

**NEW YORK CITY MUNICIPAL WATER
BOARD OF DIRECTORS**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 255 Greenwich Street, Room 6M4, New York, New York 10007 at 10: 32 a.m. on October 14, 2016.

The following Directors were present:

Thomas Paolicelli (by designation of Authority Director Dean Fuleihan);

Jacqueline Gold (by designation of Authority Director Jacque Jiha);

Joseph Murin (by designation of Authority Director Vincent Sapienza);

Robert Elburn (by designation of Authority Director Basil Seggos);

Marc Shaw; and

Max Von Hollweg,

constituting a quorum of the Board of Directors. Mr. Paolicelli chaired the meeting, and Deborah Cohen served as secretary of the meeting.

Approval of Minutes of the Meeting of September 14, 2016

The first item on the agenda was approval of the minutes of the meeting of September 14, 2016. 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 September 14, 2016; it is therefore

RESOLVED, that the minutes of the meeting of September 14, 2016 be, and they hereby are, approved.

Acceptance of the independent auditors' report on the audited financial statements for the fiscal years ended June 30, 2016 and June 30, 2015 and authorization to release such financial statements

The next item on the agenda was the acceptance of the independent auditors' report on the audited financial statements of the New York Water and Sewer System (the "System") for Fiscal Years 2016 and 2015 and the authorization to release such audited financial statements.

Mr. Paolicelli explained that the Joint Audit Committee of the New York City Water Board (the "Water Board") and the Authority had reviewed the auditors' report and audited financial statements, met with the System's auditors, and recommended to the Water Board and the Authority's Directors that the auditors' report and financial statements be accepted by the Water Board and by the Authority. He noted that Robert Balducci, the Authority's Comptroller, was available to answer any questions on the financial statements. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Joint Audit Committee of the New York City Municipal Water Finance Authority (the "Authority") and the New York City Water Board (the "Water Board") has met with the independent auditors of the water and sewer system of the City of New York (the "System") and has reviewed the independent auditors' report on the audited financial statements of the System for the fiscal years ended June 30, 2016 and June 30, 2015 and such financial statements; and

WHEREAS, the Joint Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate and has recommended that the Board of Directors of the Authority and the Water Board accept the independent auditors' report and authorize the release of the financial statements; it is therefore

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

2016 and June 30, 2015 and authorizes the release of such audited financial statements upon approval of the Water Board; 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 Amended Investment Guidelines

The next item on the agenda was the annual approval of the Authority's Investment Guidelines as required by the Public Authorities Law. Mr. Paolicelli explained that no changes were proposed at this time. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the New York City Municipal Water Finance Authority (the "Authority"), adopted Investment Guidelines on April 10, 1986 to establish policies for the investment of its funds and subsequently amended the Investment Guidelines on August 10, 1993, February 18, 1998, April 17, 1998, March 20, 2009 and October 13, 2013, October 21, 2015 and February 13, 2016; and

WHEREAS, the Authority is required annually to review its Investment Guidelines; and

WHEREAS, the Board of Directors has reviewed the attached Investment Guidelines and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.¹

Approval of Investment Report

The next item on the agenda was the annual approval of the Investment Report. Mr. Paolicelli explained that the Investment Report is required to be prepared and approved

¹ Filed with the Minutes of the Meeting

annually pursuant to the Public Authorities Accountability Act. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”), pursuant to the Authority’s Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report² and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Report of Governance Committee Chair

Mr. Paolicelli introduced Max Von Hollweg, the Chair of the Governance Committee, who reported that the Governance Committee had met and conducted a self-evaluation, and had found that they were acting in a satisfactory manner. Mr. Von Hollweg noted that a report of the Committee’s actions in Fiscal Year 2016 was provided to the Board.

Adjournment

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


ASSISTANT SECRETARY

² Filed with Minutes of the meeting.