

**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
GOVERNANCE COMMITTEE & BOARD OF DIRECTORS MEETINGS**

OCTOBER 14, 2020

GOOD AFTERNOON, EVERYBODY. THIS IS MAX VON HOLLWEG. I'M THE CHAIR OF THE GOVERNANCE COMMITTEE OF THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY. AGAIN, I'D LIKE TO ASK EVERYONE IF THEY COULD KEEP THEIR PHONES MUTED UNLESS THEY'RE SPEAKING, AND I'LL NOW CALL TO ORDER THE MEETING AND ASK DEB TO CALL THE ROLL.

>> GREAT. CONDUCTING THE ROLL. MAX VON HOLLWEG.

>> HERE.

>> SELVIN SOUTHWELL.

>> HERE.

>> MARC SHAW.

>> YEP.

>> WE HAVE A QUORUM.

>> ALL RIGHT. THANKS, EVERYONE. FIRST ITEM IS A RESOLUTION TO APPROVE THE MINUTES OF OUR LAST MEETING, WHICH WAS ON OCTOBER 19, AND THOSE MINUTES HAVE BEEN CIRCULATED FOR REVIEW. DOES ANYONE HAVE ANY COMMENTS OR CORRECTIONS TO THEM? HEARING NONE, I'LL NOW CALL FOR A VOTE ON THAT RESOLUTION TO APPROVE THOSE MINUTES. MR. SOUTHWELL, HOW DO YOU VOTE?

>> APPROVE.

>> MR. SHAW.

>> APPROVED.

>> AND I, TOO, VOTE IN FAVOR OF THE RESOLUTION. IT'S NOW APPROVED. THE NEXT ITEM ON THE AGENDA IS THE REVIEW ITEM. IT'S A REVIEW OF COMPENSATION AND BENEFITS FOR FISCAL YEAR 2020. THERE'S A REPORT THAT'S BEEN DISTRIBUTED THAT DESCRIBES THE AUTHORITY'S PERSONAL SERVICES, EXPENSES FOR FISCAL YEAR 2020. IF ANYONE HAS ANY COMMENTS OR QUESTIONS ABOUT THAT, WE CAN DISCUSS THEM NOW. AS I SAID, THIS IS A REVIEW ITEM. NO VOTE'S REQUIRED. ANYONE HAVE ANY

COMMENTS OR QUESTIONS TO THOSE PERSONAL SERVICES EXPENSES FOR THAT FISCAL YEAR? HEARING NONE, I'LL MOVE TO THE NEXT ITEM. THAT'S A RESOLUTION AS REQUIRED BY OUR CHARTER. EACH YEAR, WE'RE REQUIRED TO CONDUCT A SELF-REVALUATION OF OUR OWN FUNCTIONING IN THE PREVIOUS YEAR AND AUTHORIZE ME TO PRESENT THE RESULTS OF THAT SELF-EVALUATION TO THE BOARD OF DIRECTORS. THERE'S A REPORT IN YOUR FILE THAT SHOWS WHAT OUR ACTIONS HAVE BEEN IN THE PREVIOUS YEAR, AND THE PROPOSED RESOLUTION WOULD EXPRESS OUR OPINION THAT WE'VE FUNCTIONED IN A SATISFACTORY MANNER CONSISTENT WITH OUR CHARTER. ANY COMMENTS OR QUESTIONS TO THAT PROPOSED RESOLUTION? HEARING NONE, I'LL NOW CALL FOR A VOTE ON THAT. MR. SOUTHWELL, HOW DO YOU VOTE?

>> APPROVED.

>> MR. SHAW.

>> APPROVED.

>> I, TOO, VOTE IN FAVOR OF THAT RESOLUTION. IT'S HEREBY APPROVED. THE NEXT ITEM OF BUSINESS IS A REVIEW OF OUR POLICY ON THE PROCUREMENT OF GOODS AND SERVICES. THIS IS THE FINAL ITEM ON OUR AGENDA TODAY. IT'S A REVIEW ITEM. THERE IS ONE CHANGE I WANTED TO BRING TO PEOPLE'S ATTENTION, AND IT'S SOMETHING THAT OLGA NOTICED, AND THERE'S A TYPO IN THAT POLICY IN SECTION TWO, ITEM THREE. THE AMOUNT LISTED THERE SHOULD BE \$20,000, AND THAT'S SIMPLY TO MATCH THE SECTION IN ROMAN NUMERAL II, SUBSET ONE. I JUST WANTED TO MAKE EVERYBODY AWARE OF THAT TYPO BECAUSE IT'S JUST A TYPO THAT WAS IN THE ITEM THAT WAS SUBMITTED BEFORE FOR REVIEW, SO WANTED TO MAKE THAT AVAILABLE SO PEOPLE KNEW ABOUT IT. THAT'LL BE CORRECTED IN THE FINAL OPERATING VERSION. AS I SAID, THIS DOESN'T REFLECT A CHANGE. IT WAS JUST A TYPO, BUT ANY OTHER COMMENTS OR QUESTIONS ABOUT THIS POLICY? HEARING NONE, WE HAVE NO FURTHER BUSINESS. NOW CALL FOR A ROLL FOR A VOTE TO ADJOURN. MR. SOUTHWELL, HOW DO YOU VOTE?

>> APPROVE ADJOURNMENT.

>> MR. SHAW.

>> ADJOURN.

>> I, TOO, VOTE IN FAVOR OF ADJOURNMENT, SO THANKS, EVERYONE. THIS COMMITTEE MEETING IS HEREBY ADJOURNED, AND I BELIEVE WE'RE NOW

GONNA MOVE FORWARD, DEB, WITH THE BOARD OF DIRECTORS MEETING THAT OLGA WILL CHAIR.

>> THANK YOU, MAX, AND GOOD AFTERNOON, EVERYONE. I'M OLGA CHERNAT. I'M DELEGATE FOR BUDGET DIRECTOR MELANIE HARTZOG AND CHAIR OF THE BOARD OF DIRECTORS. I'D LIKE TO ALSO REMIND ALL PARTICIPANTS TO CONTINUE TO MUTE THEIR PHONES UNLESS SPEAKING TO ELIMINATE BACKGROUND NOISE, AND I WILL NOW CONVENE THE MEETING OF THE BOARD OF DIRECTORS BY ASKING FOR A THE ROLL CALL. DEBORAH, CAN YOU CALL THE ROLL?

>> CONDUCTING THE ROLL CALL. MELANIE HARTZOG.

>> OLGA CHERNAT FOR MELANIE HARTZOG.

>> MAX VON HOLLWEG.

>> I'M HERE.

>> SELVIN SOUTHWELL.

>> PRESENT.

>> JACQUES JIHA.

>> ROBIN LEE FOR JACQUES JIHA.

>> VINCENT SAPIENZA.

>> JOE MURIN FOR VINCENT SAPIENZA.

>> MARC SHAW.

>> HERE.

>> WE HAVE A QUORUM.

>> THANK YOU, DEBORAH. ALL RIGHT. SO OUR FIRST ITEM ON THE AGENDA IS THE APPROVAL OF THE MINUTES OF THE BOARD'S LAST MEETING, WHICH TOOK PLACE ON SEPTEMBER 17. THE MINUTES HAVE BEEN CIRCULATED FOR EVERYONE TO REVIEW. ARE THERE ANY COMMENTS OR CORRECTIONS? HEARING NONE, I WILL NOW CALL THE ROLL FOR A VOTE. MR. VON HOLLWEG, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> MR. SOUTHWELL?

>> APPROVED.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> APPROVED.

>> MR. MURIN?

>> APPROVE.

>> I ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION, AND THE RESOLUTION APPROVING THE MINUTES IS NOW APPROVED. THE NEXT ITEM ON THE AGENDA IS A RESOLUTION WHICH WOULD ACCEPT THE INDEPENDENT AUDITOR'S REPORT ON THE WATER AND SEWER SYSTEMS AUDIT OF FINANCIAL STATEMENTS FOR FISCAL YEARS END ON JUNE 30, 2020, AND JUNE 30, 2019, AND AUTHORIZATION TO RELEASE SUCH FINANCIAL STATEMENTS. THIS ACTION TO APPROVE FINANCIAL STATEMENTS HAVE BEEN RECOMMENDED BY THE JOINT AUDIT COMMITTEE OF THE AUTHORITY AND THE WATER BOARD, AND THE JOINT AUDIT COMMITTEE MET EARLIER TODAY WITH THE INDEPENDENT AUDITORS GRANT THORNTON AND MANAGEMENT, AND THEY FOUND FINANCIAL STATEMENTS TO BE SATISFACTORY AND NOW RECOMMEND THE APPROVAL ACTION. THE AUTHORITY'S COMPTROLLER ROBERT BALDUCCI AND HIS TEAM DID AN EXCELLENT JOB PREPARING FINANCIAL STATEMENTS, WORKING WITH NEW AUDITORS, WORKING UNDER UNPRECEDENTED CONDITIONS OF THE GLOBAL PANDEMIC, AND NOW ROBERT BALDUCCI IS AVAILABLE TO ANSWER ANY QUESTIONS ON THE FINANCIAL STATEMENTS THAT THE BOARD MIGHT HAVE. ARE THERE ANY QUESTIONS FOR MR. BALDUCCI? ALL RIGHT. I'M HEARING NO QUESTIONS. BEFORE WE PROCEED TO THE VOTE, I JUST WANT TO NOTE THAT THE PROPOSED RESOLUTION DOES ALLOW FOR THE REPORT AND THE AUDITED FINANCIAL STATEMENTS TO BE AMENDED TO REFLECT NONMATERIAL CHANGES ACCEPTABLE TO THE COMPTROLLER OF THE AUTHORITY IF THAT WILL BE NEEDED AT A LATER DATE, AND I WILL NOW CALL THE ROLL FOR A VOTE. MR. VON HOLLWEG?

>> N FAVOR.

>> AND MR. SOUTHWELL?

>> APPROVED.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> APPROVED.

>> MR. MURIN?

>> APPROVED.

>> AND I ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE PROPOSED RESOLUTION IS HEREBY APPROVED. MOVING ON TO THE NEXT ITEM ON THE AGENDA, AND THAT'S REVIEWING APPROVAL OF THE AUTHORITY'S INVESTMENT GUIDELINES. I JUST WANT TO NOTE THAT THERE WERE NO CHANGES TO THE BODY OF THE INVESTMENT GUIDELINES, BUT APPENDIX ONE HAS BEEN AMENDED TO REFLECT BASIC DEFINITIONS APPLICABLE OF THE AUTHORITY'S OUTSTANDING SECOND GENERATION BONDS. THE BLACK LINE HAS BEEN PROVIDED FOR THE BOARD TO REVIEW BEFORE THE MEETING. ARE THERE ANY QUESTIONS OR COMMENTS ON THE AMENDED INVESTMENT GUIDELINES? HEARING NO QUESTIONS, LET ME JUST MOVE TO THE CALL FOR A VOTE. MR. VON HOLLWEG?

>> IN FAVOR.

>> MR. SOUTHWELL?

>> APPROVED.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> APPROVED.

>> MR. MURIN?

>> APPROVED.

>> AND I VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE RESOLUTION IS NOW APPROVED. THE NEXT ITEM ON THE AGENDA IS APPROVAL OF INVESTMENT REPORT. PURSUANT TO SECTION 2925(6) OF THE PUBLIC AUTHORITIES LAW, THE AUTHORITY IS REQUIRED TO ANNUALLY PREPARE

AND IMPROVE AN INVESTMENT REPORT. THE REPORT CONTAINS THE MOST RECENTLY UPDATED INVESTMENT GUIDELINES, WHICH WE JUST DISCUSSED, OF THE INDEPENDENT AUDIT OF THE INVESTMENT, AN INVESTMENT INCOME REPORT, AND A LIST OF KEY COMMISSIONS AND OTHER CHARGES PAID FOR INVESTMENT SERVICES. A DRAFT OF THE REPORT HAS BEEN CIRCULATED FOR THE BOARD TO REVIEW PRIOR TO THE MEETING, AND LET ME JUST NOTE THAT THE AUTHORITY'S INVESTMENT INCOME IS LOWER IN FISCAL 2020 RELATIVE TO THE PRIOR YEAR, AND THAT'S LARGELY A REFLECTION OF MUCH LOWER RATES AVAILABLE IN A TREASURY MARKET IN THE LAST QUARTER OF FISCAL 2020, AND THAT LOWER INVESTMENT INCOME IS SOMEWHAT OFFSET BY APPRECIATION OF THE OLDER INVESTMENT CONTRACTS AND MUNICIPAL BOND HOLDINGS THAT THE AUTHORITY HAS, BUT YEAR TO YEAR, WE ARE LOWER. ARE THERE ANY QUESTIONS OR COMMENTS ON THE INVESTMENT REPORT? HEARING ONE, LET ME CALL THE ROLL FOR A VOTE. MR. VON HOLLWEG, HOW DO YOU VOTE?

>> I VOTE IN FAVOR.

>> MR. SOUTHWELL?

>> APPROVED.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> APPROVED.

>> MR. MURIN?

>> APPROVED.

>> I ALSO VOTE TO APPROVE. THE PROPOSED RESOLUTION IS NOW APPROVED. MOVING ON, THE NEXT AGENDA ITEM IS THE REVIEW AND APPROVAL OF THE AUTHORITY'S MISSION STATEMENT AND THE AUTHORIZATION TO PUBLISH THE MEASUREMENT REPORT. PURSUANT TO THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT P TRIPLE 8--I THINK THAT'S HOW IT'S OFTEN REFERRED--THE BOARD PREVIOUSLY APPROVED THE AUTHORITY'S MISSION STATEMENT AND MEASUREMENTS BY WHICH IT COULD GAUGE HOW SUCCESSFULLY IT'S PERFORMING THE STATED MISSION. NO CHANGES TO THE MISSION STATEMENT ARE PROPOSED AT THIS TIME. ADDITIONALLY, THE AUTHORITY PREPARED MEASUREMENTS REPORT FOR

FISCAL 2020, AND IT WILL BE POSTED ON THE AUTHORITY'S WEB SITE ONCE IT'S APPROVED. ARE THERE ANY QUESTIONS ON EITHER OF THOSE ITEMS? HEARING NO QUESTIONS, I WILL NOW CALL ROLL FOR A VOTE.

>> HELLO?

>> I AM WITH MAX. WITH HAVE TROUBLE HEARING HIM.

>> I VOTE IN FAVOR.

>> THANK YOU. MR. SOUTHWELL?

>> APPROVED.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> APPROVED.

>> MR. MURIN?

>> APPROVED.

>> I ALSO VOTE IN FAVOR OF THE PROPOSED RESOLUTION. THE PROPOSED RESOLUTION IS NOW APPROVED. SO OUR NEXT ITEM ON THE AGENDA IS REPORT BY THE GOVERNANCE COMMITTEE CHAIR, SO I WILL MAX VON HOLLWEG, CHAIR OF THE GOVERNANCE COMMITTEE, TO PRESENT FINDINGS ON THE COMMITTEE'S SELF-EVALUATION. MAX.

>> SURE. YEAH. THE GOVERNANCE COMMITTEE MET JUST A LITTLE BIT EARLIER AND HAS--PURSUANT TO OUR CHARTER, EACH YEAR, WE'RE REQUIRED TO CONDUCT A SELF-EVALUATION FO THE FUNCTIONING OF THAT COMMITTEE. WE DID THAT AT THE LAST MEETING, AND WE RESOLVED THAT WE HAD CONDUCTED OURSELVES IN A SATISFACTORY MANNER CONSISTENT WITH OUR CHARTER, AND THAT'S ESSENTIALLY MY REPORT.

>> THANK YOU. ARE THERE ANY QUESTIONS FOR MR. VON HOLLWEG? SO THIS WAS OUR FINAL AGENDA ITEM, SO UNLESS THERE ARE OTHER THINGS THAT THE BOARD NEEDS TO DISCUSS, I WILL MOVE ADJOURN. ALL RIGHT. HEARING NO FURTHER BUSINESS, LET ME NOW ENTERTAIN A VOTE TO ADJOURN. MR. VON HOLLWEG?

>> I VOTE IN FAVOR.

>> MR. SOUTHWELL?

>> IN FAVOR.

>> MS. LEE?

>> IN FAVOR.

>> MR. SHAW?

>> IN FAVOR.

>> MR. MURIN?

>> IN FAVOR.

>> I ALSO VOTE IN FAVOR OF ADJOURNMENT. THANK YOU ALL FOR YOUR PARTICIPATION. THE BOARD OF DIRECTORS MEETING IS NOW ADJOURNED. HAVE A NICE DAY.

>> THANKS, EVERYONE.

>> THANK YOU, EVERYONE.

>> BYE.