

**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, N.Y. 10007 on Thursday, May 31, 2018 at 1:05 p.m. The following Directors were present: <sup>1</sup>

Alan Anders (by designation of Authority Director Melanie Hartzog);

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

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

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

Marc Shaw; and

Max Von Hollweg;

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

**Approval of Minutes of the Meeting of March 27, 2018**

The first item on the agenda was approval of the minutes of the meeting of March 27, 2018. 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 March 27, 2018; it is therefore

**RESOLVED**, that the minutes of the meeting of March 27, 2018 be, and they hereby are, approved.

**Approval of Supplemental Resolution No. 135 Authorizing the Issuance of Fiscal 2018 Series FF Second General Resolution Water and Sewer System Bonds**

---

The next item on the agenda was the approval of Supplemental Resolution No. 135, authorizing the Issuance of the Authority's Fiscal 2018 Series FF Second General Resolution Water and Sewer System Bonds. Mr. Anders noted that this action had been recommended by the Finance Committee, and that the resolution would authorize the issuance of up to \$500 million of bonds. He noted that Olga Chernat, Executive Director of the Authority, was present to answer any questions related to the issuance. There being no discussion, upon motion duly made and seconded, the resolution was approved.<sup>2</sup>

#### Approval of Amended Investment Guidelines

The next item on the agenda was the approval of the amended Investment Guidelines of the Authority. Mr. Chernat explained that the Guidelines were being updated to allow moneys in the Subordinated Indebtedness Fund and the Construction Fund to be invested in Government Money Market Funds, and to update the Guidelines to current practices. Discussion ensued. Then, upon motion duly made and seconded, the following resolution was approved:

**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; and

**WHEREAS**, the Authority's staff has recommended changes to update the Guidelines;

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

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

#### Approval of Directors & Officers Insurance

---

<sup>2</sup> Filed with the meeting minutes

The next item on the agenda was the approval of Directors & Officers Insurance policies. Mr. Anders explained that the Authority's current insurance policies will expire in late June, and that the resolution provided would authorize entering into agreements with four insurers to provide up to \$50 million of coverage. He noted the not to exceed amount of \$260,000 includes a healthy cushion as the fee is still being negotiated. There being no questions, upon motion duly made and seconded, the below resolution was approved:

**WHEREAS**, despite their diligence and good faith, directors and officers of the New York City Municipal Water Finance Authority (the "Authority") may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Authority; and

**WHEREAS**, Article V of the Bylaws of the Authority provides that the Authority shall indemnify each, director and officer, to the fullest extent permitted by law; and

**WHEREAS**, Directors' and Officers' Liability Insurance is a prudent supplement to such indemnification; it is therefore

**RESOLVED**, that the Authority is hereby authorized to procure Directors' and Officers' Liability Insurance policies from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen" and together with AIG, Zurich, Liberty Mutual, the "Insurers"), or such other substitute insurers as the Executive Director shall determine to be appropriate, providing coverage for the period from June 25, 2018 through June 24, 2019; provided that the annual premium payable by the Authority to the Insurers, plus commission, will not exceed \$260,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the Executive Director or such other officer of the Authority shall deem necessary, desirable or appropriate and that the Executive Director shall be authorized to procure such insurance coverage.

Presentation by Joint Audit Committee & Governance Committee Chair on the Findings of the Committee's Respective Self-Evaluations

The final item on the agenda was a presentation by Max Von Hollweg, Chairman of the Authority & New York City Water Board's Joint Audit Committee and the Authority's Governance Committee. Mr. Von Hollweg explained that the Joint Audit Committee and Governance Committee both met earlier in the day, and had conducted self-evaluations. He noted that reports of the Committees' activities in the previous calendar year were provided to

the Board, and that both Committee's had found, as a result of their self-evaluations, that they had conducted themselves in a satisfactory manner and fulfilled the duties of their respective Charters to the best of their abilities.

### **Adjournment**

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

  
ASSISTANT SECRETARY