

AUBURN WATER SYSTEM, INC

3097 LOCKE LN
CRESTVIEW, FL 32536
850-682-1258 OR 850-682-3413 ~ FAX 850-398-6643



SUBJECT: Candidacy for the Board of Directors

April 30, 2017

Dear Member,

Auburn Water System is a Non- Profit Corporation and your voice as a member is very important. This letter is to inform you of the process used to elect the Board of Directors.

Auburn Water has seven (7) members elected by the members to serve as Directors for a three year term. To ensure continuity of the Board of Directors, terms of office are staggered. This year the term for office expire for two (2) of the Directors on our Board.

General Director Qualifications:

To become and remain a Director, a person must comply with the following general qualifications:

1. Be an individual;
2. Have the capacity to enter legally binding contracts;
3. Not have been previously removed or disqualified as a Director;
4. Not have been previously terminated from employment with Auburn Water System, Inc. or an Auburn Water System, Inc. Subsidiary or Auburn Water System. Inc. Affiliate;
5. While a Director, and during the five (5) years immediately before becoming a Director, not be convicted of, or plead guilty to a felony;
6. Before becoming a Director, graduate from high school or earn an equivalent degree or certification, and;
7. Except as otherwise provided by the Board for good cause, attend at least two-thirds of all Board Meetings during each calendar/fiscal year/twelve-month period.

Membership Director Qualifications: To become and remain a Director, an individual must comply with the following membership qualifications:

1. While a Director and during the one (1) year immediately before becoming a Director;
 - a. Be a Member in good standing of the Auburn Water System, Inc. and
 - b. Permanently reside at a residence actively connected to the Auburn Water System, Inc. and use water provided by the Auburn Water System, Inc.

Independence Director Qualifications. To become and remain a Director, an individual must comply with the following independence qualifications:

1. While a Director not be an employee of the Auburn Water System, Inc. or the spouse of any such employee, or an employee, or an leased employee of an entity controlled by the Auburn Water System, or in which the Auburn Water System, owns a majority interest or the spouse of any employee;

2. While a Director not be an employee of an entity in which the Auburn Water System is a member or owner or the spouse of any such employee;
3. While a Director not receive, or have an immediate family member that receives more than ten percent of annual gross income, other than insurance or Director compensation, or retirement income, directly or indirectly from the Auburn Water System, an Auburn Water System, Subsidiary, an Auburn Water System, Affiliate, or an employee of the Auburn Water System, or an Auburn Water System, Subsidiary;
4. While a Director not advance, or have an immediate family member that advances the individual's own financial interest by competing with providing a good or service similar to a good or service provided by the Auburn Water System, or an Auburn Water System, Subsidiary, or an Auburn Water System, Affiliate;
5. While a Director, not be an immediate family member of another Auburn Water System, Director or Auburn Water System, employee;
6. While a Director not be employed by, control, own more than ten percent or, serve as a Director, director or officer of, or receive more than ten percent of annual gross income from an entity that:
 - a. Advances the entity's own financial interest by competing with the Auburn Water System, or an Auburn Water System, Subsidiary or Auburn Water System, Affiliate by providing goods or service similar to a good or service provided by the Auburn Water System or an Auburn Water System, Subsidiary or an Auburn Water System, Affiliate or by providing water or good or service related to providing water; or
 - b. Receives more than ten percent of its annual gross income directly or indirectly from the Auburn Water System, or an Auburn Water System, Subsidiary or Auburn Water System, Affiliate or members.

Each member seeking the office of Director shall provide a statement of financial interest, on a form, as approved by the Board of Directors, along with their background information, as part of the information package to be sent for review by the members prior to the election. You may pick up your nomination form and statement of financial interest form at the Auburn Water System office, or you may call the office to request that the forms be sent to you via email, faxed or regular mail. The forms are also located on our website at www.auburnwatersystem.com.

All forms must be received by Auburn Water by the close of business on the third Monday in May (May 15, 2017). Nomination forms will not be accepted after this date.

The nominating committee will prepare a slate of candidates based on the forms received and qualifications met. If more than two (2) candidates apply, ballots and resumes will be mailed to each active member mid-June. The Annual Membership meeting is scheduled for 6:00 pm on July 17, 2017 at the Auburn Water System office located at 3097 Locke Ln, Crestview, FL 32536.

Working together, we can continue to provide for our water needs in a cost effective and safe manner. Hope to see you at the Annual Meeting.

Sincerely,

Julie Hooks
Office Manager/Finance

