

**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 at 1:06 p.m. on Thursday, October 19, 2017. The following Directors were present:

Alan Anders (by designation of Authority Director Dean Fuleihan);

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 September 19, 2017

The first item on the agenda was approval of the minutes of the meeting of September 19, 2017. 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 19, 2017; it is therefore

RESOLVED, that the minutes of the meeting of September 19, 2017 be, and they hereby are, approved.

Acceptance of the independent auditors' report on the audited financial statements for the fiscal years ended June 30, 2017 and June 30, 2016 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 City Water and Sewer System (the "System") for the fiscal years ended June 30, 2017 and June 30, 2016 and authorization to release such financial statements. Mr. Anders 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, 2017 and June 30, 2016 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, 2017 and June 30, 2016 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 Supplemental Resolution No. 130 Authorizing the Issuance of Fiscal 2018 Series CC Second General Resolution Water and Sewer System Bonds

The next item on the agenda was the approval of Supplemental Resolution No. 130, authorizing the Issuance of the Authority's Fiscal 2018 Series CC 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 \$450 million of new money and refunding 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.¹

Approval of Investment Manager Contract

The next item on the agenda was the approval of an investment manager contract. Mr. Anders noted that the Authority completed a competitive request for proposal process, and recommends the retention of OMNICAP to provide investment manager services to the Authority. Ms. Chernat noted that OMNICAP was selected based on the quality of their proposal and the reasonableness of their fee. Mr. Anders explained that the term of the contract would be for three years, with two additional years extension at the discretion of the Authority. There being no further discussion, upon motion duly made and seconded, the following resolution was approved:

WHEREAS, the Authority is authorized, pursuant to Section 1045-d(7) of the New York City Municipal Water Finance Authority (the "Authority") Act to retain or employ counsel, auditors, engineers and private consultants for rendering professional or technical services and advice; and

¹ Filed with the meeting minutes

WHEREAS, pursuant to a competitive request for proposals, the Authority recommends entering into an agreement with OMNICAP to provide investment manager services to the Authority; it is therefore

RESOLVED, the Executive Director or such other officer of the Authority is hereby authorized and directed to enter into an agreement with OMNICAP to provide investment manager services to the Authority for a fee not to exceed \$262,000 for services involving the investment of certain Authority funds, and for any other investment services fees shall be governed by Schedule I below, for a term beginning October 23, 2017 through October 22, 2020 with two optional one year extensions at the Authority’s discretion, and said agreement 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.

Title	Hourly Rate
President, Managing Director (Principals)	\$350
Managing Director	\$325
Associate Director	\$295
Associate Vice President	\$265
Associate	\$225
Analyst	\$195

Approval of Trustee Appointment

The next item on the agenda was the approval of the appointment of the Authority’s trustee. Mr. Anders turned to Mr. Chernat, who explained that the Authority had engaged in a competitive request for proposal process for trustee services, and recommends the Board approve the appointment of U.S. Bank, National Association as trustee, effective upon the resignation of the Authority’s current trustee, Bank of New York Mellon. Brief discussion ensued. Then, upon motion duly made and seconded, the following resolution was approved:

WHEREAS, the Authority, pursuant to Section 1045-d(5) and 1045-o of the New York City Municipal Water Finance Authority (the “Authority”) Act, previously appointed Bank of New York Mellon (“Bank of New York”) to serve as Trustee in conjunction with the issuance of General Resolution and Second General Resolution Water and Sewer System Revenue Bonds; and

WHEREAS, pursuant to a competitive request for proposals for trustee services, the Authority recommends appointing U.S. Bank National Association (“US Bank”) as successor trustee effective upon the resignation of Bank of New York; it is therefore

RESOLVED, US Bank is hereby appointed Trustee of the Authority, effective upon the resignation of Bank of New York, and the Executive Director or such other officer of the Authority is hereby authorized and directed to enter into any such agreements necessary to effectuate the appointment, upon such terms and conditions that the Executive Director or other such officer of the Authority deems necessary, reasonable and prudent.

Approval of 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. Anders 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.²

Approval of Investment Report

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

² 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 Report³ and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Approval of Amended Policy on the Procurement of Goods and Services

The next item on the agenda was the approval of the amended Policy on the Procurement of Goods and Services. Mr. Anders explained that the proposed resolution would approve amending the Authority’s Policy to increase the maximum dollar threshold for contracts which the Authority may enter into without first seeking Board authorization to \$20,000, which matches the City of New York’s Rules. He noted that the Governance Committee recommended this action. Brief discussion ensued. Then, upon motion duly made and seconded, the following resolution was adopted:

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the New York City Municipal Water Finance Authority (the “Authority”) is required to establish a policy on the procurement of goods and services; and

WHEREAS, the Authority adopted a Policy on the Procurement of Goods and Services (the “Policy”) on June 6, 2006 and amended the Policy on March 20, 2009, June 18, 2010 and October 10, 2012; and

³ Filed with Minutes of the meeting.

WHEREAS, the Authority's Officers recommend amending Section II(1) of the Policy to change the dollar amount for procurement contracts for which the Authority may enter into without prior approval of the Board of Directors; and

WHEREAS, the Governance Committee has reviewed the Policy, as amended and attached hereto and finds the changes to be reasonable and prudent and has recommended the Board of Directors adopt the amended Policy; it is therefore

RESOLVED, that the Board of Directors adopts the Policy as amended⁴ and attached hereto.

Report of Governance Committee Chair

Mr. Anders 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 2017 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

⁴ Filed with the Minutes of the meeting