

**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
FINANCE COMMITTEE**

A meeting of the Finance Committee (the “Committee”) 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 4:05 p.m. on May 8, 2012.

The following Directors were present:

Mark Page;

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

Steven Lawitts (by designation of Authority Director Carter Strickland); and

Max Von Hollweg,

constituting a quorum of the Finance Committee. Mr. Page chaired the meeting, and Kathy Blyn served as Secretary of the meeting.

Approval of Minutes of Meeting of March 2, 2012

The first item on the agenda was the approval of the minutes of the meeting of March 2, 2012. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Finance Committee of the New York City Municipal Water Finance Authority has reviewed the minutes of the previous meeting of the Finance Committee held on March 2, 2012 it is therefore

RESOLVED, that the minutes of the Finance Committee meeting of March 2, 2012 are hereby approved.

Recommendation to Board - Approval of Fiscal 2012 Series 2 Bonds

The next item on the agenda was the recommendation to the Board of Directors of the Authority that it approve the issuance of the Authority’s Fiscal 2012 Series 2 Bonds (the

“Series 2 Bonds”). Mr. Page explained that the Series 2 Bonds would be issued to refund Second Resolution Bonds of the Authority that were issued to the New York State Environmental Facilities Corporation (“EFC”). He briefly described the terms of the Series 2 Bonds and indicated that the refunding, along with a refunding to accomplished by the issuance of the Authority’s Fiscal 2012 Series 3 Bonds discussed below, would result in present value savings of approximately \$68 million or 8% of the refunded bonds. A motion was made to approve the resolution set forth below with respect to the Series 2 Bonds. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Finance Committee has received and reviewed a proposal for the issuance of the Authority’s Fiscal 2012 Series 2 Bonds and finds their issuance to be prudent; it is therefore

RESOLVED, that the Finance Committee recommends to the Board the approval of the issuance of the Fiscal 2012 Series 2 Bonds.

Recommendation to Board - Approval of Fiscal 2012 Series 3 Bonds

The next item on the agenda was the recommendation to the Board of Directors of the Authority that it approve the issuance of the Authority’s Fiscal 2012 Series 3 Bonds (the “Series 3 Bonds”). Mr. Page explained that the Series 3 Bonds would basically achieve the same refunding as discussed in connection with the Series 2 Bonds. He briefly described the terms of the Series 3 Bonds and reiterated that together with the Series 2 Bonds present value savings of \$68 million or 8% of the refunded bonds is expected. A motion was made to approve the resolution set forth below with respect to the Series 3 Bonds. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Finance Committee has received and reviewed a proposal for the issuance of the Authority’s Fiscal 2012 Series 3 Bonds and finds their issuance to be prudent; it is therefore

RESOLVED, that the Finance Committee recommends to the Board the approval of the issuance of the Fiscal 2012 Series 3 Bonds.

Recommendation to Board – Approval of Amendments to EFC Project Finance Agreements (1996A and 1996 C)

The next item on the agenda was a recommendation to the Board of Directors to approve amendments to Project Finance Agreements entered into between the Authority and EFC in connection with the issuance of EFC’s Series 1996 A and C Refunding Bonds (the “EFC 1996 Bonds”) issued on behalf of the Authority and in connection with which the Authority sold its Fiscal 2003 Series 3 and 4 Bonds to EFC. Mr. Page explained that the amendments would allow EFC to pass along savings to the Authority which are expected to be achieved by the issuance of EFC refunding bonds to refund the EFC 1996 Bonds. He further explained that the amendments would change the mechanism by which the Authority receives the EFC subsidy to a credit against debt service payable on Authority bonds held by EFC. He noted that the amendments would also allow EFC to transfer Water Authority bonds to a third party. Mr. Page pointed out that the proposed amendments are in the packet provided to the Committee members.

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board of Directors (the “Board”); and

WHEREAS, the Authority, on February 24, 2003, authorized the issuance of Fiscal 2003 Series 3 and 4 Bonds to the New York State Environmental Facilities Corporation (“EFC”) which, in turn, issued its own bonds to the public (the “EFC Bonds”); and

WHEREAS, in connection with such financing, the Authority and EFC entered into two Project Finance Agreements (the “Original Agreements”) to effectuate the transaction; and

WHEREAS, EFC intends to refund the EFC Bonds and pass savings from such refunding on to the Authority in the form of a subsidy credit against debt service on the Authority’s bonds issued to EFC; and

WHEREAS, the amendments to the Original Agreements presented to the Board and annexed hereto (the “Amendments”) effectuate such reduction in Authority debt service by providing for a subsidy credit from EFC against the Authority’s debt service obligations; and

WHEREAS, the Finance Committee has reviewed the Amendments and deems them to be satisfactory and appropriate; it is therefore

RESOLVED, that the Finance Committee recommends that the Board approve the Amendments.

Adjournment

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


Assistant Secretary