supplemental Resolution Authorizing the Issuance of Fiscal 2023 Series 3 Water & Sewer System Second General Resolution Revenue Bond Anticipation Notes.

Recommendation to the Board of Directors – Authorization to Amend Resolutions Authorizing Direct Purchase Mode Bonds

The next item on the agenda was a recommendation to the Board of Directors that it approve a resolution approving the amendment of resolutions authorizing direct purchase mode bonds. He noted that such amendments would substitute SOFR for LIBOR as an alternate index, ahead of the cessation of LIBOR. Then, upon unanimous vote, the following resolution was adopted.

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Board of Directors previously 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 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 revise the Alternate Index provided for therein so that the Alternate Index will be based upon a percentage of SOFR plus or minus a spread adjustment, in each case to be determined at the election of the Authority's Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary who shall also determine if SOFR will be utilized as a daily rate or as a term rate for a specified term and to so amend any Direct Purchase Agreements related to the Bonds accordingly; it is therefore

RESOLVED, that the Finance Committee hereby recommends the Board of Directors approve 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.

Adjournment

There being no further business to come before the Committee, by unanimous vote of members present, the Committee meeting was adjourned.



Assistant Secretary