



**AMENDED AND RESTATED
BYLAWS OF
SKYLINE MOUNTAIN SPECIAL
SERVICE DISTRICT
(SMSSD)**

September 12, 2024

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 - b. With Water Rights Deed Recorded 8 September 2009
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 - a. [Microsoft Word - CC&R dated 12Jan2015 \(storage.googleapis.com\)](#)
5. Link to Skyline Mountain Resort Bylaws Recorded 12 January 2015
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SMSSD BYLAWS

A. GENERAL POWERS.

Effective immediately upon the adoption of these Bylaws, any and all previous versions of SMSSD Rules, Regulations and Resolutions not included by reference in these Bylaws, regardless of their dates of adoption or any specific references, are hereby repealed in their entirety. This repeal includes, but is not limited to, any versions that may have been lost, misplaced, or otherwise unaccounted for. In the event any provision of these Bylaws conflict with state law or any prior written agreement with a third party, or any prior written agreement incorporated into these Bylaws by reference, the more restrictive provision will control. References to documents that are not attached or incorporated to these Bylaws by reference or as exhibits are for convenience and reference only.

Except as and to the extent reserved by Federal and State of Utah law and the legislative body of Sanpete County, the Skyline Mountain Special Service District (SMSSD) Board shall possess and exercise all powers, duties, rights and responsibilities necessary to conduct the business of the District, including all powers granted to the Board according to Sections 17B-1-301 and 17D-1-301 of the Utah Code. The Board shall have the authority to retain the services of employees, consultants, engineers, accountants, attorneys, and others to serve at the request of the Board.

The District was created as Special Service District (SSD) governed by Title 17D, Chapter 1 of the Utah Code, together with major portions of Title 17B, Chapter 1 of the Utah Code as specified in Utah Code Ann. § 17D-1-106, and other applicable laws of the State of Utah, including but not limited to the Open and Public Meetings Act, the Government Records Access and Management Act, the State Money Management Act, the Utah Procurement Code, the Governmental Immunity Act of Utah, and the Utah Public Officers' and Employees' Ethics Act.

In the event of a conflict between these Bylaws and any policy, procedure, rule or regulation of the District or any motion approved by the Administrative Control Board of the District (the "Board"), regardless of whether the Board of the District was or is an administrative control board established by Sanpete County which has delegated certain rights, power and authority, as reflected in official Board minutes and/or County documents and meeting minutes, these Bylaws shall control. The Board has such right, power and authority as is delegated to the Board under Utah Code Ann. § 17D-1-301 by the legislative body of Sanpete County that created the District.

B. PRINCIPAL OFFICE.

The District's office and principal place of business shall be in Sanpete County at 22345 North 12720 East Lot C-49, Fairview, Utah 84629, with the physical address for location purposes and package deliveries as 22130 North 11750 East, Fairview, Utah 84629, and regular mailing address of 2201 SMR, Fairview, Utah 84629, until changed pursuant to Board action.

C. NAME/ORGANIZATION.

1. **Name.** The name of this special service district is Skyline Mountain Special Service District herein the "District" or "SMSSD".
2. **Organization.** The District was organized pursuant to applicable provisions of the Special Service District Act which is currently and primarily found in Title 17D, Chapter 1 of the Utah Code.
3. **Incorporation of District.** The District is a body corporate and politic with perpetual succession, separate and distinct from the Skyline Mountain Resort Association (SMR) and Sanpete County that created it, with all of the powers delegated by State Law and the County as granted or necessarily implied and was incorporated on 21 April 1998. As explained by Max Henrie, SMR Board Chair at that time, "We were also working with the county to get SMR approved as a subdivision so every member could get a deed to their property and the water system did not meet the requirements of the County for a subdivision. To address these issues the Skyline Mountain Special Service District (SMSSD) was created. As a quasi-governmental entity, they have 50 years (changed to 40 years by the State) to show beneficial use and they can hold water rights for future development. The SMSSD transferred all the water rights into municipal use classification, which is not available to a private entity, but means that the water can be used for most any purpose rather than the designated use (culinary, irrigation, stock watering, etc.) that we had as a private entity. To correct the other problems with the system it was necessary to develop a whole new water system in the full-time area with additional storage and water lines capable of the required flow for fire hydrants and pressure for home connections. To develop the water system, it was necessary to borrow money and the SMSSD could get a much more favorable interest rate and terms than we could get as a private entity. While we could see that there were many benefits to having the SMSSD operate the water system for SMR we had some concerns. First, transferring the water rights and water system along with all of the water facilities to the SMSSD. To help alleviate this concern the License Agreement between SMR and SMSSD was created. One section of that agreement states, "Assignment and Reversion. SMSSD shall not assign or convey its interest in the rights created under this License Agreement, except as necessary to secure financing for water system improvements. In the event that SMSSD ever dissolves, all of SMSSD's rights under this license Agreement shall automatically revert to SMR upon the initiation of the dissolution process by SMSSD." The Water Rights Deed, recorded 8 September 2009 and included as an attachment to these Bylaws, specifically states "Grantee, and all of its successors and assigns, shall first use the water under the foregoing water rights only within the boundaries of the Skyline Mountain Resort, as established and in effect as of the date of execution of this Deed ("Effective Date"), to ensure that each residence within such boundaries receives at least 0.45 acre-feet for indoor culinary use if such residence is for year round occupancy or 0.25 acre-feet for indoor culinary use if such residence is for seasonal occupancy; at which point any remaining surplus water under the foregoing water rights may be used outside the boundaries of the Skyline Mountain Resort, as established and in effect as of the Effective Date. In the event that the Grantee ever dissolves, title to the aforementioned Water Rights, wells and other appurtenances shall automatically revert to the Grantor upon the initiation of the dissolution process of the Grantee." Second, SMR and SMSSD would be two separate entities with different governing Boards. SMR would have no control over the SMSSD, but the two Boards would be expected to work together for the benefit of SMR members. To help alleviate this concern the governing Board of the SMSSD would be members of SMR and one would also be a member of the SMR Board of Directors. A Water Operating

Agreement was also created for the SMSSD and SMR Boards to follow in operating the water system. It is my opinion that the SMSSD was the best and maybe the only reasonable way to address and correct the issues and problems with the SMR water system and can continue to benefit the members of SMR."

- a. The Projected Water Rights Use Analysis (40-Year Plan) states that in 2008, the General Session of the Utah State Legislature passed House Bill 51 amending Utah Code 73-1-4 dealing with the forfeiture of water rights. This legislation allows public water suppliers to protect and hold surplus water rights for their reasonable future needs to serve the public. The reasonable future water requirement of the public is defined by the statute as the amount of water needed in the next 40 years by the persons within the public water supplier's projected service area based on projected population growth or other water use demand.
 - b. When SMSSD was created in 1998 as a Special Service District, the Utah Code was that SSD's had 50 years to show beneficial use and that they could hold water rights for 50 years for future development. That is why SMSSD transferred all the water rights into municipal use classification, as explained in this Section 3. In effect, at the time SMSSD was created, it was given until the year 2048 (50 years) to demonstrate beneficial use.
 - c. SMSSD, as of this date, has a 40-year Projected Water Rights Use Analysis and a Master Plan, approved by the State and adopted in September of 2019 known as the "Projected Water Right's Use Analysis," that protects the SMSSD Water Rights out 40 years. That approved Master Plan protects SMSSD's water rights out until 2059, unless the beneficial use analysis is updated, or the State of Utah Code is changed in some way.
4. **Public Purpose.** The purpose of the District is to acquire, maintain, operate and provide a culinary water system, pursuant to the powers stated in the organizing documents of the District, County and State law; and to exercise all powers conferred upon such districts by law pursuant to the provisions of Sections 17B-1-202 and 17D-1-103 of the Utah Code.
 5. **Geography of District.** The District is a special service district (SSD) situated solely within the area of Sanpete County, with different boundaries from Skyline Mountain Resort as shown on the Utah State Water website, created and operating under the Utah Code (the "Code") Title 17D, Chapter 1 Special Service District Act, as amended, and Title 17B Limited Purpose Local Government Entities. Utah Code 17D-1-103(2)(p) states a SSD may "provide to an area outside the special service district's boundary, whether inside or outside the state, a service that the special service district is authorized to provide within its boundary, if the governing body makes a finding that there is a public benefit to providing the service to the area outside the special service district's boundary;."
 6. **Governing Body.** The governing body of the District is the Administrative Control Board (the "Board") consisting of five members as determined and appointed by the County Commissioners of Sanpete County and as specified in the County Commissioners Meeting Minutes of 28 April 2003 under the heading titled "DISCUSSION OF CRITERIA FOR BOARD MEMBERSHIP AND TERMS OF THE SKYLINE MOUNTAIN RESORT." The Commission discusses the board membership

and term of the board members of the Skyline Mountain Resort Special Service District. There is a short discussion as to whether an individual should be allowed to serve on both the Skyline Mountain Resort Board and the Skyline Mountain Resort Special Service District Board. The County Attorney states this should be at the option of the County. There is discussion of appointing at least one member from the Skyline Mountain Board since they are elected by the entire membership. It is determined that there be a minimum age requirement of 21 years old and that a board member should have a property interest in Skyline Mountain Resort. It is determined that it should not be required that they be a Certified Water Operator. It is determined that the membership consists of some geographic areas with one member appointed from the Birch Creek Area, the Mountain Area, the Valley Area, and a Skyline Mountain Board of Trustee member and one at large member. No more than two can serve from a geographic area and no more than one person can serve from the Skyline Mountain Resort Board. A letter of application with a resume and letters of recommendation should be filed with Kristine Frischknecht, County Clerk. After review, candidates will be selected for an interview with the Commission. The notice will be posted in four public places for one month prior to a deadline of 2 June 2003. The County Attorney will prepare the public notice."

- a. Utah Code 17B-1-302 governs qualification of board members for SMSSD which the County verifies. The State of Utah's Little Manual for Local and Special Service Districts (Revised June 2021), page 6, states "A district board member must also be a registered voter and a resident within the boundaries of the district. There are two exceptions to the residency requirement: 1) for districts with a large number of part-time residents (seasonally occupied homes), and 2) for basic local districts with less than one residential dwelling per ten acres of land (See Utah Code 17B-1-302)."
- b. The State of Utah's Little Manual for Special Districts & Special Service Districts (Revised May 2023), page 7 update states "Generally, a district board member must be a registered voter and a resident within the boundaries of the district. A few exceptions exist. Consult with legal counsel to ensure these exceptions apply to your district before pursuing them (Utah Code 17B-1-302)."
- c.
- d. Utah Code 17B-1-303 to 306 governs the appointment of board members for SMSSD. SMSSD cooperates with the County as necessary and appropriate per the Sanpete County Commissioners minutes 28 April 2003 quoted in the heading of Section C, paragraph 6 above..
- e. From the Sanpete County Commissioner Meeting Minutes of 2 April 2019 "DISCUSSION OF ISSUES RELATED TO SKYLINEMOUNTAIN SPECIAL SERVICE DISTRICT BOARD Currently board members are required to serve from four different areas. Birch Creek is a very small area, and they are having problems getting the interest of people to serve from that area. A change in the by-laws would be needed to change how members are appointed. Kevin Daniels suggests first posting by areas, then post at-large if needed to finish filling positions. Currently there are three board members, which is a quorum, but not a full board. An at large member could represent the area that is not represented and bring their ideas to the board. It is believed that the County formed the SSD, but the by-laws may have been created by the District. Motion is made by Commissioner Lund "to give the Skyline Mtn SSD Board permission to change the by-laws allowing them to use at large members as needed to complete the board when notice has been posted, and not enough people apply from each of the areas. The motion is seconded by Commissioner

Sunderland, and the motion passes. After the board has made these changes, the County Commissioners will also adopt the by-laws.”

- f. The SMSSD Rules and Regulations were updated by Resolution No. 2019-2 on 4 May 2019, to reflect the Sanpete County Commissioners direction as the Administrative Authority of SMSSD.
- g. In the 19 March 2024, Sanpete County Commissioners Minutes, the request to produce these SMSSD Bylaws was made clear. “SKYLINE MOUNTAIN SPECIAL SERVICE DISTRICT (SMSSD): APPOINT TWO NEW BOARD MEMBERS ON THE SMSSD BOARD FOR TWO POSITIONS THAT HAVE EXPIRED. Craig Godwin and Trent Andersen are present. Craig Godwin reports that both Boards SMSSD and SMR met after the last Commission meeting and came to an agreement on the district expansion with one stipulation that the building permits would not be denied. Commissioner Hatch states the agenda is for selection of two Board members. Mr. Godwin clarifies that the Boards were in agreeance of the member selection as long as building permits were not affected. Don Hunter and Ferris Taylor were the names recommended at the last meeting. Trent Andersen addresses the Commission regarding the resentment of the SMR Board because they feel unheard the last few meetings. As the liaison, Mr. Andersen would like to make his own recommendations; Kim Hansen and Todd Bird whom both live in the subdivision. Mr. Andersen states that none of the current Board members currently live in the subdivision. Commissioner Hatch questions whether or not the recommended individuals are from the areas that need to be filled. Mr. Andersen states that the current Board members do not have property in the areas of their current positions. Commissioner Hatch understands that in the past they had trouble filling the positions and they had to fill the positions with willing persons even if they weren’t from that area. Whether or not that is coherent with the by-laws is questioned by Mr. Andersen. Commissioner Bartholomew still does not understand why there are now four recommendations if the two boards agreed after their last meeting. Mr. Andersen states there are still issues regarding the water going outside of the Subdivision. Kevin Daniels refers back to the by-laws and how it states the appointment of Board members is the way it should be followed. Trent Andersen states they have asked for the by-laws and never received them to review. Mr. Godwin does not know if he can produce the by-laws at this time. The discussion continues regarding the board member recommendations from both boards. Commissioner Bartholomew states he feels the by-laws need to be produced for the SMR to review as well as Kevin Daniels and to table the action until that time. Roy Fox will do his best to locate the documents specifying the board member selection. Motion is made by Commissioner Collard to table the appointment of the two board members. The motion is seconded by Commissioner Hatch, and the motion passes.”
- h. The Sanpete County Commissioner Meeting Minutes of 16 April 2024, noted that SMSSD is working on Bylaws. “APPOINT BOARD MEMBER TO THE ‘AT LARGE AREA’ BOARD POSITION. Roy Fox, Craig Godwin and Becca Mark are present. Ms. Mark explains the recommendations of the Board were sent to the County Clerk for the Commissioners to review. The recommendation of the majority of the Board members is to reappoint Craig Godwin. In the past, the Board was lucky to receive one application. This time they received three by the deadline and one after the deadline. Ms. Mark explains the reason that the majority have nominated Mr. Godwin is because of his experience previously on the Board, his respectful manner of representation and his

involvement in upcoming projects. Due to the oversight that Mr. Godwin should have been reappointed in 2021; the Board would like to see him at least complete the term that would end at the close of 2025. Todd Bird would be the second choice of the Board but due to his lot location in the district of "the valley", the Board members felt that did not give fair overall representation with two other members from the valley area. Three of the four Board members recommended Craig Godwin. The fourth Board member recommended Todd Bird; that Board member was Trent Anderson and he requests to address the Commission. Mr. Anderson refers to the little manual for special service districts and that generally a Board member would be a registered voter in that specific district. Mr. Anderson states that none of the current Board members fit that criteria and he is trying to follow the direction of the manual. Mr. Anderson states that none of the Board members live in the District and Ms. Marc clarifies that none of them live in the District full time. Commissioner Hatch agrees that they could potentially reappoint Mr. Godwin to finish the term he had believed to be current due to a misunderstanding with the previous County Clerk. Commissioner Collard would like to see a change because none of the Commissioners requests have been made; arguing and refusal to get along between the two boards continues. Motion is made by Commissioner Collard to retain Craig Godwin until 2025; the term will end 1 January 2026, and at that time, Mr. Godwin will no longer be eligible to serve and the process will start over to replace him. Commissioner Collard has not seen any progress with the two Boards working together. The motion is seconded by Commissioner Hatch, and the motion passes. Ms. Mark states the Board is working on the by-laws and a resolution. Newly appointed Board member Ferris Taylor explains the Handbook does give exceptions for large districts that are seasonally occupied homes. Commissioner Collard clarifies that none of the Board members are full time residents which is an exception to the rule and he feels the Board consists of many exceptions to the rules; not just one."

7. **Seal of District.** The District shall have an official seal which shall be in the form of a circle bearing the name of the District.
8. **Offices of District.** The District business offices shall be in Sanpete County of the Board's choosing with a mailing address of 2201 SMR, Fairview, Utah 84629, unless subsequently changed by action of the Board.
9. **Organizing Documents of District.** Between incorporation in 1998 and December 2014, when the Skyline Mountain Resort (SMR) Subdivision was formally platted, approved by Sanpete County, and deeded, many agreements were changed and modified to meet Utah Code and Sanpete County regulations. The final License Agreement with the SMR Subdivision, dated 5 December 2012 and the Water System Operating Agreement, dated 1 February 2013, with associated attachments and deeds, are the District's Organizing Documents.
10. **SMR Agreements with District.** Between 21 April 1998 and final approval of the SMR Subdivision, the SMSSD Water System Operating Agreement states (Section 8.9) "Except for the Bill of Sale, Water Rights Deed, and License Agreement, all described and referred to in paragraph 1 above, this Agreement constitutes the entire agreement between the parties relating to the operation of the District's culinary water System and supersedes, terminates, and/or consolidates all prior agreements and negotiations concerning the matters addressed herein." Paragraph 1 states, "except

the Company's (SMR's) reversionary interest as set forth in the Company's Bill of Sale to the District dated 28 February 2009, the Company's Water Rights Deed to the District dated 28 February 2009 and recorded in the Office of the Sanpete County Recorder on 8 September 2009 in Book 593 at Page 1204, as entry number 165581, and the License Agreement between the District and the Company dated 5 December 2012 in Book 640 at Page 1182, as entry number 187054."

- a. Sanpete County Commissioners Meeting Minutes of 21 October 2014. "APPROVAL OF SKYLINEMOUNTAIN RESORT'S APPLICATION FOR A SUBDIVISION, Scott Olson, Joe Hanks, and Max Henry are present. The Skyline Mountain area began development in 1963, and 1985. Lot sizes, roads, and water don't meet current zoning regulations. The County Commission previously approved this development under the older ordinances. In 2001 the Planning Commission signed off on the plat map, recommending this to be presented to the County Commissioners. In 2003, the deeding process was discussed with the Commission. The County and Skyline Mtn Resort's attorneys agreed on 3 issues that needed to be resolved. The first was assurance of sufficient water to serve the area, a master water plan needed to be made, and each owner needed to sign the plat. Deeds have been signed, and quiet titles completed for owners that were unable to be located. The master water plan has been approved. A total of 946 lots are on the plat, instead of the 2,000 or so that were originally planned for. Most lots are 1 acre in size. The subdivision has enough water to meet the state standards. Mr. Henry states that the new CC&R's will state outside watering will not be allowed unless irrigation water rights are obtained. They will meet all Wildland Urban Interface requirements. Leon Day is concerned that this is in the area in the County that typically requires 5 or 40 acres per lot. The Commissioners explain that this was approved years ago. Motion is made by Commissioner Frischknecht to approve moving forward with the application. The motion is seconded by Commissioner Bartholomew, and the motion passes."
- b. From Max Henrie's letter to the Sanpete County Commissioners for their 5 March 2024 Meeting – "My name is Max Henrie. I have been a member of Skyline Mountain Resort (SMR) since 1998 and served on the SMR board of directors from 2000 until 2016. During that time one of my assignments was working with Joe Hanks to get subdivision approval from the county for SMR. We worked with Commissioners Hatch (at that time County Recorder) and Bartholomew, planning and zoning administrator Scott Olsen, along with many other county officials to accomplish the task, and finally in December of 2014 the SMR subdivision was approved at the 16 December 2014, county commission meeting. I have attached the minutes of that meeting along with previous meetings that included discussion and preliminary approvals. In the 21 October 2014, meeting minutes it states the following, "the subdivision has enough water to meet the state requirements."
- c. "To my (Max Henrie) knowledge that has not been questioned until recently. I do not know who or why the question was raised, but it is clear from the 16 December 2014, minutes that the County was satisfied that SMR had the required water. If you only take into consideration the 222.85 acre-feet of water that SMR deeded to SMSSD on Water Rights Deed recorded at the county 8 September 2009, then we are short about 80 acre-feet. I have mentioned to the SMR board several times that in addition to the 222.85 acre-feet owned by

SMSSD, SMR owns 58.5 shares of Birch Creek Irrigation water. I was told by different members of the Birch Creek Irrigation board that each share is a minimum of 2 acre-feet to a high of 6 acre-feet per share depending on what mother nature provides, or a total of 117 acre-feet at a minimum and as much as 351 acre-feet maximum which is excess water of 37 to 271 acre-feet. I believe it is clear that SMR has sufficient and even excess water available to serve the members and the county acknowledged that in their 21 October 2014 meeting."

- d. As referenced above, Sanpete County Commission Meeting Minutes 18 November 2014, stated, "SKYLINE MOUNTAIN RESORT: CONCEPT AND PRELIMINARY APPROVAL OF A MAJOR SUBDIVISION LOCATED NORTH EAST OF MT. PLEASANT Scott Olsen, Lee Holmstead, Joe Hanks, Everett Taylor, Reed Hatch and Max Henrie are present. There are 945 lots on the plat. One hundred and ninety five of those lots remain unsold. About 7 other lots are dedicated to the special service district. Easements have been drawn on the plat map for each lot. They are unsure if they will keep those in place, or if they will only have the easements on the side that fronts the roads. This plat map is ½ the size that our newer code requires, but this was approved as is by the Planning Commission. All members have *signed quit claim deeds, and the property will be deeded to each owner after the subdivision is approved.* The subdivision has 3 wells. Motion is made by Commissioner Bartholomew to approve the concept and preliminary plans for the Skyline Mountain Resort, located North East of Mt Pleasant. The motion is seconded by Commissioner Frischknecht, and the motion passes."
 - e. Skyline Mountain Resort Subdivision received final approval at the Sanpete Count Commission Meeting on 16 December 2014 stating, "The approval of this subdivision has been a long time coming. The property is now deeded to the subdivision. The next step deeding the property to each individual owner will take place very soon. Reed Hatch states for the record part of the agreements that were reached on this subdivision, tax notices will not be given on the SMSSD's land. The \$5.00 per lot fee for GIS will be waived, and Skyline will provide that information through Jones and DeMille in a format that will then be overlayed on the maps. Current liens on each individual will go with their parcel. Motion is made by Commissioner Frischknecht to give final approval of the Skyline Mountain Resort, a major subdivision located north east of Mt Pleasant. The motion is seconded by Commissioner Bartholomew, and the motion passes."
11. **Approvals for Subdivision.** In the History of the SMSSD on the www.smssdutah.com website, point #6 clarifies that "Sanpete County required SMR to have sufficient water rights for each of the lots in the subdivision to meet the State and County requirement of 0.45/0.25 acre-feet per lot prior to approving the subdivision. I (Max Henrie) have attached the County Commission meeting minutes of 21 October 2014, 18 November 2014, & 16 December 2014 ([included verbatim in Section 10 above](#)) that shows that the County was satisfied that SMR met that requirement. I have also said that I realize that the 222.85 acre-feet that the Resort deeded to the SMSSD was not sufficient, but that SMR also owns 55.5 or 58.5 shares of Birch Creek Irrigation water that has a value of 2-to-6 acre-feet per share depending on what mother nature provides."

12. **History of Bylaws of District.** Until writing and approving these Bylaws, the District has operated using the SMSSD Organizing Documents and in compliance with Utah Code, the Utah's "Little Manual for Special Service Districts," Annual State training, certifications, filing of SSD forms, and in accordance with Rules, Regulations, Policies, and Procedures approved and implemented by the District during its incorporation.

D. ADMINISTRATIVE CONTROL BOARD.

1. **Authority.** The District is governed by an administrative control board (the "Board"), the members of the Board are appointed as specified by the Sanpete County Commissioners in their minutes of 28 April 2003 and as provided by law, particularly Utah Code Title 17D, Chapter 1, Part 3.
2. **Oath of Office.** Prior to assuming official duties, each Board Member is to take and subscribe, before an SMSSD officer authorized to administer oaths, to an oath as required by Utah Code Ann. § 17B-1-303(3).
3. **Fidelity Bond / Insurance.** A corporate surety bond or theft or crime insurance, as allowed by law, for the faithful performance of their duties is required for each Board Member as provided in 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.
4. **Term of Office.** The term of each Board Member is four (4) years and until the Board Member's successor is appointed, or reappointed, as appropriate, and has qualified, all as provided in Utah Code Title 17D, Chapter 1, Part 3 and any applicable provision in Title 17B, Chapter 1 of the Utah Code. A Board Member appointed to fill a vacancy will serve the unexpired portion of the term of the Board Member being replaced. The term of a person appointed to serve on the Board, subject to the above and except as may otherwise be provided by law, commences at noon on January 1 following the Board Member's appointment by the Sanpete County Commissioners.
5. **Board Vacancies.** To the extent allowed by law, a vacancy in a Board Member's term of office shall be deemed to exist in the case of death, resignation, disqualification of the Board Member (as, for example, when a Board Member ceases to be a SMR property owner or a customer of the District), the Board Member has been declared to be of unsound mind by order of a court, or the Board Member has been convicted of or pled guilty or "no contest" to a felony. All vacancies which may occur on the Board will be filled as provided for by the Sanpete County Commissioners in accordance with the provisions of Sections 17D-1-303, et seq., 17B-1-304 and 17B-1-306 of the Code. Each appointed Board Member shall qualify by taking the official oath prescribed by Article IV, Section 10 of the Constitution of the State of Utah. Each Board Member shall hold office until a successor has been appointed and has qualified.
6. **Removal of Board Member.** A Board Member may be removed as outlined in Utah Code 17B-1-304(4) that reads "Persons appointed to serve as members of the special district board serve four-year terms but may be removed for cause at any time after a hearing by two-thirds (2/3rds) vote of the appointing body," which are the Sanpete County Commissioners.
7. **Compensation.** Board Members shall serve with compensation as determined by the Board, but not to exceed statutory limits. Board Members shall be entitled to

reimbursement for necessary out-of-pocket costs and other expenses, including travel expenses, incurred in connection with the performance of their duties as Board Members. A Board Member may not be compensated separately as an employee for providing the same services.

8. **Powers and Duties.** The Board has all powers necessary for the administration of the affairs and operation of the properties of the District and may do all such acts as are not forbidden by law or the District's Originating Documents. The duties and powers of the Board are generally set forth in the District's Originating Documents, SMR Subdivision plats and deeds, Sanpete County Commissioner minutes, and Part 3 of the Special Service District Act and applicable portions of Title 17B, Chapter 1 of the Utah Code that apply to the District. The primary function of the Board is to establish policies and make decisions as guidelines for administrative action. The Board may employ or retain the services of a Water Superintendent and other employees and may retain the services of consultants to perform specified duties and activities under the direction of the Water Superintendent and, ultimately, of the Board.
9. **Meetings.** Regular, special, and emergency meetings of the Board may be held as provided in any Board Meeting Policies and Procedures adopted by the Board (the "Board Meeting Policy" and as set forth by the State Auditor's "Little Manual for Special Service Districts") and in the Utah Open and Public Meetings Act (Utah Code Ann., §§ 52-4-101, et seq. the "Act"). At all meetings of the Board, a majority of the Board Members shall constitute a quorum for the transaction of business pursuant to Utah Code Ann. § 17B-1-310. Meetings of the Board may take place through telephonic and other electronic means as may be provided in the Act and in any Board Meeting Policy adopted by the Board. The SMSSD meeting times, place, and type of access will be posted on the Utah Public Meeting Notice website for SSD's at www.utah.gov/pmn/, on the www.smssdutah.com website, and on the SMR Clubhouse Public Board, as determined and set by the SMSSD Board.

E. OFFICERS.

1. **Principal Officers.** State law requires a governing board to appoint a Board Chair, Clerk, and Treasurer. The board may elect others such as a Board Vice Chair, a Records Officer, and such other officers as the Board may from time to time establish. The offices of Chair, Clerk, and Treasurer may NOT be held by the same person. The Clerk may be a board member, part-time staff, full-time staff, or contractor. The Treasurer may be a board member, part-time staff, full-time staff, or contractor. The Chair may only be a board member. Noted below are the specific qualifications and responsibilities of each officer, as well as financial-related governing board responsibilities specifically required by law (See Utah Code 17B1-309 and 17B-1-631 through 17B-1-638).
2. **Qualifications, Appointment and Term of Office.** The Chair and the Vice Chair shall be selected from the Board Members by majority vote of the Board Members, annually at the discretion of the Board. Any vacancy in the position of Chair or Vice Chair caused by the expiration of the term of the incumbent as a member of the Board or by the death, resignation or removal of the incumbent shall likewise be filled by a majority vote of the Board Members and the Board Member selected to fill the position shall do so for the remaining unexpired term. The Board may also appoint a Water Superintendent, and shall appoint a Clerk, a Treasurer, a Records Officer and/or other officers and positions as desired by the Board. The Chair may not serve either as

Treasurer or Clerk and the Clerk may not also serve as Treasurer. An employee of the District or of Skyline Mountain Resort is not allowed to be a member of the District's Board. Subject to those limitations, and except as otherwise provided by law, one person may hold more than one office. Notwithstanding the foregoing, the officers shall serve until their replacements are appointed provided, however, that an officer who is also an employee of the District or an employee of Skyline Mountain Resort will not continue to serve in office after the officer ceases to be an employee of the District or an employee of Skyline Mountain Resort and an officer who is a Board Member will not continue to serve in office after the officer ceases to be a Board Member unless there is a written agreement between the District and the officer that provides otherwise.

3. **Duties of Officers.**

- a. **Chair.** The Chair shall, when present, preside at all meetings of the Board and do and perform all duties incident to that position as are customarily done or performed by a special service district board chair. Unless the Board action approving any contract or other document specifies otherwise, either the Chair or the Water Superintendent, or both, shall be authorized and empowered to execute and implement any and all properly approved documents for and on behalf of the District. If there is no Water Superintendent, the Chair may perform the functions and duties of the Water Superintendent.
- b. **Vice Chair.** The Vice Chair shall chair meetings of the Board and otherwise act in the place of the Chair when the Chair is absent.
- c. **Water Superintendent.** The Water Superintendent shall be the Chief Operating Officer of the District and shall be responsible for the day-to-day business and affairs of the District, subject to oversight by the Board. The Water Superintendent shall, among other duties, supervise purchasing for the District, supervise the preparation and negotiation of contracts, supervise contractors and vendors, make necessary contacts on behalf of the District with responsible officials and representatives of Federal, State, County, SMR, and local units of government, verify all payrolls, claims and expenditures for submission to the Board, assist in preparing the annual budget, and realigning the budget line items to match the day-to-day spending without changing the approved yearly budget ending numbers, supervise all employees of the District and be responsible for and exercise supervision and control over the District's property, facilities, and operations. Respecting purchases made for or on behalf of the District, the Water Superintendent, or a designee of the Water Superintendent, under the Water Superintendent'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 Water Superintendent 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 Water Superintendent shall serve at the pleasure of the Board. Unless the Board action approving a contract or other document specifies otherwise, either the Water Superintendent or the Chair, or both, 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.

- d. Clerk. The Clerk shall be the custodian of the District's financial records and of the seal of the District and shall perform such other duties as may be required by law, particularly those duties specified in Title 17B, Chapter 1, Part 6 of the Utah Code, or as may be directed by the Board or the Water Superintendent, with such assistance as may be appropriate. In particular, the Clerk shall give such notices of meetings and other matters pertaining to the District as are required by law, these Bylaws, or any other enactment of the Board. Among other duties, the Clerk shall provide notice of Board Member appointments (if one or more Board Members is to be appointed) and certify candidate names to the Sanpete County Clerk as provided in Utah Code Ann. § 17B-1-306, certify resolution setting with the State Auditor's Office as provided in Utah Code Ann. § 17B-1-628, and certify any unpaid and delinquent qualifying charges to the County Treasurer as directed by the Board so those charges may become a lien on the delinquent premises as provided in Utah Code Ann. § 17B-1-902. The Clerk or other appointed person shall attend District Board meetings and keep a record of the proceedings as provided in Utah Code Ann. § 17B-1-631 and prepare and present to the Board detailed quarterly financial reports as provided in Utah Code Ann. § 17B-1-638. The Clerk or other appointed person not performing Treasurer duties shall maintain the financial records for each fund of the District and all related subsidiary records (including a list of all outstanding bonds, their purpose, amount, terms, date and place payable) as provided in Utah Code Ann. § 17B-1-632 and shall prepare necessary checks after having made the determinations required by Utah Code Ann. § 17B-1-635. Notwithstanding anything to the contrary in these Bylaws, or in any policy, procedure, rule, resolution, or regulation of the District, the Clerk supervising the financial records of the District may not sign any single signature check. The Clerk shall serve at the pleasure of the Board. One or more Assistant Clerks may be appointed to assist the Clerk and to carry out administrative and other functions of the Clerk.
- e. 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 by following the procedures and requirements of the State Money Management Act which is found in Title 51, Chapter 7 of the Utah Code and shall perform such other duties as may be required by law, particularly those Treasurer duties specified in Title 17B, Chapter 1, Part 6 of the Utah Code, or as directed by the Board or the Water Superintendent, with such assistance as may be appropriate. In particular, the Treasurer shall receive all public funds and money payable to the District, shall keep an accurate, detailed account of all monies received and shall be the custodian of all money, bonds and other securities and assets of the District as provided in Utah Code Ann. § 17B-1-633. The Treasurer shall give or cause to be given a receipt or other evidence of payment to persons paying money to the District treasury as provided in Utah Code Ann. § 17B-1-634. The Treasurer is required to promptly deposit all District funds into the appropriate bank accounts of the District as provided in Utah Code Ann. § 17B-1-637. The Treasurer shall see to it that all money received on any special assessment is applied to pay for the improvement for which the assessment was made as provided in Utah Code Ann. § 17B-1-636. The Treasurer and/or any other person(s) appointed by the Board shall sign all checks for the District after determining that sufficient money is on deposit in the appropriate bank account of the District to honor the

check, as provided in Utah Code Ann. § 17B-1-635(2). The Treasurer shall serve at the pleasure of the Board. One or more Assistant Treasurers may be appointed to assist the Treasurer and to carry out administrative and other functions of the Treasurer provided that no one person may perform both statutory Treasurer duties and statutory Clerk duties.

- f. **Records Officer.** A Records Officer shall be appointed to 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" (GRAMA) and in any Records Policy established by the Board, provided that such Policy is consistent with GRAMA, and as may be assigned by the Water Supervisor. The Records Officer shall be the custodian of the records of the District that are not, by law or these Bylaws, under the custody of some other person such as the Clerk or the Treasurer.
 - g. **Other Officers.** There shall be such other officers, and the officers shall perform such duties as determined by the Board or the Water Supervisor in addition to those duties referenced in these Bylaws.
- 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.
 - 5. **Liability of Board Members for Debts.** The private property of the Board Members shall be exempt from execution or other liability for any debts of the District and no Board Member shall be liable or responsible for any debts or liabilities of the District.
 - 6. **Removal of Officers.** Any officer elected by the Board may be removed and a successor may be elected by a majority vote of the Board whenever, in the Board's judgment, the best interests of the District would be served by such removal provided, however, that the termination of employment with the District of an officer may be subject to the District's Personnel Policies and Procedures or Federal, State or Local laws.

F. MEETINGS.

Regular, special, and emergency meetings of the Board may be held as provided in any Board Meeting Policies and Procedures adopted by the Board (the "Board Meeting Policy") and in the Utah Open and Public Meetings Act (Utah Code Ann., §§ 52-4-101, *et seq.* the "Act"). At all meetings of the Board, a majority of the Board Members shall constitute a quorum for the transaction of business pursuant to Utah Code Ann. § 17B-1-310. Meetings of the Board may take place in person or through telephonic and other electronic means as may be provided in the Act and in any Board Meeting Policy adopted by the Board. The SMSSD meeting times, place, and type of access will be posted on the Utah Public Meeting Notice website for SSD's at www.utah.gov/pmn, on the www.smssdutah.com website, and on the SMR Clubhouse Public Board, as determined and set by the SMSSD Board.

- 1. **Annual Meeting.** The annual meeting of the Board shall be held as part of the first the regular meeting of the year at such time, date or place as the Board shall determine.

Notice of each annual meeting shall be given in the same manner as notice of special meetings. At each annual meeting, the Board shall elect a Chairman, a Vice Chairman, a Clerk, and a Treasurer. At such meeting, the Board shall conduct such other business of the District as the Board shall determine. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the District and shall not impair the validity of any action taken by the District at subsequent meetings. In the event the annual meeting is not held at the designated Board Meeting, the annual meeting shall be held within a reasonable time thereafter.

2. **Regular Meetings.** The regular meetings of the Board shall be held at the regular meeting place of the Board on the date and at the time established by the Board, as set forth in the meeting schedule of the District. SMSSD customers who want to learn more about the Drinking Water Quality Report are encouraged to attend any of the District's regularly scheduled meetings, which occur as needed with at least two per year. These meetings begin at a time and place of the Board's choosing and as posted. Scheduled meetings are subject to change and the consumers will be notified in compliance with applicable law.
3. **Special Meetings.** The Chairman or Vice Chairman may, when either deems it expedient, or shall, upon the written request of two Board Members, call a special meeting of the Board. Notice of each special meeting shall be given to each Board Member at least twenty-four (24) hours prior to the time of such special meeting by (a) delivering written notice to the business or home address of such Board Member, (b) contacting such Board Member by telephone, or (c) contacting such Board Member by their respective email address ordinarily used for conducting District business. If mailed, notice shall be deemed to comply with this Section when deposited in the U.S. mail in a sealed envelope properly addressed, with postage thereon prepaid, at least three days prior to the date of such special meeting. Public notice of each special meeting shall be given in compliance with applicable Utah law. Neither the business to be transacted during, nor the purpose of any special meeting need be specified in any notice or waiver of notice of such meeting.
4. **Waiver of Notice.** Any Board Member may waive in writing any notice of a meeting of the District required to be given by law or by these Bylaws, or any defect in such notice, if any. The attendance of a Board Member at any meeting shall constitute a waiver of notice of such meeting by such Board Member, except in case a Board Member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.
5. **Quorum.** A majority of the Board Members shall constitute a quorum for the purpose of conducting the business and exercising the powers of the District and for all other purposes. Action may be taken by the Board upon the affirmative vote of a majority of the Board Members present and constituting a quorum. If less than a quorum is present at a meeting, a majority of the Board Members present shall adjourn the meeting.
6. **Resolutions.** Resolutions adopted by the Board in connection with the exercise of any of the powers of the District shall be signed by the Chairman and attested by the Clerk. Resolutions of the District shall become effective immediately upon such execution and attestation. All resolutions shall be in writing and shall be designated by number, reference to which shall be inscribed in the minutes. A certified copy of all resolutions shall be filed in the official records of the District.

7. **Voting.** Each Board Member shall have one vote. The vote on all questions coming before the District shall be taken by roll call and the yeas and nays shall be entered upon the minutes of the meeting, except that the election of officers may be by ballot.

G. FINANCIAL TRANSACTIONS.

1. **Contracts.** Except as otherwise provided in these Bylaws, the Resolution or the Act, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the District, and such authority may be general or confined to specific instances.
2. **Check, Drafts, etc..** All checks, drafts or other orders for the payment of moneys, and all notes, bonds or other evidences of indebtedness issued in the name of the District shall be signed by such officer or officers, agent or agents, employee or employees of the District and in such manner as shall from time to time be determined by resolution of the Board.
3. **Expenditure Approvals.** The Board may authorize the Water Supervisor, Treasurer or other officer to sign checks for items such as payroll checks, if the checks are prepared in accordance with a schedule approved by the Board, and routine expenditures, such as utility bills, payroll-related expenses, supplies and materials. All checks and expenditures will be reviewed and approved by the Board subsequent to the purchase.
4. **Deposits.** All funds of the District may be deposited from time to time to the credit of the District in such banks or other financial institutions as the Board may select, or as may be selected by any officer or agent authorized to do so by the Board and will comply with the procedures and requirements of Utah Code, Title 51, Chapter 7, State Money Management Act.
5. **Uniform Fiscal Procedures.** Accounting, budgeting and financial reporting procedures for the District shall be accomplished in conformity to Title 17B, Chapter 1, Part 6 of the Code.
6. **Fiscal Year.** The fiscal year of the District shall begin on the first day of January of each and every year and shall end on the last day of December of that year.

H. STANDARDS OF CONDUCT.

1. **Compliance with Ethics Statutes.** All members of the Board and officers of the District shall comply with state and local statutes and regulations governing ethics, including the Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. §67-16-1 et seq. Utah Code 67-16 addresses ethics and conflicts of interest. Generally, ethics prohibit the acceptance and solicitation of gifts, compensation, or loans by a public officer or employee. A public officer may accept an occasional non-cash gift with a value of \$50 or less. A conflict of interest may be allowed as long as full and proper disclosure is made. It is important to understand this part of Utah Code because the penalties for violations are significant. Utah Code 52-3 states "Generally, no public officer may employ, appoint, vote for, or recommend a relative or household member for employment. Further, no public officer may directly supervise an appointee who is a relative or householder member... There are some exceptions addressed in Utah

Code 52-3-1(2)(a). The most important exception is that a public officer may employ, appoint, vote for, or recommend the appointment of an employee that is a relative or household member if the chief administrative officer determines the appointee is the only or best person available, qualified, or eligible for the position.” Without limiting the foregoing, a member of the Board or officer of the District may not:

- a. Accept employment or engage in any business or professional activity which he might reasonably expect would require or induce him to improperly disclose controlled private or protected information which he has gained by reason of his official position.
- b. Improperly disclose controlled, private, or protected information acquired by reason of his official position nor use such information for his or another's private gain or benefit.
- c. Use or attempt to use his official position to secure special privileges or exemptions for himself or others.
- d. Accept other employment which he might expect would impair his independence of judgment in the performance of his public duties.
- e. Accept other employment which he might expect would interfere with the ethical performance of his public duties

2. **Annual Training, Certifications, Disclosures, etc.** All District Board Members will comply with required annual SSD training, certifications, disclosures, Oaths of Ethics, and declarations including Utah Code 20A-11-1604

I. RULES, REGULATIONS, RESOLUTIONS.

The Board, from time to time, may adopt formal Rules, Regulations, and Resolutions, some of which are currently listed in SMSSD's rules and regulations for the governance and operation of the District including, but not limited to, administrative policies and procedures, personnel policies and procedures, procurement policies and procedures, and other rules and regulations (collectively “Rules and Regulations” or “Formal Rules and Regulations”) and as described in the State Auditor's “Little Manual for Special Service Districts”. (Most recent revision is a link on the SMSSD website directly under the State Auditor heading) along with the Water System's Operating Agreement as required by the State of Utah and because of the State bond obtained to rebuild the failing water system in the SMR full-time (Lower/Valley) area.

1. Resolutions.

- a. 2012-5 Billing and Collections
- b. 2013-1 Revenue Bond Authorized
- c. 2013-2 SRF Funding loan
- d. 2013-3 Published Bids Area #1

- e. 2013-4 Buster Pump Restrictions (Required by the State)
- f. 2014-3 Money Market Accounts
- g. 2017-1 Irrigation Hook-ups
- h. 2019-1 Updating Fees
- i. 2019-2 Updating Board Openings
- j. 2019-3 Personal Use of Public Properties
- k. 2020-1 Outdoor Water Use
- l. 2020-2 Theft of Water
- m. 2020-4 Updating fee Policy
- n. 2021-1 Banner Bank
- o. 2021-3 Collection Enforcement Procedures
- p. 2023-2 Impact Fees
- q. 2024-1 Rate Increase

2. **Policies and Procedures** (as currently listed).

- a. 2014 Hiring Practices
- b. 2021 Standards and Requirements – Updated 8-14-2024
- c. Water Conservation Plan
- d. 2022 Forgiveness Loan
- e. 2023 Updating Grama Form's
- f. 40 Year Water Rights Use Analysis
- g. Auditors Required Reports – Annually
 - i. Approved Budgets
 - ii. Census Survey
 - iii. Financial Certifications
 - iv. Financial Reports
 - v. Fraud Risk Assessments
 - vi. Independent Audit
 - vii. Utah Census Forms
- h. Backflow Training

- i. Consumer Confidence Water Quality Report or (CCR) – Annually
 - j. Collection Policy
 - k. Conservation Plan
 - l. Cross Connection Control Policy
 - m. Emergency Response Plan
 - n. Extra Water Sales
 - o. Water Use Reports
 - p. Master Plan
 - q. Impact Study
 - r. Privacy Notice
 - s. Purchasing Policy
 - t. Source Protection Plan
 - u. System-Specific Minimum Sizing Standards
 - v. Water Fee Collection Timeline
 - w. Evaluation of Water Rights Held by SMSSD – July 2024
3. **Formal Rules and Regulations.** The Rules and Regulations may cover subjects included in these Bylaws and may be more detailed than the Bylaws provided, however, in the event of any conflict between the Bylaws and the Rules and Regulations that cannot otherwise be reconciled, the Bylaws in accordance with Utah Code (referred to as “by-laws” in the Little Manual) or Originating Documents shall control.
4. **Informal Rules, Regulations, or Resolutions.** “Informal”, but nonetheless binding, rules, regulations, resolutions, policies, and procedures may be adopted by the Board or approved by the Water Superintendent 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 Water Superintendent, as appropriate, shall desire. In the event of a conflict between the Informal and the Formal Rules and Regulations, the Formal Rules and Regulations shall control unless declared otherwise by the Board.
5. **Amendments.** The Formal Rules and Regulations and all other rules and regulations and other enactments of the District may be amended or updated by the Board from time to time.
6. **Updated Rules, Regulations and Resolutions.** All current and active resolutions will be available on the SMSSD website and for review in the SMSSD office.

J. CHECKING AND INVESTMENT ACCOUNTS AND DISBURSEMENTS.

1. **Deposits.** All monies, promissory notes, and evidence of debt or investments belonging to the District shall be deposited in financial centers or banks or with the Utah State Treasurer as authorized by the State Money Management Act, Title 51, Chapter 7, of the Utah Code, or other applicable law.
2. **Check Procedure.** With the exception of minor "petty cash" purchases or the use of an authorized credit or payment card, payments and disbursements by the District shall be made by a check drawn on the District's account or by an authorized direct deposit or electronic transfer. A check signer machine or computer with appropriate signature plates or equivalent may be utilized to generate checks after it has been determined that the payment has been properly authorized and does not overextend the budget and there are sufficient funds in the bank account to honor the check. Except as otherwise authorized by the Board, the signature of the Water Superintendent or Board-designated Board member will be depicted on any computer/machine generated checks. When a check is manually prepared, the check shall be approved and processed as specified in Section G(2) and G(3) or signed by any two (2) of the following officers of the District: the Water Superintendent, Board designated Board member, the Treasurer, the Board Chair, the Board Vice Chair or any other officer of the District as authorized by the Board. A person may sign a check no more than once, even if the person holds more than one office. All checks presented for signature are to be accompanied by documentation supporting the expenditure. A check is not to be submitted for signature, either using the check signer machine or computer or manual signatures, and a direct deposit or electronic transfer is not to be made, unless there are available funds to cover the expenditure.
3. **Direct Deposits.** As noted in Subsection 2 immediately above, properly approved payments, including but not limited to payroll, may be made by direct deposit into an authorized financial institution account or by electronic transfer.
4. **Approval.** 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. Other disbursements may be approved as provided in the District's Rules and Regulations.
5. **Surety Required.** All persons with check signing or direct deposit authority and/or with investment and/or financial recordkeeping responsibilities shall be bonded or covered by theft or crime insurance in such sum as may be required by law or prescribed by the State Money Management Council and with such surety, sureties, insurance company or insurance companies as the Board shall determine, with the costs of each bond or insurance coverage to be paid by the District. If it appears that the Treasurer or any other officer or employee of the District is making a profit out of public money, is comingling District funds with personal funds, or is using District funds for any purpose not authorized by law, the Treasurer, officer or employee shall be suspended from office and/or employment as provided by law and may be subject to criminal prosecution and/or civil suit.

K. SEAL.

The Board may have adopted a corporate seal, the imprint of which may, but need not be, embossed hereon. The Clerk shall have custody of the seal, if there is one, and be responsible for its safekeeping and use.

L. EFFECT OF STATE AND LOCAL LAW.

1. **State Law to Supplement.** The District is subject to the requirements of state law as reflected in Title 17D, Chapter 1 of the Utah Code, applicable provisions of Title 17B, Chapter 1, 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 Board.
2. **State Law to Control.** In the event of a conflict between these Bylaws or any other enactment of the Board and an applicable provision of the Utah Code, the Utah Code provision shall control, even though the said provision may not have been in effect when these Bylaws, Originating Documents, 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 provide that it is not to impact action previously taken then, to the extent permissible, these Bylaws or other District enactment shall continue to control.
3. **Local Ordinances.** The District will be subject to applicable Ordinances and other applicable actions taken by the Legislative Body of Sanpete County.

M. AMENDMENTS TO BYLAWS.

Amendments to these Bylaws may be made, and these Bylaws may be superseded and replaced by new Bylaws, on the affirmative vote of at least two-thirds (2/3) of the Board Members, present at a Board meeting, with a quorum being present, at any meeting of the Board, provided that notice of the intent to amend or replace the Bylaws shall have been given to each Board Member in the notice of the meeting at least three (3) days prior to the meeting, unless such notice requirement is waived by the Board Member.

N. SAVINGS CLAUSE.

In the event that any portion of the Bylaws of the District conflict with Utah Law or Sanpete County regulations, the provisions of Utah or County law shall prevail. The Board will amend the Bylaws as needed in order to be in compliance with applicable law.

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

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SIGNATURE PAGE

These SMSSD Bylaws were adopted by the Board on the 13th day of September 2024.



DocuSigned by:

Craig Godwin

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Chair

Craig Godwin

Print Name

DocuSigned by:

Becca Mark

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Clerk

BECA MARK

Print Name