



Committee Members
Scot Moody, Twain Harte CSD
Hank White, GDPUD

John Kingsbury - Executive Director

GOVERNANCE COMMITTEE

AGENDA

**January 9, 2013
(Wednesday)**

2:00 PM – 2:45 PM

Call-in Number: 1.605.475.4000
Passcode: 158612 #

1. Call the Committee Meeting to Order – John Kingsbury
2. Agenda Changes / Additions
3. Election of Officers;
 - a. Chair
 - b. Vice Chair
4. Review of Committee Expectations
 - a. Board Agenda Item Dated December 21, 2012
 - b. Best Management Practices
5. Discussion on Meeting Frequency/Method
6. Committee Membership
7. Assignments / Tasks
8. Other
9. Adjourn Meeting

MEMO



Date: December 21, 2012
To: Board of Directors
From: John Kingsbury
Subject: Consideration to Appoint Governance Committee Members

This is to consider the appointment of two Executive Members to the newly formed MCWRA Governance Committee.

To promote leadership within its membership, spread responsibility, and provide organizational oversight, the Board adopted Best Management Practices (adopted November 2012) and created a Governance Committee (See **TAB 4 A**)

Item 6.1, as stated in the Best Management Practices:

A standing Governance/Nominating Committee should be appointed for the purpose of recommending to the Board:

- a) board size, director terms and term limits;
- b) standards for director qualifications;
- c) candidates for directors;
- d) number, structures and membership of committees;
- e) committee assignments and rotation of members;
- f) director orientation and continuing education;
- g) officer succession policies and candidates;
- h) changes to corporate organizational documents; and
- i) other governance policies and procedures.

The Executive Director solicited its executive membership and Hank White, Georgetown Divide PUD and Scot Moody, Twain Harte CSD expressed interest in joining the Committee.

If appointed, Hank and Scott will determine the Committee Chair, Vice Chair, meeting frequency location, etc. The Committee will provide oversight review on an as needed basis or upon the request of the Executive Director and submit recommendations for Board consideration.

Recommendation:

- 1) Appoint Hank White, General Manager, Georgetown Divide PUD to the MCWRA Governance Committee.
- 2) Appoint Scot Moody, General Manager, Twain Harte CSD to the MCWRA Governance Committee

MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION

Best Management Practices: Nonprofit Corporate Governance

1.0 CONSISTENCY WITH MISSION AND VISION

- 1.1 The Board is responsible for reviewing Mountain Counties effectiveness in satisfying its mission. This typically will include:
 - a) periodic assessment of Mountain Counties performance and effectiveness in achieving mission-related goals; and
 - b) request from staff, on a periodic basis, reports identifying specific means to address perceived deficiencies in mission effectiveness.
 - c) Maintain and review the Mountain Counties Bylaws on a periodic or as needed basis.
- 1.2 The Board should be responsible for review of the annual Form 990s, and any subsequent correspondence with the Internal Revenue Service and/or Franchise Tax Board relating to its tax exempt status.
- 1.3 The Board should monitor Mountain Counties compliance with the manner in which the Corporation's activities were described to the Internal Revenue Service and consult with legal counsel if there has been or will be any material change in operations.

2.0 RELATIONSHIP OF BOARD AND EXECUTIVE DIRECTOR

- 2.1 Clearly articulate the role of the Executive Director.

3.0 FULFILLMENT OF THE BOARD'S OVERSIGHT OBLIGATIONS

- 3.1 The Board should commit to the active, informed and independent oversight of Mountain Counties business affairs and of the Executive Director.
 - a) Board of Directors should meet periodically in executive session.
 - b) Directors should have reasonable access to all officers of Mountain Counties.
 - c) The Board of Directors should be responsible for evaluation of the performance of the Executive Director.

4.0 DUTY OF LOYALTY COMPLIANCE

- 4.1 A written conflict of interest policy should be adopted that complies with existing state law requirements and Internal Revenue Service non-binding guidance and that recognizes the potential for conflict arising from material financial and non-financial relationships.
- 4.2 If the Board encounters a conflict of interest issues, an adhoc committee should be designated to evaluate potential or actual conflicts of interest which are disclosed to the

Board, and any other material transaction between Mountain Counties, an officer, or other interested party.

- 4.3 Policies addressing confidentiality and appropriation of corporate opportunities should be adopted to help preserve proprietary information, assets and business interests of Mountain Counties.

5.0 FINANCIAL ACCOUNTABILITY AND TRANSPARENCY

- 5.1 The Board should be responsible for ensuring the transparency and the integrity of financial statements. In furtherance thereof, the Board should be responsible for:
- a) annual independent financial audit by a member agency;
 - b) monthly financial review in conjunction with regular Board of Directors meetings;
 - c) review and approve the annual budget, approve all loans, credit extensions and incentive compensation arrangements extended to officers of Mountain Counties;
 - d) ensure the sufficiency, clarity and timeliness of all financial disclosures of Mountain Counties.
 - e) financial information concerning the Corporation, prepared in accordance with generally accepted accounting principles, should be available to the public on request.
- 5.2 The Board should ensure the consistency with statements made in charitable solicitations
- 5.4 The Board should ensure that the Form 990 filed annually by Mountain Counties with the Internal Revenue Service and Franchise Tax Board contains as much information as reasonably possible concerning mission, goals, programs and other key developments relating to its exempt status, and is available for inspection by the public in accordance with applicable federal and state legal requirements.

6.0 GOVERNANCE

- 6.1 A standing Governance/Nominating Committee should be appointed for the purpose of recommending to the Board:
- a) board size, director terms and term limits;
 - b) standards for director qualifications;
 - c) candidates for directors;
 - d) number, structures and membership of committees;
 - e) committee assignments and rotation of members;
 - f) director orientation and continuing education;
 - g) officer succession policies and candidates;
 - h) changes to corporate organizational documents; and
 - i) other governance policies and procedures.

7.0 CORPORATE ETHICS/CORPORATE COMPLIANCE

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- 7.1 The Board is responsible for promoting an organizational culture that encourages a commitment to compliance with the law.
- 7.2 The Board should take all necessary steps to instill a “culture of compliance” within Mountain Counties.
- 7.3 Consistent with that organizational commitment, the Board should:
- a) ensure that there exists an information and reporting system, designed to prevent and detect violations of the law;
 - b) be knowledgeable about the content and operation of such system;
 - c) exercise reasonable oversight with respect to the implementation and effectiveness of such system;
 - d) ensure that legally appropriate document retention policies and procedures are in place;

8.0 BOARD DELIBERATIVE PROCESSES

- 8.1 The Board should adopt governance policies and procedures that assist individual Board members in making informed decisions in the best interests of Mountain Counties. This should include policies and procedures addressing:
- a) establishment of meeting agendas, advance distribution of information and the manner in which information is presented to the Board;
 - b) expectations of directors, expected time commitments and attendance obligations of directors, and limitations (if any) on outside Board memberships of directors;
 - d) periodic rotation of committee chairs and membership, terms and retirement of the chairs and membership of the Board and its principal standing committees; and
 - e) establishment and maintenance of director orientation, training, and continuing education and self-evaluation programs, with particular emphasis on (i) the effectiveness and adequacy of the Board and its committees; (ii) the sufficiency and timeliness of the information provided by management to the Board; (iii) the background and qualifications of individual directors; and (iv) the contributions of each director to the Board and to mission effectiveness.

BOARD OF DIRECTORS

ADOPTED: November 6, 2012