

**MINUTES OF THE MEETING OF THE GOVERNANCE COMMITTEE
OF TSASC, INC.**

September 22, 2010

A meeting of the Governance Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on September 22, 2010 at approximately 3:05 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

Michael Stern	-	alternate for John C. Liu, Comptroller of The City of New York (the “City”)
Raymond Majewski	-	alternate for Christine C. Quinn, Speaker of the City Council
John Sarich	-	alternate for David M. Frankel, Commissioner of Finance of the City
Albert F. Moncure, Jr.	-	alternate for Michael A. Cardozo, Corporation Counsel of the City

constituting a quorum of the Committee. Kathy Blyn served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City and the State of New York.

The meeting was called to order by Mr. Moncure, the Chairperson of the Committee.

Approval of Minutes of Meeting of April 29, 2010

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on April 29, 2010. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved.

WHEREAS, the Governance Committee of TSASC, Inc. has reviewed the minutes of the previous meeting of the Governance Committee held on April 29, 2010; it is therefore

RESOLVED, that the minutes of the Governance Committee meeting of April 29, 2010, are hereby approved.

Recommendation to Board to Approve Amended Policy on the Procurement of Goods and Services

The second item on the agenda was a recommendation to the Board of Directors of the Corporation that it approve an amended Policy on the Procurement of Goods and Services. Mr. Moncure explained that the amendment clarifies that contracts the value of which is less than \$7,5000 in any one fiscal year do not require competitive bidding or approval of the Board of Directors, which is in accordance with the existing practice of the Corporation. A motion was made to approve the resolution set forth below with respect to such recommendation. The motion was seconded and, there being no objections, approved.

WHEREAS, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, TSASC, Inc. (the "Corporation") is required to establish a policy on the procurement of goods and services; and

WHEREAS, the Corporation adopted Policy on the Procurement of Goods and Services (the "Policy") on July 31, 2006; and

WHEREAS, the Policy specifies that procurements of goods and services, the value of which is less than \$7,500 do not require competition or approval of the Board of Directors; and

WHEREAS, the Corporation's Officers have recommended that the small purchase exception to the Corporation's requirement for competitive procurements be clarified to state explicitly that such exception applies to contracts the value of which is less than \$7,500 in any one fiscal year; and

WHEREAS, pursuant to subsection III(a)(viii) of the Governance Committee Charter, the Governance Committee has reviewed the Policy, as amended and attached hereto, and found it to be reasonable and appropriate; it is therefore

RESOLVED, that the Governance Committee hereby recommends that the Board of Directors adopt the Policy, as amended and attached hereto.

Self-Evaluation and Discussion of Presentation to Board of Directors

The third item on the agenda was a self-evaluation by the Committee and a discussion of a presentation to be made by the Committee to the Board of Directors. Mr. Moncure explained that Section III(g) of the Committee's Charter requires an annual self-evaluation of its functions by the Committee. He referred to the report in the packet provided to the Committee members describing the actions of the Committee. A motion was made to approve the resolution set forth below pursuant to which the Committee finds its functioning to be satisfactory and directs the Chair to present its findings to the Board of Directors. The motion was seconded and, there being no objections, approved.

WHEREAS, Section III(g) of the Governance Committee Charter requires the Governance Committee to conduct an annual self-evaluation of its functions; and

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

RESOLVED, that the Governance Committee finds its functioning to be satisfactory and the Chair of the Governance Committee shall present the Committee's findings to the Board of Directors of TSASC, Inc.

Review of Compensation and Benefits

The fourth and final item on the agenda was a review of compensation and benefits. Mr. Moncure explained that Section III(i) of the Committee's Charter requires an annual review of compensation and benefits. He further explained that the Corporation has no employees and

referred to a statement in the packet provided to the Committee members that describes the reimbursement provided by the Corporation to the New York City Municipal Water Finance Authority and the City Office of Management and Budget for services performed by their employees on behalf of the Corporation.

Adjournment

There being no further business to come before the Board, on motion duly made and seconded, there being no objections, the meeting was duly adjourned.


ASSISTANT SECRETARY