

**JOINT MEETING OF THE 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 Board of Directors of the New York City Municipal Water Finance Authority (the “Authority”) and the New York City Water Board (the “Water Board”) was held at 255 Greenwich Street, Room 6M4, New York, N.Y. 10007 at approximately 10:00 a.m. on May 8, 2015

The following members of the Committee were present:

Max Von Hollweg;

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

Alfonso Carney, Jr.;

Jonathan Goldin;

Adam Freed; and

Marc Shaw

constituting a quorum of the Committee. Mr. Von Hollweg chaired the meeting, and Deborah Cohen served as Secretary of the meeting.

Approval of Minutes of Meeting of February 27, 2015

The first item on the agenda was approval of the minutes of the meeting of February 27, 2015. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, The Audit Committee has reviewed the minutes of its meeting held on February 27, 2015 it is therefore

RESOLVED, that the minutes of the meeting of February 27, 2015, be, and they hereby are, approved.

Review of Annual Agency Financial Integrity Compliance Statements of the New York City Municipal Water Finance Authority and New York City Water Board

The next item on the agenda was the annual review of the Financial Integrity Compliance Statements. Mr. Von Hollweg explained that the Authority and Water Board are required to review and evaluate the Financial Integrity Statements annually pursuant to Directive 22 of the City Comptroller's Office. Mr. Von Hollweg noted that there did not appear to be many changes from the previous year's results. He introduced the Authority's Assistant Comptroller, Nameca Sharma, and the Water Board's Treasurer, Mathilde McLean, who noted that there were a number of new questions on the survey, the vast majority of which did not apply to the Authority or Water Board. Brief discussion ensued.

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

The next item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. Mr. Von Hollweg referred the Committee to the report¹ included in the Committee's package and discussed the Committee's performance during the prior calendar year. There being no further discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.0 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; and

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

¹ Filed with the minutes of the meeting

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

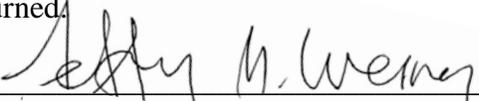
RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the New York City Municipal Water Finance Authority and the New York City Water Board, copies of which shall be sent to the Bureau of Accountancy of the City of New York Office of the Comptroller and filed with the minutes of the Audit Committee.

Presentation of Audit Plan Including Discussion of New Accounting and Auditing Standards

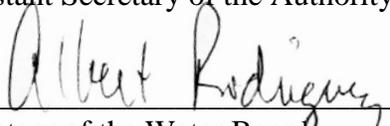
The final item on the agenda was the presentation of the 2015 Audit Plan of the System. Ms. Sharma introduced Mr. Michael Malloy who is a partner at Deloitte & Touche LLP (“Deloitte”), the Water and Sewer System’s (the “System”) independent auditor. Mr. Malloy described the four phases of the Audit: planning, development, performance and conclusion. Mr. Malloy also touched on new Government Accounting Standards Board rules and standards, and he explained how they would impact the System’s audit. He also noted that, because the System’s audit is done in conjunction with the City of New York and Deloitte did not submit a proposal to work on the City of New York’s audit, Deloitte would not be working on the System’s audited financials for Fiscal Year 2016. Discussion ensued.

Adjournment

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



Assistant Secretary of the Authority



Secretary of the Water Board