

BOARD POLICY 104: Board of Directors Qualifications and Vacancies

OBJECTIVE

To set policy regarding qualifications of members seeking a seat on the Company's Board of Directors, establish Director expectations, put forth procedures for involuntary resignations, and to set a course of action to fill the unexpired term of a Director on the Board.

CONTENT

1. The qualifications set forth in this policy shall be in addition to existing provisions of the Code of Regulations and Board Policies of the Company. A member nominated or considered a nominee to the Board of Directors shall meet the following qualifications:
 - a. Believe in basic cooperative principles:
 - i. Voluntary and Open Membership – Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial political or religious discrimination.
 - ii. Democratic Member Control – Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. Cooperative members have equal voting rights – one member, one vote.
 - iii. Member Economic Participation – Members contribute equally to, and democratically control, the capital of their cooperative.
 - iv. Autonomy and Independence – Cooperatives are autonomous, self-help organizations controlled by their members.
 - v. Education, Training and Information – Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.
 - vi. Cooperation Among Cooperatives – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

- vii. Concern for Community – While focusing on member needs, cooperatives work for sustainable development of their communities through policies accepted by their members.
- b. Understand and be supportive of the needs to play an active role in area and community development and to develop strong alliances with political officials and community groups.
- c. Be willing and able to carry out the functions of a Director, including having sound business judgment and the commitment to spend time and effort necessary to become knowledgeable about the water utility business.
- d. Attend training and education seminars.
- e. Attend Board and Committee Meetings regularly. This may include virtual, telephonic, and/or in-person meetings.
- f. Be willing to learn how to operate and utilize computer and Internet connected equipment, to receive periodic updates and information from the General Manager, along with monthly board meeting minutes and reports for the purpose of efficiently transacting Cooperative business.
- g. Understand and follow fiduciary responsibilities including being loyal to the cooperative, obeying such duties as maintaining confidential information, be willing to fully disclose any potential conflicts of interest, and deal with fellow Directors in good faith.
- h. Understand that he/she represents the best interests of Del-Co Water Company and its membership as a whole on an objective and impartial basis, and not just those in his or her district or for a specific rate class.
- i. Be a member in good standing.

2. Involuntary Resignation

- a. Should one or more of the following situations occur, it will be presumed that the Director by his/her actions will have automatically submitted his/her resignation to the Board:
 - i. The Director fails to comply with the requirements of the Code of Regulations, Article III, Section 1.

- ii. The Director establishes a permanent residence outside the area he or she was elected to represent
- iii. The Director fails to attend three (3) consecutive regularly scheduled meetings. For purposes of this rule, virtual attendance, if offered, is an acceptable method for attending meetings.
- iv. The Director fails to comply with the requirements of this policy.

b. Upon such an occurrence, the Director who is presumed to have resigned will be advised, by at least ten days written notice, that his/her resignation will be acted upon by the Board of Directors at the next regular meeting. The Director may attend that meeting to offer evidence contrary to the presumed action, resign voluntarily, and/or request that the resignation be withdrawn. Any action regarding the resignation taken by the Board of Directors shall require a majority vote of Directors present at the meeting.

c. If said resignation is approved, the Board of Directors will proceed to fill the vacancy in accordance with the provisions of the Code of Regulations and with this policy.

3. Voluntary Resignation or Vacancy

a. The Board of Directors may accept a voluntary Director resignation and/or declare a Director term vacant upon a majority vote of Directors. The Board will then proceed to fill the vacancy in accordance with the provisions of the Code of Regulations and this policy.

4. Filling an Unexpired Director Term

a. According to the Code of Regulations and with this policy, any vacancy occurring on the Board shall be filled by the affirmative vote of a majority of the remaining Board members. A vacancy of a Director's unexpired term shall be filled by the appointment of a member, subject to the residency qualifications set forth in Article III, Section 1, of the Company's Code of Regulations and by the following guidelines:

i. The board of Directors shall make an effort to anticipate vacancies whenever possible to provide time both to discuss the critical issues and seek out a highly qualified individual for appointment to fill the unexpired term of a Director.

ii. The process to fill the unexpired Director term shall be as follows:

1. A search committee of three (3) Directors, appointed by the President, will:
 - a. Search out members interested in filling the vacant Director position.
 - b. Contact potential candidates to gauge their interest in the opening.
 - c. Request that potential candidates submit a resume outlining their qualifications and/or experience relevant to serve as a Director and execute a Director Qualifications Certification form.
2. The search committee shall, subject to their determination, select and recommend qualified potential candidate(s) to be interviewed by the entire Board of Directors.
3. The Board will endeavor to fill the vacant Director term, barring unforeseen circumstances, within a three-month period.

RESPONSIBILITY

The Board of Directors is responsible for the administration and enforcement of this policy.

BOARD POLICY 105: Board of Directors Code of Ethics

OBJECTIVE

To establish a Code of Ethics for the Board of Directors of Del-Co Water Company, Inc., and for each Director when conducting the Company's business.

CONTENT

1. Place the interest of Del-Co Water above one's own interests.
2. Act collectively as a Board on all action and/or policies adopted by the Board of Directors.
3. That no commitment be made for the Company by individual members of the Board in absence of action by the Board.
4. Recognize that effective management of the Company can only exist through strong trust, respect and mutual understanding and cooperation between the Board of Directors and the General Manager.
5. Recognize the need to cooperate for the continued benefit and good of Del-Co Water and its customers.
6. Keep abreast of the legal responsibilities, business opportunities, and challenges of Del-Co, and any considerations that affect its ultimate welfare. In recognizing these responsibilities, the Directors should devote the necessary time to educate themselves by attending meetings and reviewing board and committee packets.
7. Strive to maximize the efficiency of the Company by being open-minded and work together as a team, realizing that the individual views of each Director cannot always prevail. When representing the Company, present the position of the Board of Directors, rather than one's own views.
8. Welcoming new and innovative ideas to keep the Company's services at a high level.

RESPONSIBILITY

The Board of Directors is responsible to carry out these policies.

BOARD POLICY 106: Board Committees

There are four regular Board Committees, plus a fifth *as-needed* committee:

1. HR or Human Resources
2. Finance
3. Outreach
4. Planning
5. *Governance*

The directors are required to serve on at least two (2) of the regular committees, and each committee meets once a quarter. The meetings are normally scheduled on a Wednesday starting at 4:00 p.m. or 4:30 p.m., but can be scheduled at other times by the committee chairperson.

Additional Guidelines:

1. The Board President is responsible for the appointment of committee members.
Retired Board Members are eligible to sit on a Board Committee
2. Committee Members will serve a two-year term, without term limits.