

STANDING COMMITTEE CHARTERS

Forest Lakes Mutual Water Company

These charters are intentionally brief. Each committee is advisory: it studies matters in its subject area and makes recommendations to the board. The Human Resources Committee has a longer separate charter because it is the only committee handling confidential personnel matters.

Provisions Common to All Standing Committees

Authority. Each committee is an advisory committee of the Board of Directors, established under By Law IV, Section 1 and By Law XI, Section 2(e), serving at the pleasure of the board. A committee reviews matters within its subject area and formulates policies and/or makes recommendations to the board, subject to board approval.

Composition. At least two directors, plus stockholders who are not directors as the board appoints. Members are appointed by majority vote of the directors then in office. The board may appoint one or more directors as alternate members of any committee, who may replace any absent member at any meeting, as provided in the bylaws (By Law XI, Section 2(e)). All members, including non-director members, are bound by the Code of Conduct and Ethics (Section C).

Chair. Each committee selects its own chair from among its members.

Terms. Committee members serve one-year terms, renewed at the annual Board reorganization, unless the Board provides otherwise.

General Manager. The General Manager serves as an ex officio, non-voting member of each committee.

Limits. No committee directs, supervises, or instructs staff; makes or overrides operational decisions; speaks or acts for the company without specific board delegation; or exercises any power reserved to the board or prohibited to committees under By Law XI, Section 2(e).

Working with Staff. Requests for staff assistance go through the General Manager, have a clear operational purpose, and are communicated to the Board President (Code of Conduct A.6.b). Staff provide information and context; committees provide analysis and recommendations.

Meetings and Records. Each committee sets its own meeting schedule. Minutes are kept and filed with the corporate records (By Law XI, Section 2(e)). Recommendations reach the board as agenda items through the standard agenda process.

Review. Charters are reviewed annually and may be amended by the board.