

Joint Audit Committee Meeting of June 16, 2017

THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY AND NEW YORK CITY WATER BOARD

A meeting of the Joint Audit Committee (the “Committee”) of the Board of Directors of the New York City Municipal Water Finance Authority (the “Water Authority”) and the New York City Water Board (the “Water Board”) was held at 255 Greenwich Street, Room 6M4, New York, N.Y. 10007 at 11:00 a.m. on Friday, June 16, 2017.

The following members of the Committee were present:

Alfonso Carney, Jr.

Marc Shaw;

Jonathan Goldin;

Adam Freed; and

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

constituting a quorum of the Committee. Mr. Carney, Jr. chaired the meeting, and Deborah Cohen served as Secretary of the meeting.

Oral Resolution Elected Chair Pro Tem

Mr. Freed orally moved to elect Mr. Carney, Jr. as Chair Pro Tem in Max Von Hollweg’s absence. The motion was seconded, and, there being no objections, Mr. Carney, Jr. was elected Chair Pro Tem.

Approval of Minutes of Meeting of October 14, 2016

The next item on the agenda was approval of the minutes of the meeting of October 14, 2016. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, The Audit Committee has reviewed the minutes of its meeting held on October 14, 2016 it is therefore

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

Review of Annual Agency Financial Integrity Compliance Statements of the New York City Municipal Water Finance Authority and New York City Water Board

The next item on the agenda was the annual review of the Financial Integrity Compliance Statements. Mr. Carney, Jr. explained that the Authority and Water Board are required to review and evaluate the Financial Integrity Statements annually pursuant to Directive 22 of the City Comptroller's Office. He introduced the Authority's Comptroller, Robert Balducci, and the Water Board's Treasurer, Omar Nazen, who noted that the vast majority of questions on the Statement did not apply to the Authority or Water Board. Brief discussion ensued.

Annual Self-Evaluation and Review of Annual Report of Audit Committee

The next item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Carney, Jr. referred the Committee to the report¹ included in the Committee's package and discussed the Committee's performance during the prior calendar year. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.0 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report, which details the activities and decisions of the Committee for the prior calendar year;

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

¹ Filed with the minutes of the meeting

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the New York City Municipal Water Finance Authority and the New York City Water Board, copies of which shall be sent to the Bureau of Accountancy of the City of New York Office of the Comptroller and filed with the minutes of the Audit Committee.

Review of Water Authority and Water Board Internal Control Policies

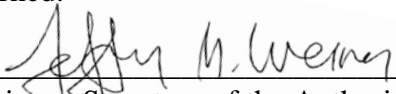
The next item on the agenda was a review of the Internal Control Policies of the Water Authority and the Water Board. Mr. Carney, Jr. noted that the Water Authority Policy had been updated with minor changes and that there were no changes proposed to the Water Board Policy.

Presentation of Audit Plan Including Discussion of New Accounting and Auditing Standards

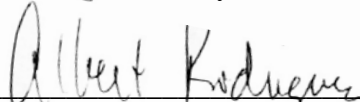
The final item on the agenda was the presentation of the 2017 Audit Plan of the System. Mr. Balducci noted that, pending approval by the Board of Directors of the Authority and Water Board, Marks Paneth partner Warren Ruppel would present the audit plan for the System's Fiscal Year 2017 audit. Mr. Ruppel described the four phases of the Audit: planning, development, performance and conclusion. Mr. Ruppel also touched on new Government Accounting Standards Board rules and standards, and explained how they would impact the System's audit. Discussion ensued.

Adjournment

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



Assistant Secretary of the Authority



Secretary of the Water Board