

**NEW YORK CITY MUNICIPAL WATER  
BOARD OF DIRECTORS**

**JUNE 3, 2024**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held 4:00 p.m. on June 3, 2024 in Conference Room 6-M4, 255 Greenwich Street, New York, NY 10007. The following Board members were present:

David Womack (by designation of Authority Director Jacques Jiha);

Joseph Murin (by designation of Authority Director Rohit Aggarwala);

Selvin Southwell (by designation of Authority Director Sean Mahar);

Dara Jaffee (by designation of Authority Director Preston Niblack); and

Max Von Hollweg;

constituting a quorum of the Board. Mr. Womack chaired the meeting, and Deborah Cohen served as Secretary of the meeting. Members of the public attended in person and via conference call.

**Approval of Minutes of Previous Meeting**

The first item on the agenda was the approval of the minutes of the previous meeting of the Board. There being no discussion, upon unanimous vote, the following resolution was adopted:

**WHEREAS**, the Board of Directors has reviewed the minutes of its meeting held on March 28, 2024; it is therefore

**RESOLVED**, that the minutes of the meeting of March 28, 2024 be and they hereby are, approved.

**Approval of Amended Authority Budget**

The next item on the agenda was the approval of an amendment to the Authority’s budget and four-year plan. Mr. Womack explained that the Authority staff recommended amending the

budget and four-year plan, which the Authority approved at its prior meeting, to reflect a recently completed swap termination. Mr. Womack further noted that the swap was completed in fiscal year 2024 and thereby the termination payment will not be needed in fiscal year 2025. The Authority's Executive Director, Philip Wasserman, was available to answer questions regarding the proposed amendment. Then, upon unanimous vote, the following resolution was adopted:

**WHEREAS**, the New York City Municipal Water Authority (the "Authority"), pursuant to Section 2801(1) of the Public Authorities Law (the "PAL"), is required to submit to the Governor, the Chair and Ranking Minority Member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee and the Authorities Budget Office, within ninety days before the commencement of its fiscal year, budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year;

**WHEREAS**, the Authority is also required, pursuant to the PAL, Section 2800(1)(a)(14) to submit to the Governor, the Chair and Ranking Minority Member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller, and the Authorities Budget Office, within ninety days after the end of its fiscal year, together with other reports, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

**WHEREAS**, at a meeting held March 28, 2024 (the "March Meeting"), the Authority's Board of Directors (the "Board") authorized the submission of the budget information and financial plan as attached to the minutes of the March Meeting;

**WHEREAS**, Authority staff recommend amending such budget information and financial information to reflect a swap termination, which occurred following the March Meeting; and

**WHEREAS**, the Board has reviewed the amended budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

**RESOLVED**, that the Board authorizes the submission of the amended budget information and financial plan as attached hereto, provided that the amended budget information and financial plan may be further amended to reflect non-material

changes acceptable to the Comptroller, Chief Executive Officer or Deputy Executive Director of the Authority.

### **Approval of Directors & Officers Insurance Procurement**

The next item on the Board's agenda was the approval of the procurement of Directors and Officers' liability insurance. Mr. Womack explained that the Authority's broker, USI, was in the process of procuring policies which would provide up to \$50 million of liability insurance covering Directors, delegates, Officers and employees of the Authority for a period from June 24, 2024 through June 25, 2025. He noted that the not to exceed amount the proposed resolution would authorize includes a cushion to accommodate fluctuating market conditions. Then, upon unanimous vote, the following resolution was adopted:

**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;

**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 and directed 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 Chief Executive Office or Executive Director shall determine to be appropriate, providing \$50,000,000 of coverage for the period from June 25, 2024 through June 24, 2025 provided that the annual premium payable by the Authority to the Insurers, plus any brokers fee, will not exceed \$325,000, 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 Chief Executive Officer or Executive Director shall be authorized to procure such insurance coverage.

## **Approval of Bond Counsel & Disclosure Counsel Agreements**

The next item on the agenda was a resolution authorizing the extension of the Authority's bond counsel and disclosure counsel agreements. Mr. Womack noted that the Authority currently has agreements with Nixon Peabody LLP and Hardwick Law firm LLC, who serve as co-bond counsel, and Orrick Herrington & Sutcliffe, LLP, who serves as disclosure counsel and that the current agreements with the firms expire in August of 2024. Mr. Womack explained that the Authority plans to issue a competitive request for proposals for bond counsel and disclosure counsel services in the coming year, and, to ensure there is no lapse in service, now seeks to extend its current agreements through August 31, 2025, for the fees listed in the proposed resolution. Then, upon unanimous vote, the following resolution was thereby adopted:

**WHEREAS**, the New York City Municipal Water Finance Authority (the "Authority") is authorized, pursuant to Section 1045-d of the New York City Municipal Water Finance Authority Act, to retain or employ bond counsel;

**WHEREAS**, the Board of Directors (the "Board") of the Authority previously authorized the Authority to retain Nixon Peabody LLP ("Nixon") and Hardwick Law Firm LLC ("Hardwick") to serve as co-bond counsel to the Authority;

**WHEREAS**, the Board previously authorized the Authority to retain Orrick, Herrington & Sutcliffe, LLP ("Orrick") to serve as disclosure counsel for issuances in which there is no underwriters' counsel, such as the issuance of bonds to the New York State Environmental Facilities Corporation ("EFC"), the issuance of commercial paper notes or to meet continuing disclosure obligations and to provide book running services for such transactions; and

**WHEREAS**, to ensure there is no lapse in service while the Authority completes a competitive request for proposals process for bond counsel services, and pursuant to the Authority's Procurement Policy Section II.6(iv), the Authority now seeks to extend the agreements with Nixon, Hardwick and Orrick for a period of one year for the fees listed in Schedule I; it is therefore

**RESOLVED**, that the Board of Directors of the Authority hereby authorizes the extension of the Authority's agreements with Nixon and

Hardwick to serve as co-bond counsel, and the extension of the Authority’s agreement with Orrick to serve as disclosure counsel, each for a period from September 1, 2024 through August 31, 2025, and directs the Authority’s Chief Executive Officer, Deputy Executive Director, Secretary or Assistant Secretary to enter into such agreements, for such other terms and conditions as they deem reasonable or necessary, provided such agreements provide for compensation not to exceed the fees listed in Schedule I.

**Schedule I**

**Co-Bond Counsel - Nixon**

<b>Fee</b>	<b>Transaction</b>
\$173,000	per new money and/or refunding transaction
\$23,000 (not to exceed \$92,000)	per series of variable rate/conversion/substitution with an official statement or direct purchase
\$35,000	swap transactions
\$12,000	substitution or extension of liquidity facility or letter of credit without an official statement, with an opinion, per substitution
\$12,000	IRS Audit – initial inquiry
\$9,000	IRS Audit – per document request
\$6,000	Cash defeasance
Not to exceed \$30,000	Analysis of IRS guidance relating to the use of tax-exempt bond proceeds for specific projects

**Co-Bond Counsel - Hardwick**

<b>Fee</b>	<b>Transaction</b>
\$40,000	per new money and/or refunding transaction
\$6,000 (not to exceed \$24,000)	per series of variable rate/conversion/substitution with an official statement or direct purchase
\$2,000	Cash Defeasance

**Special Disclosure Counsel – Orrick**

<b>Fee</b>	<b>Transaction</b>
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\$35,000	Drafting of disclosure documents with financials when there is no underwriters counsel (such as EFC transactions, etc.)
\$80,000	Drafting of disclosure documents without financials when there is no underwriters counsel (such as EFC transactions, etc.)
\$15,000	Commercial paper transactions
\$5,000	Book running services when serving as disclosure counsel

**Approval of Independent Auditor Contract**

The final item on the agenda was the authorization to enter into a contract with Grant Thornton LLP to serve as independent auditors to the Water & Sewer System for the fiscal years ended June 30, 2024, 2025, 2026, and 2027, as selected following a competitive request for proposals process undertaken in conjunction with the City of New York. Mr. Womack noted that this action was contingent on the recommended of the Joint Audit Committee of the Authority and approval of the NYC Water Board, which were expected to vote on the matter at upcoming meetings. Mr. Womack explained that the rates were listed in the proposed resolution. Mr. Womack noted that the Authority’s Comptroller, Raymond Lee, was available to answer any questions about the selection. Then, upon unanimous vote, the following resolution was approved:

**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;

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

**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 Water and Sewer System of the City of New York (the “System”) with the City’s audit; and

**WHEREAS**, it is expected that the Joint Audit Committee of the New York City Water Board (the “Water Board”) and the Authority (the “Joint Audit Committee”) is expected to recommend the Board of Directors of the Authority and the Water Board approve entering into an agreement with Grant Thornton to serve as independent auditor for the System’s financial statements; it is hereby

**RESOLVED**, that the Board of Directors hereby authorizes the Authority to enter into an agreement 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 not-to-exceed fixed fees and hourly rates for special projects authorized in writing by the Authority listed in Schedule I hereto, as well as any other documents necessary to effectuate the retention of the independent auditors, contingent upon the Joint Audit Committee of the Authority and Water Board’s recommendation of such action, and further contingent upon the Water Board’s approval of such action.

**Adjournment**

There being no further business before the Board, upon unanimous vote, the meeting of the Board of Director’s was adjourned.



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ASSISTANT SECRETARY