

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

A meeting of the New York City Water Board (the “Board”) was held on September 28, 2010, at 5:30 p.m. at the New York City Office of Management and Budget, 75 Park Place, New York, N.Y. 10007, Room 6M4. The following members of the board were present:

Alan M. Moss,

Donald Capoccia,

Mehul 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.

Acceptance of the independent auditors’ report on the audited financial statements of the System for the fiscal years ended June 30, 2010 and June 30, 2009 and authorization of the release of such audited financial statements.

The first and only item on the agenda was the acceptance of the independent auditor’s report on the audited financial statements of the System for Fiscal years 2010 and 2009 and the authorization to release such audited financial statements.

Steven Lawitts, the Board’s Executive Director, explained that the Joint Audit Committee of the Water Board and the New York City Municipal Water Finance Authority (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.

Mathilde McLean, the Board’s Treasurer, responding to a question from Mr. Patel, said that she had reviewed the financial statements and provided her minor comments to

the Authority's Comptroller and those comments were incorporated in the documents. 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 September 28, 2010, 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, 2010 and June 30, 2009; 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 September 28, 2010, prior hereto, 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, 2010 and June 30, 2009 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