

CACHE WATER DISTRICT

BYLAWS

(Draft Updated May 11, 2016)

_____, 201__

DRAFT

CACHE WATER DISTRICT

BYLAWS
TABLE OF CONTENTS

ARTICLE 1: NAME, ORGANIZATION, PURPOSES, PRINCIPAL OFFICE	1
1.1 NAME; ORGANIZATION	1
1.1.1 Name	1
1.1.2 Organization	1
1.1.3 Nature of District.....	1
1.2 PUBLIC PURPOSE.....	1
1.3 DISTRICT OFFICE.....	1
ARTICLE 2: BOARD OF TRUSTEES.....	2
2.1 BOARD OF TRUSTEES.....	2
2.2 QUALIFICATIONS OF TRUSTEES	2
2.2.1 Election.....	2
2.2.2 Fidelity Bond.....	2
2.2.3 Oath of Office.....	2
2.3 TERM OF OFFICE.....	2
2.4 POWERS AND DUTIES	3
2.4.1 Specified Powers	3
2.4.2 Forbidden Acts.....	4
2.4.1 Specified Duties.....	4
2.4.2 Residency within Election Divisions	4
2.5 MEETINGS	5
2.5.1 Notice	5
2.5.2 Agendas.....	5
2.5.3 Special Meetings	5
2.5.4 Emergency Meetings.....	6
2.5.5 Closed Meetings.....	6
2.5.6 Written Minutes and Recordings.....	6
2.5.7 Attendance at Meetings.....	6
2.6 QUORUM.....	6
2.7 TRUSTEE COMPENSATION.....	7

ARTICLE 3: OFFICERS	7
3.1 PRINCIPAL OFFICERS	7
3.2 QUALIFICATIONS; SELECTION AND TERM OF OFFICE.....	7
3.2.1 Selection.....	7
3.2.2 Term	7
3.3 DUTIES OF OFFICERS.....	8
3.3.1 Chairman	8
3.3.2 Vice Chairman.....	8
3.3.3 Clerk.....	8
3.3.3.1 Assistant Clerks.....	9
3.3.4 Treasurer.....	9
3.3.5 General Manager	10
3.3.6 Records Officer	11
3.3.7 Other Officers/Duties	11
3.4 RESIGNATION.....	11
3.5 REMOVAL OF OFFICERS	11
ARTICLE 4: POLICIES AND PROCEDURES	11
4.1 POLICIES OF THE DISTRICT	12
4.1.1 Formal Rules and Regulations	12
4.1.2 Informal Rules and Regulations.....	12
4.1.3 Amendments.....	12
4.1.4 Enforcement	12
ARTICLE 5: FINANCIAL ACCOUNTS AND PURCHASING	12
5.1 INVESTMENTS.....	12
5.2 PURCHASES	12
5.2.1 Policies	12
5.2.2 Check Procedure	13
5.2.3 Board Approval	13
5.2.4 Bonding Requirements.....	13
5.3 FISCAL YEAR.....	13
ARTICLE 6: APPLICABLE LAW	14
6.1 EFFECT OF STATE LAW	14
6.1.1 State Law to Supplement.....	14
6.1.2 State or Federal Law to Control.....	14

6.2 EFFECT OF BYLAWS 14
6.2.1 Bylaws to Control..... 14

ARTICLE 7: AMENDMENTS TO BYLAWS 14

7.1 AMENDMENTS BY BOARD..... 14

ARTICLE 8: ETHICS..... 14

8.1 APPLICATION 14

ARTICLE 9: SAVINGS CLAUSE..... 15

9.1 APPLICATION 15

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ARTICLE 1: NAME, ORGANIZATION, PURPOSES, PRINCIPAL OFFICE

1.1 NAME; ORGANIZATION

1.1.1 Name. The name of this local district is Cache Water District, hereafter the “District.”

1.1.2 Organization. The District was organized as a local district pursuant to the provisions of Part 2, Chapter 1 of Title 17B of the Utah Code and, more specifically, as a water conservancy district pursuant to the provisions of Part 10, Chapter 2a of Title 17B of the Utah Code.

1.1.3 Nature of District. The District is a political subdivision of the State of Utah and a body corporate and politic with all the powers of a quasi-municipal public corporation.

1.2 PURPOSES

The District will plan for and facilitate the long-term conservation, development, protection, distribution, management and stabilization of water rights and water supplies for domestic, irrigation, power, manufacturing, municipal, recreation and other beneficial uses, including the natural stream environment, in a cost effective way to meet the needs of the residents and growing population of Cache County.

In furtherance of protecting and preserving water supplies that are necessary for Cache County’s future, the District will:

Assist in water conservation education and programs;

Assist local municipalities and Cache County as they establish and implement water management policies and ordinances, while maintaining the autonomy of existing water suppliers;

Undertake environmental and other studies to provide information necessary to make proper, timely water use decisions;

Obtain grants and low cost loans to upgrade and construct needed water infrastructure.

1.3 DISTRICT OFFICE

The District’s office and principal place of business shall be located at _____ until changed pursuant to board action.

ARTICLE 2: BOARD OF TRUSTEES

2.1 BOARD OF TRUSTEES

The District is governed by an 11 member Board of Trustees, the “Board,” as authorized by UTAH CODE ANN. §§ 17B-1-301, -302 and 17B-2a-1005. The Board may delegate to officers, employees and hired professionals (such as legal counsel, auditors, and architects) any or all executive, administrative, managerial and ministerial powers as permitted by law.

2.2 QUALIFICATIONS OF TRUSTEES

2.2.1 Appointment and Election Divisions. While the initial Board may have been appointed, thereafter 10 of the Trustees will be elected as provided in UTAH CODE ANN. §§ 17B-1-305 through -306 and 17B-2a-1005 and one Trustee who owns irrigation rights and uses those rights as part of the Trustee’s livelihood will be appointed by the Cache County Council pursuant to Utah Code Ann. § 17B-2a-1005(2)(d). The provisions of Title 17B, Chapter 1, Part 3 of the Utah Code generally apply to the Trustees. Seven of the elected Trustees will be elected in divisions, with one Trustee to be elected to represent each of the seven Cache County Council Districts, as those Districts may be established and modified from time-to-time pursuant to applicable law (each a “division”) with the 3 remaining elected Trustees to be elected county-wide. Trustees shall not be either full- or part-time employees of the District and receive no compensation from the District other than lawful compensation for service on the Board.

2.2.2 Fidelity Bond. A corporate surety bond is to be furnished for each Trustee as required by UTAH CODE ANN. §§ 17B-1-303(7) and 17B-2a-1005(7) at the expense of the District, in the amount and with the sureties prescribed by the Board for the faithful performance of the Trustees’ duties.

2.2.3 Oath of Office. Prior to assuming official duties, each Trustee is to take and subscribe, before a judge, county clerk, notary public or the District clerk, to an oath as required by UTAH CODE ANN. § 17B-1-303(3).

2.3 TERM OF OFFICE

The term of each member of the initial Board will not exceed four years (unless extended by no more than one year to synchronize the term with the applicable election cycle), and each subsequent term, whether elected at-large or within an election district as provided in Subsection 2.2.1, is four years and until the member’s successor is duly elected and has qualified, all as provided in UTAH CODE ANN. § 17B-1-303(2). With the Lieutenant Governor’s approval, the District’s elections may be held on the election day in November of each general election cycle (even numbered years). With an election in each even numbered year, of the 10 elected Trustee positions initially filled through appointment by the Cache County Council, five terms expire at the end of 2018 and the

other five expire at the end of 2020, as determined by lot, provided that no more than two of the Trustee positions to be elected county-wide may expire at the same time. Thereafter, all terms will be four years (with one-half of the elected Board terms to expire every two years) in accordance with applicable provisions of law. If the Lieutenant Governor does not authorize the District to conduct its elections on the general election cycle, the terms of the 10 elected Trustee positions initially filled by appointment will be modified accordingly, with the first election to occur in November of the first odd numbered year following the creation of the District and the next election occurring two years later. The Trustee position that is to be appointed pursuant to Utah Code Ann. § 17B-2a-1005(2)(d) expires as of the last day of the December which is at least four years after the initial appointment of the Trustee. A Trustee appointed to fill a vacancy pursuant to UTAH CODE ANN. §§ 17B-1-303(5) and 20A-1-512 will serve the unexpired portion of the term of the Trustee being replaced. The term of a person elected to serve on the Board, subject to the above, commences at noon on the January 1st following the Trustee's election. The term of the person first appointed to the Board to represent the interests of irrigated agriculture and the term of each of the other Trustees appointed immediately after the creation of the District commenced immediately upon the Trustee having been sworn in. Persons elected or appointed to the Board are to be sworn-in as soon as practical after January 1.

2.4 POWERS AND DUTIES

The Board has all powers necessary for the administration of the affairs and operation of the properties of the District and may do all such acts as are not by law, or these Bylaws, forbidden. The duties and powers of the Board are generally set forth in Utah Code Ann. §§ 17B-1-301 and 17B-2a-1005. The primary function of the Board is to establish policy and make decisions as guidelines for administrative action. The Board may employ a General Manager and other employees, and retain the services of consultants, to perform the activities identified below, certain of the duties identified in Utah Code Ann. §§ 17B-1-301 and 17B-2a-1005 and other lawful activities, under the direction of the Board.

2.4.1 Specified Powers. The powers of the Board include, but are not limited to, the following:

1. The power to promulgate such rules and regulations as may be deemed necessary and proper for the operation of the District.
2. The power to borrow funds in the name of the District for lawful District purposes including, but not limited to, the issuance of bonds, and to satisfy all requirements imposed on the District in connection with bonds and other debt issues.
3. The power to prepare and approve an annual budget for the District.

4. The power to take such actions and approve and execute such agreements and instruments as required by law or as determined to be in the best interest of the District by the Board.
5. The power, subject to legal restrictions, to delegate duties, responsibilities and authority to officers and employees of the District.
6. The power generally to do all things and perform or cause to be performed all acts that are necessary or desirable in the conduct of the affairs of the District and in the operation of the properties of the District.
7. The power, pursuant to UTAH CODE ANN. § 17B-1-306.5 upon a vote of two-thirds of the members of the Board, to divide the District into divisions that may differ from the election divisions provided in Section 2.2.1 above pursuant to which some or all of the elected members of the Board may be elected by division .

2.4.2 Forbidden Acts. The Board is forbidden from engaging in the following acts:

1. To the extent allowed by law and excluding any powers affirmatively granted to the Board and its Trustees herein and by the Utah Code, the Board is forbidden from taking any actions that are inconsistent with the Water Master Plan, as it may be amended from time to time.
2. The Board may not build its own office facility unless and until such expenditure and construction is included in the Water Master Plan or until the legislative bodies of a majority of the communities involved, which includes the municipalities located within the District and Cache County as representative of the unincorporated areas of the County, have approved such expenditure and construction.
3. The Board may not initiate eminent domain proceedings against the assets of any mutual water company or other existing water supplier or otherwise attempt to acquire assets of any mutual water company or other existing water supplier located within the District's boundaries other than through the voluntary consent of the individual or group of individuals that control the mutual water company or other water supplier.

2.4.1 Specified Duties. Each Trustee is expected to read, be familiar with and follow applicable sections of the Utah Code and these Bylaws, and any amendments or modifications thereof as such amendments or modifications may arise.

2.4.2 Residency within Election Divisions. Each member of the Board who is elected by division rather than at large, as provided in UTAH CODE ANN. §

17B-1-306.5, in addition to satisfying all other applicable qualifications, as required by UTAH CODE ANN. § 17B-1-302(1)(a), shall be a registered voter who resides within the division of the District from which the candidate is elected.

2.5 MEETINGS

Regular meetings of the Board may be held at such times and at such places as determined from time to time by a majority of the Trustees. All meetings of the Board shall comply with the Utah Open and Public Meetings Act, UTAH CODE ANN. §§ 52-4-101 *et seq.* (the “Open Meetings Act”). Meetings of the Board may take place through telephonic and other electronic means provided that the notice and other applicable requirements of the Open Meetings Act are satisfied and all Trustees, whether present in person or participating via electronic means, can participate in the proceedings and vote on any motion presented. The Board member who chairs the meeting must be physically present at the anchor location.

- 2.5.1 Notice. The annual meeting schedule of the Board, specifying the date, time and place of the scheduled meetings, will be posted at the principal office of the District and on the Utah Public Notice Website, and a copy of the notice will be provided to at least one newspaper of general circulation in the area served by the District or to a local media correspondent as required by UTAH CODE ANN. § 52-4-202(3). The Board may, however, change the date, time and place of any scheduled meeting as necessary to obtain a quorum or for any other reason deemed sufficient by the Board. In addition, notice of each regular meeting of the Board is to be given to each Trustee personally, by mail, by electronic means or by telephone, at least three (3) days prior to the day named for such a meeting and public notice of not less than 24 hours of each such meeting, including the agenda, date, time and location of the meeting, shall also be provided as required by the Open Meetings Act. A mailed notice to a Trustee shall be deemed effective upon the notice being placed in the United States mail, properly addressed, with first-class postage prepaid.
- 2.5.2 Agendas. Items may be placed on the agenda of any meeting by any member of the Board or the General Manager, provided that the request is relayed to the General Manager or the Clerk at least seventy-two hours prior the time the meeting is scheduled to commence (if it is a regular meeting), forty-eight hours prior to the time when a special Board meeting is scheduled to commence, and as much in advance of an emergency meeting of the Board as is reasonably possible under the circumstances.
- 2.5.3 Special Meetings. Special meetings of the Board may be called at the request of the Chairman, the Vice Chairman in the Chairman’s absence, or the General Manager. Notice of special meetings shall be given to each Trustee personally, or by mail or telephone. Under normal circumstances, notice of a special meeting shall be provided to each Trustee at least three (3) days prior

to the date of the meeting. However, when a three-day notice is not practical, notice shall be provided to each Trustee at least eight (8) hours prior to the time of the meeting unless, due to emergency circumstances, such notification is not practical. Public notice as required by the Open Meetings Act of all special meetings of the Board shall also be provided. Absent a compelling reason to do otherwise, special meetings will be held at the same location as the regular meetings.

- 2.5.4 Emergency Meetings. The Board may hold emergency meetings without the usual notice requirements when it is necessary because of unforeseen circumstances to consider matters of an emergency or urgent nature, provided that the best practicable public notice is given and an attempt has been made to notify all of the members of the Board and a majority of them approve holding the emergency meeting. The Chairman, the Vice-Chairman in the Chairman's absence, and the General Manager have authority to call emergency meetings of the Board.
- 2.5.5 Closed Meetings. Closed meetings of the Board may be held in conformance with the requirements of the Open Meetings Act.
- 2.5.6 Written Minutes and Recordings. Either written minutes or a recording will be kept of an open Board meeting that is a site visit or a traveling tour, provided that no vote or action is taken by the Board. Otherwise, both written minutes and recordings will be made of all open meetings of the Board. Similarly, unless the meeting is closed solely to discuss the character, professional competence, or physical or mental health of an individual or the deployment of security personnel, devices, or systems, all closed meetings will be recorded and minutes may be kept in satisfaction of the requirements of the Open Meeting Act. If the Board meeting is closed solely to discuss the character, professional competence, or physical or mental health of an individual or the deployment of security personnel, devices, or systems, the presiding Board member shall sign a sworn statement affirming that such was the sole purpose for closing the meeting and neither written minutes nor a recording will be required.
- 2.5.7 Attendance at Meetings. Unless a different schedule is approved by majority vote of the Board, a regular Board meeting, which will be open to the public unless closed pursuant to requirements of the Open Meetings Act, will be held each month. Additional special and emergency meetings may be called as needed. If a Trustee is not able to attend any regular meeting of the Board, that Trustee will be expected to inform either the Chairman of the Board or the General Manager of the Trustee's inability to attend and the reason for non-attendance as much in advance of the meeting as is reasonably possible.

2.6 QUORUM

At all meetings of the Board, a majority of all of the Trustees shall constitute a quorum for the transaction of business and, unless a greater majority is otherwise required, the acts of a majority of the Trustees present at a meeting shall be the acts of the Board. If, at any meeting of the Board, there should be less than a quorum present, the meeting will be adjourned until such time as a quorum is present. The Chairman or other person conducting the meeting shall have the right to make motions, second motions made by another Trustee, and discuss and vote on any and all motions on the floor. If any member so requests and the Chair concurs, the latest published edition of “Robert’s Rules of Order” may govern the conduct of the meeting.

2.7 TRUSTEE COMPENSATION

A member of the Board may receive compensation for service on the Board as determined by the Board pursuant to UTAH CODE ANN. § 17B-1-307. In addition to receiving compensation for attendance at regular Board meetings, Trustees may receive per diem compensation for the attendance of up to twelve additional meetings or activities per year related to District business and be reimbursed for actual and necessary expenses incurred in attending Board meetings and in performing the Trustee’s official duties as provided in UTAH CODE ANN. § 17B-1-307(2). A Trustee may also receive compensation for training not more than once per year pursuant to UTAH CODE ANN. § 17B-1-312.

ARTICLE 3: OFFICERS

3.1 PRINCIPAL OFFICERS

The principal officers of the District shall consist of a Chairman of the Board, a Vice Chairman of the Board, a Clerk of the District, a Treasurer, a Records Officer and such other officers as the Board shall from time to time establish.

3.2 QUALIFICATIONS; SELECTION AND TERM OF OFFICE

3.2.1 **Selection.** At the first regularly scheduled meeting of the Board in each calendar year, or as soon thereafter as is practical, the Board shall choose one of its members as Chairman of the Board and shall choose another of its members as Vice Chairman of the Board. The Board shall also appoint a Clerk and a Treasurer of the District and such other officers as approved by the Board. The Chairman may not serve either as Treasurer or Clerk and the Clerk may not also serve as Treasurer. Subject to those limitations, and except as otherwise provided by law, one person may hold more than one office. The Chairman and the Vice Chairman must be members of the Board of Trustees, but other officers of the District need not be Trustees.

3.2.2 **Term.** The officers shall serve until their replacements are elected or appointed.

3.3 DUTIES OF OFFICERS

3.3.1 Chairman. The Chairman shall be the principal executive officer of the District but shall not be in charge of the day-to-day business and affairs of the District if a General Manager has been hired by the District. However, the Chairman shall be in charge of the day-to-day business and affairs of the District if there is no General Manager. The Chairman shall, when present in person, preside at all meetings of the Board, generally supervise the implementation of policy decisions made by the Board, and do and perform all duties incident to that position as are customarily done or performed by a local district board chairman. The Chairman shall approve such items as outlined or delegated by the Board including such things as: travel requests, purchase requests, personnel action forms, and signing checks. Unless the Board action approving any contract or other document specifies otherwise, either the Chairman or the General Manager (or both) shall be authorized and empowered to execute any and all properly approved documents for and on behalf of the District.

3.3.2 Vice Chairman. The Vice Chairman shall chair meetings of the Board and otherwise act in the place of the Chairman when the Chairman is absent. In the case of a vacancy in the office of Chairman, the Vice-Chairman shall serve as Chairman until such time as the Board shall select a new Chairman.

3.3.3 Clerk. The Clerk of the District shall maintain the financial records of the District and all related subsidiary records and be the custodian of the seal of the District (if there is one) and perform such other duties as may be delegated by the Board or the General Manager and shall have those duties specified in Title 17B, Chapter 1, Part 6 of the Utah Code, but may be assisted in the performance of those duties. Specific duties of the Clerk include:

1. maintain the financial records for each fund of the District and all related subsidiary records, including a list of the District's outstanding bonds, their purposes, amounts, terms, date and place payable;
2. prepare necessary checks after having determined that: (i) the claim was authorized by: (a) the Board or (b) the District's financial officer, if the financial officer is not the Clerk, in accordance with UTAH CODE ANN. § 17B-1-635; (ii) the claim does not overspend the budget established by the Board; and (iii) the expenditure was approved in advance by the Board or its designee, if the amount of the check exceeds \$5,000.00, or by the General Manager or the General Manager's designee, or by the Chairman or the Chairman's designee if there is no General Manager, if the amount is less than \$5,000.00;
3. cause a record of the minutes of the proceedings of the meetings of the Board to be kept and give notice as required by these Bylaws of all such meetings;

4. maintain custody of all books, records and papers of the District except as shall be in the charge of the Treasurer or some other person authorized to have custody and possession thereof by the Board;
5. provide a monthly or quarterly expenditures report to the Board for review and ratification; and
6. perform such other duties as may be required by law or assigned by the Board with such assistance as may be appropriate.

3.3.3.1 Assistant Clerks. One or more Assistant Clerks may be appointed to assist the Clerk and to carry out administrative and other functions of the Clerk.

3.3.4 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds received and disposed of by the District from any source whatsoever and, in particular, shall be responsible for the lawful investment and safekeeping of District funds and shall perform such other Treasurer duties as specified in Title 17B, Chapter 1, Part 6 of the Utah Code, but may be assisted in the performance of those duties. Specific duties of the Treasurer include:

1. determine the cash requirements of the District and provide for the deposit and investment of all monies by following the procedures and requirements of the State Money Management Act which is found in Title 51, Chapter 7 of the Utah Code;
2. receive all public funds and money payable to the District within three (3) business days after collection, including all taxes, licenses, fines and intergovernmental revenue;
3. keep an accurate detailed account of all monies received in accordance with the requirements of State law and as directed by the Board;
4. collect all special taxes and assessments as provided by law or otherwise;
5. along with any other person authorized by the Board, sign all checks, provided, however, that the person maintaining the financial records may not sign any single signature check; and
6. before affixing a signature to the check, the Treasurer or other designated person shall determine that a sufficient amount is on deposit in the appropriate bank account of the District to honor the check.

3.3.5

General Manager. The General Manager (or the Chairman if there is no General Manager) shall be the Chief Operating Officer of the District and shall be responsible for the day-to-day business and affairs of the District, subject to oversight by the Board. The General Manager shall, among other duties, faithfully execute and enforce all applicable laws, ordinances, rules and regulations, including the Bylaws and the policies established by the Board, and organize and direct the management of the affairs of the District in a manner consistent with applicable law. The General Manager shall submit to the Board suggested policies, procedures, plans and programs relating to the overall development and needs of the District and/or annual and special reports concerning the financial, administrative and operational activities of the District, together with the General Manager's evaluation and recommendations relating to the suggested policies, procedures, plans and programs. Unless otherwise directed by the Board, the General Manager will supervise purchasing for the District and authorize and approve expenditures made for official District business, provided that such expenditures are within the appropriations contained within the current adopted budget and comply with established purchasing policies and procedures. In that capacity, the General Manager will be expected to ensure that all expenditures have been properly approved prior to payment. The General Manager's duties include supervising the preparation and negotiation of contracts in consultation with the District's attorney; making necessary contacts on behalf of the District with responsible officials and representatives of federal, state, county and local units of government; verifying all payrolls, claims and expenditures for submission to the Board; and assisting in the preparation of the annual budget. The General Manager will implement and administer, within the budgetary restraints and policies as established by the Board, a plan for the compensation of District employees including, but not limited to, a pension system and a system for health and workman's compensation coverage. The General Manager will supervise all employees of the District and, in harmony with Personnel Policies and Procedures adopted by the Board, perform human resource duties relating to such matters as personnel, recommending hiring and firing, pay plans, conducting personnel investigations regarding discipline issues, etc. Unless excused by the Chairman, the General Manager will be expected to attend all meetings of the Board and take part in Board discussions and deliberations, but without the right to vote. The General Manager may prescribe rules and regulations not inconsistent with applicable law, these Bylaws, or the Policies and Procedures of the District as approved by the Board. The General Manager may examine and inspect the books, records and official papers of the District and shall be responsible for and exercise supervision and control over the District's property, facilities and operations. The General Manager will perform all other duties, assignments and functions required by the Board to the end that the District may be operated in an efficient, economical and satisfactory manner and effectively serve the public. The General Manager may act as the financial officer of the District for the purpose of approving (a) payroll checks, if the checks are

prepared in accordance with a schedule approved by the Board; and (b) routine expenditures, such as utility bills, payroll-related expenses, supplies and materials. The General Manager shall not be elected or selected annually, but serves at the pleasure of the Board as an at will employee who occupies an exempt status from federal and state wage and hour laws. The Board, on behalf of the District, may enter into an agreement with the General Manager outlining the terms of employment, compensation, benefits, and such other items as deemed appropriate by the Board and the General Manager. The Board is to conduct an annual evaluation of the General Manager's performance. Unless the Board action approving a contract or other document specifies otherwise, the General Manager, along with the Chairman, shall be authorized and empowered to execute and implement any and all properly approved documents for and on behalf of the District.

3.3.6 Records Officer. A Records Officer will be appointed in furtherance of the District's Records Access and Management Policy and exercise such rights and perform such duties in the classification, preservation and oversight of District records as provided in Title 63G, Chapter 2 of the Utah Code (the "Government Records Access and Management Act" or "GRAMA") and in the District's GRAMA Policy (once one is adopted) and as may be assigned by the General Manager. The Records Officer shall be the custodian of the records of the District that are not, by law or these Bylaws, under the custody of some other person such as the Clerk or the Treasurer.

3.3.7 Other Officers/Duties. There shall be such other officers and the officers shall perform such duties as determined by the Board. In addition to duties referenced in this Section 3.3, officers shall have such other duties as may from time to time be delegated or specified by the Board.

3.4 RESIGNATION

Any officer may resign at any time by giving written notice to the Board. Any resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, acceptance of the resignation shall not be necessary to make it effective.

3.5 REMOVAL OF OFFICERS

Any officer elected by the Board may be removed and a successor elected by a majority vote of the Board whenever, in the Board's judgment, the best interests of the District would be served by such removal provided, however, that the termination of employment with the District of an officer may be subject to the District's Personnel Policies and Procedures.

ARTICLE 4: POLICIES AND PROCEDURES

4.1 POLICIES OF THE DISTRICT

- 4.1.1 Formal Rules and Regulations. From time to time, the Board may adopt rules and regulations for the governance and operation of the District, which may, but need not, be designated as policies and procedures. Rules and regulations may cover subjects included in these Bylaws and may be more detailed than these Bylaws provided, however, in the event of any conflict between these Bylaws and any rule or regulation of the District that cannot otherwise be reconciled, these Bylaws shall control.
- 4.1.2 Informal Rules and Regulations. In addition to the formal rules and regulations of the District, “informal,” but nonetheless binding, rules and regulations and policies and procedures may be adopted by the Board or approved by the General Manager where such authority has been specifically delegated by the Board. The informal rules and regulations shall be in writing in such form as the Board and/or the General Manager, as appropriate, shall desire. In the event of a conflict between the informal rules and regulations and the formal rules and regulations adopted by the Board, formal rules and regulations shall control unless declared otherwise by the Board of Trustees.
- 4.1.3 Amendments. Except as otherwise provided in these Bylaws all rules and regulations and other enactments of the District may, from time to time, be amended by majority vote of the Board.
- 4.1.4 Enforcement. The General Manager, or the Chairman if there is no General Manager, is authorized to enforce all rules and regulations of the District. The General Manager may delegate to the District staff authority to enforce rules and regulations of the District.

ARTICLE 5: FINANCIAL ACCOUNTS AND PURCHASING

5.1 INVESTMENTS

All monies, promissory notes, evidence of debt or investments belonging to the District shall be deposited in financial centers, banks or with the State Treasurer as authorized by the State Money Management Act, Title 51, Chapter 7, of the Utah Code, or other applicable law. The Board may designate, from time to time, those District officials and employees having signature authority with respect to bank accounts of the District. Bank account signature cards will be established, amended and updated as directed, from time to time, by the Board.

5.2 PURCHASES

- 5.2.1 Policies. The Board shall establish policies governing the purchases of the District. In harmony with applicable portions of the “Utah Procurement Code”, Title 63G, Chapter 6a of the Utah Code, and requirements stated in title 17B, Chapter 1 of the Utah Code, the policies may identify those

procedures necessary to address the following: requests for purchases, acquisition methods to be used (RFP'S, competitive bids, state contracts, sole source, etc.), the issuance of purchase orders, the receipt of equipment, requests for payment of invoices, tracking of assets, methods to declare assets to be surplus, methods to dispose of surplus items, and such other subjects as desired by the Board.

- 5.2.2 Check Procedure. With the exception of minor “petty cash” purchases or the use of an authorized credit card, all payments and disbursements by the District shall be made by a check drawn on the District’s account and all checks shall be signed by any two of the following: one or more Trustees, the Treasurer, the Clerk, the Controller (if there is one) or the General Manager. The Board may limit the check signing authority of any individual and may authorize other District officials and employees to have check signing authority. All checks presented for signature must be accompanied by documentation supporting the expenditure. A check is not to be submitted for signature unless there are available funds to cover the expenditure. Use of a check signer with appropriate signature plates is authorized.
- 5.2.3 Credit Card and Petty Cash Procedure. A credit card issued to the District shall be used only for authorized District purchases. The unauthorized use of a District credit card may be a criminal act and, even if not prosecuted as a crime, may result in sanctions, including termination of employment or removal from the Board in compliance with applicable legal requirements. Petty cash may only be used by authorized individuals to make small purchases on behalf of the District. As soon as is reasonably possible after a credit card or petty cash purchase, the individual making the purchase shall provide supporting documentation, such as a receipt or invoice, to the Clerk or other authorized District representative, unless the expenditure was made by the Clerk or other authorized representative, in which event the documentation is to be submitted to the General Manager or, if there is no General Manager, to the Chairman of the Board.
- 5.2.4 Board Approval. Capital and other expenditures may be made as provided in the District’s Purchasing Policies and Procedures. Approved disbursements may be shown in the Board meeting minutes and, if so shown, the minutes shall constitute authority for the payment of capital items and other expenditures which require Board approval as provided in the District’s applicable rules and regulations or as otherwise required by law.
- 5.2.5 Bonding Requirements. All persons with check signing authority and/or with investment and/or financial record keeping responsibilities shall be bonded in such sum as may be required by law or otherwise and with such surety as the Board shall determine, with the costs of each bond to be paid by the District.

5.3 FISCAL YEAR

The fiscal year of the District shall begin January 1 of each year.

ARTICLE 6: APPLICABLE LAW

6.1 EFFECT OF STATE LAW

6.1.1 State Law to Supplement. The District is subject to the requirements of state law as reflected in applicable provisions of Title 17B and other portions of the Utah Code regardless of whether the subject of those provisions is covered by these Bylaws or other enactments of the District.

6.1.2 State or Federal Law to Control. In the event of a conflict between these Bylaws or any other enactment of the District and an applicable provision of the Utah Code or federal law, the Code or federal law provision shall control, even though the said provision may not have been in effect when these Bylaws or other enactment were adopted or may have been amended after the effective date of these Bylaws. Notwithstanding the foregoing, however, should the applicable state or federal law not be intended to impact action previously taken then, to the extent permissible, these Bylaws or other District enactment shall continue to control.

6.2 EFFECT OF BYLAWS

6.2.1 Bylaws to Control. In the event of a conflict between these Bylaws and any policy, procedure, rule or regulation of the District or any motion or other action approved by the Board, these Bylaws shall control.

ARTICLE 7: AMENDMENTS TO BYLAWS

7.1 AMENDMENTS BY BOARD

Amendments to these Bylaws may be made, and these Bylaws may be superseded and replaced by new Bylaws, by a two-thirds (2/3) majority vote of the entire Board (at least 8 affirmative votes) at any meeting of the Board, provided notice of the intent to amend or replace the Bylaws shall have been included in the meeting agenda.

ARTICLE 8: ETHICS

8.1 APPLICATION

All Trustees and officers and employees of the District shall comply with the requirements of the Utah Public Officers' and Employees' Ethics Act, Chapter 16 of Title 67 of the Utah Code, and other applicable statutory provisions related to ethics and honesty in public government service.

ARTICLE 9: SAVINGS CLAUSE

9.1 APPLICATION

Should any part, subdivision, sentence, clause, phrase or provision of these Bylaws or the application thereof be found to be invalid or in conflict with state or federal law, the conflicting portion shall not affect the application or force of the balance of these Bylaws

Approved the _____ day of _____, 201__.

Chairman

ATTEST:

Clerk

4849-5553-4620, v. 1

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