

**NEW YORK CITY MUNICIPAL WATER
FINANCE AUTHORITY**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 75 Park Place, Room 6M4, New York, N.Y. 10007 at 2:30 p.m. on January 19, 2012.

The following Directors were present:

Alan Anders (by designation of Authority Director Mark Page);

Richard Carroll (by designation of Authority Director David M. Frankel);

Robert Elburn (by designation of Authority Director Joseph Martens);

Mathilde McLean (by designation of Authority Director Carter Strickland);

Marc Shaw; and

Max Von Hollweg,

constituting a quorum of the Board of Directors. Mr. Anders chaired the meeting, and Albert F. Moncure, Jr., served as Secretary of the meeting.

Approval of Minutes of the Meeting of November 10, 2011.

The first item on the agenda was approval of the minutes of the meeting of November 10, 2011. 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 November 10, 2011; it is therefore

RESOLVED, that the minutes of the meeting of November 10, 2011, be, and they hereby are, approved.

Approval of Extension of Independent Auditor Contract and Authorization of Engagement Letter

The next item on the agenda was the authorization for management of the Water Authority to exercise a 2-year extension option with Deloitte & Touche, LLP as the independent auditors of the Water and Sewer System's Financial Statements and to execute an Engagement Letter with Deloitte & Touche to conduct the Fiscal Year 2012 and 2013 audits of such Financial Statements. Mr. Anders said the extension and Engagement Letter had been approved by the Joint Audit Committee of the Water Authority and the Water Board and recommended by such Committee to the Water Board and the Water Authority for approval. He added that approval by the Water Board is also required and is expected on February 24, 2012.

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

WHEREAS, the Authority and the New York City Water Board (the "Water Board") previously retained the firm of Deloitte & Touche LLP to serve as independent auditors for the water and sewer system of the City of New York (the "System") financial statements for the fiscal years ending on June 30, 2008 through June 30, 2011 and were satisfied with the quality of its performance; and

WHEREAS, the Authority's Policy on the Procurement of Goods and Services requires contracts for goods and services, the value of which is \$7,500 or more, be awarded on a competitive basis to the maximum extent possible, but allows a waiver of this requirement where continuation of existing services is desirable for purposes of continuity or compatibility; and

WHEREAS, Deloitte & Touche LLP is the auditor for the City of New York (the "City"), and the audit of the System requires close coordination with the audit of the City; and

WHEREAS, the Authority's staff has determined that extending the contract of Deloitte & Touche LLP for two years is desirable for purposes of continuity and compatibility, including the coordination of the audit of the System with the City's audit; and

WHEREAS, pursuant to the Audit Committee Charter, the Joint Audit Committee of the Authority and the Water Board has evaluated the recommended selection of Deloitte & Touche LLP as independent auditor; and

WHEREAS, Audit Committee has found the selection of Deloitte & Touche LLP to be satisfactory and has recommended to the Board of Directors that Deloitte & Touche LLP be appointed and retained as independent auditors for the System; it is hereby

RESOLVED, that the Board of Directors of the Authority authorizes the management of the Authority and the Water Board to extend their contract and sign engagement letters with Deloitte & Touche LLP as the independent auditors for the System's financial statements for the fiscal years ending June 30, 2012, and June 30, 2013, for the fees listed in Schedule I, as well as any other documents necessary to effectuate the continued retention of the independent auditors, pending the approval of the Water Board, expected on February 24, 2012.

Schedule I

Fees:

Deloitte's fixed fees, inclusive of out-of-pocket expenses, for the years ending June 30 of the following fiscal years are as follows:

Fiscal 2012	\$265,000
Fiscal 2013	\$275,000

For work performed in connection with the request by The New York City Municipal Water Finance Authority to issue a consent to the inclusion of the System's financial statements in an offering document, Deloitte will be paid at the hourly rates listed below. Such hourly rates will be subject to a maximum cap of \$25,000 per offering document.

Hourly Rates:

Deloitte's hourly rates, inclusive of all out-of-pocket expenses, for special projects authorized in writing by the System will be paid on the following basis for the years ending June 30 of the following fiscal years:

Position	Fiscal 2012	Fiscal 2013
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Partner	\$370	\$370
Senior Manager	\$300	\$300
Manager	\$250	\$250
Senior	\$170	\$170
Semi-Senior	\$140	\$140
Assistant	\$130	\$130

Approval of 2012 Series CC Bonds (fixed new money)

The next item on the agenda was the proposed approval and authorization of the Authority’s Fiscal 2012 Series CC Second General Resolution Revenue Bonds for new money purposes, which had been recommended by the Finance Committee.

There being no discussion, upon motion duly made and seconded, Supplemental Resolution No. 85 to the Authority’s Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$500 million Second General Resolution Revenue Bonds, Fiscal 2012 Series CC was unanimously adopted.

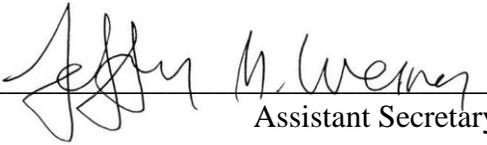
Approval of 2012 Series DD Bonds (fixed new money)

The next item on the agenda was the proposed approval and authorization of the Authority’s Fiscal 2012 Series DD Second General Resolution Revenue Bonds for new money purposes, which had been recommended by the Finance Committee.

There being no discussion, upon motion duly made and seconded, Supplemental Resolution No. 86 to the Authority’s Water and Sewer System Second General Revenue Bond Resolution authorizing the issuance of up to \$150 million Second General Resolution Revenue Bonds, Fiscal 2012 Series DD was unanimously adopted.

Adjournment

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


Assistant Secretary