

APPROVED BY BOARD OF TRUSTEES: July 12, 2022
BYLAWS
KEARNS IMPROVEMENT DISTRICT

ARTICLE I
NAME, ORGANIZATION, PURPOSES, PRINCIPAL OFFICE

1.1 NAME; ORGANIZATION

1.1.1 Name. The name of this improvement district is the Kearns Improvement District, hereafter the “District.”

1.1.2 Organization. The District was organized in April, 1957 pursuant to the provisions of Chapter 6 of Title 17 of the Utah Code (now Part 4, 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 with all of the powers granted or necessarily implied by state law.

1.2 PUBLIC PURPOSE

The purpose of the District is to acquire and operate a system for the supply, treatment, and distribution of water and a system for the collection, treatment, and disposal of sewage; and to exercise all powers conferred upon such districts by law. See Utah Code Ann §§ 17B-1-103 and 17B-2a-403.

1.3 PRINCIPAL OFFICE

The District's office and principal place of business shall be located at 5350 West 5400 South, Kearns, Utah, until changed pursuant to Board action.

ARTICLE II
TRUSTEES

2.1 BOARD OF TRUSTEES

The District is governed by a Board of Trustees, the “Board,” as authorized by Sections 17B-1-301 and 17B-2a-404, Utah Code Annotated, 1953, as amended.

2.2 QUALIFICATIONS FOR TRUSTEES

2.2.1 Election/Employment. Trustees are elected as provided in Utah Code Ann. § 17B-1-305 through -306 and subject to applicable requirements of Sections 17B-1-302 -303, -311 and -312 of the Utah Code, as the same may be amended from

time to time. Trustees shall not be either full- or part-time employees of the District and shall receive no compensation from the District other than lawful compensation for service on the Board.

2.2.2 Oath of Office. Prior to assuming official duties, each Trustee takes and subscribes, before an officer authorized to administer oaths, to an oath as required by Utah Code Ann. § 17B-1-303(3). However, the failure of a Trustee to take the required oath shall not invalidate any official act of that Trustee.

2.2.3 Fidelity Bond. A corporate surety bond or theft or crime insurance, as allowed by law, is to be furnished for the Trustees as required by Utah Code Ann. § 17B-1-303(7) at the expense of the District, in the amount and with the surety, sureties, insurance company or insurance companies prescribed by the Board, for the faithful performance of the Trustees' duties.

2.3 NUMBER OF TRUSTEES

2.3.1 Authorized Number. The Board of Trustees of the District consists of three persons.

2.4 TERM OF OFFICE

The term of each member of the Board of Trustees 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). A Trustee appointed to fill a vacancy 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 first Monday in January after the election. Persons elected are to be sworn in as soon as practical after January 1. Notwithstanding an elected Trustee's failure to qualify on the first Monday in January, where the Trustee's predecessor in office has ceased to function as a Trustee of the District, to the extent allowed by law, the elected Trustee's term of office shall begin on the first Monday in January following that person's election to the Board. To the extent allowed by law, notwithstanding an appointed Trustee's failure to qualify for office, an appointed Trustee's term of office shall begin the day after his/her predecessor ceases to serve as a member of the Board of Trustees, if the appointment is made prior to the said date of vacancy or, if the appointment is made after the vacancy on the Board becomes effective, such appointment shall be effective immediately upon appointment of the new Trustee.

2.5 TRUSTEE VACANCIES

2.5.1 Events Creating Vacancies. To the extent allowed by law, a vacancy in a Trustee's term of office shall be deemed to exist in the case of death, resignation, disqualification of the Trustee (as, for example, when the Trustee ceases to be a registered voter who resides within the boundaries of the District), or if a Trustee has been declared of unsound mind by order of a court or if a Trustee has been convicted of or has plead guilty or "no contest" to a felony.

2.5.2 Filling Vacancies on Board. All vacancies which may occur on the Board shall be filled in accordance with the requirements of Utah Code Ann. § 20A-1-512, as it may be amended from time to time. Whenever a vacancy occurs on the Board, the remaining Trustees shall appoint a person to complete the unexpired term within ninety (90) days of the occurrence of the vacancy.

2.6 POWERS AND DUTIES

The Board of Trustees 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 of Trustees are generally set forth in Utah Code Ann. § 17B-1-301 and Title 17B, Chapter 2a, Part 4 of the Utah Code. The primary function of the Board is to establish policy, approve contracts, 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 and in Utah Code Ann. § 17B-1-301 and other lawful activities, under the direction of the General Manager and, ultimately, of the Board.

2.6.1 Specified Powers. The powers of the Board of Trustees shall include, but not be 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 operate the District's culinary water system and sanitary sewer system and other improvements and facilities, providing for maintenance personnel, secretarial assistance and other employees as required.
3. 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.
4. The power to prepare and approve an annual budget for the District.
5. 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.
6. The power, subject to legal restrictions, to delegate duties, responsibilities and authority to officers and employees of the District.
7. 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.

2.7 MEETINGS

Regular, special, work and emergency meetings of the Board of Trustees may be held at such times and at such places as determined from time to time by a majority vote 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”) and any Board Meeting Policies and Procedures adopted by the Board (the “Board Meeting Policy”). Meetings of the Board of Trustees may take place through telephonic and other electronic means provided that the notice and other applicable requirements of the Open Meetings Act and the Board Meeting Policy are satisfied.

- 2.7.1 Notice. Notice of regular meetings of the Board of Trustees are 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 notice of each such 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.
- 2.7.2 Special Meetings. Special meetings (including work meetings) of the Board of Trustees may be called at the request of the Chair, the Vice Chair in the Chair'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 twenty-four (24) hours prior to the time of the meeting unless, due to emergency circumstances, such notification is not practical. Notice as required by the Open Meetings Act of all special and emergency meetings of the Board of Trustees shall also be provided. Absent a compelling reason to do otherwise, special meetings shall be held at the same location as the regular meetings.
- 2.7.3 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 notice is given and an attempt has been made to notify all of the members of the Board and a majority of them assent to holding the emergency meeting. The Chair, the Vice-Chair in the Chair's absence, and the General Manager have authority to call emergency meetings of the Board.
- 2.7.4 Closed Meetings and Executive Sessions. Closed meetings of the Board may be held in conformance with the requirements of the Open Meetings Act.

2.8 QUORUM

At all meetings of the Board of Trustees, a majority of the Trustees shall constitute a quorum for the transaction of business and the acts of any two or more of the Trustees present at a meeting shall be the acts of the Board of Trustees. If, at any meeting of the Board of Trustees, there should be less than a quorum present, the meeting shall be adjourned until such time as a quorum is present.

ARTICLE III OFFICERS

3.1 PRINCIPAL OFFICERS

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

3.2 ELECTION AND TERM OF OFFICE

3.2.1 Election. At the first regularly scheduled meeting of the Board in each year, or as soon thereafter as is practical, the Board shall choose one of its members as Board Chair and shall choose another of its members as Board Vice Chair. The remaining Board member shall be the Board Clerk. The Board shall also appoint a Clerk, a Treasurer, a Records Officer, and a Secretary of the Board. The Chair 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 District Clerk, Treasurer and/or Secretary may, but need not be, members of the Board.

3.2.2 Term. The officers shall serve until their replacements are elected or appointed. An officer who is also a full-time employee of the District will not continue to serve in office after the officer ceases to be an employee of the District unless there is a written agreement between the District and the officer that provides otherwise.

3.3 DUTIES OF OFFICERS

3.3.1 Chair. The Board Chair shall not be in charge of the day-to-day business and affairs of the District, the same having been delegated to the General Manager, subject to the control of the Board of Trustees. The Chair shall, when present in person, preside at all meetings of the Board of Trustees, 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 the chair of a local district board. Unless the Board action approving any contract or other document specifies otherwise, either the Chair or the General Manager (or both) shall be authorized and empowered to execute and deliver any and all properly approved documents for and on behalf of the District.

3.3.2 Vice Chair. The Vice Chair shall chair meetings of the Board of Trustees and otherwise act in the place of and be vested with the powers and duties of the Chair when the Chair is absent. In the case of a vacancy in the office of Chair, the Vice-Chair shall become the Board Chair for the remainder of the term.

- 3.3.3 Board Clerk. The Board Clerk may attest any document signed by the Chair, the Vice-Chair in the Chair's absence, or the General Manager and perform such other duties as may be delegated by the Board.
- 3.3.4 District Clerk. The District Clerk or Clerk of the District shall maintain the financial records of the District and all related subsidiary records, including a list of all outstanding bonds, their purpose, amount, terms, date and place payable and be the custodian of the seal of the District 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 payments 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 payment exceeds \$50,000, or by the General Manager or the Manager's designee if the amount is less than \$50,000;
 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. the Clerk shall have 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; and
 5. perform such other duties as may be required by law or assigned by the Board with such assistance as may be appropriate.
- 3.3.4.1 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.
- 3.3.5 Records Officer. A Records Officer will be appointed in furtherance of the District's Records Access and Management Policy (the "GRAMA Policy") and exercise such rights and perform such duties in the classification, preservation and oversight of District records as provided in Utah Code Ann. §§ 63G-2-101 et seq. (the "Government Records Access and Management Act" or "GRAMA") and in the District's GRAMA Policy 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 District Clerk or the Treasurer.

3.3.6 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. The Treasurer shall be required, at the expense of the District, to furnish a good and sufficient surety bond or crime or theft insurance as allowed by law and as directed by the Board and required by law for the faithful performance of the Treasurer's duties as defined herein and as otherwise delegated by the Board. The 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.

3.3.7 Secretary. The Secretary shall keep, or cause to be kept, minutes of all Board of Trustees meetings in a book provided for that purpose, subject to supervision by and assistance from the District Clerk.

3.3.8 General Manager. The General Manager or Manager shall be the Chief Executive 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, supervise purchasing for the District; supervise the preparation and negotiation of contracts in consultation with the District's attorney; make necessary contacts on behalf of the District with responsible officials and representatives of federal, state, county and local units of government; verify all payrolls, claims and expenditures for submission to the Board; assist in preparing the annual budget; supervise all employees of the District; and 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. Regarding purchases made for or on behalf of

the District, the General Manager, or a designee of the General Manager under the General Manager's supervision, is the Board's designee to act as the District's Procurement Official, as provided in the Utah Procurement Code found in Title 63G, Chapter 6a of the Utah Code. The General Manager may act as the financial officer of the District for the purpose of approving (a) payroll payments, if the payments are prepared in accordance with a schedule approved by the Board; (b) routine expenditures, such as utility bills, payroll-related expenses, supplies and materials; and (c) payments that are required by Board – approved contracts, such as payments to the Jordan Valley Water Conservancy District for water deliveries and payments to the Central Valley Water Reclamation Facility. 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 shall not be elected or selected for any set term, but serves at the pleasure of the Board. Unless the Board action approving a contract or other document specifies otherwise, the General Manager, along with the Board Chair, shall be authorized and empowered to execute and implement any and all properly approved contracts and other documents for and on behalf of the District.

3.3.9 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 verbal or 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 of Trustees 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 IV 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 including, but not

limited to, administrative policies and procedures, personnel rules and regulations, procurement policies and retail water and sewer system rules and regulations. 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.

4.1.1.1 Policies and Procedures Manual. The formal rules and regulations of the District shall be set forth in an “Administrative Policies and Procedures Manual,” duly adopted and approved by the District’s Board of Trustees.

4.1.2 Informal Rules and Regulations. “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 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 Administrative Policies and Procedures Manual, the Administrative Policies and Procedures Manual shall control unless declared otherwise by the Board of Trustees.

4.1.3 Amendments. The Administrative Policies and Procedures Manual and all other rules and regulations and other enactments of the District may, from time to time, be amended by majority vote of the Board.

**ARTICLE V
SEAL**

5.1 SEAL

The Board of Trustees has adopted a corporate seal, the imprint of which may be embossed hereon.

**ARTICLE VI
CHECKING AND INVESTMENT ACCOUNTS**

6.1 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.

6.2 PURCHASES

6.2.1 Payment Procedure. Payments and disbursements may be made using one of the following methods: petty cash, credit card, payroll direct deposit, payroll paper

check, ACH transfers, ACH withdrawals, payables paper checks, electronic mobile payment services, 3rd party payment services that can be made via virtual credit card, 3rd party checks, or 3rd party ACH transfers. All checks, payments, and disbursements, shall be signed or approved by any two of the following: one or more Trustees, the Treasurer, the Clerk, the Controller, the General Manager or the Assistant General Manager. All checks or electronic payments presented for signature or approval must be accompanied by documentation supporting the expenditure. A disbursement is not to be submitted for signature or approval unless there are available funds to cover the expenditure. Use of a check signer with appropriate signature plates is authorized.

- 6.2.2 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 Administrative Policies and Procedures Manual.
- 6.2.3 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 other otherwise and with such surety as the Board shall determine, with the costs of each bond to be paid by the District.

ARTICLE VII APPLICABLE LAW

7.1 EFFECT OF STATE LAW

- 7.1.1 State Law to Supplement. The District is subject to the requirements of state law as reflected in applicable provisions of Title 17B and other applicable portions of the Utah Code regardless of whether the subject of those provisions is covered by these Bylaws or other enactments of the District.
- 7.1.2 State 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, the Code 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 statute not be intended to impact action previously taken then, to the extent permissible, these Bylaws or other District enactment shall continue to control.

7.2 EFFECT OF BYLAWS

7.2.1 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 as reflected in official Board meeting minutes, these Bylaws shall control.

**ARTICLE VIII
AMENDMENTS TO BYLAWS**

8.1 AMENDMENTS BY BOARD

Amendments to these Bylaws may be made, and these Bylaws may be superseded and replaced by new Bylaws, 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, and the Board may adopt additional Bylaws.

**ARTICLE IX
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 12th day of July 2022.

Cheryle A. Hatch, Chair

ATTEST:

F. Greg Anderson – General Manager/CEO

**BYLAWS
KEARNS IMPROVEMENT DISTRICT**

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