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DUTCHESS COUNTY RESOURCE RECOVERY AGENCY GOVERNANCE COMMITTEE CHARTER

Introduction

This Governance Committee Charter was adopted on the 19th day of June, 2008, by the Board of Directors (Board) of the Dutchess County Resource Recovery Agency (Agency), a public benefit corporation established under the laws of the State of New York. The Board of the Agency is composed of seven (7) members appointed pursuant to Section 2047-c of the Public Authorities Law (PAL). Board members serve terms of three years.

Purpose

Pursuant to PAL Sec. 2824, the purpose of the Governance Committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Agency;
- Updating the Agency's corporate governance principles; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board of Directors has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from the Executive Director and, in coordination with the Agency Chair, other Agency staff.
- Obtain advice and assistance from outside counsel, accounting and other advisors as the Committee deems necessary.
- Solicit, at the Agency'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 procurement guidelines adopted pursuant to Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The Governance Committee members shall be appointed by, and will serve at the discretion of the Agency's Board of Directors. 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.

The Governance Committee shall consist of independent members of the Board of Directors. An independent member is one who: a) is not, and in the past two years has not been, employed by the Agency or an affiliate in an executive capacity; (b) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars for goods and services provided to the Agency or received any other form of financial assistance valued at more than fifteen thousand dollars from the public authority; (c) is not a relative of an executive officer or employee in an executive position of the Agency or an affiliate; and (d) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency or an affiliate. (PAL Sec. 2825) The Board may appoint one non-director who meets the independence requirement where at least two members of the committee are independent directors.

The Governance Committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The Governance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required 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.

Meeting agendas will be prepared for every meeting and provided to the Governance Committee members 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. The Committee shall keep minutes of any actions taken at these meetings.

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 bylaws, the governance charter or the audit charter.
- Provide a self-evaluation of the Governance Committee's functions on an annual basis.

Responsibilities

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

Relationship to the Agency's Board

The Board of Directors 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 Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the Governance Committee shall:

- Develop and 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.

Evaluation of the Agency's Policies

The Governance Committee shall:

- Develop, review on a regular basis, update as necessary and recommend to the Board any required revision to the Agency'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 county officers and employees.
- Develop and recommend to the Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.
- Develop and recommend to the Board any required updates on the Agency'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 Agency, including rules and procedures for conducting the business of the Agency's Board, such as the Agency'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.

Other Responsibilities

The governance committee shall:

- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.