



# **MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT**

## **BYLAWS OF THE BOARD OF TRUSTEES**

**EFFECTIVE SEPTEMBER 6, 2018**



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## ARTICLE ONE – PURPOSE

The purpose of these Bylaws is to define the organization, powers and responsibilities of the Board of Trustees and to provide guidelines under which it should operate.

## ARTICLE TWO – LEGAL AUTHORITY OF DISTRICT

### Section 1 – Name

The name of this Utah Local District shall be the “Mountain Green Sewer Improvement District,” hereinafter referred to as “the District.”

### Section 2 – Governing Law

The District is a body politic of the State of Utah, created by the Morgan County Council in 1975. The District was created and functions in accordance with the laws of Utah pertaining to Local Districts as adopted by the Utah State Legislature and presently codified as Title 17B, Utah Code Annotated, 1953. The District shall have, enjoy and exercise all of the rights, powers and authority vested in it, specifically or by implication, under the laws of the State of Utah as they presently exist or as they may hereinafter be amended.

### Section 3 – Location

The principal office of the District is located at 5455 West Old Highway Road, Mountain Green, Utah 84050. The principal office may be changed at any time by the Board of Trustees.

### Section 4 – Service Area

The boundaries of the service area of the District are specifically designated and duly recorded in the Morgan County Recorder’s Office. The boundaries of the service area of the District may be amended from time to time by the Board of Trustees.

## ARTICLE THREE – BOARD OF TRUSTEES

### Section 1 – Definition

The Board of Trustees (hereinafter sometimes referred to as “the Board”) is authorized by Section 17B-1-301 et. seq. of the Utah Code to govern the operations and affairs of the District.

### Section 2 – Number of Trustees

The Board shall consist of seven (7) Trustees who serve four-year terms. Four of the Trustee positions serve a concurrent four year term while the other three Trustee positions serve a concurrent four year term that alternates two years later with the intention that the term of four (or three) of the Trustees expires every two years.

### Section 3 – Meetings

The Board shall hold regular monthly meetings at the principal office of the District on the 1<sup>st</sup> Wednesday of each month at the hour of 6:30 p.m. or at such other time and place as the Board shall so determine. This may be changed by a majority board vote. In the event any such official meeting date should fall on a legal holiday, the meeting shall be held the preceding day or such other day following due notice as the Board may determine. In the event it should



appear a quorum cannot be obtained for any such official meeting, the Chairman may declare the meeting continued to a day certain or until the next official meeting date. Special meetings may be called by the Chairman or the Vice Chairman in the Chairman's absence or by any three concurring members of the Board.

#### Section 4 – Open and Public Meetings Act

All meetings of the Board of Trustees shall be conducted in accordance with the Utah “Open and Public Meetings Act” (Title 52 Chapter 4 of the Utah Code).

#### Section 5 – Attendance

The Board may adopt any resolution not inconsistent with law providing rules pertaining to the attendance of its members. The Chairman may excuse attendance at a Board meeting for good cause.

#### Section 6 – Removal of Member

Members of the Board may be removed for cause by a two-thirds majority vote of all Trustees at a duly constituted meeting of the Board, provided that removal of the Trustee has been set forth as one of the agenda items of said meeting. Failure to perform duties of the position, including failure to attend three consecutive Board meetings or four total Board meetings within a one year period or failure to complete any Board training as and when required by law, may be sufficient grounds for removal of a member.

#### Section 7 – Resignation of Member

A member of the Board may resign at any time by delivering a written resignation to the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery.

#### Section 8 – Board Member Qualification

- a. No elected or appointed member of the Board may be a full or part-time employee of the District while serving on the Board.
- b. Board Members shall otherwise be qualified, elected or appointed, and serve as required by and in accordance with the provisions of Title 17B of the Utah Code.

#### Section 9 – Organization of Board of Trustees

The Board at its January meeting shall re-organize by:

- a. Electing by a majority vote a Chairman of the Board. The then-present Chairman shall be eligible for re-election.
- b. Electing by a majority vote a Vice-Chairman of the Board. The then present Vice-Chairman shall be eligible for re-election.
- c. Both the Chairman and the Vice Chairman serve at the pleasure of the Board and either or both of said officers may be removed at any time with or without cause by the Board at a duly constituted meeting of the Board.

#### Section 10 – Powers and Duties of the Board of Trustees

The Board shall be the governing body of the District and as such shall perform all functions, duties, and operations necessary and consistent with the operation of the affairs of the District. The Board shall have all powers granted to it by the laws of the State of Utah, particularly Title 17B of the Utah Code, together with the following:



- a. The Board shall, from time to time, enact by resolution, ordinances prescribing the payment of sewer impact fees, connection, inspection and permit fees and sewer service charges for the use of the sewer system operated by the District (the "Sewer System"). The Board shall also establish rules and procedures for levying, billing, guaranteeing and collecting all fees and service charges which shall apply to all residents and commercial entities within the service area of the District.
- b. The Board shall establish and document rules governing the manner of and materials to be used in making connections to the Sewer System, and such other rules and regulations for the management and control of sewage disposal, as it deems necessary.
- c. The Board is authorized to make and enter into such contracts as may be necessary, convenient or proper with respect to the carriage and treatment of sewage for improved property outside the District's service area and to establish fees and charges for such service, including without limitation, impact and connection fees, sewer service charges and surcharges justly related thereto, provided, however:
  - (i) such charges shall not be less than the costs charged residents and commercial entities within the service area of the District and
  - (ii) no such contract shall impair the ability of the District to properly provide sanitary sewer services within the boundaries of the District's service area.
- d. The Board has authority to charge and collect impact and connection fees, inspection and permit fees and sewer service charges and to take such steps and adopt such resolutions as may be necessary to assure the collection and enforcement of the same from all persons, pursuant to and in accordance with the requirements of the mandatory sewer connection ordinance of Morgan County, Utah.
- e. The Board may assign a penalty to any customer who shall become delinquent in the payment of any charges due the District. As provided by law, any unpaid and delinquent charges for sewer service shall be certified by the Morgan County Clerk to the treasurer or assessor of Morgan County. The amount of delinquent charges, together with interest and penalties, shall immediately upon the certification become a lien on the delinquent premises on a parity with and collectible at the same time and in the same manner as general county taxes are a lien on the premises and are collectable. All methods of enforcement available for the collection of general county taxes, including sale of the delinquent premises, shall be available and shall be used in the collection of the delinquent sewer charges.
- f. The Board is authorized to provide an adjustment that complies with U.C.A. 11-36-202 as amended. More particularly, the Board is authorized to reduce, adjust, amend, abate or waive any fee that the Board is authorized to collect upon a finding of "unusual circumstances" including a finding of specific facts related to such unusual circumstances. The Board may also provide an offset or credit for a public facility for which an impact fee has been or will be collected if there is evidence provided by the developer that would justify the offset or credit so that the fees charged are fair. The Board is authorized to adjust the amount of an impact fee if the developer, including a church or school, dedicates land for a system improvement, builds or dedicates all or part of a system improvement, or dedicates a public facility that the Board determines will reduce the need for a system improvement. The Board is authorized to adjust impact fees for low-income housing, state or government facilities, school districts or a charter school, or other development with a broad public purpose if the Board can establish one or more sources other than impact fees to pay for such development.



Section 11 – Duties of Chairman of the Board of Trustees

- a. The Chairman of the Board shall be the executive officer of the Board.
- b. The Chairman shall be the presiding officer at all meetings and conduct the same.
- c. The Chairman shall have primary responsibility for the agenda for each Board meeting in accordance with the following agenda procedures:
  - (i). By the close of the eighth (8<sup>th</sup>) day immediately preceding the scheduled Board meeting (typically the Tuesday of the immediately preceding week), the District Manager (or designated staff) will send a preliminary draft of the agenda for the upcoming Board meeting (along with the preliminary draft of the Minutes from the previous Board meeting) to each Board member (“First Preliminary Agenda”). The agenda items set forth in the First Preliminary Agenda shall be taken from the Minutes of the previous Board meeting, together with any other agenda items requested in writing by a Board member or the District Manager prior to such date.
  - (ii) By the close of the sixth (6<sup>th</sup>) day immediately preceding the Board meeting (typically the Thursday of the immediately preceding week) the Chairman will send a revised draft of the proposed agenda (the “Second Preliminary Agenda”) to all Board members and the District Manager. No agenda items shall be deleted from the First Preliminary Agenda, but additional agenda items requested in writing by any Board member or the District Manager prior to that date shall be added to the Second Preliminary Agenda.
  - (iii) By the close of the third (3<sup>rd</sup>) day immediately preceding the Board meeting (typically the immediately preceding Sunday), Board members and the District Manager may send additional agenda items in writing to the Chairman.
  - (iv) By noon on the second (2<sup>nd</sup>) day immediately preceding the Board meeting (typically the immediately preceding Monday), the Chairman will send (in Microsoft Word and PDF format) all Board members and the District Manager the Final Agenda which shall include any additional agenda items submitted in writing and received by the Chairman prior to said time.
  - (v) Within twenty four (24) hours of the day of the Board meeting, the District Manager shall: (1) post the Final Agenda on the Utah Public Notice website, (2) send a notice of the meeting together with copy of the Final Agenda to the Morgan County News and (3) post a copy of the Meeting Notice and Final Agenda on the bulletin board located outside the District Office.
  - (vi) At the beginning of each Board meeting, the Board shall vote to approve, disapprove and/or amend the Final Agenda.
- d. The Chairman shall sign and execute all legal documents requiring the official action of the Board; provided, however, the Board may delegate the right to execute legal documents on behalf of the Board to other Trustees or to the District Manager so long as such delegation is evidenced by a resolution approved by the affirmative vote of a majority of the members of the Board in attendance at any duly authorized meeting.



- e. The Chairman shall carry out and conduct such affairs of the District as may be designated to the Chairman by the Board or by the laws of the State of Utah. The Chairman shall manage the Board to ensure all rules, resolutions, regulations and laws are followed and shall provide guidance to the other members of the Board as the same may relate to the operations and affairs of the District.
- f. The Chairman and the Vice-Chairman shall work together as a team for the benefit of the District and both officers shall endeavor in good faith to develop a mutually respectful, professional working relationship with the District Manager and his (or her) staff.
- g. The Chairman, with the approval of a majority of the Board, may appoint one or more Trustees to subcommittees and/or assign one or more Trustees the responsibility for specified issues relating to operations and affairs of the District; provided, however, no such subcommittee assignment or portfolio assignment shall prejudice, reduce or impair the powers and responsibilities of the District Manager without the passage of a resolution by the Board evidencing the same.

#### Section 12 – Duties of Vice Chairman of the Board of Trustees

In the absence or unavailability of the Chairman, the Vice-Chairman shall become Chairman of the Board pro tempore and shall be and is hereby vested with all the powers inherent in the office of the Chairman as set forth in the preceding Section 11. If neither the Chairman nor Vice-Chairman is personally present at the meeting, the Board shall elect one of its members to act as Chairman pro-tempore.

#### Section 13 – Duties of District Clerk

The Board shall appoint a District Clerk who may or may not be a member of the Board. Neither the Chairman nor the District Treasurer may be the District Clerk. The District Clerk shall have the following powers and duties:

- a. Attend all meetings of the Board, regular and special.
- b. Keep adequate notes and thereafter make an adequate transcription thereof of all the affairs or business presented to the Board and acted thereon by the Board.
- c. Whenever a vote on any proposition is taken by roll call, the District Clerk shall enter the name of Trustees voting and indicate the aye or nay votes on such proposition and place an announcement in the minutes of the result of such voting.
- d. The District Clerk (or other person appointed by the Board) shall prepare and present to the Board detailed quarterly financial reports showing the financial position and operations of the District for that quarter and the year-to-date status.
- e. The District Clerk (or other person appointed by the Board) shall maintain the financial records for each District fund and all related subsidiary records.
- f. The District Clerk shall keep an accurate record containing the transcribed minutes of each meeting of the Board, regular and special. At each meeting the District Clerk shall present a written copy of the minutes of the previous meeting and correct the same as directed by the Board after which the District Clerk shall sign said minutes and indicate that they are the final minutes of said meeting.
- g. The District Clerk shall keep a record containing all the resolutions passed and adopted by the Board and additionally shall keep such other books, files or ledgers as determined



necessary to keep a complete record of the affairs of the District or as may be directed by the Board.

- h. The District Clerk may delegate one or more of the responsibilities described in subsections a, b, c, f and g to another person approved by the Board; provided, however, the District Clerk shall retain ultimate responsibility for the fulfillment of such responsibilities.

#### Section 14 – Duties of District Treasurer

The Board shall appoint a Treasurer of the District. Neither the District Clerk nor the Chairman shall be the District Treasurer. The District Treasurer shall be its chief fiscal officer and the custodian of its funds, securities, and property. The District Treasurer shall have all powers and duties afforded by 17B-1-633 of the Utah Code, including, but not limited to the following:

- a. To keep and maintain, open to inspection at all reasonable times, adequate and correct accounts of the properties and business transactions of the District, which shall include all matters required by law and which shall be in form as required by law.
- b. To have the care and custody of the funds and valuables of the District and deposit the same in the name and to the credit of the District with such depositories as the Board may designate.
- c. To maintain accurate lists and descriptions of all capital assets of the District, including land, buildings, and plants.
- d. To manage and confirm the proper drafting of all checks, drafts, notes, and orders for the payment of money as required in the business of the District, and to sign such instruments as directed by the Board.
- e. To disburse the funds of the District for proper expenses and as may be ordered by the Board and to take proper vouchers for such disbursements.
- f. To render to the Board whenever it may require it, an account of all transactions as District Treasurer, and a financial statement in form satisfactory to it, showing the condition of the financial affairs of the District. In addition to the foregoing, the District Treasurer shall have such other powers, duties, and authority as may be prescribed by the Board from time to time so long as such further delegation is in accordance with all applicable laws.
- g. To determine the cash requirements of the District and provide for the deposit and investment of all money by following the procedures and requirements Article Five – Investment Policy below.
- h. To receive (or manage and confirm receipt of) and deposit all public funds and money payable to the District within three business day after collection, including all taxes, fees and service charges.
- i. To collect all special taxes and assessments as provided by law or ordinance.
- j. Notwithstanding the foregoing, however, the Board shall approve all expenditures of the District provided, however, the Board may authorize the District Manager (or other person approved by the Board) to act as the District Financial Officer for purposes of approving
  - (i) payroll checks, if the checks are prepared in accordance with a schedule approved by the Board and





(ii) routine expenditures, such as utility bills, payroll-related expenses, supplies and materials. Furthermore, the Board shall set a maximum sum over which all expenditures may not be made without the Board's approval and shall at least quarterly review all expenditures authorized by the District Financial Officer.

#### Section 15 – District Audit/Outside Auditor/Internal Auditor

The District shall perform an audit in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations and Other Local Entities Act. The Board shall appoint an independent outside auditor for the purpose of complying with the requirements of this section ("Outside Auditor"). The Board shall also appoint an internal auditor ("Internal Auditor") who shall perform such internal auditing functions as the Board shall require.

Section 16 – Compensation: Compensation of members of the Board and officers of the District shall be established by resolution of the Board as permitted by the Utah Code.

- a. All Board compensation shall be paid once per year after the last Board meeting in December and such compensation shall be deemed that of employee with all appropriate taxes withheld. By December 1st of each year all Board members shall file a new W-4 Employee's Withholding Allowance Certificate with the District Manager.
- b. The Board shall be compensated as follows:
  - (i) Each Board member shall receive \$125.00 for each Board meeting attended;
  - (ii) In addition to the per meeting compensation, the Chair shall also receive the sum of \$500.00;
  - (iii) In addition to the per meeting compensation, the member of the Board delegated the responsibility of completely each monthly audit shall receive the sum of \$50 per audit; and
  - (iv) In addition to the per meeting compensation, each member of the Board shall be paid the sum of \$100 for completing all training mandated by the State of Utah; namely:
    - (A) New and New-Term Board Members – "Board Member Training"
    - (B) All Board Members every year – "Open & Public Meetings Training"
    - (C) Additionally, if a Board member accepts a special assignment, such as being the "Records Retention Officer" and if such special assignment requires the Board member complete additional training, such Board member shall be paid \$100 for completing such additional special training.

#### Section 17 – Board Member Training

Each member of the Board shall complete all training required by the Board or required by applicable law, including but not limited to the training prescribed in Section 17B-1-312 of the Utah Code.

#### Section 18 – Electronic Meetings – Participation Electronically

Meetings of the Board may be conducted electronically in accordance with Section 52-4-207 of the Utah Code and the following conditions:



- a. Electronic attendance of a meeting should only be used in the case of an emergency or extraordinary circumstances, where it would be unduly difficult, burdensome or onerous for all members to be physically present. It should never be viewed as a convenient alternative to live attendance and it is the responsibility of the electronic participant to ensure that the line of communication that he/she is using is clear and constantly connected for the duration of the meeting. In order to prevent abuse of this privilege, no individual member of the Board may participate electronically more than two (2) times in a calendar year.
- b. A member of the Board may participate in meetings by all forms of appropriate electronic means in accordance with the provisions of this Section. Such participation must provide for open access to the public which, at a minimum, means that the member participating electronically must be able to hear comments from public participants in the meeting as well as other members and that public participants as well as other members must be able to hear comments from the member participating electronically.
- c. A quorum of the Board must be present in person at the meeting in order to conduct an electronic meeting.
- d. No more than two (2) members of the Board may participate electronically at any meeting of the Board. If more than two members of the Board request to participate in a meeting electronically, approval shall be given by the Chairman on a first request basis.
- e. If the Chairman is not physically present at the meeting and is participating electronically, the Vice-Chairman shall preside over the meeting. If neither the Chairman nor Vice-Chairman is personally present at the meeting, the Board shall elect one of its members to act as Chairman pro-tempore.
- f. If a member of the Board desires to participate in a meeting of the Board electronically, such member must inform the District Clerk not less than 72 hours prior to the meeting to allow for arrangements to be made for the electronic meeting. Public notice of the meeting shall include a description of how a member(s) will be connected to the electronic meeting.
- g. When the Board convenes or conducts an electronic meeting, it shall
  - (i) give public notice of the meeting in accordance with 52-4-202 of the Utah Code and by posting a written notice of the electronic meeting at the principal office of the District and
  - (ii) in addition to giving public notice as set forth in (i) above, provide:
    - A. notice of the electronic meeting to the members of the Board at least 24 hours before the meeting so that they may participate in and be counted as present for all purposes, including a determination that a quorum is present; and
    - B. a description of how the members of the Board will be connected to the electronic meeting;
  - (iii) provide space and facilities at the principal office of the District (or such other meeting location as the Board may approve) so that interested persons and the public may attend and monitor the open portions of the meeting.
- h. Participation of a member in an electronic meeting shall constitute attendance at a Board meeting according to the attendance policy of the District.



- i. The Board may appoint an Electronic Point Person who shall have responsibility for insuring compliance with the terms and provisions of this Section 18.
- j. This Section 18 shall replace the terms and provisions of any other resolution, rule, regulation or policy previously adopted by the District that deal with electronic meetings of the Board.

#### Section 19 – Rules of Order and Conduct

The meetings shall be conducted in accordance with Robert's Rules of Order, provided, however, the Board may modify Robert's Rules of Order in order to enhance and facilitate the efficiency, effectiveness and civility of Board meetings

#### Section 20 – Election or Appointment of Members of Board of Trustees.

Upon the expiration of the term of a member of the Board or in the event a vacancy occurs on the Board for any reason, newly elected or newly appointed members of the Board shall be determined in accordance with applicable Utah law, including, but not limited to Section 17B-1-306 and Section 20A-1-512 of the Utah Code. The Board shall have responsibility for compliance with the provisions of Utah law dealing with the election and/or appointment of members of the Board of Trustees. It shall appoint an Election Board Official from among the members of the Board of Trustees to manage and oversee all matters dealing with the election and/or appointment of members of the Board. The Election Board Official may delegate ministerial or administrative responsibilities to non Board members, but all substantive acts and requirements retaining to the election and/or appointment of members of the Board shall remain the responsibility of the Election Board Officer.

### ARTICLE FOUR - DISTRICT MANAGER

#### Section 1 - Appointment

The District Manager shall be appointed by majority vote of the Board and shall serve at the pleasure of the Board subject to terms of a contract of employment. He or she shall be chosen by the Board on the basis of his or her executive and administrative qualifications with special reference to actual experience in or knowledge of accepted practices in respect to the duties of the office hereinafter set forth. No Board member shall receive such appointment during the term for which he or she shall have been elected or appointed.

#### Section 2 - Removal

The District adheres to Utah's employment-at-will doctrine. Accordingly, the Board may remove the District Manager at any time with or without cause by a majority vote of its members.

#### Section 3 – Powers and Duties

The District Manager shall be the chief administrative officer of the District. He or she shall be responsible to the Board for the proper administration of all affairs of the District. To that end, he or she shall have the power and shall be required to fulfill all obligations and responsibilities reasonably relating to the efficient operations and affairs of the District including, but not limited to:

- a. Employ and dismiss all employees in accordance with and subject to the terms of the District's Personnel Policy.
- b. Be the overall supervising officer and manager of the operations of the District.



- c. Have the complete control and management of all the facilities of the District, including the buildings, treatment plant and trunk lines and shall be responsible for the proper operation of the same.
- d. Be the head and the supervisor of all employees of the District. All employees shall be directly responsible to the District Manager.
- e. In the event of any employment vacancies, screen applicants for replacement, select the person to fill the vacancy and inform the Board accordingly.
- f. Make recommendations and requests to the Board for such additional employees as in the opinion of the District Manager may be needed for the proper operation of the District facilities.
- g. In emergency situations, to discharge any employees working under his or her jurisdiction and employ a substitute until the next meeting of the Board at which time the District Manager shall report such personnel problem and inform the Board about the steps he/she took to address and resolve the emergency and/or employment termination.
- h. Keep himself (or herself) fully informed of the condition of all the equipment and facilities belonging to the District and shall recommend to the Board the need or desirability for replacement of any equipment or facilities or the need for the addition of new equipment or facilities.
- i. Whenever worn equipment needs to be replaced or new equipment appears to be needed or desirable, obtain quotations of cost for such replacements or additions in accordance with the District's procurement policy.
- j. Whenever any emergency situation should arise threatening loss or destruction of equipment and facilities of the District or threatens and endangers human life, act forthwith to prevent or alleviate such emergency and hire emergency crews or equipment to meet any such emergency. Following such emergency, the District Manager shall inform the Board of the circumstances surrounding the emergency, the steps taken to address and resolve the emergency and request that the Board ratify such actions.
- k. Act as the District Budget Officer to perform or cause to be performed all of the duties of such office as set forth in 17B-1-601 et. seq. of the Utah Code. He or she shall prepare the budget annually and submit it to the Board together with a message describing the important features and be responsible for its administration after adoption. He or she shall exercise budgetary control over District services; provide for the maintenance of uniform accounts and records of financial transactions, the purchasing of materials, supplies, equipment and services, the pre-audit of claims and disbursements of District funds, and keep the Board advised as to the financial condition and needs of the District, and make such recommendations as he or she may deem desirable.
- l. Supervise the purchase of all materials, supplies, and equipment for which funds are provided in the budget; let contracts necessary for operation or maintenance of District services in accordance with the Procurement Policy of the District. All purchases shall comply with the District's Procurement Policy and no purchase shall be made, contract let or obligation incurred for any time or service which exceeds the current budget appropriation without a supplemental appropriation by the Board.



- m. Present to the Board monthly and annual reports, together with whatever other reports the Board may request.
- n. Recommend to the Board standard personnel policies for employees and be responsible for their implementation and administration after adoption.
- o. Recommend to the Board the adoption of such measures as he or she may deem necessary or expedient for the health, safety, or welfare of the District or for the improvement of administrative services.
- p. Prepare all reports required of the District by any governmental agency and duly file such reports at such times, in such manner and at such places as required by law.

#### Section 4 – Relationship to the Board of Trustees

The Board and its members understand and agree that the District Manager is the person primarily responsible for the proper administration of all affairs and operations of the District and that in order to fulfill said obligations and responsibilities, except with the prior approval of the Board, no member of the Board, including, but not limited to, the Chairman and the Vice Chairman, may give orders, directions or assignments to the District Manager or any subordinates of the District Manager.

### ARTICLE FIVE – INVESTMENT POLICY

#### Section 1 – Purpose

The purpose of this Investment Policy is to set forth guidelines on how District funds are held and invested by the District. This Investment Policy shall replace the terms and any other resolutions, rules, regulations or policies previously adopted by the District that conflict with the terms hereof.

#### Section 2 – Investment Requirements

- a. All funds of the District are to be invested in accordance and in compliance with the "State Money Management Act" (Title 51 Chapter 7 of the Utah Code).
- b. All funds of the District shall be invested to meet the following objectives when depositing and investing funds:
  - (i) safety of principal;
  - (ii) need for liquidity; and
  - (iii) yield on investments.
- c. Funds shall not be invested longer than the anticipated date of need for expenditure of funds.
- d. Funds necessary for the day-to-day operations and affairs of the District shall be invested in federally insured or state approved accounts (and interest bearing where reasonably possible) and short-term investments that match the reasonably anticipated need for use of the funds. Examples of such types of investments would be deposits in the Utah Public Treasurer's Investment Fund and short-term certificates of deposits.



- e. Emergency Funds shall be invested in federally insured or state approved interest bearing accounts and/or short-term certificates of deposit. Examples of such types of investments would be deposits in the Utah Public Treasurer's Investment Fund and short-term certificates of deposits.
- f. Existing Residents Funds for Proposed New Sewer Facility, Replacement (Depreciation) funds and Impact/Expansion funds shall be invested in federally insured or state approved interest bearing accounts as described above and/or investments based on the reasonably anticipated date of need for use of such funds. For example, if the funds will be needed in three (3) years, the funds could be invested in a bond maturing in no more than three (3) years.

### Section 3 – Prohibited Investments

No funds shall be invested in any type of equity security.

## ARTICLE SIX - MISCELLANEOUS

### Section 1 - Amendment

These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of a majority of those present at any legally constituted meeting of the Board for which notice of the intent to amend said Bylaws has been given. Such changes shall be effective on the date determined by the Board adopting the same.

### Section 2 – Indemnification

Excepting only criminal conduct, no officer or Trustee shall be personally liable for any obligations of the District or for any duties or obligations arising out of any acts or conduct of said officer or Trustee performed for or on behalf of the District. The District shall defend, indemnify and hold harmless such persons and their heirs and administrators who shall serve at any time hereafter as an officer or Trustee of the District from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of any action having heretofore or hereafter been taken or omitted to have been taken by such officer or Trustee, and shall reimburse such persons for all legal and other expenses reasonably incurred by such persons in connection with any such claim or liability; provided, however, that no such persons shall be indemnified against or reimbursed for any judgment or expense incurred in connection with any claim or liability arising out of a criminal prosecution or willful misconduct. In addition to (and not in lieu of) the foregoing indemnification, the District shall maintain a policy of liability insurance insuring the District, its officers and members of the Board against those acts and omissions indemnified above.

### Section 3 – District Records

- a. The District shall create, maintain and make available all District records in accordance with the Utah "Government Records Access and Management Act" (Title 63G Chapter 2 of the Utah Code), together with any such records policy as the Board may adopt to evidence and implement the same.
- b. The Board may appoint a District Records Retention Officer who shall be primarily responsible for the insuring that the records of the District are created, maintained and disclosed in accordance with the Utah Government Records Access and Management Act. Provided, however, the appointment of a Records Retention Officer shall not relieve the Board or the District of ultimate responsibility for compliance with said law.



Section 4 – Compliance with Ethics Statutes/Conflicts of Interest

- a. All members of the Board and all officers of the District shall comply with state and local statutes and regulations governing ethics, including without limitation, the Utah Public Officer's and Employees Ethics Act, Utah Code Section 67-16-1 et seq. Without limiting the foregoing, a member of the Board or an officer of the District may not:
- (i) accept employment or engage in any business or professional activity which he might reasonably expect would require or induce him to improperly disclose controlled private or protected information which he has gained by reason of his official position.
  - (ii) improperly disclose controlled, private or protected information acquired by reason of his official position nor use such information for his or another's private gain or benefit.
  - (iii) use or attempt to use his official position to secure special privileges or exemptions for himself or others.
  - (iv) accept other employment which he might expect would impair independence of judgment in the performance of his public duties.
  - (v) accept other employment which he might expect would interfere with the ethical performance of his public duties.
- b. Each year every member of the Board and the District Manager shall execute and deliver a "Conflicts of Interest Statement" in such form and content as the Board may reasonably require.

Section 5 – Term of Officers

All officers of the District shall serve at the pleasure of the Board and may be terminated at any time by the Board with or without cause; subject to the foregoing, each officer of the District shall serve for a term of one (1) year from the effective date of his/her appointment.

DATED this 3<sup>rd</sup> day of October, 2018. I hereby certify that the foregoing Bylaws were approved by the Board of Trustees of the Mountain Green Sewer Improvement District at a meeting duly called for that purpose, with due and proper notice, on the 5<sup>th</sup> day of September, 2018

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

By Its Board of Trustees

By: [Signature]

Its: Chairman