

**JOINT AUDIT COMMITTEE OF
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 New York City Municipal Water Finance Authority (the “Authority”) and the New York City Water Board (the “Water Board”) was held 4:30 p.m. on June 3, 2024 in Conference Room 6-M4, 255 Greenwich Street, New York, NY 10007. The following members of the Committee were present:

Max Von Hollweg;

Alfonso Carney Jr.;

Selvin Southwell, by designation of Committee member Sean Mahar; and

Adam Freed;

constituting a quorum of the Committee. Mr. Von Hollweg served as Chair of the meeting, and Tyler Prime served as Secretary of the meeting. Members of the public attended in person and via conference call.

Approval of Minutes of Previous Committee Meeting

The first item on the agenda was approval of the minutes of the meeting of October 11, 2023. There being no discussion, upon unanimous vote of the Committee members present, the following resolution was approved:

WHEREAS, the Joint Audit Committee has reviewed the minutes of its meeting held on October 11, 2023; it is therefore

RESOLVED, that the minutes of the meeting of October 11, 2023 be, and they hereby are, approved.

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

The next item on the agenda was the review and approval of the Audit Committee’s annual report and self-evaluation. Mr. Von Hollweg explained that this review is a requirement of the Audit Committee’s charter, and that the proposed resolution would authorize the findings

of the self-evaluation to be presented to the respective Boards of the Authority and Water Board. Then, upon unanimous vote of the Committee members present, the following resolution was approved:

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 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;

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

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.

Presentation by Management and Independent Auditors Regarding the Planned Fiscal Year 2023 Audit

The next item on the agenda was a presentation by Grant Thornton LLP (“Grant Thornton”), the Authority’s current independent auditors, relating to the New York City Water and Sewer System’s (the “System”) audit for the fiscal year ended June 30, 2024 and June 30, 2023. Mr. Von Hollweg introduced Nicholas Lazzaruolo of Grant Thornton to the Committee. Mr. Lazzaruolo Grant Thornton’s approach to the upcoming audit. Mr. Lazzaruolo also touched on Grant Thornton’s new partnership with New Mountain Capital LLC and described the impact of New Mountain Capital LLC’s investment on the firm in relationship to the services to be

provided to the System. Brief discussion ensued, including on the subject of System rent charged to the Water Board and such rent's inclusion in the upcoming audit.

Recommendation to the Board of Directors – Approval of Independent Auditor Contract

The next item on the Committee's agenda was a resolution recommending the Board of Directors of the Authority and the Water Board approve entering into a contract with Grant Thornton to provide independent auditor services to System. Mr. Von Hollweg noted that representatives of the System had participated in the City's competitive request for proposal process seeking independent auditor services, and that Grant Thornton was recommended as a result of that process. He explained that the proposed resolution would recommend entering into a contract with Grant Thornton for the System's financial statements for Fiscal Years 2024, 2025, 2026 and 2027. Mr. Von Hollweg also noted that the Authority had approved the contract subject to the Audit Committee's recommendation and that the Water Board is expected to vote on the contract at its next meeting. Mr. Carney Jr. made an inquiry regarding the duration of the term of the contract. The Authority's Comptroller, Raymond Lee, explained that the proposed four-year term was customary in the industry, and was consistent with the System's previous practice. Then, upon unanimous vote of the Committee members present, the following resolution was approved:

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") is authorized, under the Audit Committee Charter, to recommend to the Board of Directors of the Authority and the Water Board the appointment and retention of independent auditors for the water and sewer system of the City of New York (the "System");

WHEREAS, the Authority, in conjunction with the City of New York (the "City"), issued a competitive Request for Proposals for independent auditor services;

WHEREAS, Grant Thornton LLP ("Grant Thornton") was selected based on their proven record of quality of service, as well as compatibility in the coordination of the audit of the System with the City's audit;

WHEREAS, the Board of the Authority have authorized the management of the Authority to sign engagement letters with Grant Thornton to serve as the independent auditors for the System’s financial statements for the fiscal years ending June 30, 2024, 2025, 2026, and 2027 for the fees listed in Schedule I, contingent on the Audit Committee’s recommendation of the action; and

WHEREAS, pursuant to the Audit Committee Charter, the Audit Committee has evaluated the recommended selection of Grant Thornton as independent auditor and finds it reasonable and prudent; it is hereby

RESOLVED, that the Audit Committee recommends that the Board of the Authority and the Water Board authorize the management of the Authority and the Water Board to sign engagement letters with Grant Thornton to serve as the independent auditors for the System’s financial statements for the fiscal years ending June 30, 2024, 2025, 2026, and 2027 for the fees listed in Schedule I, as well as any other documents necessary to effectuate the retention of the independent auditors.

Schedule I

Fees (by Fiscal Year)

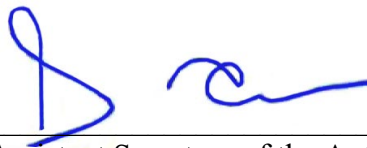
Fiscal 2024	\$ 210,000
Fiscal 2025	\$ 222,600
Fiscal 2026	\$ 233,725
Fiscal 2027	\$ 245,425

Hourly Rates for Special Projects

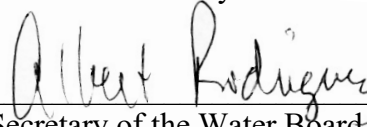
Hourly Rate for Special Projects	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Partners	\$ 545	\$ 570	\$ 590	\$ 620
Directors	\$ 510	\$ 540	\$ 555	\$ 575
Managers	\$ 435	\$ 450	\$ 465	\$ 480
Seniors	\$ 340	\$ 355	\$ 370	\$ 385
Semi- Seniors	\$ 275	\$ 290	\$ 300	\$ 310
Staff	\$ 185	\$ 190	\$ 195	\$ 205

Adjournment

There being no further business before the Committee, upon unanimous vote, the Joint Audit Committee meeting was adjourned.



Assistant Secretary of the Authority



Secretary of the Water Board