

RUBIO CAÑON LAND AND WATER ASSOCIATION

ROLE OF A DIRECTOR

This Association is a mutual water company whose sole purpose is to supply water to its shareholder/customers. It is a not-for-profit association chartered by the State of California and incorporated in 1886. Property owners in Rubio's service area own one or more shares of stock in the Association. They elect the Directors at the Annual Meeting. In accepting the responsibility of an Association Directorship, it is important to have a full understanding of a Director's role.

Number of Directors and Their Term

The by-laws call for 5 directors with staggered terms who are elected at the Annual Meeting and may succeed themselves for subsequent terms. When a vacancy occurs during the term of a director, the Board appoints a successor for the balance of the term. This person may stand for election at the next Annual Meeting. Officers – President, Vice President and Secretary/Treasurer – are elected by and from the Board annually. The General Manager also serves as Assistant Secretary/Treasurer unless otherwise specified.

Board Responsibilities

The Board oversees the operations of the Association through the General Manager and Assist. General Manager. The Board:

- Establishes overall goals and basic policy.
- Ensures that adequate resources are available.
- Monitors the achievement of these goals.

In carrying out these responsibilities important tasks include:

- Approval of the annual budget, establishing water rates and related fees.
- Review and approval of capital expenditures.
- Review and oversight of water quality compliance and emergency response(s).
- Provides water and environmental industry knowledge to management as necessary.

Board Meetings

Scheduled meetings are held every month, with the exception of a few dark months. The meetings are normally scheduled for 8:30 a.m. on the last Thursday of the month or at another mutually agreeable time and day. Directors also participate in the Annual Meeting usually held on the fourth Monday in May. Occasionally Directors are asked to participate in special meetings with area water companies, vendors, engineering firms, etc.

Board Director's Qualifications

Directors should be shareholders in the Association, owning real property in Rubio's Altadena service area. An exception is made for serving Directors who move outside of the service area once appointed. Other exceptions will be considered if a large shareholder in the Rubio service area has appointed a business liaison and/or key management representative. Appropriate credentials are required for the water industry and management expertise. Directors must have at least 10 years of broad experience in one or more of the following areas: management, engineering, human relations, finance or law. Additional Board level experience in another organization, e.g., a volunteer, non-profit Board, is helpful.

Compensation and Fees

Directors receive an honorarium for attending Board meetings and complimentary residential water. If services are performed beyond the normal director's duties, e.g., attendance at a water industry meeting or for management consulting activities, an appropriate fee and expenses are reimbursed after Board approval.