

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

September 25, 2009

A meeting of the Governance Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on September 25, 2009 at approximately 11:18 a.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 William C. Thompson, Jr., Comptroller of The City of New York (the “City”)
Raymond Majewski	-	alternate for Christine C. Quinn, Speaker of the City Council
Olivia O’Neill	-	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 Ms. O’Neill, the Acting Chairperson of the Committee.

Approval of Minutes of Meeting of April 24, 2009

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on April 24, 2009. 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 24, 2009; it is therefore

**RESOLVED**, that the minutes of the Governance Committee meeting of April 24, 2009, are hereby approved.

Recommendation to Board to Adopt the Amended and Restated Audit Committee Charter

The second item on the agenda was a recommendation to the Board of Directors of the Corporation that it adopt an Amended and Restated Audit Committee Charter. Ms. O'Neill explained out that the amendment was necessary in connection with an amendment to Directive 22 of the Office of the Comptroller of the City. Scott Ulrey, the Assistant Secretary of the Corporation, pointed out a grammatical error, a verb disagreement in Section III(a) of the amended Charter. A motion was made to approve the resolution set forth below with respect to such recommendation, subject to correction of the grammatical error. The motion was seconded and, there being no objections, approved.

**WHEREAS**, pursuant to section III(a)(ii) of the Governance Committee Charter, the Governance Committee of TSASC, Inc. (the "Corporation") may periodically review the Audit Committee Charter and recommend changes to the Board of Directors of the Corporation; and

**WHEREAS**, the Governance Committee of the Corporation has reviewed the Amended and Restated Audit Committee Charter as attached hereto as Exhibit A; and

**WHEREAS**, the Governance Committee believes the changes as reflected in the Amended and Restated Audit Committee Charter, including changes made to comply with the amended Directive 22 of the Office of the Comptroller of the City of New York, are reasonable and appropriate; it is therefore

**RESOLVED**, that the Governance Committee hereby recommends that the Board adopt the Amended and Restated Audit Committee Charter, a copy of which shall be filed with the minutes of the Governance Committee.

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. Ms. O'Neill explained

that Section III(g) of the Committee's Charter requires an annual self-evaluation by the Committee. She presented a report of the activities and findings of the Committee during fiscal year 2009 and she indicated that the Committee had found its functioning to be satisfactory. A motion was made to approve the resolution set forth below. 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. Ms. O'Neill explained that the Committee's Charter requires an annual review of compensation and benefits. She further explained that the Corporation has no employees and that compensation is provided to the New York City Municipal Water Finance Authority and the City's Office of Management and Budget for services performed by their staffs on behalf of the Corporation. A brief description of such compensation was in the package provided to the members of the Committee and is attached hereto.

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.



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ASSISTANT SECRETARY