

PURPOSE

The purpose of the Governance Committee is to assist the Authority Board by keeping the Board informed of current best practices in corporate governance; reviewing corporate governance trends for their applicability to the Authority; updating the Authority's corporate governance principles, policies and practices; and advising those responsible for appointing members to the Board on the skill, qualities and professional or educational experiences necessary to be effective Board members.

SCOPE

This Governance Committee Charter was adopted by the Board of the Livingston County Water & Sewer Authority, a public benefit corporation established under the laws of the State of New York, on December 27, 2006.

CHARTER

I. Power of the Governance Committee

The Board Members have delegated to the governance committee the power and authority necessary to discharge its duties, as per the Authority By-Laws, including:

- Meet with and obtain any information it may require from authority staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

II. Composition and Selection

The membership of the committee shall be as set forth in accordance with and pursuant to Article E, Section 1 of the Authority's By-Laws. The governance committee shall consist of no fewer than three independent members of the Board. The governance committee members shall be appointed by and will serve at the discretion of the Board. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition. Governance committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

III. Committee Structure and Meetings

The governance committee will meet as necessary to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference. Meetings will be held per the Authority By Laws.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

IV. Reports

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's functions on an annual basis.

V. Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

VI. Relationship to the Authority's Board

The Board has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices as necessary. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of members to assist the Livingston County Board of Supervisors in identifying qualified individuals.

In addition, the governance committee shall:

- Recommend to the Board the number and structure of committees to be created by the Board.
- Develop and provide recommendations to the Board regarding board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluation, including coordination and oversight of such evaluation of the Board, its committees and senior management in the Authority's governance process.

VII. Evaluation of the Authority's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Authority's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Authority's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
- Develop and recommend to the Board any required updates on the authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Authority's Board, such as the Authority's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

VIII. Other Responsibilities

The governance committee shall:

- Review on an annual basis the compensation and benefits for the Executive Director and other senior Authority officials.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.