

**MINUTES OF THE MEETING OF THE
NEW YORK CITY WATER BOARD
OCTOBER 21, 2014**

A meeting of the New York City Water Board (the “Board”) was held on October 21, 2014 starting at approximately 10:30 a.m. at 255 Greenwich Street, New York, New York 10007. At the start of the meeting, a quorum of the Board’s members was present. The following Board members attended the meeting:

Alan Moss,

Alfonso Carney,

Adam Freed,

Jonathan Goldin, and

Arlene Shaw

Mr. Moss 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 September 19, 2014. There being no discussion, upon motion duly made and seconded, the minutes of the meeting held on September 19, 2014 were unanimously adopted. Ms. Shaw was not present for this vote.

Auditors’ Report on the Audited Financial Statements for FY 2014/2013

The next item on the agenda was acceptance of the independent auditors’ report on the audited financial statement for the System for the Fiscal Years ended June 30, 2014 and June 30, 2013 and the authorization to release such audited financial statements. Board member Goldin reported to the Board that the Joint Audit Committee of the Water Board and the New York City Municipal Water Finance Authority had met with the independent auditor (Deloitte & Touche)

earlier that day to review their report on the System's audited financial statements for Fiscal Years ended June 30, 2014 and June 30, 2013. After such review with the auditors at the meeting, member Goldin stated that Joint Audit Committee voted unanimously to recommend that the Water Board accept the auditor's report. In response to a question from Chairman Moss on investment returns on Board funds, Mathilde McLean, the Treasurer for the Board, described the investment options allowed by the Board's authorizing legislation.

There being no more discussion, upon motion duly made and seconded, the following resolution was unanimously adopted by the Board. Ms. Shaw was not present for this vote.

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 21, 2014, 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, 2014 and June 30, 2013; 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 21, 2014 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, 2014 and June 30, 2013 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.

Annual Approval of Investment Guidelines and FY 2014 Investment Report

The next item on the agenda was annual approval of Board's Investment Guidelines and the Fiscal Year 2014 Investment Report. Ms. McLean stated that no changes were being proposed to the Investment Guidelines. She also reported on activity in the Board's O&M Reserve Fund and General Fund during the course of Fiscal Year 2014.

There being no more 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") 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 2014 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 2014 Investment Report, copies of which will be filed with the minutes of this meeting, are hereby approved.

Non-Action Items

Ms. McLean noted that informational memos on the New York City Tax Lien program and watershed conservation easements on private property were included in the Board's meeting package.

Adjournment

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

SECRETARY