



**MOUNTAIN REGIONAL WATER**  
**SPECIAL SERVICE DISTRICT**

MEMORANDUM

To: Summit County Council

From: Lisa Hoffman, Assistant General Manager

Date: March 18, 2021

Subject: Revisions to Mountain Regional Water SSD Administrative Policies

**Recommended Action**

The District's Administrative Control Board recommends the Summit County Council approve the revised District Administrative Policies, summarized below and detailed behind this memo.

Upon approval by the Summit County Council, District management will hold a meeting to review changes and specifically address reporting fraud or abuse with staff.

**Administrative Policy Revisions**

- Sections 1.0: Definitions
  - Updated Accounting Manager to Accountant, as there is no longer an Accounting Manager position within the District.
  - Removed detail list of Department Directors, was determined not to be needed.
- Section 2.4(l)
  - Added language to establish a "Drought Reserve Fund" in order to prepare the District for revenue shortfalls in years in which outdoor and or indoor water restrictions may be put in place.
- Section 11.0 Reporting Fraud or Abuse
  - As part of the District's internal fraud assessment performed in the fourth quarter of 2020, the District wanted to more formally document District policies surrounding reporting fraud or abuse. This section has now been added, along with a Fraud Reporting Form found in Appendix B. Dave Thomas and Jami Brackin have both reviewed and approved these policies.
- Other minor clarifications were made throughout the document



MOUNTAIN REGIONAL WATER DISTRICT

# SPECIAL SERVICE DISTRICT of Summit County

## *Administrative Policies*

*Adopted July 20, 2005*

*Amended March , 2021*

~~**Amended June 7, 2017**~~

~~**Amended July 17, 2019**~~

~~**Amended April 8, 2020**~~

# Mountain Regional Water Special Service District

## ADMINISTRATIVE POLICIES

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# MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

## Administrative Policies

### SECTION 1.0 Definitions

- 1.1 **ACCOUNTING MANAGER:** ~~The person directed by the District Treasurer to perform or assist in a variety of accounting functions including accounts payable, payroll and cash receipting. The person appointed by the General Manager to manage the accounting functions and oversee the implementation and enforcement of accounting policies, procedures, and internal controls.~~
- 1.2 **BOARD:** The Mountain Regional Water Special Service District Administrative Control Board.
- 1.3 **CASH OPERATING EXPENSES:** The budgeted total operating expenses less depreciation.
- 1.4 **COUNTY:** Summit County, Utah.
- 1.5 **COUNTY COUNCIL:** The legislative body of Summit County.
- 1.6 **DEPARTMENT DIRECTOR:** The senior management positions reporting directly to the General Manager, including:
1. ~~Assistant General Manager(s)~~
  2. ~~Chief Technical Officer~~
  3. ~~Chief Financial Officer~~
  4. ~~Director of Operations~~
  5. ~~District Engineer~~
- 1.7 **DISTRICT:** The Mountain Regional Water Special Service District.
- 1.8 **DISTRICT CLERK:** The General Manager of the District who shall record and safeguard all minutes of the Board and act as the secretary to the District in accordance with Summit County Code §2-9-11(B).
- 1.9 **DISTRICT MANAGEMENT:** The General Manager and Department Directors.
- 1.10 **DISTRICT TREASURER:** The Chief Financial Officer of the District who shall cosign all checks and other disbursements on behalf of the District and to provide recommendations to the Board regarding the collection of revenues, disbursements of funds for expenses, and the custody of funds that comply with state law and sound accounting controls in accordance with Summit County Code §2-9-11(C).
- 1.11 **GOVERNING BOARD:** The Summit County council, otherwise referred to as the "County Council".
- 1.12 **OWNERS:** The owners of property within the boundaries of the Mountain Regional Water Special Service District. (Ord. 749-A, 12-15-2010)

## **SECTION 2.0 Guiding Fiscal Policies**

### **2.1 OVERVIEW**

These guiding principles shall govern financial planning, budgeting, and all other financial activities for the District.

### **2.2 BUDGETING PRINCIPLES**

The District shall apply sound budgeting principles as outlined in this manual under:

- A. *Section 3 Budgeting Guidelines*

### **2.3 FINANCIAL CONTROLS**

The District shall apply sound financial controls to protect its assets and to ensure District funds are expended in a responsible manner to the benefit of the District. The related policies are outlined in this manual and include:

- A. *Section 4 - Cash Receipts & Accounts Receivable*
- B. *Section 5 – Investments*
- C. *Section 6 – Credit Card Policy*
- D. *Section 7 – Vehicle Use Policy*
- E. *Section 9 – Risk Management*
- F. *Section ~~13~~2 – Technology Policy*

### **2.4 FINANCIAL RESERVES**

The District shall maintain sufficient financial reserves to comply with bond covenants; to preserve its financial stability; and to ensure stable, fair, and adequate rates and fees.

- A. The District shall maintain at least 120 days of its anticipated cash needs for operating expenses in its operating cash and reserve accounts. This is in addition to the other reserve funds outlined below.

In the event the balance in these operating cash and reserve accounts exceed one year of anticipated needs for cash operating expenses at the end of any calendar year, the Board shall evaluate the benefits of using a portion of these reserves for capital facility repair and replacement, equipment, the prepayment of debt, and/or the need for rate adjustments.

- B. The District shall maintain a Rate Stabilization Fund – Bond Reserves account balance of at least \$1.0 million that can only be applied to scheduled annual debt service payments in the event that the annual cash flow from any given year is insufficient to meet that year’s scheduled debt service payments.

In the event the account balance falls below \$1.0 million, the District shall restore the balance to \$1.0 million within 36 months.

- C. The District shall maintain a Rate Stabilization Fund – Treatment Plant Operations account. The District shall budget one-seventh of the projected seven-year cost for treatment plant membranes, and one-fourth of the projected four-year cost of carbon regeneration/replacement each year from that year’s projected revenue.

At the end of each year, if the amount expended for these items is below the budget amount, the difference shall be deposited into this account; while if the amount expended exceeds the budget amount, the difference shall be withdrawn from this account, and applied to that year's debt coverage calculation.

In no event shall the balance in this account exceed \$750,000 at the end of any given calendar year. Any excess amount shall be transferred to the District's operating cash and reserve accounts.

If the balance in this account is exhausted due to an unexpected event, the District shall restore the account to a reasonable level within 36 months.

- D. The District shall maintain a Rate Stabilization Fund - Expanded Lost Creek Canyon Repair and Replacement account pursuant to the terms of the Agreement between Mountain Regional Water Special Service District, Park City Water Service District and Summit County Regarding Implementation of the Summit County Project dated March 1, 2007, as amended.
- E. By February 15 of each year, the District shall deposit 5.0% of that year's cash operating expense budget, excluding debt service payments, into the state loan mandated Capital Facilities Repair and Replacement Fund account.

The reserves in this account may only be used to pay for the replacement of obsolete equipment or facilities whose useful life has expired; extensions or additions to the water system, and other capital improvements necessary to keep the water system in good operational condition.

Expenditures from this fund must be authorized by the County Council through the budget process.

The appropriate State agency and bond trustee must be notified prior to expending these funds as required by the related supplemental indentures.

- F. Impact fee collections shall only be used for debt service payments and capital projects identified in the District's capital facilities plan. State law requires impact fee collections to be expended within six (6) years of receipt. Impact fee collections shall be deposited into a restricted investment account until utilized, and all interest earned by the investment account must remain in the account until used for debt service payments or applied to capital projects identified in the capital facilities plan.
- G. The District shall maintain all Debt Service Reserve and Bond Fund accounts required for each bond issue pursuant to the General Indenture and the indenture specific to each bond issue. Funds from these accounts shall not be drawn upon until all other available District cash and reserves have been exhausted.
- H. The District shall maintain a Regionalization Reserve into which net Weber Basin Regionalization Agreement Collections shall be deposited. The District shall continue to evaluate the need to use these reserves to prepay or defease debt or to address increasing Weber Basin lease fees charged to the District beginning in 2020 and other debt service increases.

- I. The District shall maintain a Drought Reserve Fund into which additional revenue collected over budget in any given year due to hot and dry summer conditions, may be deposited. The amount deposited into this fund will be determined and approved during the annual budgeting process. The funds from this account shall be used when drought conditions arise and revenue in any given year is not adequate to meet required debt coverage ratios.

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↓. District Management, upon recommendation of the Board and with the approval of the County Council, may establish additional reserve funds as it deems necessary.

## 2.5 ACCOUNTING

- A. The District shall operate as a governmental enterprise fund, accounting for all financial transactions using an economic resources measurement on a full accrual basis.
- B. The District shall comply with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) pronouncements, and Utah statutory requirements for governmental enterprise funds, including the Fiscal Procedures for Local Districts, UCA Title 17B, Chapter 1, Part 6.
- C. All non-exempt MRW employees shall prepare a time sheet on a biweekly basis that shall be approved by each employee's direct supervisor. Exempt employees, except the General Manager, shall report use of vacation and sick leave on a biweekly basis that shall be approved by ~~their Supervisor.~~ e- General Manager.
- D. The General Manager shall also report on a time sheet to email the Financial Management department at the end of each pay period indicating the hours of leave taken during that pay period.

## 2.6 FINANCIAL REPORTING

- A. The District Treasurer shall prepare monthly summary financial reports for District management, showing the financial position and operations of the District for that month and for year-to-date. This report shall be provided to the Board monthly.
- B. District management shall meet as needed to review detail budget to actual reports, and more often near year-end as deemed necessary.
- C. Within 180 days after the close of each fiscal year, the District Treasurer shall present to the Board an annual audited financial report prepared in conformity with generally accepted accounting principles. This requirement shall be satisfied by presentation of the audit report furnished by the independent auditor.

## 2.7 INDEPENDENT AUDITOR

- A. The independent auditor has the responsibility of reporting whether the District's financial statements are prepared in conformity with GAAP and GASB.
- B. Copies of the annual financial report or the audit report furnished by the independent auditor shall be filed with the State Auditor, bond holders, rating agencies, bond trustees, bond insurers, the appropriate state offices as required by state loans, the District's bank, and shall be filed as a public document in the office of the District.
- C. The District shall select its auditor pursuant to its Procurement Policy. The District shall not retain the same auditor for more than six (6) consecutive years, unless approved by the Board.

## 2.8 LONG-TERM FINANCIAL PLANNING

- A. The District shall develop a five-year financial plan that is updated annually. This plan shall guide the financial planning and budget processes.
- B. The District shall develop and recommend to the County Council a capital facilities plan and update it no less often than once every five years. The plan shall be updated to include the most

current cost estimates and demand for services. If the plan demonstrates a change in impact fees is needed pursuant to state law, District Management shall recommend to the Board that new impact fees be adopted in accordance with state law.

- C. The District shall review its rates and fees on an annual basis with the Board. If a rate and fee change is needed, the General Manager shall recommend amendments to the Board that ensure compliance with all District operations costs, debt service and coverage requirements, and all other fiscal policies adopted by the District.

## **2.9 BOND COMPLIANCE**

- A. The District shall comply with all bond and related indenture requirements and covenants.
- B. The District shall comply with all arbitrage tracking, record retention, and rebate calculations pursuant to Internal Revenue Service (IRS) requirements.

## **2.10 PAYMENT AND BANK TRANSFER APPROVALS**

- A. The Accounting Manager shall prepare a voucher for each payment that shall be approved by the District Treasurer before any check is distributed, except in emergencies. All checks must be signed by both the District Treasurer and General Manager.
- B. All electronic payments and transfers shall be electronically pre-approved by both the District Treasurer and General Manager, except that payroll transfers may be processed prior to approval if those authorized to approve these payments are not available. In these cases, the approval shall be obtained as soon as is reasonable.
- C. A summary timesheet shall be approved by both the District Treasurer and General Manager prior to processing payroll. A payroll summary report shall be provided to the District Treasurer and General Manager for review and post-approval.
- D. If either or both the District Treasurer and General Manager are not available to approve payments, transfers or payroll in a timely manner, the Assistant General Manager and Accounting Manager may approve payments on their behalf.
- E. The District shall provide a monthly check register to the Board at the first Board meeting held after that month's checks are issued.

## **SECTION 3.0 Budgeting Guidelines**

### **3.1 BUDGET OFFICER**

The District Treasurer shall be designated as the Budget Officer of the District per state law.

### **3.2 BUDGET GUIDELINES**

- A. All annual budgets and capital plans shall comply with all District fiscal policies.
- B. No budget shall be approved that results in negative net position for the District.
- C. No budget shall be approved that causes cash flow difficulties for the District that impairs its ability to pay all debt service payments, operating expenses and budgeted capital equipment and projects; and to meet all its reserve requirements.
- D. All budgets shall go through the following internal process:
  - 1. Department Directors shall submit requests to the Budget Officer.
  - 2. The Budget Officer shall compile budget requests.
  - 3. The Budget Officer shall review budget requests with Department Directors and the General Manager.
  - 4. The Budget Officer shall finalize budget requests as instructed by the General Manager for presentation to the Board.

### **3.3 BUDGET ADOPTION**

- A. At the first regularly scheduled Board meeting in September, the Chief Financial Officer shall provide for the ensuing fiscal year an outline of key budget issues and revenue projections, and discuss salary and benefit adjustments. At the first regularly scheduled Board meeting in October, the Chief Financial Officer shall provide the recommended operating, capital, and debt service budgets. The Board may schedule additional meetings in October as deemed appropriate to discuss the budget. The Board shall recommend a tentative budget to the County Council no later than ten days prior to the County Council's first regularly scheduled meeting in November.
- B. Pursuant to state law, the District shall present to the County Council a tentative budget, as recommended by the Board, at the County Council's first regularly scheduled meeting in November including tentative revenue projections; and operating, capital and debt service budgets, together with any other supporting data required by the County Council.
- C. The County Council will hold a public hearing at least 30 days after the tentative budget is adopted, and prior to the beginning of the ensuing fiscal year. The County Council may make any changes considered advisable in the tentative budget, pursuant to statute; except that debt service budgets may not be amended.
- D. The County Council shall adopt the operating, capital, and debt service budgets for the ensuing fiscal year following the public hearing, and prior to the beginning of the ensuing fiscal year.

- E. The budget shall be adopted by the County Council at the budget line item level – which is typically a department or specific group of similar departments, capital projects or capital equipment.

### **3.4 BUDGET AMENDMENTS**

- A. The budget may be reopened by the County Council at the request of the General Manager and Board at any time during the fiscal year by properly noticing the meeting in accordance with state law. County Council approval is required for any budget amendments that change a budget line item. The County Council may, in any regular meeting or special meeting called for that purpose, review the operating, capital, and debt service budget for the purpose of determining if the total should be amended. State law prohibits the amendment of debt service budgets below debt service requirements.
- B. When a detail budget account is exceeded within a budget line item, the overrun may be covered by a transfer from another budget account within the same budget line item with the approval of the Budget Officer.
- C. Funds designated for a particular department's use within a budget line item may only be utilized by a different department as approved by the General Manager.
- D. The budget may contain a District contingency to pay for any unanticipated expenses or to cover budget line item overruns. The use of an existing budgeted contingency may be used upon approval of the Board.

## SECTION 4.0 Cash Receipts & Accounts Receivable

### 4.1 SUMMARY

The purpose is to establish a policy of financial controls over the District's billing and customer payments in order to provide adequate safeguards over cash.

### 4.2 GENERAL

- A. The District Treasurer shall ensure the separation of responsibilities between authorized staff receiving payments and cash receipting.
- B. All receipts shall be deposited in a District bank account approved by the District Treasurer and General Manager; except that bond trustee accounts must also be approved by the Council.
- C. The District strives to deposit all receipts and update the Cash Receipts and General Ledger systems daily. In no instance shall such deposit occur later than three business days after collection.
- D. The District Treasurer or designee shall review receipts, deposits and billing adjustments on a weekly basis.
- E. Each month, the District Treasurer shall reconcile the operating bank accounts and review all other bank account reconciliations performed by the Account~~anting~~ Manager.
- F. Each month, the Account~~anting~~ Manager shall reconcile all bank accounts, except the operating bank accounts, and review the operating bank accounts bank reconciliation.
- G. All customer refunds shall go through the normal payables approval process.
- H. No approvals are required for returned payment adjustments.
- I. District employees shall be given access to financial systems based upon their respective job duties.
- J. All balances owed by a customer shall be deducted from any deposit refund.
- K. Exceptions to this policy can be made to accommodate training, vacations, sick days or lack of personnel.

### 4.3 CASH RECEIPTS

- A. Un-deposited payments shall be kept in a locked and secure location with access limited to Financial Management staff.
- B. Authorized staff who open the mail, shall immediately give all payments to the Account~~anting~~ Manager. The Account~~anting~~ Manager shall receive payments, process payments, and prepare a daily Cash Receipt Control Spreadsheet for all payments collected that day. Payments collected after 3:00 pm may be processed the following day.
- C. The Account~~anting~~ Manager prepares the Cash Receipt Control Spreadsheet and also enters all payments into the Cash Receipts system and General Ledger to obtain a total. The checks

received are then scanned into the bank depositing system and the total is reconciled to the Cash Receipts and General Ledger totals. Any cash deposits received are taken to the bank that day and a receipt is obtained.

- D. In addition, the Accounting Manager shall prepare the Daily Deposit Reconciliation Spreadsheet, which summarizes all deposits made that day. This is reviewed by the Chief Financial Officer on a weekly basis.

#### 4.4 ELECTRONIC RECEIPTS

- A. Electronic receipts initiated by customers online shall be forwarded to a District bank account and updated to the Cash Receipts and General Ledger systems by the Accounting Manager and entered into the Daily Deposit Reconciliation Spreadsheet.
- B. Electronic receipts initiated by a bank shall be updated to the Cash Receipts and General Ledger systems by the Accounting Manager.

#### 4.5 BILLING ADJUSTMENTS

- A. Any authorized staff may make billing adjustments up to \$200 without any additional approval for the following reasons:
  - 1. Billing errors,
  - 2. Meter read errors,
  - 3. Title worksheet items,
  - 4. Change name, address or consolidation of accounts,
  - 5. Overpayment on accounts when refunds issued,
  - 6. Returned payments,
  - 7. Write-off account balances, and
  - 8. Removal of penalties.

The Customer Service Billing Manager will review and approve any such adjustment more than \$200. The District Treasurer and General Manager will review all billing adjustments on a monthly basis. Pre-approval is not required to make these types of billing adjustments. All other billing adjustments shall be pre-approved by the Customer Service Billing Manager.

- B. Any leak billing adjustments shall follow the procedure outline in the leak adjustment policy in Rule 4.4(J) of Rules and Regulations.
- C. Any new residential customer outdoor watering billing adjustment shall follow the procedure outlined in Rule 4.4(K) of the Rules and Regulations.

#### 4.6 DELINQUENT ACCOUNTS

- A. A late interest charge of 1.5% per month compounded monthly shall be assessed to past due accounts at the time of billing.
- B. In the event of nonpayment, the District may terminate water service to any customer for non-payment after first providing customer with ten (10) business days written notice of the delinquency. The District may also place a lien on the delinquent property for all past due fees and charges, including applicable interest and penalties, for water services provided by the District to the delinquent property.

- C. Once annually, the District shall provide a list of delinquent accounts to the County Council to establish property tax liens on the property receiving water or related services for that account. Property owners shall be given notice as required by state law.

## **SECTION 5.0 Investments**

### **5.1 INTRODUCTION**

The District shall invest its cash assets in such a manner as to comply with the requirements of the State Money Management Act (the "Act").

### **5.2 SCOPE**

District funds are typically invested with the Utah Public Treasurers Investment Fund (PTIF), although other investment options may be selected as allowed by the Act, as recommended by the District's Financial Advisor and approved by the Board.

### **5.3 OBJECTIVES**

The objectives of this investment policy include the following:

- A. To provide for the safety of principal, preservation of capital and the mitigation of risk.
- B. To provide for the liquidity necessary to match the District's cash requirements.
- C. To increase interest income through higher yielding investments, subject to paragraphs 5.3-A and 5.3- B above.

### **5.4 POLICY**

The following shall be the investment policies of the District:

- A. All investment activities shall be conducted with the same degree of judgment and care which an ordinary reasonable person exercises in the management of their own affairs.
- B. Professionals retained by the District as defined in the Act, so long as they are acting in accordance with the Act and this investment policy and exercise due diligence, shall be relieved of personal responsibility for credit or market price changes, provided that deviations are reported to the Board in a timely fashion and appropriate action, if necessary, is taken to control adverse developments.
- C. District professionals involved in investments shall refrain from personal business activity in conflict with proper execution of this investment policy.
- D. The District Treasurer shall manage investment activities authorized by the Act in consultation with the District's Financial Advisor and approval by the Board. The Treasurer shall maintain a system of internal controls so that District funds are protected at all times from loss, theft and fraud.
- E. The District Treasurer shall name a financial institution with a Utah office that shall be the custodian for all investments made by the District, except for the PTIF investments which shall be held by financial institutions designated by the State Treasurer. In addition, the District shall purchase investments only from those certified dealers and registered agents that have registered with the State Money Management Council.
- F. To the extent possible, the District shall attempt to match investments with anticipated cash requirements, although the PTIF is preferred for periods up to two years.

G. The District Treasurer shall report the status of investments on a semi-annual basis to the Board.

## SECTION 6.0 Credit Card Policy

### 6.1 OVERVIEW

The District may allow the use of a District guaranteed credit card through a Board approved credit card program for eligible employees. District credit cards shall be used for official business only, and shall not be used for the personal convenience of an employee.

### 6.2 CREDIT CARD TERMS

- A. The General Manager may assign District credit cards for the following purposes:
1. Travel costs
  2. Business meetings
  3. On-line purchases
  4. Parts, supplies, and building materials and other items needed for operations, maintenance and repairs; and/or
  5. Emergency expenditures
- B. Credit accounts with local preferred vendors may also be established with approval of the District Treasurer and General Manager to purchase parts, supplies, building materials, and other items needed for operations, maintenance, repairs, and emergency expenditures.
- C. All credit card purchases are subject to all requirements of the District's Procurement Policy, and to all applicable state procurement laws that govern the District.
- D. District employees violating this policy must fully reimburse the District for any misuse of credit cards or accounts, and are subject to disciplinary and/or legal action.
- E. All credit card users will be required to sign a card-holder agreement and are subject to a credit check before being issued a card. (FORM HR-31)

### 6.3 CREDIT LIMITS

The General Manager may authorize credit limits up to \$10,000 per employee, except that the total District credit limit must be approved by the Board. Temporary credit line increases for travel or unusual purchases may be allowed with the approval of the Department Director and the Assistant General Accounting Manager. These temporary credit limit increases will last no longer than the end of the billing cycle. Requests for a credit limit change must be made through a Credit Limit Change Request (FORM HR- 30).

### 6.4 THEFT OR FRAUD

Employees shall maintain control over their District credit card at all times. In the event of theft or fraud, the employee will immediately notify the credit card issuer to open a theft or fraud case. The employee will also immediately notify the Assistant General Accounting Manager ~~in the accounting department~~. Replacement cards will be issued as quickly as possible if the theft or fraud was found to be out of the control of the employee.

### 6.5 FRAUD PREVENTION

Due to the nature of the District credit card program, numerous fraud prevention practices have been instituted. There may be certain types of merchants banned from District cards and daily spending

limits may be imposed at certain merchants that the credit card issuer sees as potentially fraudulent. This may result in a credit card being declined at a point of purchase even though there is adequate available credit. If you have any questions regarding why a transaction was declined, please contact the Accounting Manager directly.

#### **6.6 CREDIT CARD RECONCILIATION**

All users of a District credit card are required to retain all applicable documentation for each purchase including receipts, order verifications, invoices, etc. All receipts must be forwarded to the cardholder's approver at the end of the statement cycle.

#### **6.7 STATEMENT CYCLE**

Credit card statement cycles close on the last day of the month. Credit limits are reset at this point.

## SECTION 7.0 Vehicle Policy

### 7.1 OVERVIEW

The District maintains a fleet of vehicles necessary to carry out the normal activities of the District. These vehicles are District property and every care should be taken to protect the District's investment. The vehicles shall be overseen by a Fleet Manager who is appointed by the General Manager.

### 7.2 ELIGIBILITY

- A. The General Manager may assign vehicles to employees under the following circumstances:
  - 1. To enable employees to respond timely to both routine and after-hour emergencies, calls for assistance, and to maintain the District's water system.
  - 2. When employees are in geographically strategic positions and trained to respond to emergency situations in the event of a natural disaster.
  - 3. When employees are required to attend meetings during work, after or near the end of work, and/or in locations far from their normal work location.
- B. The General Manager shall have discretion to assign a District vehicle to an employee to use for commuting to and from work based upon locale, terrain, weather, job assignment, the need to have different types and sizes of District equipment, towing capability, and passenger accommodation.
- C. Use of a District vehicle will not be part of the compensation package for an employment position unless approved by the Board. Any such compensation is subject to IRS income tax rules and regulations.
- D. All use of District vehicles shall be in compliance with local, state, and federal law.
- E. Any District employee taking a District vehicle home outside of the boundaries of the District will reimburse the District at the rate of \$50.00 per month. No District vehicle may be taken home outside a 35-mile radius of the District. If an employee is not willing to pay the commuter rate, the vehicle shall be left at a secure District or County facility.
  - a. As determined by the Board, District employees who are required to respond after hours to emergency calls shall be exempt from the commuter rate.
- F. Except as otherwise provided herein, under no circumstances shall a District owned vehicle be authorized for take home use for an employee who resides farther than thirty-five (35) miles from the District boundaries.
- G. The distance of an employee's residence from the District boundaries shall be established by evidence generated by any commonly available internet or computer software program that estimates distances using driving directions. An employee who disagrees with the determination of the District regarding that distance calculation may appeal that determination to the General Manager. The employee shall provide documentation supporting any disagreement with the distance determination by the District.

### 7.3 EMERGENCY RESPONSE VEHICLES

- A. The General Manager may allow employees to take home vehicles when doing so would allow the employees to respond to an emergency in a more expeditious manner. Vehicles provided to employees shall meet the following criteria:
  - 1. Be all-wheel or four-wheel drive vehicles;
  - 2. Have a clear logo on both vehicle front doors that contains the words "Mountain Regional Water";
  - 3. Have a license plate displaying the letters "EX";
  - 4. Have clearly visible operating emergency lights; and
  - 5. Have tools and other emergency equipment loaded in the vehicle.
- B. Any vehicle taken home by an employee that does not meet these criteria is subject to the IRS Commuter Tax, even if the vehicle is used by the employee to respond to an emergency.
- C. All vehicles shall have GPS tracking equipment installed and in working order. Management shall use this equipment for emergency response and any other uses they deem necessary. Any tampering of the GPS tracking equipment is expressly prohibited and may subject the employee to disciplinary action, up to and including termination of employment.

### 7.4 PERSONAL USE

- A. District vehicles may be used only for District business and other de minimus personal use.
- B. Authorized staff shall prepare reports periodically that show miles driven, gallons of fuel purchased, and miles per gallon for each District vehicle.
- C. Travel to and from secondary employment in a District vehicle is prohibited.

### 7.5 GAS CARDS/FUEL USAGE

- A. As a government entity, Gas Cards allow the District to purchase fuel on credit without paying any state or federal fuel taxes.
- B. Each District vehicle and piece of heavy equipment shall be assigned a separate, unique Gas Card account number that shall be stored in the vehicle and used exclusively for that vehicle.
- C. Gas Cards shall be used to purchase all District fuel, except when a vehicle or piece of heavy equipment will run out of fuel before reaching a station that accepts Gas Cards. Employees shall take every reasonable effort to ensure Gas Cards are used whenever possible. In the case of small equipment and gas cans that require fuel, it is acceptable to use the District Credit Card.
- D. Gas Cards shall not be used for personal use, and employees violating this policy are subject to disciplinary action up to and including termination of employment.
- E. Idling of vehicles must be controlled. Newer vehicles do not require the engine to idle (warm-up) before driving. In the winter, employees should start the vehicle, clear the windows and then drive. Employees shall not leave the vehicle idling when unoccupied unless needed for emergency operations or safety precautions, as emergency lights on most vehicles need the

vehicle to remain on or the vehicle battery will fail-

## 7.6 ACCIDENTS AND VEHICLE MISUSE

- A. If an accident occurs in a District vehicle while an employee is engaged in District business, or for authorized commuting or de minimus personal use, and the employee caused or contributed to the accident, or the employee improperly and/or unlawfully uses a District vehicle, the District shall follow the disciplinary procedures as outlined in the District's **Personnel Policies, Section 13 – Disciplinary Procedures**.
- B. All accidents or Vehicle Misuse shall be documented on a Vehicle Incident Report (FORM HR-25). Additionally, employees involved in an accident shall be required to participate in controlled substance testing as described in the District's **Personnel Policies, Section 12 – Productive Work Environment**.

## 7.7 USE OF PERSONAL VEHICLES FOR DISTRICT BUSINESS

- A. Employees are required to use District vehicles when conducting District business. If a District vehicle is not available or it is impractical to use a District vehicle, the District will reimburse employees for the use of their personal vehicles for District business at the then approved IRS rate. Before a reimbursement is released an employee must provide to the Accounting Manager proof of insurance coverage for the employee's vehicle.
- B. If an accident occurs while an employee is engaged in District business using a personal vehicle, the District will reimburse employees for the amount of their vehicle insurance deductible up to \$2,500 if:
  - 1. The accident is:
    - a. Reported to law enforcement within two (2) hours of the occurrence;
    - b. Law enforcement completes an investigation of the accident;
    - c. An investigation report is prepared;
    - d. Within ten (10) working days, the employee provides the Human Resources Department with a copy of the accident report and proof of insurance coverage for the employee's vehicle; and
    - e. The employee did not cause or contribute to the accident by acts or omissions that were intentional, reckless, grossly negligent, or in violation of the provisions of the District's Vehicle Policy.
- C. If the vehicle damage was caused, or contributed to, by acts or omissions of a third party who was not an employee of the District, the personal insurance coverage of the employee or third party shall be the primary insurance to which all parties shall look for compensation.
- D. Additional payment by the District shall be considered only after the employee and/or his or her vehicle insurance provider has exhausted all legal remedies and collection efforts against each third party.

## 7.8 MAINTENANCE AND UPKEEP

- A. It shall be the duty and responsibility of the driver of a District vehicle to see that it is properly serviced, maintained and cleaned. This includes, but is not limited to, having the appropriate service performed on the vehicle at all designated intervals per manufacturer recommendations or as set forth by the General Manager. The Fleet Manager shall track the mileage and maintenance requirements of all vehicles and notify the driver of maintenance requirements.

- B. If the driver of a District vehicle fails to have the vehicle properly serviced or maintained as prescribed by the manufacturer's recommendations or as set forth by the General Manager within thirty (30) working days or five hundred (500) miles of the required service or maintenance time, the driver may lose the use of the District vehicle.
- C. If a vehicle is assigned to an individual, that individual has the responsibility to keep the vehicle clean, both inside and outside. When an individual uses a vehicle from the fleet, that individual has the responsibility to remove all items from the interior of the vehicle upon returning it to the fleet; such failure may result in loss of use of the vehicle to the user, as well as possible disciplinary action.

## **7.9 SAFETY**

- A. Each employee who operates a District vehicle shall obey all applicable traffic laws and shall operate the vehicle in a courteous manner that appropriately represents Mountain Regional Water.
- B. Each employee who drives a District vehicle shall possess a valid driver license that is appropriate for the type of vehicle that will be used and that is valid at the time the vehicle is used. Should an employee fail to produce a valid driver's license when requested to do so by the General Manger, that employee's driving privileges to operate a District vehicle shall be forfeited until the license becomes valid.
- C. Each occupant of a District vehicle and personal use vehicle used for Official Use shall wear a seat belt at all times the vehicle is in use.
- D. Cell phone use, by the operator, while a District vehicle is operating on a public roadway is prohibited.

## **SECTION 8.0 Meetings**

### **8.1 MEETINGS OF THE BOARD**

- A. Regular Meeting. A regularly scheduled meeting of the Board for which notice of the date, time, and place has been given in the Annual Meeting Schedule.
- B. Special Meeting. Any meeting of the Board that replaces or is held in addition to regular meetings.
- C. Annual Meeting. The meeting at which officers of the District are elected. The Annual Meeting shall be held on the date and hour of its regularly scheduled meeting in March.
- D. Emergency Meeting. A special meeting held as a result of unforeseen circumstances, to consider matters of an urgent or emergency nature.

### **8.2 PLACE OF MEETINGS**

Except as may otherwise be determined, meetings of the Board shall be held at the principal place of business of the District.

### **8.3 PUBLIC NOTICE OF MEETINGS**

- A. Annual Meeting Schedule. An annual schedule of the regular meetings of the Board shall be posted at all times in a conspicuous place at the District's principal office. The annual schedule of regular meetings shall be sent to the Utah Public Notice Website ([www.utah.gov/pmn/index](http://www.utah.gov/pmn/index)) and other organizations and individuals requesting such schedule.
- B. Regular Meeting. Notice of the date, time, place and agenda for each regular meeting shall be posted at the District's principal office and sent not less than five days before the beginning of each meeting to the Utah Public Notice Website ([www.utah.gov/pmn/index](http://www.utah.gov/pmn/index)) and other organizations and individuals requesting such notice.
- C. Special Meeting. Where possible, the notice described in Section 9.3.B shall be given. However, when unforeseen circumstances require calling a special meeting, including an emergency meeting, the notice requirements of Section 9.3.B may be disregarded and the best practicable notice given. No special meeting shall be held until a reasonable attempt has been made to notify all Board members, and a majority of Board members contacted and polled agree to hold the special meeting.

### **8.4 NOTICE TO BOARD MEMBERS**

Notice of all regular and, when possible, special meetings of the Board shall be sent by the District Clerk to all members of the Board by any of the following methods; ordinary mail, email, access via Drop Box, or hand delivered, at least five days in advance of each meeting. Such notice shall include the date, time, and place of the meeting as well as a copy of the previous meeting's minutes and the agenda for the present meeting.

### **8.5 CONDUCT OF MEETINGS**

- A. All meetings of the Board shall be conducted according to Robert's Rules of Order when requested by a Board member.

- B. Any Board member shall have the right to place any matter on the agenda if a reasonable notice of seven days is given. The meeting shall follow the agenda unless otherwise agreed.

#### **8.6 QUORUM**

A quorum of Board members (50% plus 1) is required to conduct District business. If a quorum is present, a majority of Board members present must vote in favor of any motion in order for that motion to pass.

#### **8.7 PRESUMPTION OF ASSENT**

A Board member who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered into the minutes of the meeting or unless he/she shall file his/her written dissent to such actions with the District Clerk before the adjournment of the meeting. A written dissent shall not apply to a Board member who voted in favor of such action.

#### **8.8 NO PROXY**

No Board member may appoint another individual, by proxy or otherwise, to assume his/her responsibilities as a Board member.

#### **8.9 OPEN AND CLOSED MEETINGS; ACTIONS TAKEN**

- A. Open Meeting. All meetings of the Board, except closed meetings, shall be open to the public.
- B. Closed Meeting. Except as otherwise directed by the Board, closed meetings shall be open only to Board members, and appropriate District staff. A closed meeting may be held upon the affirmative vote of two-thirds of the members of the Board present at an open meeting for which notice is given, provided a quorum is present. A closed meeting may be held for any of the following purposes:
  - 1. Discussion of the character, professional competence, or physical or mental health of an individual.
  - 2. Strategy sessions to discuss pending or reasonably imminent litigation.
  - 3. Strategy sessions to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the District from completing the transaction on the best possible terms.
  - 4. Strategy sessions to discuss the sale of real property when: (a) public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the District from completing the transaction on the best possible terms; (b) the District previously gave public notice that the property would be offered for sale; and (c) the terms of the sale are publicly disclosed before the District approves the sale.
  - 5. Discussion regarding deployment of security personnel, devices or systems.
  - 6. Investigative proceedings regarding allegations of criminal misconduct.

- C. Actions Taken. No ordinance, resolution, rule, regulation, contract, or appointment shall be approved at a closed meeting.

**8.10 MINUTES OF MEETINGS TO BE KEPT**

- A. Open Meeting. Written minutes shall be kept of all open meetings. Such minutes shall include:
  - 1. The date, time, and place of the meeting.
  - 2. The names of members present and absent.
  - 3. The substance of all matters proposed, discussed, or decided, and a record, by individual member, of votes taken.
  - 4. The names of all citizens who appeared and the substance in brief of their testimony.
  - 5. Any other information that any member requests be entered in the minutes.
- B. Minutes shall not be “final” or “official” until they have been formally approved by the Board.
- C. Closed Meeting. Unless the closed meeting is called for purposes specified in Section 8.9.B.1 or 8.9.B.5, in which case the presiding officer shall sign a sworn statement affirming the purpose of the meeting, a recording shall be kept of the closed portion of the meeting. If minutes are kept, they shall include:
  - 1. The date, time, and place of the meeting.
  - 2. The names of members present and absent.
  - 3. The names of all others present except where the disclosure would infringe on the confidentiality necessary to fulfill the original purpose of the closed meeting.
  - 4. The content of the meeting.

Recordings and written minutes of the closed meeting are protected records under Section 63G, Chapter 2, Governmental Records Access and Management Act, and any person who violates the provisions of Section 63G-2-801 Utah Code Ann. is subject to the criminal penalties contained in that section. Recordings and written minutes of closed meetings may be disclosed pursuant to a Court order only as provided in Section 52-4-304 Utah Code Ann.

**8.11 PUBLIC HEARING PROCEDURES**

- A. Public hearings before the Board shall follow the following procedural steps:
  - 1. Declaration that the public hearing is open.
  - 2. Verification that legal notification requirements have been met.
  - 3. Staff presentation.
  - 4. Questions by Board members.

5. Motion to open public comment session.
6. Call upon individuals who have filled out the sign-up sheet.
7. Motion to close public comment session.
8. Staff response.
9. Questions by Board members.
10. Board discussion.
11. Board vote.

B. The following rules shall be observed during public hearings before the Board:

1. Members of the public who desire to speak, shall each first sign up on the sign-up sheet indicating the speaker's name, address and affiliations to the agenda item(s) (or whom he/she represents).
2. The Chair shall determine who will speak after reviewing the sign-up sheet. Each speaker shall be called by the Chair, and, at the discretion of the Board, speakers shall alternate between one speaking in favor of the agenda item and another speaking against it (continuing in this manner so long as possible).
3. Speakers shall state their names, addresses and affiliations to the agenda items (or whom they represent) before beginning their comments.
4. Speakers shall address their comments to the Chair, and they shall not debate with other meeting attendees or make personal attacks.
5. A predetermined time limit shall be placed on speakers. A speaker cannot combine his/her time with another (e.g., Speaker "X" cannot give his/her time to Speaker "Y" so that Speaker "Y" has double the time), and redundant speakers/comments will not be recognized by the Chair.
6. To permit everyone the opportunity to hear the proceedings, attendees shall be as quiet as possible.
7. The hearing is designed for civil discussion. Therefore, attendees shall not jeer, cheer, yell out comments, or clap.
8. Attendees shall not display any signs or distribute any handouts or flyers in the hearing room.
9. After the close of the public comment period, discussion shall be limited to Board members and staff.

C. The Chair of the public hearing shall enforce the procedures and rules set forth above in subsections A and B. The Chair, at its discretion and consistent with the District's Administrative Policies and Procedures, may take such additional actions as will promote an orderly and efficient public hearing.

## 8.12 ELECTRONIC MEETINGS

- A. As authorized by the Utah Open and Public Meetings Act, Section 52-4-207 Utah Code Ann. (“the Act”), the Board may hold, convene, and conduct any meeting in which one or more Board members participate electronically, provided:
1. The notice for, and procedures of, the meeting shall conform to the Act and to all applicable provisions of the District’s Administrative Policies; and,
  2. The Board, after it makes reasonable effort to do so, is unable to hold the meeting with all Board members physically present in the building where the Board normally meets (the “Anchor Location”). (See Section 9.2)
- B. Board members not physically present, but who wish to participate electronically in a meeting, shall be connected to the Anchor Location by means of a telephonic, telecommunications, or computer conference, subject to the following condition:
1. The Board, at the appointed time, shall initiate contact with those Board members who indicated they will attend electronically.
- C. Applicable procedures of the District’s Administrative Policies shall govern an electronic meeting, with the following additions:
1. Board members who wish to participate electronically shall notify the District Secretary at least twenty-four (24) hours before the scheduled start of the meeting and shall provide contact information to allow their participation.
  2. The District Secretary shall provide notice of the electronic meeting to members of the Board at least 24 hours before the meeting, so that they may participate in and be counted as present for all purposes; including the determination that a quorum is present, and a description of how members will be connected to the electronic meeting.
  3. Minutes of the meeting shall note that the meeting was conducted electronically in accordance with the Act and with this Chapter. The minutes shall note the identity of those Board members participating electronically.
  4. All parties participating electronically should be able to hear and to speak with each other and all present in the Anchor Location.
  5. Board members and parties in the Anchor Location should be able to hear and to speak with those participating electronically.
  6. Electronic participation in a meeting shall constitute presence at that meeting for all purposes, including the determination of a quorum and voting.
  7. If visual aids or documents are to be presented or used at the meeting, the Board shall make reasonable efforts to provide copies to each person participating electronically.
  8. Provide space and facilities at the Anchor Location for interested persons and the public to attend and monitor, and to participate and provide comments if a public hearing is required. (See Section 9.11)

9. At the conclusion of the meeting, persons attending electronically shall verbally certify that they participated in good faith in the entire meeting.
- D. Inasmuch as confidentiality may be intentionally or inadvertently compromised, the following shall not be part of any electronic meeting:
1. Communication among the Board, staff and the District's legal counsel, such that the attorney-client privilege may arise.
  2. An interview or discussion by the Board of an employee or a candidate for employment.
  3. Topics required or allowed to be kept confidential, private or secret by state or federal law.
  4. A closed session.
  5. Any other topic which the Board determines must remain confidential, private or secret.

## **SECTION 9.0 Risk Management**

### **9.1 INSURANCE**

The General Manager shall serve as the Risk Manager. The Risk Manager shall purchase outside insurance from the most cost effective qualified insurer. The District shall carry at a minimum, the following coverage:

- A. General Liability - \$10,000,000
- B. Auto Bodily Injury - \$10,000,000
- C. Auto Property Damage - \$10,000,000
- D. Underinsured Motorist - \$50,000
- E. Uninsured Motorist - \$50,000
- F. Vehicle Comprehensive/Collision for Vehicles Valued in Excess of \$5,000
- G. Property Coverage for Facilities Valued in Excess of \$100,000

### **9.2 PROCEDURE FOR FILING AND PROCESSING OF CLAIMS**

- A. The procedures for filing and settling claims shall be determined by the Risk Manager.
- B. All District employees and Board members shall promptly report all accidents, claims and injuries to their Department Manager as soon as possible following any incident that may involve liability to the District or an insurance claim. The Department Manager should notify the Safety Officer and Risk Manager to investigate the incident as soon as possible.
- C. The Risk Manager shall notify the appropriate insurer.
- D. All District employees and Board members shall cooperate and assist the Risk Manager and Safety Officer as requested.
- E. The General Manager shall advise the Board concerning claims which have been filed against the District at the next meeting of the Board.

### **9.3 INDEMNIFICATION OF EMPLOYEES**

- A. The District shall indemnify 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 or criminal, administrative or investigative, by reason of the fact that he or she is or was the General Manager, a director, officer, employee, or agent of the district. The indemnification shall be for all expenses (including attorney fees), judgments, fines, and amount paid in settlement, actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, including any appeal of the action, suit or proceeding, if he or she acted in good faith or in a manner he or she reasonably believed to be in or not opposed to the best interests of the district, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe the conduct was unlawful.

- B. Determination of any action, suit, or proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the party did not meet the applicable standard of conduct. Indemnification under this section may be paid by the district in advance of the final disposition of any action, suit, or proceeding, on a preliminary determination that the director, officer, employee, or agent met the application standard of conduct and on receipt of an undertaking by or on behalf of the General Manager, a director, officer, employee, or agent to repay the amount, unless it is ultimately determined that he or she is entitled to be indemnified by the District as authorized in this section.
- C. The District shall also indemnify any director, officer, employee, or agent who has been successful on the merits or otherwise, in defense of any action, suit, or proceeding, or in defense of any claim, issue, or matter in the action, suit, or proceeding related to their service or employment with the District, against all expenses, including attorney fees, actually and reasonably incurred, without the necessity of an independent determination that the General Manager, a director, officer, employee, or agent met any appropriate standard of conduct.
- D. The indemnification provided for in this section shall continue as to any person who has ceased to be the General Manager, a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of that person. (Ord. 749-A, 12-15-2010)

#### **9.4 SAFETY, HEALTH AND RISK MANAGEMENT POLICY STATEMENT**

- A. The District's Safety Manual is to protect the District against accidental losses which, in the aggregate, during any financial period, would significantly affect personnel, property, the budget, or the ability of the District to fulfill its responsibilities to its customers, employees, taxpayers and the public.
- B. District staff is directed to implement a risk management plan which shall include: systematic risk identification; risk and hazard evaluation; safety, training and loss control activities; claims processing; and program monitoring.
- C. District employees are to be aware of all department safety rules and procedures; properly use all safety equipment and devices; and be safety conscious.
- D. District staff shall prepare a budget recommendation to the Board to fund selected methods and procedures for reducing the identified risks and to implement safety training activities. At least annually, the Risk Manager shall prepare a report to the Board summarizing the losses incurred by the District, their causes, and risk and loss prevention activities implemented by the District.

## SECTION 10.0 Conduct and Ethics

### 10.1 STANDARDS OF CONDUCT

- A. The standards of conduct for Board members and District employees can be found in the District's **Personnel Policies, Section 12 – Productive Work Environment**.

### 10.2 ETHICS

- A. The District is subject to the following sections of Utah State Code, Annotated:
  - 1. Section 67-16 – *Utah Public Officers and Employees' Ethics Act UCA*, as amended.
  - 2. Section 76-8-105 – *Receiving or Soliciting Bribe or Bribery by Public Servant UCA*, as amended
- B. Refer to **Procurement Policies Section 3.10** for definitions and further discussion of the District's ethics policies.

## **SECTION 11.0 Reporting Fraud or Abuse**

### **11.1 PURPOSE**

- A. The District is committed to transparency and accountability in the utilization of customer water fees for District operations. In support of this commitment, the District has established a process that District customers, citizens of Summit County, employees and contractors should use to report a suspected fraudulent use of these monies.

### **11.2 DEFINITIONS**

- A. "Improper governmental action" means any action by a District employee:
1. That is undertaken in the performance of the employee's official duties, whether or not the action is within the scope of the employee's employment; and
  2. That is in violation of any federal, state, or local law or rule, is an abuse of authority, is of substantial and specific danger to the public health or safety or is a gross waste of public funds.

### **11.3 REPORTING FRAUD AND ABUSE**

- A. Employees who become aware of improper governmental actions should raise the issue first with their Supervisor. If requested by the Supervisor, the employee shall submit a written report to the Supervisor using the Fraud Reporting Form found in Appendix B. Where the employee reasonably believes the improper governmental action involves his or her Supervisor, the employee shall raise the issue directly with the General Manager.
- B. In the case of an emergency, where the employee believes that damage to persons or property may result if action is not taken immediately, the employee may report the improper governmental action directly to the General Manager.
- C. The Supervisor or General Manager shall take prompt action to assist the District in properly investigating the report of improper governmental action. District staff involved in the investigation shall keep the identity of reporting employees confidential to the extent possible under law, unless the employee authorizes the disclosure of his or her identity in writing. After an investigation has been completed, the employee reporting the improper governmental action shall be advised of a summary of the results of the investigation, except that personnel actions taken as a result of the investigation may be kept confidential.
- D. District employees may report information about improper governmental action directly to the Administrative Control Board if the employee reasonably believes the improper governmental action involves the General Manager, or that an adequate investigation was not undertaken to determine whether an improper governmental action occurred, or that insufficient action has been taken to address the improper governmental action, or that for other reasons the improper governmental action is likely to recur.

- E. District employees who fail to make a good-faith attempt to follow procedures in reporting improper governmental action shall not receive the protections provided by the District in these procedures.
- F. A person not employed by the District who becomes aware of or suspects improper governmental actions should follow the complaint procedures in Section 11.4.C below.

#### **11.4 COMPLAINTS, INVESTIGATIONS, REVIEW AND ENFORCEMENT**

- A. Any person may file a complaint alleging a violation of this policy.
- B. The complaint shall be in writing using the Fraud Reporting Form found in Appendix B and shall, except as described in paragraph E. below, be signed by the complainant. The complaint shall be filed with the General Manager, who shall provide a copy to the person charged with a violation. The complainant shall provide the General Manager with all available documentation or other evidence to demonstrate a reason for believing that a violation has occurred.
- C. The complaint may also be filed with Summit County, either via email, telephone, or in writing.
  - Email: [auditorhotline@summitcounty.org](mailto:auditorhotline@summitcounty.org)
  - Phone: (435) 336-3207
  - Writing: Summit County IRC – P.O. Box 128, Coalville, UT 84017
- D. This policy is intended to protect employees who choose to come forward in good faith with complaints about governmental actions and conduct of District employees. Anonymous complaints have the potential to subject the person who is the subject of the complaint to an investigation that may, at the least, cause stress and embarrassment, and may, at most, result in discipline or termination of employment. The District is reluctant to begin an investigation based on an anonymous complaint due to the fact that evidence will be difficult to obtain and verify, and it will be impossible to assess the complainant's credibility. Complainants and whistleblowers have protection from retaliation under District policy. A thorough investigation of complaints is the District's goal. It may not be possible to conduct a thorough investigation when a complainant remains anonymous. Therefore, the District reserves the right to decline to investigate any complaint that is provided anonymously.
- E. If a complaint is received anonymously it shall be directed to Summit County at the contact information listed above in paragraph C., for a recommendation on the processing of the complaint. Upon review of the complaint, Summit County will recommend to the General Manager either that the complaint has no merit or that it should be investigated. Such a recommendation will be made within ten (10) days of receipt of the complaint, if possible. Upon receipt of the General Manager's recommendation the Administrative Control Board shall make the final determination on whether or not to continue the investigation, end the investigation, or refer the matter to an outside entity.
- F. Within thirty (30) days after receipt of a complaint, the General Manager or another person appointed by the Administrative Control Board shall conduct a preliminary investigation. If the General Manager or a member of the Administrative Control Board are implicated in the complaint, the Summit County Auditor will determine an independent person who will

conduct the investigation. Criminal allegations will be referred to the proper law enforcement agency.

- G. If the General Manager determines, after preliminary investigation, that there are no reasonable grounds to believe that a violation has occurred, the General Manager shall advise the Administrative Control Board to dismiss the complaint. If the Administrative Control Board does dismiss the complaint, it shall do so in writing, setting forth the facts and provisions of law upon which the dismissal is based, and shall provide a copy of the written dismissal to the complainant, to the person charged with the violation.

#### **11.5 WHISTLEBLOWER PROTECTION**

- A. Utah Code § 67-21-3 prohibits public employers from taking adverse action against their employees for reporting in good faith government waste or violations of law to the appropriate authorities. A public entity employee, public body employee, legislative employee, or judicial employee, is presumed to have communicated in good faith if they have given written notice or otherwise formally communicated the conduct to the person in authority over the person alleged to have engaged in the illegal conduct. Whistleblower protections do not apply to anonymous complaints.
- B. The identity of the complainant is considered protected information under the Utah Government Records Access and Management Act (GRAMA) and will be kept confidential if requested by the complainant.

## **SECTION ~~121.0~~ Public Records Policy**

### **~~121.1~~ GOVERNMENT RECORDS ACCESS AND MANAGEMENT ACT**

The District is subject to, and complies with, the Government Records Access and Management Act (“GRAMA”) of the State of Utah, Section 63G-2 et seq. Utah Code Ann.

### **~~121.2~~ EXECUTIVE/CHIEF ADMINISTRATIVE OFFICER**

- A. The General Manager shall serve as the District’s Chief Administrative Officer for purposes of GRAMA.
- B. The General Manager shall appoint with the consent of the Board a GRAMA Officer.

### **~~121.3~~ FEES**

The District shall charge and collect those costs and fees allowed by GRAMA for responding to a request for a record, as determined by the Accounting Manager.

### **~~121.4~~ REQUESTS FOR RECORDS**

Pursuant to Utah Code Ann. (1953) § 63G-2-204 request for a record shall be directed to the District’s GRAMA Officer at 6421 N. Business Park Loop Road, Suite #A, P.O. Box 982320, Park City, Utah 84098. Prior to releasing any records, the GRAMA Officer shall consult with the County Attorney to determine what records shall be released in accordance with state law.

### **~~121.5~~ RECORDS RETENTION**

The District will retain records according to the retention schedule adopted by State Archives for local governments.

## **SECTION 132.0 Technology Policy**

### **132.1 PERSONAL USE OF DISTRICT COMPUTERS & OFFICE ITEMS**

- ~~A.~~ ~~A.~~ Employees may use District computers and information systems sparingly for personal use. Such use shall not disrupt employees from work responsibilities.
- ~~B.~~ ~~B.~~ All data stored, and software developed, on District computer equipment is the property of the District and may be viewed/reviewed by the General Manager or designee, at any time.
- ~~B.C.~~ Postage. No employee shall be allowed to take postage stamps from the District inventory without fully compensating the District for the actual value of the postage. Related reimbursements to the District shall be documented and deposited into petty cash.
- ~~C.D.~~ FAX and Copying Machines. Any employee desiring to use District FAX or copying machines for items of a personal nature may do so after paying for such use at the employee rate which is in effect at the time of use. Related reimbursements to the District shall be documented and deposited into petty cash.

### **132.2 PERSONAL USE OF TELEPHONES (LAND LINES)**

- A. Employees shall limit use of District telephones to conduct District business with the following exceptions:

  1. Local personal calls shall be made sparingly and only when necessary.
  2. Long distance personal calls shall be limited to emergencies.
  3. All personal use of District telephones must not disrupt the carrying out of employee responsibilities and shall be used judiciously.
  4. Employees may be required to reimburse the District for any additional costs resulting from personal use of District telephones.

### **132.3 CELL PHONE USAGE**

- A. Cell phone usage shall be in accordance with Section 18 of the District's Personnel Policies Manual.
- B. The District may provide a cell phone allowance for employees at the discretion of the General Manager. The District allowance shall be determined by the General Manager based on periodic review of market rates for cell phone plans and phones.
- C. Cell phone use during work hours should be limited to District business. All personal use of cell phones during work hours must not disrupt the carrying out of employee responsibilities, the responsibilities of those around them, and shall be used judiciously.
- D. Each District employee is responsible to know, understand, and comply with the laws of the State of Utah regarding the use of cell phones while driving, including, specifically, the prohibition on using a handheld wireless communication device while operating a moving vehicle as set forth in Utah Code Ann. § 41-6a-1716. For the purposes of this policy, heavy machinery is considered to be a moving vehicle.

| **132.4 TABLETS**

- A. Certain personnel may be issued District tablets (iPads or similar technology), as approved by the General Manager, to carry out job responsibilities. Every care must be taken by employees to protect these assets. In the event of damage, District tablets will be repaired or replaced by the District once every two (2) years. Additional Repair or replacement needs as a result of damage are the responsibility of the employee. Tablets are not to be used for personal reasons. All rules regarding electronic communication and Internet use apply to tablets.

SECTION ~~143~~.0 Tax and Disclosure Compliance Procedures

~~143~~.1 SEE APPENDIX A ATTACHED

**APPENDIX A**

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**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH**  
**TAX AND DISCLOSURE COMPLIANCE PROCEDURE**

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# TAX AND DISCLOSURE COMPLIANCE PROCEDURE

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# TAX AND DISCLOSURE COMPLIANCE PROCEDURE

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Annual Compliance Checklist**” means a questionnaire and/or checklist described in **Section 6.1** hereof that is completed each year for the Tax-Exempt Bonds.

“**Annual Continuing Disclosure Compliance Checklist**” means the checklist attached as **Exhibit B**.

“**Annual Report**” means the information, consisting of annual financial information and operating data, required by the Continuing Disclosure Undertaking to be filed annually on EMMA.

“**Bond Compliance Officer**” means the Issuer’s Chief Financial Officer or, if the position of Chief Financial Officer is vacant, the person filling the responsibilities of the Chief Financial Officer for the Issuer.

“**Bonds**” means Disclosure Bonds and Tax-Exempt Bonds.

“**Bond Counsel**” means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Procedure**” means this Tax and Disclosure Compliance Procedure.

“**Continuing Disclosure Compliance File**” means documents and records which may consist of paper and electronic medium, maintained for the Disclosure Bonds, consisting of the following:

- (a) List of Disclosure Bonds;
- (b) Description of the deadline applicable to each Annual Report;
- (c) Description of the financial information and operating data required to be included in each Annual Report;
- (d) List of events requiring an Event Notice under the Continuing Disclosure Undertaking for each series of Disclosure Bonds; and
- (e) Information about the Issuer’s compliance during the prior five years with the Continuing Disclosure Undertaking then in effect.

**“Continuing Disclosure Undertaking”** means the Continuing Disclosure Agreement(s), Continuing Disclosure Undertaking(s), Continuing Disclosure Instructions or other written certification(s) or agreement(s) entered into by the Issuer in connection with the issuance of the Disclosure Bonds for the purpose of assisting the underwriters of such Disclosure Bonds in complying with the Rule.

**“Cost”** or **“Costs”** means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

**“Disclosure Bonds”** means any outstanding bond, note, installment sale agreement, lease or certificate in connection with the issuance of which the Issuer entered into or enters into a Continuing Disclosure Undertaking. A list of all Disclosure Bonds outstanding and subject to this Compliance Procedure as of [Insert Date of Adoption], is included on **Exhibit A**.

**“EMMA”** means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at [www.emma.msrb.org](http://www.emma.msrb.org), or any successor system designated as the means through which municipal securities disclosures are submitted to the MSRB.

**“Event Notice”** means notice of the occurrence of an event for which notice is required by the Continuing Disclosure Undertaking to be filed on EMMA.

**“Final Written Allocation”** means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to **Section 5.4** of this Compliance Procedure.

**“Financed Assets”** means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt Bonds.

**“Governing Body”** means the County Council of Summit County, Utah, acting as the governing body of the Issuer.

**“Intent Resolution”** means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Exempt Bonds.

**“IRS”** means the Internal Revenue Service.

**“Issuer”** means Mountain Regional Water Special Service District, Utah.

**“MSRB”** means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

**“Placed in Service”** means that date (as determined by the Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

**“Primary Disclosure Document”** means any official statement or offering document relating to an offering or remarketing of Disclosure Bonds by or on behalf of the Issuer after the date of this Procedure.

**“Project Facility”** means one or more facilities or capital projects, including land, building, equipment, or other property, financed in whole or in part with proceeds of an issue of Tax-Exempt Bonds and other sources of funds, if any, pursuant to the same plan of finance.

**“Rebate Analyst”** means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

**“Regulations”** means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

**“Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

**“Tax Compliance Agreement”** means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

**“Tax-Exempt Bonds”** means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of [Insert Date of Adoption], is included on **Exhibit A**.

**“Tax-Exempt Bond File”** means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
  - (1) bid solicitation, bid responses, certificate of broker;
  - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
  - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.

- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).
- (k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

## ARTICLE II

### PURPOSE AND SCOPE

#### **Section 2.1. Purpose of Compliance Procedure.**

(a) Issuer's Use of Tax-Exempt Bonds. The Issuer uses Tax-Exempt Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Disclosure Responsibilities. The Issuer recognizes the issuance of Disclosure Bonds involves accessing the public capital markets and involves certain obligations arising out of the federal securities laws, including entering into the Continuing Disclosure Undertaking and properly communicating with investors.

(d) Issuer Commitment. The Issuer is committed to full compliance with the federal tax and securities law requirements applicable to its outstanding and future financings. This Compliance Procedure is adopted by the Governing Body to improve and promote tax and securities law compliance and documentation. This Compliance Procedure replaces any prior tax and securities law compliance procedures of the Issuer.

**Section 2.2. Scope of Compliance Procedure; Conflicts.** This Compliance Procedure applies to all Bonds currently outstanding and all Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement, Continuing Disclosure Undertaking or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement, Continuing Disclosure Undertaking or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

**Section 2.3. Amendments and Publication of Compliance Procedure.** This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

### ARTICLE III

#### BOND COMPLIANCE OFFICER; TRAINING

**Section 3.1. Bond Compliance Officer Duties.** The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside consultants to the extent necessary to carry out the purposes of this Compliance Procedure.

#### **Section 3.2. Training.**

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Issuer. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the SEC, the MSRB, Bond Counsel, or other industry professionals regarding securities law and disclosure requirements applicable to the Issuer.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Issuer will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

### ARTICLE IV

#### TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

**Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures.** This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on **Exhibit A**.

**Section 4.2. Tax-Exempt Bond File.** As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on **Exhibit A**.

**Section 4.3. Annual Compliance Checklists.** As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in Article VI to complete the Annual Compliance

Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File.

**Section 4.4. Correcting Prior Deficiencies in Compliance.** In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on **Exhibit A**, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

## ARTICLE V

### COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES

**Section 5.1. Application.** This Article V applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

**Section 5.2. Prior to Issuance of Tax-Exempt Bonds.**

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately

addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

### **Section 5.3. Accounting and Recordkeeping.**

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

(c) Tax-Exempt Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

### **Section 5.4. Final Allocation of Tax-Exempt Bond Proceeds.**

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual

Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

## ARTICLE VI

### ONGOING MONITORING PROCEDURES

**Section 6.1. Annual Compliance Checklist.** An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

**Section 6.2. Arbitrage and Rebate Compliance.** The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

## ARTICLE VII

### DISCLOSURE

#### **Section 7.1. Continuing Disclosure Compliance File .**

(a) Compilation and Maintenance of Continuing Disclosure Compliance File. The Bond Compliance Officer shall compile and maintain the Continuing Disclosure Compliance File.

(b) Annual Review of Continuing Disclosure Compliance File. Within 180 days after the end of each fiscal year of the Issuer, the Bond Compliance Officer will complete the Annual Continuing Disclosure Compliance Checklist and update the Continuing Disclosure Compliance File as indicated by the Annual Continuing Disclosure Compliance Checklist.

(c) Remedying Noncompliance. If the Bond Compliance Officer identifies any non-compliance with the Continuing Disclosure Undertaking as a result of the annual review or otherwise, the Bond Compliance Officer shall promptly take steps to remedy the noncompliance, including by making any necessary remedial filings. In the event the Bond Compliance Officer identifies any such noncompliance, the Bond Compliance Officer shall update the Continuing Disclosure Compliance File to reflect the noncompliance in the Issuer's five-year history of compliance.

## **Section 7.2. Issuance of New Disclosure Bonds.**

### **(a) Review Primary Offering Documents.**

(1) The Bond Compliance Officer will review a draft of the Primary Offering Document for each new issue of Bonds. The Issuer is primarily responsible for the accuracy and completeness of the information in the Primary Offering Document relating to the Issuer. The Bond Compliance Officer will coordinate the Issuer's efforts to ensure that the information in each Primary Disclosure Document relating to the Issuer does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. In the review and preparation of Primary Offering Documents, the Bond Compliance Officer shall consult with internal or external counsel and other appropriate officials, employees and agents of the Issuer. The Bond Compliance Officer may designate internal or external counsel or other officials, employees or agents of the Issuer, as appropriate, to assist in the preparation of each Primary Disclosure Document or portions thereof and should discuss with internal or external counsel questions relating to the material accuracy and completeness of any information included in any Primary Disclosure Document.

(2) The Bond Compliance Officer will review any statement in a Primary Offering Document related to the Issuer's past compliance with the Continuing Disclosure Undertaking to determine whether such Primary Offering Document accurately describes such past compliance.

(b) Review Continuing Disclosure Undertakings. The Bond Compliance Officer will review each Continuing Disclosure Undertaking related to a new issuance of Disclosure Bonds. If necessary, the Bond Compliance Officer will confer with Bond Counsel or other counsel regarding the meaning and scope of each obligation contained in the Continuing Disclosure Undertaking.

(c) Update Continuing Disclosure Compliance File. As soon as practicable after the issuance of any new Disclosure Bonds, the Bond Compliance Officer will be responsible for updating the Continuing Disclosure Compliance File to reflect the issuance of such new Disclosure Bonds.

## **Section 7.3. Annual Report and Event Notice Filing Procedures.**

(a) Annual Report Preparation and Submission. The Bond Compliance Officer will prepare or cause the preparation of the Annual Report and cause the Annual Report to be filed with the MSRB on EMMA each year before the deadline required by the Continuing Disclosure Undertaking. If the Issuer has engaged a third-party to submit the Annual Report on the Issuer's behalf, the Bond Compliance Officer will request and review confirmation that such filing has been timely made as required.

(b) Event Notice Submissions. As necessary, the Bond Compliance Officer shall coordinate with those other employees and agents of the Issuer most likely to become aware of the occurrence of a Material Event to ensure such employee or agent promptly notifies the Bond Compliance Officer upon the occurrence of a Material Event. After obtaining actual knowledge of the occurrence of any event that the Bond Compliance Officer believes may constitute an event requiring an Event Notice, the Bond

Compliance Officer will consult with counsel to assist with the determination of whether to determine if an Event Notice is required under the Continuing Disclosure Undertaking. If it is determined that an Event Notice is required, the Bond Compliance Officer will cause an Event Notice to be filed on EMMA.

**EXHIBIT A**

**LIST OF TAX-EXEMPT BONDS AND DISCLOSURE BONDS COVERED BY THIS  
COMPLIANCE PROCEDURE**

*Tax-Exempt Bonds / Disclosure Bonds*

<u>Series Name</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Deadline for Annual Report</u>
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**EXHIBIT B**

**ANNUAL DISCLOSURE COMPLIANCE CHECKLIST**

<b>Name of Disclosure Compliance Officer:</b> _____		
<b>Period covered by checklist ("Annual Period"):</b> _____		
<b>Date:</b> _____		
<b>Item</b>	<b>Question</b>	<b>Response</b>
<b>1 New/Defeased Bonds</b>	Were any Disclosure Bonds issued, refunded or defeased during the Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," update the Continuing Disclosure Compliance File to reflect the Disclosure Bonds currently outstanding and changes, if any, to the deadline for filing or the content of information required under the Continuing Disclosure Undertaking.	
<b>2 Annual Report Filings</b>	During the Annual Period, was the required Annual Report filed on EMMA by the due date?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," file the required Annual Report on EMMA, if not yet filed, and any required Notice of Failure to File.  In either case, update the Disclosure Compliance File to reflect the date the Annual Report was filed.	
<b>3 Material Event Filings</b>	During the Annual Period, did any of the Material Events listed on an applicable Continuing Disclosure Undertaking occur?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Event Notice filed on EMMA within 10 business days, as applicable under the relevant Continuing Disclosure Undertaking?  If No, file an Event Notice on EMMA.  If a Material Event occurred, update the Continuing Disclosure Compliance File to reflect the occurrence of the Material Event and the date the required notice was filed.	
<b>4 Upcoming Annual Report</b>	Has the Annual Report for the most recent fiscal year been prepared?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," prepare and file or cause the preparation and filing of the Annual Report for the most recent fiscal year as soon as practicable prior to the deadline.	

# APPENDIX B - FRAUD REPORTING FORM

## Complainant Information:

<b>Complainant to remain anonymous?    Yes*            No</b>		
<small>*Complainants and whistleblowers have protection from retaliation under District policy. If you wish to remain anonymous, it may not be possible to conduct a thorough investigation. As such, the District reserves the right to decline to investigate any complaint that is provided anonymously.</small>		
<b>Complainant would like a response?    Yes            No</b>		
<b>Complainant Name</b>	<b>Check One</b>	<b>Date Submitted</b>
	<input type="checkbox"/> Appointed Official	
	<input type="checkbox"/> Entity Employee	
	<input type="checkbox"/> Citizen/Contractor	
<b>Home Address</b>		
<b>Phone/cell/email</b>		
<b>Work Address (if applicable)</b>		

## Information Concerning the Complaint (Please complete one form for each separate complaint)

Each improper action should be noted separately and supported with reliable and sufficient evidence. Supplying detailed information contributes to a thorough and efficient investigation. This form is designed to help you supply the needed information.

<b>Who is the person(s) the complaint is against? (Please provide name, position, organization, department, and phone #)</b>
------------------------------------------------------------------------------------------------------------------------------

**Who is the above person's supervisor? (Please provide name, position, and phone#)**

**What is the assertion of improper governmental activity? Please describe in detail.**

**When did the event(s) take place? Please include dates, time, and frequency.**

**Where did the event(s) occur?**

**Are there any other persons who might provide information or who witnessed the event? If so, what are their names, positions, organizations, departments, and their contact information?**

**Is there evidence that can be examined or documentation that can be reviewed? (Please provide any available documentation)**

**How did you become aware of the improper action? Did you see it occur? Did you see documentation indicating it occurred? Did you hear about it from someone else?**

**What specific law or state regulation has been violated?**

Please attach to the email supporting documentation, details and ANY and ALL other information available to support the complaints or concerns.

To be filed with your Supervisor, the District General Manager or with Summit County at [auditorhotline@summitcounty.org](mailto:auditorhotline@summitcounty.org) or 435-336-3207.