

NYW

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

Mission Statement and Performance Measurements

The New York City Municipal Water Finance Authority (“NYW”) is a public benefit corporation created in 1985 pursuant to the New York City Municipal Water Finance Authority Act. NYW’s purpose is to finance the capital needs of the water and sewer system (the “System”) of the City of New York (the “City”) which is operated by the New York City Department of Environmental Protection. The New York City Water Board sets water and sewer rates sufficient to pay the costs of operating and financing the System. NYW’s mission is to provide financing for the capital needs of the System in an efficient and cost-effective manner. NYW’s stakeholders are its bondholders, who have purchased NYW bonds and notes in reliance on the strong credit of NYW, and the City, which depends on NYW’s access to the capital markets to reimburse the City for its general fund expenditures for System capital projects.

Date Adopted: October 1, 2007 and amended on March 29, 2010.

List of Performance Goals:

- Issue debt to support capital needs of the System and meet capital reimbursement requirements of the City
- Make timely payments of debt service and meet other contractual obligations
- Utilize efficient and cost-effective borrowing methods, including lowering the cost of debt through refunding and other means

Measurements:

- Has the Authority issued sufficient debt to support the capital needs of the System and has the Authority reimbursed the City for capital costs incurred related to the System?
- Has the Authority paid debt service and fulfilled its other obligations related to its outstanding debt in a timely manner?
- Has the Authority issued debt at fair and reasonable rates relative to market conditions at the time of issuance?

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes.

2. Who has the power to appoint the management of the public authority?

The Board of Directors of the Authority appoints the Officers of the Authority.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

It is the practice of the Authority that management presents proposed appointments to the Board of Directors for review and approval.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

Management handles the day-to-day operation of the Authority and presents recommendations with respect to the issuance of debt, the setting of management policies, procurements of services, financial statements and the adoption of the Authority's budget to the Board of Directors. The Board of Directors reviews and approves these items.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes.