



NOTICE OF PUBLIC MEETING

OF THE

METROPOLITAN WATER DISTRICT OF PLEASANT GROVE

Notice is hereby given that the Board of Directors of the Metropolitan Water District of Pleasant Grove will hold a public meeting at **5:00 p.m. on Wednesday, June 22, 2022** in the Community Room 108 South 100 East, Pleasant Grove, Utah. This is a public meeting and anyone is invited to attend. ***Please note one or more members of the Board may be joining the meeting electronically.***

AGENDA

1. Public Hearing to consider for adoption a Resolution (2022-02MWD) adjusting and amending the revenues and expenditures of the 2021/2022 Fiscal Year budget. *Presenter: Director Roy*
2. Public Hearing to consider for adoption a Resolution (2022-03MWD) adopting the Metropolitan Water District of Pleasant Grove final budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023. **A copy of the proposed budget is available at the Records Office, 70 South 100 East.**
3. Review and Approve the Ethic Statement.
4. Review and Approve minutes of the May 11, 2022 meeting.
5. Adjourn.

CERTIFICATE OF POSTING

I certify that the above notice and agenda was posted in three public places within the Pleasant Grove City limits. Agenda also posted on State (<http://pmn.utah.gov>) and City websites (www.plgrove.org).

Posted by: /s/ Kathy T. Kresser, MWD Assistant Secretary

Posted: June 10, 2022

Time: 2:00 p.m.

Place: City Hall, Library and Community Room 108 S 100 E.

***NOTE:** If you are planning to attend this public meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City Recorder, (801) 785-5045, forty-eight hours in advance of the meeting and we will try to provide whatever assistance may be required.

RESOLUTION NO. 2022-03 MWD

A RESOLUTION OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE, UTAH COUNTY, UTAH ADJUSTING AND AMENDING THE ACTUAL AND ANTICIPATED EXPENDITURES FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022.

WHEREAS, the Metropolitan Water District of Pleasant Grove (MWD) is an independent special service district; and

WHEREAS, the Metropolitan Water District of Pleasant Grove is required to adopt a budget annually; and

WHEREAS; the Metropolitan Water District of Pleasant Grove held a duly noticed Public Hearing on June 23, 2021 to adopt the Fiscal Year 2021/2022 final budget.

WHEREAS; it has become necessary to amend the Fiscal Year 2021/2022 budget to reflect actual and anticipated expenditures for water acquisition and water assessments in the amount of \$276,000 with the funding source being fund balance; and

NOW, THEREFORE, BE IT RESOLVED that the Metropolitan Water District of Pleasant Grove, Utah County, State of Utah, does hereby adopt the adjustments and amendments to the expenditures for Fiscal Year 2021/2022.

PASSED AND ADOPTED by the Metropolitan Water District of Pleasant Grove, Utah this 22nd day of June, 2022.

Mark Bezzant, Chair

ATTEST:

Kathy T. Kresser, Assistant Secretary

Motion: Board Member _____

Second: Board Member _____

<u>ROLL CALL</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Brian Andrew	_____	_____	_____
Mark Bezzant	_____	_____	_____
Frank Mills	_____	_____	_____
Paul Pierpont	_____	_____	_____
Neal Winterton	_____	_____	_____

RESOLUTION NO. 2022-04MWD

A RESOLUTION OF THE METROPOLITAN WATER DISTRICT OF PLEASANT GROVE, UTAH COUNTY, UTAH ADOPTING THE FINAL BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Metropolitan Water District of Pleasant Grove (MWD) is an independent special service district; and

WHEREAS, the Metropolitan Water District of Pleasant Grove is required to adopt a budget annually; and

WHEREAS, the Metropolitan Water District of Pleasant Grove held a duly noticed Public Hearing on June 22, 2022 to adopt the final Fiscal Year 2022/2023 budget; and

NOW, THEREFORE, BE IT RESOLVED that the Metropolitan Water District of Pleasant Grove, Utah County, State of Utah, does hereby adopt final FY 2022/2023 budget, attached hereto as Exhibit "A".

PASSED AND ADOPTED by the City Council of Pleasant Grove City, Utah this 22nd day of June, 2022.

E. Mark Bezzant, Chair

ATTEST:

Kathy T. Kresser, Assistant Secretary

Motion: Board Member _____

Second: Board Member _____

<u>ROLL CALL</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Brian Andrew	_____	_____	_____
Mark Bezzant	_____	_____	_____
Marty Beaumont	_____	_____	_____
Frank Mills	_____	_____	_____
Paul Pierpont	_____	_____	_____
Craig Veenker	_____	_____	_____
Neal Winterton	_____	_____	_____

Metropolitan Water District of Pleasant Grove

Enterprise Fund

	Prior Year Actual-2021	Beginning FY 2022 Budget	Amended FY 2022 Budget	Estimated Actual	Adopted FY 2023 Budget
Revenues					
Interest		-	-	-	-
Water Rental Revenues	-	-	-	-	250,000
Developer Contributions	110,172				
Cash in Lieu	473,653	150,000	150,000	278,544	150,000
Other Revenue	3,908	-	-	2,000	-
Total Revenues	587,734	150,000	150,000	280,544	400,000
Expenditures					
Audit	2,000	2,000	2,000	1,800	2,000
Water Share Acquisition		125,000	335,000	320,000	125,000
Principal Payments		-	-	-	-
Interest Payments	2,886	-	-		-
Capital Outlay					
Other Expenditures	150	1,000	1,000	100	1,000
Water Assesments	287,631	330,000	396,000	400,000	400,000
Total Expenditures	292,667	458,000	734,000	721,900	528,000
Change in Net Assets	295,067	(308,000)	(584,000)	(441,356)	(128,000)

METROPOLITAN WATER DISTRICT OF PLEASANT GROVE

STATEMENT OF CODE OF ETHICS AND RESPONSIBILITY

This is a form for the appointed board members of the Metropolitan Water District of Pleasant Grove to sign in support of following the guidelines outlined in The Office of the State Auditor Fraud Risk Assessment to annually commit in writing to abide by a statement of ethical behavior.

In addition to observing all applicable laws and regulations, completing open meeting/online trainings, we expect our board members to comply with our Code of Ethics.

Our Code of Ethics is a set of guidelines for ethical behavior, and it covers several areas, including:

Integrity and Honesty – Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing when it is hard.

Producing Results for My Community – Board Members have an important job. Doing that job well honors the trust the public has placed in me.

Treating People Fairly – I will treat people fairly and develop processes and procedures that are fair.

Diversity and Inclusion – Embracing diversity and fostering inclusiveness helps boards cultivate organizations and promote policies that reflect the communities they serve. When people feel included, they see that I am concerned for their wellbeing. That shows I am worthy of their trust.

Reliability and Consistency – When I consistently apply my standards – especially to myself- I honor my commitment to the district I serve and make it easier to the right thing even when faced with challenging circumstances.

Date

Signature

Print or type name

**MINUTES OF THE METROPOLITAN WATER DISTRICT
OF PLEASANT GROVE**

May 11, 2022

5:00 pm

PRESENT:

Mark Bezzant	Chair
Brian Andrew	Vice-Chair
Frank Mills	Board Trustee
Paul Pierpont	Board Trustee
Neal Winterton	Board Trustee

STAFF PRESENT:

Denise Roy	Finance Director
Kathy Kresser	Assistant Secretary

The Board of Trustees of the Metropolitan Water District of Pleasant Grove held a meeting on May 11, 2022 in the Community Room 108 S 100 E, Pleasant Grove Utah at 5:00 pm.

Chair Mark Bezzant welcomed everyone to the meeting. He then noted that the meeting is being recorded and that no one from the public was in attendance.

1. To consider for adoption a Resolution **(2022-01MWD)** adopting the Metropolitan Water District of Pleasant Grove tentative budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023, and providing an effective date. *Presenter: Director Roy*

Director Roy reported that for a couple of years now Pleasant Grove City has not been giving Metro any water rental revenues. In the 2023 budget she is proposing that the City give the District \$250,000 to make sure that there is enough money in the budget to cover the increase in water assessment fees. There is \$400,000 budgeted and she is hoping that they will not need all of that money, but they were almost at \$300,000 in 2021. Next she noted that there is still \$125,000 for water share acquisition if they have the opportunity to purchase more water shares. She said that they are still seeing cash-in-lieu of water shares still coming in and it will depend on development if we continue to see if that continues to come in.

Trustee Mills asked what the monetary value of a water share. Director Roy replied that they City is buying water shares for \$4,000 per share, but that depends on what kind of water shares they are looking at.

Chair Bezzant asked if there any other questions regarding the budget, if there are none he would consider a motion.

MOTION: Trustee Andrew moved to adopt Resolution (2022-01MWD) adopting the Metropolitan Water District of Pleasant Grove tentative budget for FY beginning July 1, 2022 and ending June 30, 2023. Trustee Winterton seconded the motion. A roll call vote was taken with Brian Andrew voting yes, Mark Bezzant voting yes, Frank Mills voting yes, Paul Pierpont voting yes, and Neal Winterton voting yes. Motion passed with a unanimous consent

1 of the Board.

- 2
3 **2** To consider for adoption a Resolution (2022-02MWD) adopting and implementing
4 the Utah State Auditors Fraud Risk Assessment Program including establishing an
5 Audit Committee and related matters and providing an effective date. *Presenter*
6 *Director Roy*
7

8 Director Roy commented that at the last meeting they went over the audit for the Metro Board
9 and one of the comments that they received was that the auditors wanted a separate fraud risk
10 assessment for the Board which would put them in compliance with the State Audit. They
11 talked about some things that they could do to get a better score. The two things that they can
12 do is establish an audit committee and then do a code of ethics for Metro. To establish an
13 audit committee, they would need to have 5 members on the committee. One member would
14 be the Chair of the Metro Board, one of the Board members, one would be the finance
15 director, another would be the Mayor and then a financial professional that is outside of the
16 organization. The City is using a college that she used to work with that is the Accounting
17 Director at Alpine School District and they might want to use them also.
18

19 The things that the audit committee would be reviewing is the annual financial statements,
20 reviewing the management letter and help writing the response to the management letter that
21 she gives to the auditors. She said that they also need to have a fraud hotline which they can
22 refer to the State Auditors hotline. The requirements also talk about the committee doing an
23 internal audit once a year and prepare written findings to present to the Board.
24

25 Director Roy then reported that another thing that the Board can do is sign a Statement of
26 Code of Ethics and Responsibilities. This is something that all the Board members would sign
27 as part of the Fraud Risk Assessment. If they did these two items their score would be 365
28 which would be considered a very low risk for fraud risk assessment.
29

30 Trustee Mills asked if on the code of ethics would it be beneficial if there was a note put on
31 there that all the Board Trustees have done the Open and Public Meeting training. Director
32 Roy agreed that that can be added to that to the form.
33

34 Chair Bezzant asked if there were any other questions regarding the proposed Resolution for
35 the Audit Committee, being none, he called for a motion.
36

37 **MOTION:** Trustee Mills moved to adopt Resolution (2022-02MWD) adopting and
38 implementing the Utah State Auditors Fraud Risk Assessment Program including establishing
39 an Audit Committee and related matters. Trustee Pierpont seconded the motion. A roll call
40 vote was taken with Brian Andrew voting yes, Mark Bezzant voting yes, Frank Mills voting
41 yes, Paul Pierpont voting yes, and Neal Winterton voting yes. Motion passed with a
42 unanimous consent of the Board.

- 43
44 **3** Review Q3 of FY2022 budget. *Presenter Director Roy*
45

46 Director Roy commented that the assets shows that there is about a half million dollars still in

Please note that these are draft/pending minutes and subject to change depending on final approval from the Metropolitan Water District of Pleasant Grove.

1 the fund balance and the liabilities are some of the debts that are on the books. Next, she
2 talked about the deferred revenue and liabilities section. Something that came across in the
3 audit last year is that they have had people turn in water shares over the amount that was
4 required. These are called banked water shares and they didn't have them listed on the books
5 anywhere. The auditors felt that these should be shown on the books.

6
7 Director Roy noted that there has been a lot of cash in lieu of water shares turned in and she
8 will get with Neal Winterton and do an audit on the irrigation water assessment to make sure
9 that the numbers are correct. She has also included the detail of the report which makes it
10 easier to read and understand. The dates of Q3 are from January 2022 to March 2022.

11
12 Chair Bezzant asked if there were any further discussion or questions, being none, he called
13 for a motion.

14
15 **MOTION:** Trustee Winterton moved to approve the 2022 Q3 Financial Report. Trustee
16 Andrew seconded the motion. The motion passed with a unanimous with Board Trustee
17 Members Andrew, Bezzant, Mills, Pierpont and Winterton voting "Yes."

18
19
20 **4. Review and Approve minutes of the January 19, 2022 Metropolitan Water District of**
21 **Pleasant Grove meeting.**

22
23 Chair Bezzant asked if there were any corrections or comments on the minutes being none he
24 called for a motion.

25
26 **MOTION:** Trustee Andrew moved to approve the minutes of the January 19, 2022
27 Metropolitan Water Board meeting. Trustee Mills seconded the motion. The motion carried
28 unanimously with Board Trustee Members Andrew, Bezzant, Mills, voting "Yes." Trustees
29 Pierpont and Winterton abstained.

30
31 The Board discussed a date in June for the public hearing and adopting the final budget. It was
32 decided that June 22nd at 5:00 p.m. would be the next Board meeting.

33
34 Trustee Mills wanted to say a couple of things. First of all, he wanted to thank David
35 Holdaway for his contribution to the Metro Board, along with what he contributed to the City
36 before his passing. The next thing we wanted to mention was that there are times when he has
37 thrown some questions at Director Roy that were a little personal. As he travels around with
38 the State and has set in on meeting with other Boards there is a lot of them that would kill to
39 have Director Roy and City Recorder Kresser on their Boards. Metro is lucky to have these
40 two on the Board. Chair Bezzant thanked him for his comments and wondered if the Board
41 could send a letter to Mrs. Holdaway thanking him for his service. He also noted that he went
42 to the last City Council meeting and thanked Director Roy and Recorder Kresser for the great
43 job that they are doing. He also pleased to see Neal Winterton as the new Public Works
44 Director.

45
46 **5. Adjourn.**

1
2 **MOTION:** 5:30 pm Trustee Pierpont moved to adjourn. Trustee Andrew seconded the
3 motion. The motion passed unanimously with Trustee's Andrew, Bezzant, Mills, Pierpont and
4 Winterton voting "Yes."

5
6 The meeting adjourned at 5:30 p.m.

7
8 The Metropolitan Water District Meeting Minutes of May 11, 2022 were approved by the
9 Board on June 22, 2022.

10
11 _____
12 Kathy T. Kresser, Assistant Secretary

13
14 *(Exhibits are in the City Records office)*

DRAFT

BYLAWS OF METROPOLITAN WATER DISTRICT OF PLEASANT GROVE

ARTICLE I

NAME, REGISTERED OFFICE, AND REGISTERED AGENT

- Section 1.** **NAME.** The name of this district is the Metropolitan Water District of Pleasant Grove (hereinafter the “District”).
- Section 2.** **REGISTERED OFFICE AND REGISTERED AGENT.** The address of the registered office of the District is 70 South 100 East, Pleasant Grove, Utah 84062. The Board of Trustees shall designate and the District shall maintain a registered office. The location of the registered office may be changed by the Board of Trustees. The District may also have offices in such other places as the Board may from time to time designate.

ARTICLE II

BOARD OF TRUSTEES

- Section 1.** **GENERAL POWERS.** The business and affairs of the District shall be managed by its Board of Trustees. The Board of Trustees may adopt such rules and regulations for the conduct of its meetings and the management of the District as it deems proper.
- Section 2.** **NUMBER, TENURE AND QUALIFICATION.** The number of trustees of the District shall be seven (7). Each trustee shall hold office for six (6) years, unless said trustee is removed or resigns in accordance with the provisions of the Bylaws. Trustees must be a registered voter, a property taxpayer and a resident of Pleasant Grove.
- Section 3.** **REGULAR/SPECIAL MEETINGS.** Meetings of the Board of Trustees may be called by order of the Chairman of the District, or by one-third of the trustees. The Secretary or his designee shall give proper notice of the time, place, and purpose of the meeting. Agendas for the meetings will be posted in three public places within the Pleasant Grove City limits and on the State (<http://pmn.utah.gov>) and City Websites (www.plgrove.org).
- Section 4.** **ELECTRONIC MEETINGS.** The Board of Trustees believes that it is in the best interest of the public to conduct telephonic or electronic conference meetings from time to time to assure that all members of the Board have an opportunity to participate in meetings regardless of the physical location of the individual members of the Board.
- Section 5.** **QUORUM.** The majority of the members of the Board of Trustees shall constitute a quorum for the transaction of business, but less than a quorum may

adjourn any meeting from time to time until a quorum shall be present, whereupon the meeting may be held, as adjourned, without further notice. At any meeting at which every trustee shall be present, even though without any notice, any business may be transacted.

- Section 6. MANNER OF ACTING.** At all meetings the Board of Trustees, each trustee shall have one vote. The act of a majority present at a meeting shall be the act of the Board of Trustees, provided a quorum is present.
- Section 7. VACANCIES.** A vacancy in the Board of Trustees shall be deemed to exist in case of death, resignation, or removal of any trustee, or if the authorized number of trustees be increased.
- Section 8. REMOVALS.** Trustees may be removed at any time by majority vote of the Pleasant Grove City Council. No reduction of the authorized number of trustees shall have the effect of removing any trustee prior to the expiration of ~~his~~ their term of office.
- Section 9. RESIGNATION.** A trustee may resign at any time by delivering written notification thereof to the Chairman or Secretary of the District. Such vacancy shall be filled by the Pleasant Grove City Council. Resignation shall become effective upon its acceptance by the Board of Trustees; provided, however, that if the Board of Trustees has not acted thereon within ten (10) days from the date of its delivery, the resignation shall upon the tenth day be deemed accepted.
- Section 10. PRESUMPTION OF ASSENT.** A trustee of the District who is present at a meeting of the Board of Trustees at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless ~~his~~ their dissent shall be entered in the minutes of the meeting or unless ~~he~~ they shall file their written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the District immediately after the adjournment of the meeting. Such right to dissent shall not apply to a trustee who voted in favor of such action.
- Section 11. COMPENSATION.** Trustee shall serve without compensation.
- Section 12. INFORMAL ACTION BY TRUSTEES.** Any action required to be taken at a meeting of trustees or any action which may be taken at a meeting of trustees, may be taken without a meeting by consent in writing, setting forth the action so taken, and signed by all of the trustees of the District.
- Section 13. CHAIRMAN.** The Board of Trustees may elect from its own ~~number~~ members a Chairman of the Board, who shall preside at all meetings of the Board of Trustees,

who may be designated as Chief Executive Officer, and who shall perform such other duties as may be prescribed from time to time by the Board of Trustees.

ARTICLE III

OFFICERS

- Section 1.** **NUMBER.** The officers of the District shall be a Chief Executive Office if the Board of Trustees so designates the Chairman of the Board, one Vice-Chairman, and a Secretary, each of whom shall be elected by a majority of the Board of Trustees. Such officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Trustees. In its discretion, the Board of Trustees may leave unfilled for any such period as it may determine any office except those of Chairman and Secretary. Any two or more offices may be held by the same person, except the offices of Chairman and Secretary. Officers must be trustees of the District.
- Section 2.** **ELECTION AND TERM OF OFFICE.** The officers of the District to be elected by the Board of Trustees shall be elected every other year by the Board of Trustees at the annual meeting of the Board of Trustees. If the election of officers shall not be held at such meetings, such election shall be held as soon thereafter as convenient. Each officer shall hold office until ~~his~~ their successor shall have been duly elected and shall have qualified or until ~~his~~ their death or until ~~he~~ they shall resign or shall be removed in the manner hereinafter provided.
- Section 3.** **RESIGNATIONS.** Any officer may resign at any time by delivering a written resignation either to the Chairman or Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.
- Section 4.** **REMOVAL.** Any officer or agent may be removed by the Board of Trustees whenever in its judgment the best interests of the District will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Any such removal shall require a majority vote of the Board of Trustees, exclusive of the office in question if ~~he is~~ they are also a trustee.
- Section 5.** **VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, or if a new office shall be created, may be filled by the Board of Trustees for the unexpired portion of the term.
- Section 6.** **CHAIRMAN.** The Chairman shall be the chief executive and administrative officer of the District. ~~He~~ They shall preside at all meetings. ~~He~~ They shall exercise such duties as customarily pertain to the office of Chairman and shall have general and active supervision over the property, business, and affairs of the District and

over its several officers. ~~He~~ They may appoint agents or employees other than those appointed by the Board of Trustees. ~~He~~ They may sign, execute and deliver in the name of the District powers of attorney, contracts, bonds and other obligations, and shall perform such other duties as may be prescribed from time to time by the Board of Trustees or by the Bylaws.

Section 7. **VICE-CHAIR.** Vice-Chair shall have such powers and perform such duties as may be assigned to ~~him~~ them by the Board of Trustees or the Chairman. In the absence or disability of the Chairman, the Vice-Chair designated by the Board shall perform the duties and exercise the powers of the Chairman. A Vice-Chairman may sign and execute contracts and other obligations pertaining to the regular course of ~~his~~ their duties, except as otherwise limited by the Board of Trustees.

Section 8. **SECRETARY.** The Secretary shall, subject to the direction of the Chairman or a designated Vice-Chairman, keep the minutes of the shareholders and of the Board of Trustees and, to the extent ordered by the Board of Trustees or the Chairman, the minutes of meetings of all committees. ~~He~~ They shall cause notice to be given of meetings of shareholders, of the Board of Trustees, and of any committee appointed by the Board. ~~He~~ They shall have custody of the District seal and general charge of the records, documents and papers of the District not pertaining to the performance of the duties vested in other officers, which at all reasonable times shall be open to the examination of any trustee. ~~He~~ They may sign or execute contracts with the Chairman or a Vice-Chairman thereunto authorized in the name of the District and affix the seal of the District thereto. ~~He~~ They shall perform such other duties as may be prescribed from time to time by the Board of Trustees or by the Bylaws. ~~He~~ They shall be sworn to the faithful discharge of ~~his~~ their duties. If necessary, Assistant Secretaries shall assist the Secretary and shall keep and record such minutes of meetings as shall be directed by the Board of Trustees.

Section 9. **TREASURER.** The Treasurer shall, subject to the direction of the Chairman or a designated Vice-Chairman, have general custody of the collection and disbursement of the funds of the District. ~~He~~ They shall endorse on behalf of the District for collection checks, notes and other obligations, and shall deposit the same to the credit of the District in such bank or banks or depositories as the Board of Trustees may designate. ~~He~~ They may sign, with the Chairman or such other persons as may be designated for the purpose by the Board of Trustees, all bills of exchange or promissory notes of the District. ~~He~~ They shall enter or cause to be entered regularly in the books of the District a full and accurate account of all monies received and paid by ~~him~~ them on account of the District; shall at all reasonable times exhibit ~~his~~ the books and accounts to any trustee of the District upon application at the office of the District during business hours; and, whenever required by the Board of Trustees or the Chairman, shall render a statement of ~~his~~

~~the~~ accounts. ~~He~~ ~~They~~ shall perform such other duties as may be prescribed from time to time by the Board of Trustees or by the Bylaws. ~~He~~ ~~They~~ shall give bond at the option of the Board of Trustees for the faithful performance of ~~his~~ ~~their~~ duties in such sum and with or without such surety as shall be approved by the Board of Trustees.

Section 10. OTHER OFFICERS. Other officers shall perform such duties and have such powers as may be assigned to them ~~but~~ ~~by~~ the Board of Trustees.

Section 11. SALARIES. Officers must serve without compensation.

Section 12. SURETY BONDS. In case the Board of Trustees, at its option, requires any officer or agent of the District shall execute to the District a bond in such sums and with such surety or sureties as the Board of Trustees may direct, conditioned upon the faithful performance of ~~his~~ ~~their~~ duties to the District, including responsibility for negligence and for the accounting of all property, monies or securities of the District which may come into ~~his~~ ~~their~~ hands.

ARTICLE IV

CONTRACTS, LOANS CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District; and such authority may be general or confined to specific instances.

Section 2. LOANS. No loan or advances shall be contracted on behalf of the District, no negotiable paper or other evidence of its obligation under any loan or advance shall be issued in its name, and no property of the District shall be mortgaged, pledged, hypothecated or transferred as security for the payment of any loan, advance, indebtedness or liability of the District unless and except as authorized by the Board of Trustees. Any such authorization may be general or confined to specific instances.

Section 3. DEPOSITS. All funds of the District not otherwise employed shall be deposited from time to time to the credit of the District in such banks, trust companies or other depositories as the Board of Trustees may select, or as maybe selected by any officer or agent authorized to do so by the Board of Trustees.

Section 4. CHECKS AND DRAFTS. All notes, drafts, acceptances, checks, endorsements and evidences of indebtedness of the District shall be signed by such officer or officers or such agent to agents of the District and in such manner as the Board of Trustees from time to time any determine. Endorsements for deposit to the credit

of the District in any of its duly authorized depositories shall be made in such manner as the Board of Trustees from time to time may determine.

Section 5. BONDS AND DEBENTURES. Every bond or debenture issued by the District shall be evidenced by an appropriate instruments which shall be signed by the Chairman or a Vice-Chair and by the Treasurer or by the Secretary. The seal may be facsimile, engraved or printed. Where such bond or debenture is authenticated with the manual signature of an authorized officer of the District or to the trustee designated by the indenture of trust of other agreement under which such security is issued, the signature of any of the District's officers named thereon may be facsimile. In case any officer who signed, or whose facsimile signature has been used on any such bond or debenture, shall cease to be an officer of the District for any reason before the same has been delivered by the District, such bond or debenture may nevertheless be adopted by the District and issued and delivered as though the person who signed it or whose facsimile signature has been used thereon had not ceased to be such officer.

ARTICLE V

INDEMNIFICATION

Except as provided by a separate written agreement between any person and the District, the following sections shall govern indemnification involving the District.

Section 1. AUTHORIZED INDEMNIFICATION. When authorized by a majority vote of the Trustees, the District shall indemnify the following persons:

- (a) Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the District) by reason of the fact that ~~he is or was~~ they are or were a trustee, officer, employee or agent of the District, or is or was serving at the request of the District as a trustee, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by ~~him~~ them in connection with such action, suit or proceeding if ~~he~~ they acted in good faith and in a manner ~~he~~ they reasonably believed to be in or not opposed to the best interests of the District, and, with respect to any criminal action or proceeding, had no reasonable cause to believe ~~his~~ their conduct was unlawful. However, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, or itself, create a presumption that the person did not act in good faith and in a manner which ~~he~~ they reasonably believed to be in or not opposed to the best interests of the District, and with respect to any criminal action or proceeding, had reasonable cause to believe that ~~his~~ their conduct was unlawful.

(b) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the District to procure a judgment in its favor by reason of the fact that ~~he is or was~~ they are or were a trustee, officer, employee or agent of the District, or is or was serving at the request of the District as a trustee, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise against expenses (including attorney fees) actually and reasonably incurred by ~~him~~ them in connection with the defense or settlement of such action or suit if ~~he~~ they acted in good faith and in a manner ~~he~~ they reasonably believed to be in or not opposed to the best interests of the District. However, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of ~~his~~ their duty to the District unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper. The District shall be authorized by the Board of Trustees or the shareholders to indemnify the foregoing persons when a determination has been made that the trustee, officer, employee or agent has met the standard of conduct set forth above.

Section 2. AUTOMATIC INDEMNIFICATION. To the extent that the trustee, officer, employee or agent of the District has been successful on the merits or otherwise in the defense of any action, suit or proceeding specified in Section 1 of this Article, or in the defense of any claim, issue or matter therein, ~~he~~ they shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by ~~him~~ them in connection therewith.

Section 3. ADVANCEMENTS. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the District in advance of the final disposition of such action, suit or proceeding for which the District may ultimately be liable under Section 1 of this Article upon receipt of an understanding by or on behalf of the trustee, officer, employee or agent to repay such amount unless it shall ultimately be determined that ~~he is~~ they are entitled to the indemnified by the District.

Section 4. OTHER INDEMNIFICATION. The indemnification herein provided shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of the stockholders or disinterested trustees, or otherwise, both as to action in ~~his~~ their official capacity and as to the action in another capacity while holding such office, and shall continue as to a person who has ceased to be ~~s a~~ trustee, officer or employee, and shall inure to the benefit of the heirs, executors and administrator of such person.

Section 5. INSURANCE. The Board of Trustees may, in its discretion, direct that the District purchase and maintain insurance on behalf of any person who is or was a trustee, officer, employee or agent of the District, or is or was serving at the request of the District as a trustee, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise against any liability asserted against ~~him~~ them and incurred by ~~him~~ them in any such capacity, or arising out of ~~his~~ their status as such, whether or not the District would have the power to indemnify ~~him~~ them against liability under the provision of this Article.

Section 6. SETTLEMENT BY DISTRICT. The right of any person to be indemnified shall be subject always to the right of the District by the Board of Trustees, in lieu of such indemnity, to settle any such claim, action, suit or proceeding at the expense of the District by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

ARTICLE VI

WAIVER OF NOTICE

Whenever any notice is required to be given to any trustee of the District under the provision of these Bylaws, or under the provisions of the Article of Incorporation, or under the provisions of the Utah Business District Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time state therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the legality of that meeting.

ARTICLE VII

AMENDMENTS

These Bylaws may be altered, amended, repealed, or new Bylaws adopted by a majority of the entire Board of Trustees at any regular or special meeting. Any Bylaw adopted by the Board may be repealed or changed by action of the shareholders.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the District shall be fixed and may be varied by resolution of the Board of Trustees.

ARTICLE IX

CORPORATE SEAL

The District shall have an official seal which shall bear the name of the District and the date and year of incorporation.

This is to certify that the foregoing amended Bylaws were adopted by the Board of Trustees of the District on the ____ day of _____, 20 .

Board Chair

ATTEST:

(SEAL)

Assistant Secretary