

Forest Lakes Mutual Water Company

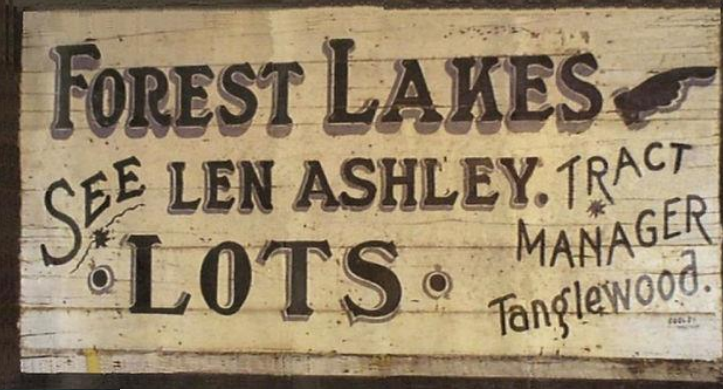
Board of Directors Series

Training:

Board Member Responsibilities

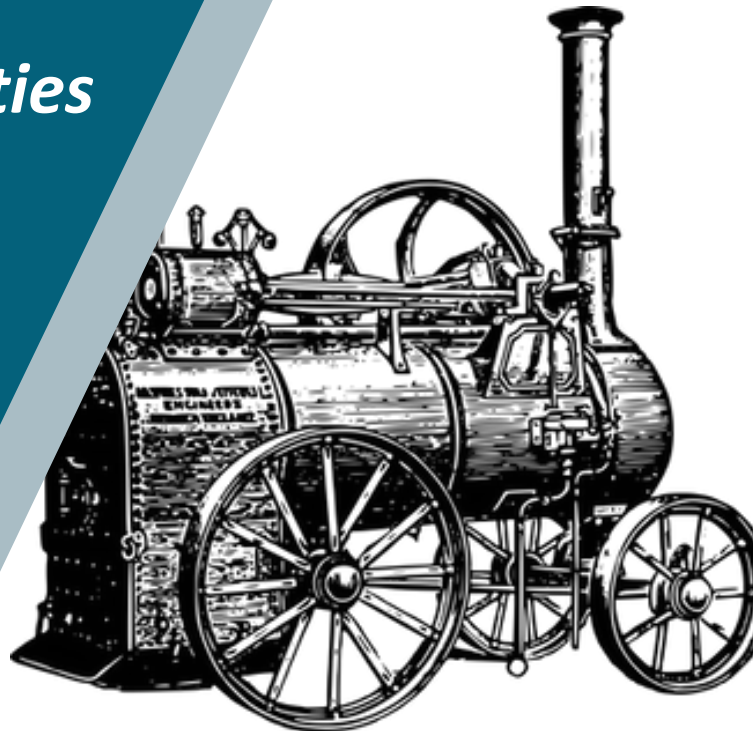
July 12, 2022

Pete Gonda



FIREWISE USA[®]
RESIDENTS REDUCING WILDFIRE RISKS

Forest Lakes Mutual Water Company
Water Conservation Level



Training Topics



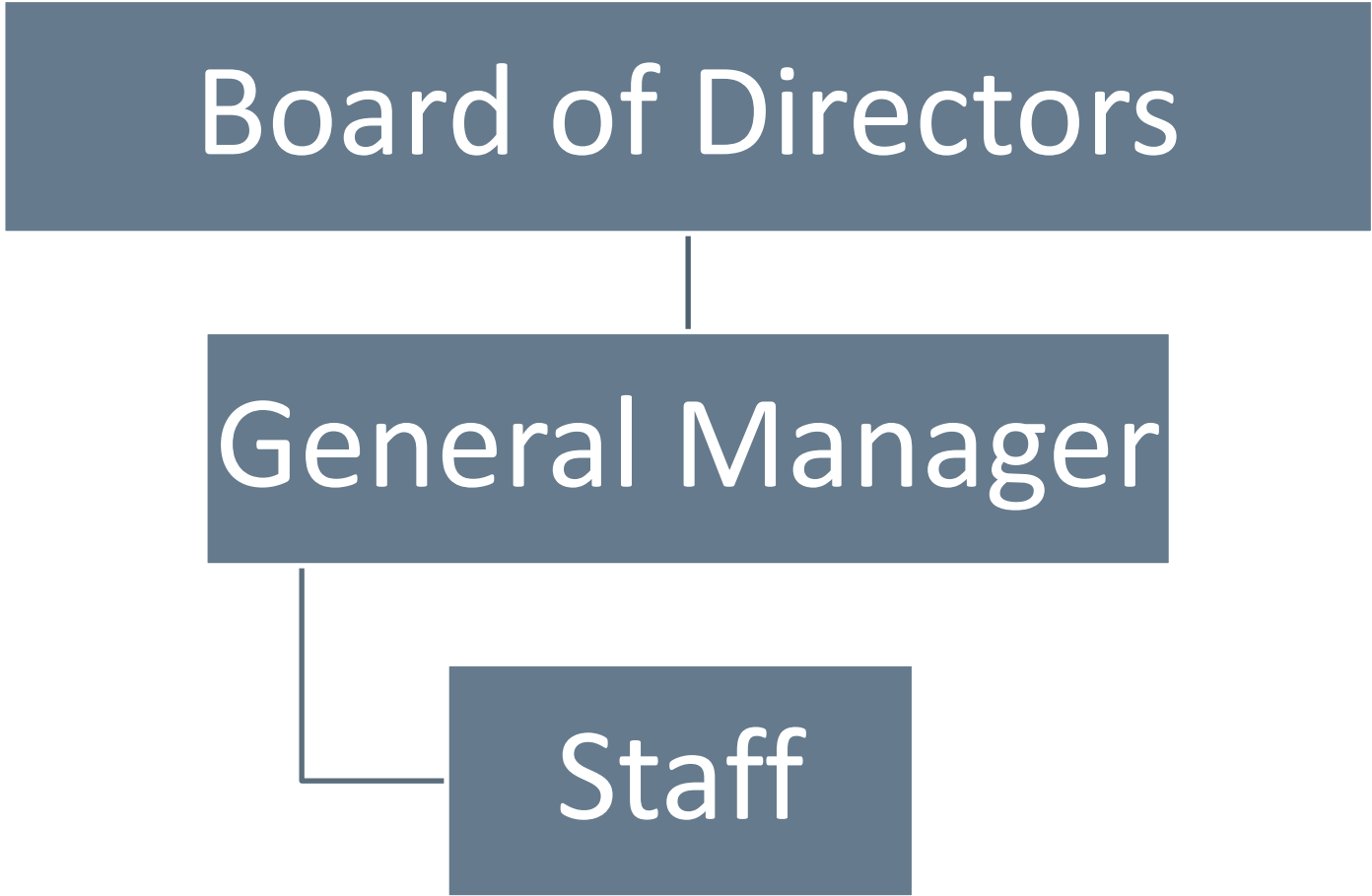
A. Conducting Board meetings

B. Board member responsibilities

C. Codes of conduct and ethics

D. Open meeting requirements

Organization Chart



Elected Officers of the Board

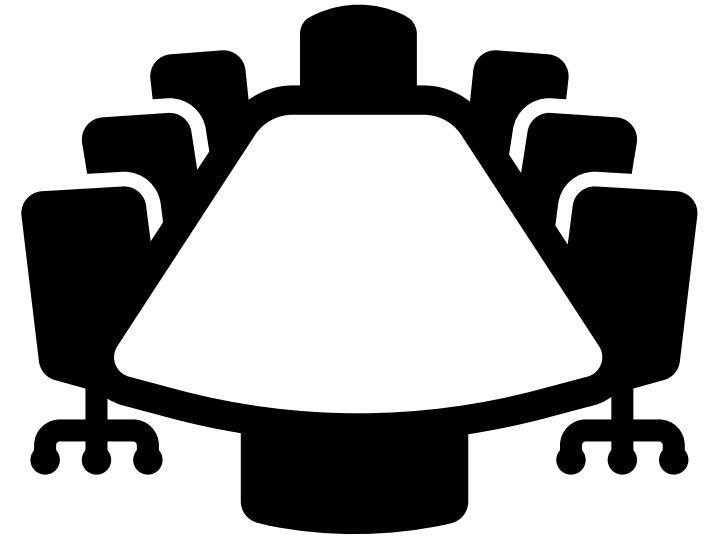
- President
- Vice President
- Treasurer
- Secretary

Powers and Duties of the Board (Bylaw IV)

- 12 enumerated items for ensuring the company is effectively run

Powers and Duties of the Board (Bylaw IV)

- Elect and remove all other officers, agents and employees of the company
- Conduct, manage and control business affairs and make rules and regulations therefor
- Issue stock certificates
- Borrow funds/incur indebtedness to build and maintain roads and infrastructure
- Collect assessments and place liens on properties to secure payments
- Alter, repeal or amend bylaws
- Provide a fire protection reservoir
- Appoint, dissolve and serve on advisory committees



Board Member Responsibilities: Best Practices

Adapted from:

The Big Guide for Small Systems: A Resource for Board Members,
Rural Community Assistance Partnership

A Board of Directors, *Collectively*

Ensure appropriate policies and procedures are in place for effective governance

Help develop strategic plan and company goals

Hire the general manager and ensure a good operational team is in place

Maintain positive stakeholder relationships on behalf of the organization

Maintain fiscal responsibility through approving and monitoring annual budgets

Ensure transparency in all communications with other Board members, stakeholders and community members

A Board of Directors, *Individually*

Always act in the best interests of the organization

Understand the role of being a Board member

Familiar with bylaws, policies, procedures, strategic plan goals, mission, etc.

Avoid conflicts of interest, does not act in self-interest or the interest of a particular stakeholder

Respect confidentiality when required to do so

Keep informed about the company's financial and legal obligations

A Board of Directors, *Individually*

Attend Board meetings regularly and prepare accordingly

Approach decision-making with business continuity and financial sustainability in mind

Support Board decisions once they have been made

Be engaged by serving on committees that further company, community interests

Plan and prepare for all manner of disasters

Effective Board Governance for Water Systems



Recognize that responsibility is not to directly manage operations, but to ensure systems are well run



Understand the mission of the company and keep their activities directed at fulfilling that mission



Be familiar in a broad and non-technical manner with problems and issues confronting the system

Collaborative, productive Board members do these things!

Effective Board Governance for Water Systems



Voice opinions frankly in Board meetings and vote for what's best for the company as a whole



Recognize that staff is responsible for carrying out Board policies and directives in accordance with applicable state and federal regulations



Frame policies and plans only after considering staff recommendations, together with the reasons for such recommendations

Collaborative, productive Board members do these things!

Effective Board Governance for Water Systems



Wherever possible, maintain harmonious relations with other Board members when such relations are consistent with their obligations as individual Board members



Support other Board members and employees in performance of their duties



Treat all stockholders fairly and equally when complaints are brought to the Board's attention

Collaborative, productive Board members do these things!

Ineffective Board Governance for Water Systems



Attempt to manage or interfere with day-to-day operations



Allow personal conflicts to influence support for other Board members or employees



Make commitments before questions and issues are fully discussed at Board meetings

Collaborative, productive Board members do not do these things!

Ineffective Board Governance for Water Systems



Form or join a clique to influence or control Board actions



Ask employees to ignore regulatory requirements or use their position to obtain favorable treatment



Criticize employees

Collaborative, productive Board members do not do these things!

Next Session: Codes of Conduct and Ethics