

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.

Committee Charters

Water Committee

Purpose. To help the board oversee water supply, conservation, and water quality.

Scope. Review water production, usage, and conservation data and report trends to the board. Study conservation measures, rate structures as they relate to conservation, and drought response, and

recommend policies. Review water quality monitoring and reporting practices. Recommend capital or programmatic priorities related to supply and quality. Questions of regulatory interpretation or compliance action are referred to the General Manager, who obtains agency or legal guidance as appropriate and reports to the board.

Recreation Committee

Purpose. To help the board oversee recreational use of company facilities, including the fire protection reservoir and associated areas.

Scope. Review rules, hours, safety practices, staffing, and seasonal operations for recreational use and recommend changes to the board. Plan and coordinate community events and volunteer activities in cooperation with staff. Recommend improvements to recreational facilities. Any work in or near the streambed, reservoir structures, or other permitted areas is coordinated through the General Manager and must comply with the company's permits; the committee does not authorize or undertake such work prior to coordination with the General Manager.

Road & Safety Committee

Purpose. To help the board oversee the condition, maintenance, and safety of company roads.

Scope. Review road conditions and maintenance needs and recommend priorities and budgets to the board. Study issues of traffic, parking, drainage, and access-safety and recommend measures. Review contractor scopes of work at the board's request. Provide community observations and feedback regarding road work. Maintenance scheduling and contractor management remain with staff.

Rules Committee

Purpose. To help the board keep the company's bylaws, policies, rules, and regulations current, consistent, and lawful.

Scope. Review existing bylaws, policies, and regulations and recommend amendments. Draft proposed policy language at the board's request. Review new policies for consistency with the bylaws, the Code of Conduct and Ethics, and applicable law. Maintain a schedule for periodic policy review. Legal questions are referred to the board for consultation with company counsel.

Finance Committee

Purpose. To help the board oversee the company's financial condition, controls, and planning.

Scope. Review monthly and annual financial statements and report observations to the board. Assist in developing the annual budget and assessment recommendations. Review reserves, investments, and banking arrangements and recommend action. Review internal financial controls and recommend improvements. Review significant or unusual expenditures at the board's request. The committee does not approve expenditures, execute transactions, or direct staff on financial operations.

Strategic Planning Committee

Purpose. To help the board plan for the company's long-term needs.

Scope. Develop and periodically update a multi-year plan addressing infrastructure, water supply reliability, fire protection, finances, and governance; identify long-range risks and opportunities; recommend planning priorities and their sequencing to the board; coordinate with other committees so that their recommendations align with the long-range plan.

Hazardous Tree / Fire Prevention Committee

Board to consider renaming and rescoping as the Community Emergency Preparedness Committee on 8/11/26. This is a substantive change of charge, not a cosmetic rename; notice the agenda item accordingly.

Purpose. To help the board and the community reduce wildfire risk on and around company property.

Scope. Review fire-prevention practices affecting company property, including vegetation management, defensible space, access, and water availability for fire suppression. Coordinate with the Felton Fire Protection District, Firewise, and other agencies and report to the board. Recommend community education and outreach. Recommend fire-prevention priorities and projects. Operational decisions about company infrastructure remain with staff and the board.

Community Emergency Preparedness Committee

Board to consider creating out of the Hazardous Tree / Fire Prevention Committee on 8/11/26.

Purpose. To help the board and the community prepare for and reduce risk from wildfire and other emergencies affecting company property and the community it serves.

Scope. Review preparedness and risk-reduction practices affecting company property, including vegetation management, defensible space, access and evacuation routes, water availability for fire suppression, and readiness for other hazards (power outages, flooding/debris flow, water system emergencies). Coordinate with the Felton Fire Protection District, Firewise, county/regional emergency services, and other relevant agencies, and report to the board; recommend community education, outreach, and preparedness resources. Recommend priorities and projects related to emergency preparedness. Operational decisions about company infrastructure and emergency response remain with staff and the board.

Fire Protection Reservoir Committee

Board to consider ratification on 8/11/26.

Purpose. To help the board oversee the fire protection reservoir — its seasonal filling and drawdown, maintenance, long-range reliability, and the company's related compliance obligations.

Scope. Review the seasonal filling and drawdown plan prepared by staff and provide observations to the board in advance of each season; monitor that required permit reporting and monitoring are occurring and confirm this to the board; study capacity, sedimentation, and infrastructure needs and recommend capital or policy priorities; coordinate with the Recreation Committee on recreational use of the reservoir. Questions of permit interpretation or matters with compliance significance are brought to the board for direction, with the General Manager obtaining agency or legal guidance as needed to inform the board's decision.

Adopted by Board vote on: _____ Ayes: ____ Noes: ____ Abstentions: ____

Board President: _____ Date: _____

Revision History

Record each amendment below, keyed to the board action that made it.

Date	Amendment	Board Action / Vote
8/11/226		Approved

Prepared by the Board President as working drafts for board discussion, alongside the Human Resources Committee charter.