

ALBANY WATER BOARD COMMITTEE CHARTER

Pursuant to the By-Laws of the Albany Water Board, Article 5, Title 6 and 6-A, and the Public Authorities Law, the Albany Water Board (“AWB”) establishes board committees with responsibilities pursuant to this written charter. All members of the committees shall be appointed by the Chairman of the Board. The Chairman of the Board shall be an ex-officio member of each committee.

PURPOSE

The purpose of this Committee Charter, and the resulting Committees, are to help improve oversight, accountability, and transparency at the AWB, thereby strengthening public confidence in its operations.

STRUCTURE/COMMITTEES

The AWB shall have a Governance Committee, Finance Committee and an Audit Committee.

- I. The Governance Committee.
 - A. Purpose.
 1. The purpose of the Governance Committee (the “Committee”) is to assure that the AWB fulfills its responsibilities for the promotion of competent, honest and ethical conduct by the AWB in all its operations and enhance public confidence in the AWB.
 - B. Composition.
 1. The Committee will consist of at least three members, one of whom will be the Committee Chairperson. The Committee members and Chairperson will be designated by the Chairperson of the AWB.
 2. In addition to the three members, the Chairperson of the AWB shall be a non-voting member of the Committee.
 3. Committee members shall serve annual terms and can be re-appointed or replaced at the end of their term or in other instances, as needed.
 - C. Meetings.
 1. The Committee will meet at least twice a year. All Committee members are expected to attend each meeting, in person or via telephone or videoconference.

2. A minimum of three Committee members, of which two must be voting members, must attend in order to constitute a quorum and to hold a valid meeting.

D. Authority.

1. The Committee has the authority to seek any information it requires from staff (or from individuals/entities outside of the AWB), all of whom are directed by the Board to cooperate with the Committee's requests.
2. The Committee has the authority to meet with the AWB's staff as necessary.
3. The AWB shall ensure that the Committee has sufficient resources to carry out its duties.

E. Responsibilities.

1. The Committee shall be primarily responsible for:
 - a. Establishing policies to promote honest and ethical conduct by the AWB's directors, officers and employees;
 - b. Keeping the Board informed of "Best Corporate Practices," reviewing corporate governance trends, updating corporate governance principals and advising appointing authorities of the skills and experience required of potential Board Members;
 - c. Reviewing and updating the AWB's Code of Ethical Conduct/written policies regarding conflicts of interest;
 - d. Reviewing and updating whistleblower policy;
 - e. Reviewing and updating the AWB's written policies regarding procurement of goods and services and the acquisition of real property or interests therein;
 - f. Reviewing and updating the AWB's written policies regarding the disposition of real and personal property;
 - g. Reporting on its proceedings at the next full meeting of the Board;
 - h. Reviewing the adequacy of the Committee charter annually; and
 - i. Performing other activities related to this charter as requested by the Board.

II. The Finance Committee

A. Purpose.

1. The purpose of the Finance Committee (the “Committee”) shall be to (1) ensure the financial health of the AWB (2) ensure that the AWB assets are protected and resources are used appropriately and (3) assist the Board in understanding the AWB’s financial condition.

B. Composition.

1. The Committee will consist of at least three members, one of whom will be the Committee Chairperson. The Committee members and Chairperson will be designated by the Chairperson of the AWB.
2. In addition to the three members, the Chairperson of the AWB shall be a non-voting member of the Committee.
3. Committee members shall serve annual terms and can be re-appointed or replaced at the end of their term or in other instances, as needed.

C. Meetings.

1. The Committee will meet at least four times a year. All Committee members are expected to attend each meeting, in person or via telephone or videoconference
2. A minimum of three Committee members, of which two must be voting members of the Committee, must attend in order to constitute a quorum and to hold a valid meeting.

D. Authority.

1. The Committee has the authority to seek any information it requires from AWB staff, outside auditors, or any other individual/entity required, all of whom are directed by the Board to cooperate with the Committee’s requests.
2. The Committee has the authority to meet with the AWB’s staff, independent auditors or outside counsel, as necessary.
3. The Board shall ensure that the Finance committee has sufficient resources to carry out its duties.

E. Responsibilities.

1. The Committee shall be primarily responsible for:
 - a. In conjunction with the Audit Committee, review and recommend new or revised financial policies to the Board for approval;
 - b. Ensuring that timely and accurate financial data is presented to the Board;
 - c. Review and recommend an annual operating budget for Board approval;
 - d. Review the financial performance of AWB against budget projections for the period to-date;
 - e. Review proposals for the issuance of debt by the AWB and make recommendations to the Board;
 - f. Make recommendations to the Board concerning the level of debt and nature of debt issued by the AWB;
 - g. Develop the investment policy for the AWB and review this policy annually;
 - h. As necessary, recommend Investment Policy changes to the Board for approval;
 - i. Make recommendations concerning the appointment of bond counsel, investment managers and underwriting firms used by the AWB and to oversee such individual's/entity's work;
 - j. Provide the Board with recommendations concerning the hiring/retention of the investment manager;
 - k. Reviewing the adequacy of the Committee charter annually; and
 - l. Performing other activities related to this charter as requested by the Board.

III. The Audit Committee.

A. Purpose.

1. The purpose of the Audit Committee (the "Committee") is to assure that the Board fulfills its responsibilities for the AWB's internal and external audit process, the financial reporting process and reporting, and the system of internal controls over financial reporting.

B. Composition.

1. The Committee will consist of at least three members, one of whom will be the Committee Chairperson. The Committee members and Chairperson will be designated by the Chairperson of the AWB.
2. Members of the audit committee shall be familiar with corporate financial and accounting practices.
3. In addition to the three members, the Chairperson of the AWB shall be a non-voting member of the Committee.
4. Committee members shall serve annual terms and can be re-appointed or replaced at the end of their term or in other instances, as needed.

C. Meetings.

1. The Committee will meet at least twice a year. All Committee members are expected to attend each meeting, in person or via telephone or videoconference.
2. The Committee shall meet at least annually, or more frequently if required, in a separate meeting with the AWB's independent auditor.
3. A minimum of three Committee members, of which two must be voting members of the Committee, must attend in order to constitute a quorum and to hold a valid meeting.

D. Authority.

1. The Committee has the authority to seek any information it requires from the AWB staff, outside auditors, or any other individual/entity required, all of whom are directed by the Board to cooperate with the Committee's requests.
2. The Committee has the authority to meet with the AWB's staff, independent auditors or outside counsel, as necessary.
3. The Board shall ensure that the Audit committee has sufficient resources to carry out its duties.

E. Responsibilities.

1. The Committee shall be primarily responsible for:
 - a. Reviewing and approving the AWB's financial statements;
 - b. Appointment, dismissal and compensation of any independent auditor employed by the AWB;
 - c. Confirming and assuring the independence of the AWB's independent auditor;
 - d. Ensuring that non-audit services are not provided by the AWB's independent auditor;

- e. Overseeing the work of such independent auditor, including the resolution of disagreements with respect to, and overseeing compliance with, accounting policies and principles
- f. Reviewing and overseeing the AWB's internal audit function;
- g. Overseeing the AWB's systems over internal controls and risk assessment, including information technology security and control;
- h. Establishing procedures for the receipt, retention and treatment of complaints received by the AWB regarding accounting, internal controls or auditing matters, including confidential, anonymous submission by employees of the AWB of concerns regarding questionable accounting or auditing matters, and act as the point of contact for investigations and/or matters involving the Inspector General;
- i. Reporting on its proceedings at the next full meeting of the Board;
- j. Providing an open avenue of communication between internal audit, the independent auditors, the Board and staff;
- k. Reviewing the adequacy of the Committee charter annually; and
- l. Performing other activities related to this charter as requested by the Board.