

**BYLAWS
OF
MT. NEBO WATER AGENCY**

**ARTICLE I
DEFINITIONS**

Capitalized terms used in these Bylaws shall have the meanings set forth in the Mt. Nebo Water Agency Agreement for Joint and Cooperative Action, as amended from time to time (the “Agreement”). The term Personnel, as used in these Bylaws, shall include officers, directors, and alternate directors.

**ARTICLE II
NAME AND LOCATION**

The name of this organization is Mt. Nebo Water Agency (the “Agency”), with its principal place of business located at 30 East 100 South, P. O. Box 1126, Salem, Utah 84653.

**ARTICLE III
BOARD OF DIRECTORS AND ALTERNATE DIRECTORS**

Section 1. Appointment of Directors and Alternate Directors. The number of Directors and Alternate Directors and their appointment is governed by the Agreement.

Section 2. Duties and Responsibilities of Directors.

- A. The Board of Directors (the “Board”) is the governing body of the Agency. The Board shall have all power and authority necessary to direct the management, administration, and conduct of the affairs of the Agency and may do all such acts as are not inconsistent with the laws of the State of Utah, the Agreement, or these Bylaws. The Board has the authority to perform all acts necessary to carry out the purposes and powers of the Agency as set forth in the Agreement.
- B. Each Director and Alternate Director shall make diligent efforts to keep the Board informed of the business of the Agency.

Section 3. Board Action. The Board may not act on any matter not appearing on the posted agenda for a particular meeting.

Section 4. Removal of Directors. At any duly called Board meeting, the Board may, by a majority vote of all Directors (or their alternates), recommend any one or more of the Directors (or their alternates) be removed. Any Director (or their alternate) whose removal has been proposed shall be given reasonable notice and sufficient time to be heard. The Board shall make a recommendation in writing to the director’s governing body stating why its Director (or their alternate) should be removed.

Section 5. Resignation of Directors. Any Director or Alternate Director may resign at any time by giving written notice to the Chair and to the member's governing body. Any such resignation shall take effect at the time specified in the notice, or if the time is not specified, upon receipt thereof; and unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

Section 6. Compensation and Allowances. Directors and Alternate Directors shall not receive compensation for time spent conducting the affairs of the Agency. However, Directors and Alternate Directors may be reimbursed for out of area travel, lodging, and other expenses necessarily incurred in the conduct of business for the Agency, as authorized by the Board.

Section 7. Fidelity Bonds. The Board shall require that all Personnel of the Agency handling or responsible for the funds of the Agency furnish adequate fidelity bonds if such bond has not already been acquired by a member entity. The premiums for such bonds shall be paid by the Agency as an administrative and general cost.

ARTICLE IV OFFICERS

Section 1. Officers of the Agency. The officers shall consist of a Chair, Vice-Chair, and a Secretary/Treasurer who shall each serve the term of office established in the Agreement.

Section 2. Meeting for Election of Officers. The election of officers shall take place yearly at the regularly scheduled meeting in November for those offices due to expire. Vacancies in any office shall be filled by the Board for the unexpired portion of the term of office.

Section 3. Removal of Officers. At any meeting, upon an affirmative majority vote of all the Directors (or Alternate Directors attending in the place of a Director), any officer may be removed for cause, and a successor elected.

Section 4. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. Notice shall be given to the Chair, except that notice of resignation by the Chair shall be given to the Vice-Chair. Any such resignation shall take effect at the time specified in the written notice or, if the time is not specified, upon receipt thereof. No acceptance of such resignation shall be necessary to make it effective.

Section 5. Chair. The Chair shall preside at all meetings and perform all duties and powers identified in these Bylaws. The Chair shall also perform such other duties and possess such other powers as shall be assigned by the Board.

Section 6. Vice-Chair. The Vice-Chair shall preside over meetings in the absence of the Chair and shall perform such other duties and possess such other powers identified in these Bylaws or assigned by the Board.

Section 7. Secretary/Treasurer. The Secretary/Treasurer shall be responsible for the minutes of all meetings, posting meeting agendas and notices, the use of the seal of the Agency, if any, all

financial books and records of the Agency, preparing budgets and financial reports, the receipt of and issuance of receipts for all moneys due to and payable by the Agency, and the deposit of all moneys and other valuable effects in the name and to the credit of the Agency in such depositories as may be designated by the Board. The Secretary/Treasurer shall perform all duties identified in these Bylaws and such other duties and possess such other powers as assigned by the Board. All financial books, records, and seal, if any, shall be physically kept at the principal office of the Secretary/Treasurer.

ARTICLE V MEETINGS

Section 1. Place of Meetings. Board meetings shall be held at the principal place of business of the Agency, or at such other suitable place as may be designated by the Chair in the meeting notice.

Section 2. Regular Meetings.

- A. Regular Meetings shall be held according to the Agreement.
- B. Public notice of regular meetings shall be given as required by Utah Code 52-4-202 relating to open and public meetings. Each meeting agenda or notice shall state the date, time, and place and, in general terms, the purposes of such meeting or notice. Annual notice of the meeting schedule of the Board shall be given as required by Utah Code 52-4-202(2).
- C. Notice is to be given to each Director and Alternate Director at least three (3) days prior to each meeting. Each Director shall have an affirmative obligation to notify the Secretary/Treasurer or the Secretary/Treasurer's Designee if such Director has not received notice of any regular meeting by the day proceeding the scheduled date of such meeting. Any Director who fails to notify the Agency shall be deemed to have waived notice of such meeting.

Section 3. Special Meetings.

- A. Special meetings may be called by the Chair, Vice Chair, or upon the written request of at least two (2) Directors delivered to the Chair or Vice Chair, and public notice given as required by Utah Code 52-4-202 relating to open and public meetings. Each meeting agenda or notice shall state the date, time, and place and, in general terms, the purposes of such meeting or notice.
- B. Promptly upon receipt of notice of a special meeting, each Director shall notify the Secretary/Treasurer or the Secretary/Treasurer's Designee by e-mail or telephone of the Director's receipt of such notice and shall also state whether such Director intends to attend such meeting and whether such Director will attend such meeting via telecommunications. The Secretary/Treasurer or the Secretary/Treasurer's Designee shall notify the Chair if quorum will not be present.

- C. In the event of an emergency condition, the Chair or Vice Chair may call an Emergency Meeting and shall follow the applicable provisions of Utah Code 52-4-202.

Section 4. Quorum. A majority of the Directors (or their alternates) shall constitute a quorum for the transaction of business of the Board as defined by Utah Code 52-4-103(12). Directors participating in a meeting by means of telecommunications shall be deemed to be present for all purposes of such meeting, including the formation of a quorum, and voting. If a quorum is not present, the meeting shall not be called to order and no business may be conducted. Directors shall communicate to the Chair a date and time to continue business so a quorum can be present.

Section 5. Organization. Each meeting shall be presided over by the Chair, or, in the Chair's absence, by the Vice Chair. In the absence of the Chair and Vice Chair, the meeting shall be called to order by the Secretary/Treasurer; and a Director selected as temporary chair by the Directors or Alternate Directors comprising a quorum at the meeting.

Section 6. Voting. At every meeting, each Director (or their alternate) present shall have the right to cast one vote on each matter presented for a vote of the Board. A simple majority of all the Directors (or their alternates) shall be required to decide any matter brought before the Board unless the matter is one upon which, by express provision of law, the Agreement, or these Bylaws, a different vote is required, in which case such express provision shall govern and control.

Section 7. Electronic Meetings. Meetings may be held, in whole or in part, by means of telecommunications as authorized by Utah Code 52-4-207, Electronic Meetings, and as set forth in this Section.

- A. Definitions. As used herein, the following terms shall have the following meanings:

Anchor Location means the Agency's principal place of business, or such other place as identified in the meeting agenda and notice.

Real Time means instantaneous communications such as occurs when speaking face to face, without undue delays, and hearing and/or seeing what is being said or done.

Remote Location means any place other than the anchor location, where Personnel are located and participate in a meeting via telecommunications.

- B. Participation.

- i Personnel may participate in meetings via telecommunications.
- ii Personnel who desire to participate in a meeting via telecommunications should notify the Secretary/Treasurer or designee of their intent at least three (3) days in advance of the meeting so that appropriate arrangements can be made to conduct the meeting. The Agency will not be required to acquire any equipment, facilities, or expertise that the Agency does not already possess to accommodate the request.
- iii All persons at the anchor location shall be required to have continuous opportunity for real time video and/or audio communications with Directors and Alternate Directors participating via telecommunications, to know the entire discussion and deliberations of the Board.

- iv Directors or Alternate Directors participating via telecommunications shall have the obligation to use appropriate equipment or take other precautions to eliminate static or other disturbances to the orderly conduct of the meeting.
 - v Any form of telecommunications may be used if it allows for real-time interaction in the way of discussions, questions, answers, and voting.
- C. Notices. Public notices, to the extent applicable, are to be given according to Utah Code 52-4-202 or other applicable citation, listing the anchor location as the site of the meeting.
- D. Quorum.
 - i Directors (or their alternates) participating via telecommunications are to be considered present for the purposes of comprising a quorum, as defined by Utah Code 52-4-103(12).
 - ii In the event of failure of equipment or other factor that causes a lack of communication with a Director (or their alternate) resulting in a lack of a quorum, no additional business may be conducted until a quorum can be established. A continuance may be granted as set forth by Utah Code. Business already conducted remains valid and binding.
- E. Conduct of Meeting.
 - i Any Director (or their alternate) participating as part of the Quorum via telecommunications may make, second, and vote on all motions.
 - ii If voting is required, the Chair, or Vice Chair in the Chair's absence, shall require a roll call vote so that the Directors (or their alternates) participating as part of the Quorum and via telecommunications may be counted.
- F. Location.
 - i Meetings held via telecommunications shall be conducted at the anchor location.
 - ii Directors or Alternate Directors participating via telecommunications may do so from any remote location where access can be had, and the criteria of this section met.
- G. Method. Any telecommunications method now known or hereafter developed may be used to conduct a telecommunications meeting, so long as the criteria set forth herein are met.

Section 8. Closed Meetings. The Board may adjourn to a closed meeting only when the criteria of Utah Code 52-4-204 are met and followed.

ARTICLE VI COMMITTEES

Section 1. Committees. Committees may be organized according to the Agreement.

Section 2. Chair and Vice Chair. Each committee shall appoint a Chair and Vice Chair. The Chair shall organize and preside over committee meetings. In the Chair's absence, the Vice Chair shall organize and preside over committee meetings. Each committee's Chair or Vice Chair shall give a report on the committee's business at each regular meeting of the Board.

Section 3. Committee Regular Meetings. Committee meetings will be held on an as needed basis at such date, time, and place as shall be determined, from time to time, by the respective Chair of such committee. Notice of and the agenda for meetings shall be emailed to committee members or communicated personally at least three (3) days prior to the day of such meeting.

Section 4. Compensation and Allowances. Committee members shall not receive compensation for time spent conducting the affairs of the Committee or of the Agency. Each committee member may be reimbursed for out of area travel, lodging, and other out of pocket expenses necessarily incurred in conducting the business of the Agency, as authorized by the Board.

ARTICLE VII SEAL AND LOGO

The Board may provide a suitable seal and/or logo containing the name of the Agency, which seal and/or logo shall be in the charge of the Secretary/Treasurer or designee.

ARTICLE VIII RULES OF ORDER

The Board may adopt rules of order for the orderly conduct of its meetings.

ARTICLE IX FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Agency is set forth in accordance with the Agreement.

Section 2. Annual Budget. The Board shall annually adopt a budget for the ensuing fiscal year in accordance with the requirements of the Agreement.

Section 3. Inspection of Records. Financial reports and records of the Agency should be made available for inspection to any Personnel at reasonable times by the Secretary/Treasurer or designee. To the extent permitted by law and the applicable policies of the Board, the Agency may classify certain records as "protected records" or "private records" according to Utah Code 63G-2-3 Classification. Any Member inspecting any such classified records shall not disclose the same to third parties except as required by law.

Section 4. Execution of Documents. All notes, bonds, contracts, and other documents shall be executed on behalf of the Agency by the Chair and countersigned by the Secretary/Treasurer.

ARTICLE X PROCUREMENT

Section 1. Contracts and Purchases.

- A. All contracts are to be approved by the Board. All contracts in violation of this provision are considered void and may result in the personal obligation and liability of persons at fault for such violations.
- B. Purchases shall not be divided into smaller purchases for the purpose of evading the approval process required by this policy, or for the purpose of avoiding the need to obtain a written contract.
- C. Unless exempted by this policy, all purchases and contracts shall be awarded on a competitive basis, as required by applicable state and federal law.

Section 2. Financial Interest. No Personnel shall have a financial interest in any contract, bid, or proposal; receive any compensation or gift from any bidder or proposer; or have any other conflict of interest.

Section 3. State or Federal Funds. When a procurement involves the expenditure of state or federal funds, the Agency shall comply with the applicable state and federal laws and regulations.

Section 4. Approval. All procurements of services and goods shall be approved by the Secretary/Treasurer, provided such procurements have been budgeted and are in line with the budgeted purposes. All checks and drafts shall be prepared by the Secretary/Treasurer or designee and signed by two Directors.

ARTICLE XI CASH RECEIPTING AND DEPOSIT POLICY

Section 1. Cash Receipts and Deposits.

- A. All funds received are entered into the accounting system upon receipt. At the end of each day the Treasurer's designee, responsible for receiving funds, shall enter funds into the accounting system, prepare the system generated report, reconcile the accounting system, prepare a deposit, and initial the deposit slip copy.
- B. Deposits are made no later than the next business day. The Treasurer shall review the deposit report. The Treasurer's designee shall deposit the funds at the Agency's bank. The deposit receipt is kept with the deposit records.
- C. If a transaction needs to be voided or adjusted, the Treasurer and Treasurer's designee will sign off on the adjustment or voided transaction explaining the circumstances causing the adjustment. The system should be designed to generate a report of all adjusted/voided transactions to facilitate monitoring of the process.

ARTICLE XII

CONFLICT OF INTEREST POLICY

Section 1. Conduct. Each Board member commits to ethical, businesslike, and lawful conduct including appropriate use of their authority and decorum at all times. Each Board member must avoid even the appearance of impropriety to ensure and maintain public confidence and must not act in a manner that is contrary to their duty or to the interests of the Agency.

Section 2. Conflict of Interest.

It is the intent of the Agency to meet and exceed those protections against conflicts of interest contained in State law. Under this policy, a conflict of interest arises when a Board member has a personal interest in a matter that is or may be in conflict with or contrary to the Agency's interests and objectives to such an extent that the Board member is or may not be able to exercise independent and objective judgment within the context of the best interest of the Agency. For the purposes of this policy, a Board member's "personal interest" includes those of his or her relatives, business associates, or other persons or organizations with whom he or she is closely associated. The following provisions shall serve as a guide to the Board with respect to the affairs of the Agency:

- A. Board members shall not receive, accept, take, or solicit, directly or indirectly, anything of economic value as a gift, gratuity, or favor from a person or entity if it could be reasonably expected that the gift, gratuity, or favor would influence the vote, action, or judgment, or be considered as part of a reward for action or inaction. Board members are required to submit a report to the Agency of the actual or estimated value of any gifts or casual entertainment received that exceeds \$50.00.
- B. Board members are prohibited from knowingly disclosing information for personal gain or advancement, or to the detriment of the Agency, or to individually conduct negotiations or make contacts or inquiries on behalf of the Agency unless officially designated by the Board.
- C. Board members are prohibited from acquiring or having a financial interest in any property that the Agency acquires, or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which the Agency does business. This does not prohibit the ownership of securities in any publicly owned company except where such ownership places the Board member in a position to materially influence or affect the business relationship between the Agency and such publicly owned company. Any other interest in or relationship with an outside organization or individual having business dealings with the Agency is prohibited if this interest or relationship might tend to impair the ability of the Board member to be independent and objective in his or her service to the Agency.
- D. If a Board member's immediately family has a financial interest as specified above, such interest shall be fully disclosed to the Board, which shall decide if such interest should prevent the Agency from entering into a particular transaction, purchase, or engagement of services. The term "immediate family" means the Board member's spouse, parent, dependent children, and other dependent relatives.

- E. When a conflict of interest exists, the Board member shall publicly declare the nature of the conflict and may recuse him or herself on any official action involving the conflict.
- F. Board members may not realize, seek, or acquire a personal interest in a business that does business with the Agency.
- G. Board members shall complete a Conflict-of-Interest Disclosure Form annually. This Form shall be signed and notarized. Completed Forms shall be submitted to the Secretary/Treasurer and made available to the public upon request.
- H. The Secretary/Treasurer shall provide copies of all completed Forms to the Chair. The Chair shall review all completed forms and consider the disclosures. The Chair should make changes to assignments, duties, or contracts deemed appropriate to eliminate or mitigate conflicts of interest within the Agency.

ARTICLE XIII ETHICAL BEHAVIOR POLICY

It is the policy of the Agency to require honest and ethical conduct by its Personnel, to avoid any appearance of impropriety, and shall avoid any conflicts of interest. Personnel are governed by Utah Code 67-16, Utah Public Officers' and Employees' Ethics Act. Personnel pledge to uphold the Agency's Code of Ethical Conduct as follows:

- To maintain high standards of personal and professional integrity, truthfulness, honesty, and fortitude in all public activities to inspire public confidence and trust in the Agency.
- To accept responsibility for and to generate and carefully nurture respect for the truth, for fair dealing with others, for sensitivity to the rights and responsibilities of citizens, and for the good of the Agency.
- To be responsible for performance and to never compromise honesty and integrity for advancement, honors, or personal gain.
- To be discreet and respectful of proper authority and our elected or appointed leaders and to be sensitive to the expectations and values of the public we serve.
- To avoid any interest or activity that is or appears in conflict with the conduct of official duties.
- To ensure that, in every instance, operations are conducted in accordance with applicable laws and regulations governing the Agency.
- To use only legal and ethical means when seeking to influence legislation or regulations and to issue no false or misleading statements to legislators or to the public.
- To utilize every opportunity to improve public awareness and understanding of the Agency and its role in providing essential public services.
- To refrain from the dissemination of any malicious information concerning individuals, other associations, and organizations including their members, public entities, or units of local government.

ARTICLE XIV FRAUD AND ABUSE

The Agency shall provide a fraud hotline on its website that includes the following information and a means for the person to give their name (required), subject (required), email, phone, and message.

If you have information about fraud, waste, abuse, or mismanagement, as well as other crimes or violations of Agency and State laws, rules, and regulations, relating to the Mt. Nebo Water Agency and its programs and operations, you may report it here. Such information includes allegations concerning contracts, grants, public corruption, conflict of interest, and other criminal or serious non-criminal misconduct involving members, contracting entities, contractors/sub-contractors, grantees/sub-grantees, or others.

The more information you provide, the better the Agency will be able to determine appropriate measures to address your concerns.

If possible, please include information that answers the following questions:

- Who committed the wrongdoing? (name of person, company, or organization)
- Who may have been a victim, and who may be a witness?
- What exactly did the person, company or organization do?
- Where did the wrongdoing take place?
- When did the wrongdoing happen?
- Why did the person, company, or organization commit the wrongdoing?

ARTICLE XV IT AND COMPUTER SECURITY POLICY

Currently, the Agency does not furnish computers to its Personnel. Internet use must comply with applicable laws and Agency policies including but not limited to all federal and state laws, and Agency policies governing sexual harassment, discrimination, intellectual property protection, privacy, public disclosure, confidentiality, misuse of Agency resources, and information and data security.

ARTICLE XVI PERSONAL USE OF AGENCY ASSETS

Section 1. Property. Public Property and Agency Property are interchangeable and mean and include any real or personal property that is owned, leased, held, operated, or managed by the Agency, including Public Property that has been transferred by the Agency to an independent contractor for the purpose of providing a program or service for or on behalf of the Agency. In the event and to the extent the Public Property is consumed or rendered effectively valueless to the Agency as a program or service, the property shall cease to be Public Property and may be disposed of as the Agency deems fit.

Section 2. Use. The Agency authorizes personal use of public property if the personal use is incidental and not prohibited by an applicable state or federal law or Agency policy. Any lawful personal use of public property by Personnel is specifically authorized and allowed by this Policy.

ARTICLE XVII TRAVEL

Directors and Alternate Directors may be reimbursed for out of area travel, lodging, and other expenses necessarily incurred in the conduct of business for the Agency, as authorized by the Board.

ARTICLE XVIII AMENDMENTS

These Bylaws may be altered, amended, restated, or repealed, by simple majority vote of all the Directors (or Alternate Directors attending in the place of a Director), provided, however, that such alternation, amendment, or repeal shall not be inconsistent with the requirements of the Agreement.

ARTICLE XIX INDEMNIFICATION

The Agency shall, upon written request of a Director, Alternate Director, committee member, or staff member indemnify and defend all Directors, Alternate Directors, committee members, or staff members from and against all actions, claims, and expenses of any nature arising as a result of the performance of their duties, within the scope of or under authority of their responsibilities for the Agency, except when such claim is based on or resulted from fraud or malice, or while engaged in criminal conduct.

Dated this 4th day of November 2024.

Richard Nielson, Chair

Attest:

Sterling Brown, Secretary/Treasurer