

LNRA BOARD POLICY
103 – BOARD RESPONSIBILITIES

103.10 PURPOSE

This policy defines the relationship between the Board of Directors (Board) and the management of LNRA through the description of responsibilities and expectations and through the establishment of guidelines for the delegation of certain powers and duties.

103.20 POLICY

103.201 RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors will establish the overall goals and objectives of LNRA, review them on an ongoing basis and issue Board policies setting forth desired direction of managerial actions to attain such goals and objectives. The Board will adopt an annual budget that provides funding for the realization of those goals and objectives.

103.202 PUBLIC INTEREST AND TRUST

The Board will consider and establish policies in the public interest and retain management personnel with the capabilities to accomplish related policy goals. The Board will faithfully discharge its public trust by conducting its affairs in a highly moral, ethical and sound business manner. Any Board member that proposes to do business with LNRA shall comply with LNRA Board Policy on Ethics and Conflict of Interest. The Board, collectively and severally, will not direct the policies and actions of LNRA from perspectives of private gain or personal advantage.

103.203 DELEGATIONS TO THE GENERAL MANAGER

The Board of Directors delegates to the General Manager all general powers and duties in the LNRA Enabling Act, other applicable laws, LNRA Bylaws and Board policies necessary to accomplish LNRA’s purpose, goals and objectives as approved by the Board, except for those specifically reserved for the Board by provisions of the LNRA Enabling Act, LNRA Bylaws, bond resolutions and other Board policies. Notable exceptions include:

- Authorization to borrow money or approve bond resolutions
- Approval of agreements related to joint ownership of operating facilities
- Establishment of rates and charges for water, and other services
- Approval of sale of any real property
- Approval of contracts and purchase orders for consultant services in excess of \$15,000.00 in accordance with related Board Policies

- Approval of contracts and purchase orders for the acquisition of materials, supplies, equipment and related services, costing LNRA in excess of \$25,000.00, in accordance with related Board Policies
- Initiation of litigation on behalf of LNRA

103.204 BOARD APPROVAL

Regardless of delegated authority in this or any other LNRA policy, Board approval is required for all decisions where Board policy or direction has not been clearly established.

103.205 EXERCISE OF REASONABLE DILIGENCE

The Board will exercise reasonable diligence to ensure that the delegations to the General Manager provided for in this policy statement are properly implemented. The Board will articulate clear and coherent goals and statements of its expectations through its policies and the adoption of the annual budget. The General Manager is responsible for fulfilling these commitments and management of the organization.

103.206 RESPONSIBILITIES OF THE GENERAL MANAGER

The General Manager is the Chief Administrative Officer of LNRA and is responsible for carrying out the business and activities according to state law, LNRA Bylaws and Board policy of LNRA. The General Manager will issue appropriate management procedures setting forth desired direction of staff management and other employee actions to fulfill the policies, goals, objectives and directions of the Board. The General Manager may delegate any of his administrative duties as may be necessary to effectively and expeditiously accomplish his duties, provided however, that no such delegation shall ever relieve him from responsibilities which ultimately are his under the LNRA Enabling Act, LNRA By-laws or Board policies. Such delegations shall be in writing.

103.207 RECOGNIZE AND RESPECT OBLIGATIONS OF THE DIRECTORS

The General Manager shall recognize and respect the obligations of the Board to direct the policies of LNRA. Such recognition demands:

- Forthrightness in communications;
- Candor in evaluation of the conduct of the business and operations of LNRA;
- Aggressiveness in the exploration and presentation of business and operational activities and alternatives of LNRA; and
- Promptness in bringing to the attention of the Board matters pertaining to the discharge of Board responsibilities.

103.208 THOROUGH AND TIMELY INFORMATION

The General Manager, in recognition of the responsibility of the Board to be prompt and prepared in respect of matters upon which it must act, shall be thorough and timely in the

presentation and organization of information upon which the Board must act or upon which management expects policy guidance from the Board. This shall include the annual budget and the development and prioritization of policies, long-range goals and objectives as provided in the Bylaws.

103.209 UNDERSTANDING AND COMMITMENT TO THE BOARD

The General Manager shall recognize and act in the light of his responsibilities to LNRA and to the public through understanding of and commitment to the entire Board as the body politic ultimately responsible, under the Act, to the public and its interests, and not to individual Board members.

103.30 RESPONSIBILITIES

103.301 GOALS AND OBJECTIVES

As provided in the Bylaws, each year the General Manager will report to the Board on the status of LNRA and its programs, including the identification of goals and objectives for the coming year's operations.

103.302 ANNUAL BUDGET

In accordance with the Bylaws, each year the General Manager will present to the Board appropriate information to enable the Board to adopt an annual budget. Adoption of the annual budget authorizes the General Manager to complete work plans and make associated expenditures as provided for in the annual budget in accordance with Board policies.

103.303 REPORTS

The General Manager will provide a quarterly report to the Board indicating the status of major capital improvement projects and significant operations and maintenance projects.

103.304 CHANGES TO BUDGET

The resolution adopting the annual budget will establish the budget amount that may not be exceeded without Board approval and the guidelines for approving budget amendments, reallocations or adjustments to the capital and operating budgets.

EFFECTIVE: June 25, 2003, Amended October 17, 2007