

CHAPTER 2 FISCAL AND BUDGET

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PREFACE

This Chapter of the P&P is intended to be consistent with the MWD Act, the Fiscal Procedures for Special Districts, Utah Code Ann. Title 17B, Chapter 1, Part 6 (the “Fiscal Procedures”), applicable portions of Utah Property Tax Act, Utah Code Ann. Title 59, Chapter 2 (the “Property Tax Act”) and applicable portions of Utah Code Ann. Title 17B, Chapter 1, Part 7, which governs the manner in which budgets and audit reports for Special Districts are submitted to interested governmental entities for review. For ease of reference, the Sections of this Chapter of the P&P are numbered the same as the related Fiscal Procedures Sections. Since many of the Sections of the Fiscal Procedures do not apply to the District, or do not require a corresponding policy Section, the Section numbers of these policies and procedures are not always contiguous.

This Chapter of the P&P describes how the District’s books and records will be kept and the procedures used by the Board to approve budgets. Once funds have been properly appropriated, the District’s Procurement Regulations describe the manner in which a source for goods and/or services is to be selected and any required contract terms. Once the source has been properly selected this Chapter of the P&P describes the controls applicable to contract approval and disbursement of District monies.

2-601 DEFINITIONS

Terms used in this Chapter of the P&P shall be interpreted in a manner consistent with the definitions found in Utah Code Ann. § 17B-1-601.

- 1) “JVWCD” means Jordan Valley Water Conservancy District
- 2) “JVWTP” means the Jordan Valley Water Treatment Plant
- 3) “O&M” means Operations and Maintenance
- 4) “Budget officer” means the person appointed by the Board of Trustees to prepare the budget for the District. The board appoints the GM as the budget officer.

2-602 FISCAL YEAR

- 1) The District’s fiscal year is July 1 to the following June 30.

2-603 UNIFORM ACCOUNTING SYSTEM

- 1) All District accounting records, and all financial statements prepared from those records, shall conform to generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States.

2-604 FUNDS AND ACCOUNT GROUPS MAINTAINED

- 1) The District financial records shall be kept under an enterprise fund structure. The District shall maintain appropriate account groups consistent with the Uniform Accounting Manual for Special Districts.

2-612 RESERVE COMMITMENTS AND GOALS

- 1) Reserve Balances. Certain reserve balances are required by agreement and/or the District's Master Bond Resolution (District Resolution Number 1739) adopted April 29, 2002 (the "Master Bond Resolution"). Other reserve balances are subject to change at the discretion of the Board. To the extent the District has discretion, the Finance Committee shall, consistent with Utah Code Ann. §§ 17B-1-612 and 613, make recommendations to the Board regarding the application and/or disposition of reserve balances in excess of the goals described here.
- 2) Operations & Maintenance Reserve. Section 5.05 of the Master Bond Resolution requires the District to maintain a minimum balance in the Operations and Maintenance Reserve Fund of 3 months of operation and maintenance costs based upon the current annual budget. The target balance shall be set by the Board as a part of the annual budget process and shall be stated along with the current Operations & Maintenance Reserve balance in the periodic financial reporting of the District.
- 3) Capital Projects Reserve. Section 5.09 of the Master Bond Resolution requires that the amount of \$650,000 be maintained in the Renewal and Replacement Reserve Fund to meet extraordinary operations and maintenance costs as well as unusual loss or damage. This amount may be altered by future supplemental resolutions. In addition to these funds, money will be held for additional construction costs not defined in the Renewal and Replacement Reserve Fund relating to capital cost overruns, additional costs related to project timings, unbudgeted capital projects, and other contingencies. The Capital Projects Reserve, which shall include the Renewal and Replacement Reserve Fund and all other capital project reserves, shall be directly proportionate to the annual construction costs to be undertaken in the following 3 to 5 years. The goal of the District shall be to maintain a minimum balance of 15% to 25% of the total of the following 5 years' annual capital expenses, not to exceed \$10,000,000, at any given time. It is not intended that the Capital Projects Reserves duplicate any contingencies or reserves which are a part of any financing.
- 4) Insurance/Contingency Reserves. The Insurance/Contingency Reserve is intended to cover expenditures required to pay insurance deductibles and self-insured retentions, offset delays in insurance payments, protect against losses in excess of insurance limits, protect against

exclusions in insurance coverage, and protect against denials of insurance coverage, all resulting from any unforeseen losses, claims or legal actions. The goal of the District is to maintain an unrestricted Insurance/Contingency Reserve balance at a level that will provide funds to protect the District against such unforeseen costs not covered by any other reserves. The District's goal is to accumulate funds in the Insured/Contingency Reserve up to \$2,000,000. This goal shall be reviewed annually. The Insured/Contingency Reserve should not include deductibles and self-insured retentions which are expected to be paid during the budget year, special liability reserves set by the Board to address particular events, capital trust account funds, bond funds, or general trust accounts.

- 5) Reserves Named by Agreement. The District has entered, and may in the future, enter into agreements that require the District to maintain agreement-specific reserves. Examples include:
 - a) Jordan Aqueduct Repayment Contract. Article 10 of the "Contract Among the United States, Central Utah Water Conservancy District and Metropolitan Water District of Salt Lake City Providing for Partial Repayment of the Jordan Aqueduct of the Bonneville Unit," dated May 16, 1986, as amended by the "Contract Among the United States, Central Utah Water Conservancy District and Metropolitan Water District of Salt Lake City Providing for Partial Repayment of the Jordan Aqueduct of the Bonneville Unit," dated October 28, 1993 (the "Jordan Aqueduct Repayment Contract") requires the District to maintain an operating reserve of \$20,000 in an interest bearing federally insured account. The District is required to replenish the reserve in the amount of \$4,000 annually to the extent necessary to bring the reserve back up to \$20,000. This amount can be altered by written agreement between the District and the United States Secretary of the Interior.
 - b) JVWTP O&M Agreement. Article 17 of the "Operation and Maintenance Agreement for the Jordan Valley Water Treatment Plant and Terminal Reservoir" among Central Utah Water Conservancy District, Jordan Valley Water Conservancy District and this District, dated April, 1993, requires the District to maintain a reserve account of \$20,000.
 - c) 150th South Pipeline Agreement. Article VI.2.(a) of the 150th South Pipeline Agreement between the District and JVWCD requires each party to contribute \$6,000.00 annually to a federally insured, interest bearing account as a reserve for Extraordinary Operation, Maintenance, Repair and Replacement Costs as defined by that agreement until \$30,000.00 is accumulated in the account. As funds are withdrawn from that account annual deposits of \$6,000.00 must resume until the account balance is again \$30,000.00.
- 6) Annual Review. The Finance Committee shall annually, and prior to the adoption of a tentative budget, review the District's reserves and recommend action to the Board as described in P&P Section 1-14(1)(d)(i).
- 7) Authorization of Expenditures from Reserves. As a part of the adoption of an annual budget the Board should define the circumstances, if any, under which expenditures may be made

from each District reserve without further Board authorization. Absent different authorization from the Board as a part of the adoption of the annual budget or otherwise, the GM is authorized to access reserve funds for their intended purpose as described above under exigent circumstances if:

- a) such expenditure or commitment is reasonable and necessary to meet any applicable contract obligation, bond commitment, or statutory mandate, or to protect the District, its employees, or its member cities from material harm or disruption; and
 - b) a Board meeting cannot practicably be called prior to such expenditure or commitment; and
 - c) the GM has made reasonable efforts to consult with the Chair and receives the concurrence of the Chair before making such expenditure or commitment. If the Chair cannot be reached, the GM shall consult with and receive the concurrence of the Vice Chair. If the Vice Chair cannot be reached, the GM shall consult with and receive the concurrence of the Secretary.
- 8) General use of Term “Fund”. Some reserve accounts have been named in bond documents and contracts as “funds”, and referred to here by those names. The term “fund” is so used in a general and generic way to indicate money has been dedicated to a defined use. This is not intended to suggest segregation or additional separate budgeting or banking requirements described for “funds” other than enterprise funds in the Uniform Fiscal Procedures Part of the Special District Code.

2-613 APPROPRIATIONS NOT TO EXCEED ESTIMATED EXPENDABLE REVENUE – APPROPRIATIONS FOR EXISTING DEFICITS

- 1) The Board may not make any appropriation in the final budget in excess of estimated expendable revenue for the budget year.
- 2) In determining the estimated expendable revenue for the budget year, funds accumulated in excess of the limits allowed by Utah Code Ann. § 17B-1-612 shall be included as expendable revenue.
- 3) In the event of an emergency expenditure pursuant to Section 2-623, there shall be included as an item of appropriation, to the extent of at least 5% of the total expected revenue to cover at least in part an existing emergency deficit which was created consistent with P&P Section 2-623 and Utah Code Ann. § 17B-1-623. There shall be included as an item of appropriation any existing deficit not created in a manner consistent with Utah Code Ann. § 17B-1-623.

2-615 BUDGET IN EFFECT FOR BUDGET YEAR

- 1) Upon final adoption, the budget shall be in effect for the budget year, subject to later amendment. A certified copy of the final adopted budget shall be filed in the District office and shall be available to the public during regular business hours.

2-616 PROPERTY TAX LEVY – AMOUNT IN BUDGET AS BASIS FOR DETERMINING

- 1) From the effective date of the budget or of any amendment enacted prior to the date on which property taxes are levied, the amount stated as the amount of estimated revenue from property taxes shall constitute the basis for determining the property tax levy to be set by the Board for the corresponding tax year, subject to the applicable limitations imposed by law.

2-617 FUND EXPENDITURES – BUDGET OFFICER’S DUTIES

- 1) The GM shall require all District expenditures to conform to the budget.
- 2) No appropriation may be encumbered and no expenditure may be made against any appropriation unless there is sufficient unencumbered balance in the appropriation, except in cases of emergency as provided by P&P Section 2-623 and Utah Code Ann. § 17B-1-623.

2-618 PURCHASING PROCEDURES

- 1) All purchases or encumbrances by the District shall be made or incurred in a manner consistent with Chapter 5 of the P&P, and only with the required contract and disbursement approval as described in this P&P Chapter.

2-619 EXPENDITURES OR ENCUMBRANCES IN EXCESS OF APPROPRIATIONS PROHIBITED – PROCESSING CLAIMS

- 1) The District may not make or incur expenditures or encumbrances in excess of total appropriations in the budget as adopted or subsequently amended.
- 2) An obligation contracted in excess of total appropriations in the budget is not enforceable against the District.
- 3) No check or warrant to cover any claim against any appropriation may be drawn until the claim has been processed as required by this Chapter of the P&P.

2-620 TRANSFER BETWEEN ACCOUNTS

- 1) Except as otherwise directed by the Board or described in the P&P, any transfer from a contingency account, a reserve account, a capital improvement appropriation, or from an appropriation the expenditure for which has been frozen or made conditional upon further Board action, requires Board action at an open meeting.

- 2) Excepting staff salaries and specific appropriations by the Board, the individual line items within the operations and maintenance account are intended to be best estimates and guidelines for management, not appropriations or restrictions, so long as the total appropriation for the operation and maintenance account is not exceeded.
- 3) Any appropriation for debt retirement and interest, reduction of deficit, or any other appropriation required by law or covenant may not be reduced below the minimums required.

2-621 REVIEW AND AMENDMENT OF INDIVIDUAL GOVERNMENT FUND BUDGETS, PUBLIC NOTICE REQUIRED

- 1) Utah Code Ann. § 17B-1-621 says the Board may, at any time during the budget year, review the individual budgets of governmental funds (“governmental funds” are defined by Utah Code Ann. § 17B-1-601(15) as general fund, special revenue fund, debt service fund and capital projects fund) for the purpose of determining if the total of any of them should be increased. If the Board decides that the budget total of one or more of these funds should be increased, it shall follow the procedures established in Utah Code Ann. §§ 17B-1-609, 610 for holding a public hearing. The Little Manual for Local and Special Service Districts (Revised October 2019) says: “The budget of an enterprise fund may be amended by a resolution of the board of trustees at any regular or special meeting called for that purpose without a public hearing. This includes increasing total expenditures of the fund. (*See Utah Code 17B-1-630*).” This seems to be confirmed by Utah Code Ann. § 17B-1-629(1) which says, “(a) As used in this section ‘operating and capital budget’ means a plan of financial operation for a proprietary or other required special fund [(Utah Code Ann. § 17B-1-601(18) defines “proprietary funds” as enterprise funds and the internal service funds of a special district)], embodying estimates of operating resources and expenses and other outlays for a fiscal year; (b) Except as otherwise expressly provided, the reference to ‘budget’ or ‘budgets’ and the procedures and controls relating to them in other sections of this part do not apply or refer to the ‘operating and capital budgets’ provided for in this section.” This District has an “operating and capital budget.” The use of the term “fund” in the code has been the source of some confusion. For purposes of review and amendment of budgets, as well as code budgetary procedures, this District has one enterprise fund and one operating and capital budget.

2-623 EMERGENCY EXPENDITURES

- 1) The Board may, by resolution, amend the budget and authorize an expenditure of money that results in a deficit if:
 - a) the Board determines that:
 - i) an emergency exists; and
 - ii) the expenditure is reasonably necessary to meet the emergency; and

- b) the expenditure is used to meet the emergency.

2-624 LAPSE OF APPROPRIATIONS - EXCEPTIONS

- 1) All unexpended or unencumbered budget appropriations, except capital project fund appropriations, lapse at the end of the budget year to the respective fund balance.

2-627 PROPERTY TAX LEVY

- 1) The Board at a regularly scheduled meeting or special meeting called for that purpose, shall, by resolution, set the real and personal property tax rate for various District purposes by the date set under Utah Code Ann. § 59-2-912, but the rate may be set at an appropriate later date in accordance with Utah Code Ann. §§ 59-2-919 through 923.
- 2) Utah Code Ann. § 59-2-912 requires the District, before June 22 each year, to adopt a proposed tax rate, or if the rate is equal to or less than the certified rate, adopt a final tax rate, and to both report the rate and levy and submit the statement required by Section 59-2-913 to the Salt Lake County Auditor.
- 3) Utah Code Ann. §§ 17B-1-1001 through 1003, 17B-2a-608, and 59-2-919 through 923 govern in situations where the District intends to set a tax rate above the District's certified rate. Those Sections 17B-1-1001 through 1003, 17B-2a-608 require the Trustees to report the proposed tax increase to the legislative bodies of the Member Cities, the District to request that the legislative bodies of the Member Cities hear the report on the proposed tax increase, and the legislative bodies of the Member Cities approve the proposed tax increase. Section 59-2-921 sets for the public meeting and notice requirements for any proposed increase exceeding the District's certified tax rate. Sections 59-2-919.1 through -520 set forth the information regarding any such proposed tax rate increase that must be included in the county auditor's notice sent to property owners on or before June 22 each year, and require the District to submit any resolution adopting a tax rate above the certified rate to the State Tax Commission. Section 59-2-921 introduces certain limited exceptions to the notice and hearing requirements of Section 59-2-919, such as when the State Tax Commission, the county board of equalization, or a court changes the District's adopted tax rate, or when the District raises its tax rate above the certified rate in response to a reduction of its assessment roll. Subject to the exceptions stated in Utah Code Ann § 59-2-924(8), the District may, until the final budget is adopted, expend money based upon the tentative budget or on its prior year's final budget as amended, if the prior year's budget is readopted by resolution at a properly constituted Board meeting.
- 4) The combined levies for all purposes in any year, excluding the retirement of general obligation bonds, the payment of any interest on the bonds, and any taxes expressly authorized by law to be levied in addition, may not exceed the limit enumerated by the laws governing the District.

2-628 CERTIFICATION OF RESOLUTION SETTING LEVY

- 1) The District Clerk shall certify the resolution setting the tax levy to the county auditor in accordance with Utah Code Ann. § 59-2-912, or in the case of a tax rate increase exceeding the District's certified rate to the State Tax Commission, in accordance with Utah Code Ann. § 59-2-920.

2-629 OPERATING AND CAPITAL BUDGET

- 1) On or before the first regularly scheduled meeting of the Board in May, the GM shall consult with the Finance Committee and prepare a tentative operating and capital budget for the ensuing fiscal year. The tentative budget shall include projected receipts, an operations and maintenance account, capital improvement accounts and reserve accounts as described in P&P Section 2-612. The tentative budget shall be filed with the Board, together with specific work programs and any other supporting data required by the Board.
- 2) The tentative budget shall be reviewed and considered by the Board at any regular meeting or special meeting called for that purpose. Subject to appropriate notice and agenda, the Board may make any changes in the tentative budget considered appropriate.
- 3) Within 30 days of approval of the tentative budget, and at least 30 days before the Board adopts a final budget, the Board shall provide notice of the budget hearing in compliance with Utah Code § 17B-1-702 and provide the tentative budget to the entities described in that Section. Notice of the time and place of a public hearing to consider the budget shall be published according to Utah Code Ann. § 63G-30-102 at least seven days before the hearing. If the public hearing is held in conjunction with a tax increase, the notice shall be published in accordance with Utah Code Ann. § 59-2-919. If the tentative budget involves a new fee, or an increase in an existing fee, the District shall comply with P&P Section 2-643 and Utah Code Ann. § 17B-1-643, which requires special notice and public hearing at or after 6:00 p.m. if a tax increase or fee increase is part of the budget. As a District goal, the public hearing should be held at or after 6:00 pm to facilitate public comment, whether or not required by statute.
- 4) At the time and place advertised, or at any time or any place to which the public hearing may be adjourned by the Board, the Board shall hold a public hearing on the tentative budget. All interested persons in attendance shall be given a reasonable opportunity to be heard on any item in the tentative budget.
- 5) After the conclusion of the public hearing, the Board may continue to review the tentative budget and may insert any new items. The Board may also increase or decrease items of expenditure that were the proper subject of consideration at the public hearing. The tentative budget must be submitted to the member cities as described in Section 2-702 of the P&P.
- 6) The Board shall adopt a budget before June 22 each year, except as provided in Utah Code Ann. §§ 59-2-919 through 923. These code Sections contain special notice and hearing requirements if the certified rate is to be exceeded.

- 7) A copy of the budget as finally adopted shall be certified by the GM and shall be available for public inspection during regular District business hours at the District's main offices located at 3430 E Danish Road, Cottonwood Heights. A certified copy of the final budget shall also be filed with the State Auditor within 30 days after adoption.
- 8) Upon final adoption, the budget shall be in effect for the budget year, subject to later amendment. During the budget year the Board may, in any regular meeting or special meeting called for that purpose, review the operating or capital appropriations for the purpose of determining if the total of any of these appropriations should be increased or decreased.

2-630 INCREASE IN APPROPRIATIONS FOR OPERATING AND CAPITAL BUDGET - NOTICE

- 1) The total budget appropriation may be increased by a resolution of the Board at any regular meeting or at a special meeting called for that purpose, so long as written notice of the time, place, and purpose of the meeting has been mailed or delivered to all Trustees at least 5 days prior to the meeting. The notice may be waived in writing or orally during attendance at the meeting by any member of the Board.

2-631 CLERK – MEETINGS AND RECORDS

- 1) The duties of Clerk described in Utah Code Ann. Title 17B, Chapter 1, Part 6 and the P&P shall be performed under the direct supervision and control of the individual appointed by the Board to perform the duties of Clerk. The Clerk or other appointed person shall attend the meetings and keep a record of the proceedings of the Board.

2-632 CLERK – BOOKKEEPING DUTIES

- 1) The Clerk or other designated person not performing treasurer duties shall maintain the financial records of the District, including a list of the outstanding bonds, their purpose, amount, terms, date and place payable. The Clerk may delegate one or more of the following duties to the Accountant: reconciling receipt records to validated deposit, preparing and sending billings, recording transactions in general ledger, and preparing bank reconciliations. No duties of the Clerk shall be delegated to the Treasurer.

2-633 TREASURER

- 1) The duties of Treasurer described in Utah Code Ann. Title 17B, Chapter 1, Part 6 and the P&P shall be performed under the GM's direct supervision and control. These duties include being custodian of all money, bonds, or other securities of the District, investing and depositing all monies of the District following the procedures and requirements of the State Money Management Act, Utah Code Ann. Title 51, Chapter 7, and Chapter 3 of the P&P, receiving all funds payable to the District, and keeping accurate, detailed account of the same. The

Treasurer shall provide a report regarding the District's investments periodically to the Finance Committee. No duties of the Treasurer shall be delegated to the Clerk or anyone working under the direct supervision of the Clerk. The Treasurer may delegate one or more of the following duties to the Administrative Assistant: receiving and documenting receipt of checks.

2-634 RECEIPTS FOR PAYMENT

- 1) The Treasurer shall give or cause to be given to every person paying money to the District, a receipt or other evidence of payment (except when payment is received by check or electronically), specifying, as appropriate, the date of payment and upon which account paid and shall file a duplicate of the receipt. The District does not accept cash for payment.

2-635 ISSUANCE OF CHECKS

- 1) The Clerk or other designated person not performing treasurer duties shall prepare the necessary checks after having determined that each claim was properly authorized, the claim does not over-expend the applicable appropriation, and the expenditure was approved in advance by the Board. The Treasurer shall sign all checks. The person or persons maintaining the financial records of the District may not sign any single signature check. Before affixing a signature, the Treasurer shall determine that a sufficient amount is on deposit in the appropriate bank account of the District to honor the check.

2-637 DEPOSIT OF FUNDS

- 1) The Treasurer shall promptly deposit all District funds in the appropriate bank accounts of the District in a manner consistent with Utah Code Ann. § 51-4-2. Utah Code Ann. § 51-4-2(a) requires public funds received by political subdivisions of the state to be deposited "daily, if practicable, but not later than once every three banking days." It is unlawful for any person to commingle District funds with the person's own money. If it appears that the Treasurer or any other District officer or employee is making a profit out of public money, or is willfully using the same for any purpose not authorized by law, the Treasurer, officer or employee shall be suspended. Additional disciplinary action shall be taken consistent with any standards established by the District.

2-638 FINANCIAL REPORTS

- 1) The Clerk or other delegated person not performing treasurer duties shall prepare and present to the Board detailed financial reports, at least quarterly, in a form approved by the Board, showing the financial position and operations of the District for that quarter and year-to-date status. As a guideline the Clerk shall prepare and present to the Board detailed financial reports monthly whenever practicable. The Clerk shall prepare and present to the Board available financial and statistical information in any format reasonably requested by any Trustee.

2-639 ANNUAL FINANCIAL REPORTS

- 1) Within 180 days after the close of each fiscal year, the District shall prepare an annual financial report in conformity with generally accepted accounting principles as prescribed in the Uniform Accounting Manual for Special Districts. This requirement may be satisfied by presentation of the audit report furnished by the independent auditor. Copies of the annual financial report and the audit report furnished by the independent auditor shall be filed with the State Auditor, shall be submitted to member cities as described in Section 2-703 of the P&P, and shall be filed as a public document in the District's offices.

2-640 INDEPENDENT AUDIT

- 1) An independent annual audit shall be performed in conformity with Utah Code Ann. Title 51, Chapter 2a. The Finance Committee shall recommend actions to the Board regarding the hiring of an independent auditor, as described in P&P Section 1-14(1)(d)(vi). A request for proposal process will be used for the procurement of an independent auditor. At the end of the contract, the current auditor may be considered in the following request for proposal process. The term of the contract shall not exceed five (5) consecutive years. Accounting consulting services shall not be provided by the independent auditor.

2-641 DISTRICT MAY EXPAND UNIFORM PROCEDURES – LIMITATIONS

- 1) Utah Code Ann. § 17B-1-641 allows Special Districts to expand the uniform accounting, budgeting and reporting procedures prescribed in the Uniform Accounting Manual for Special Districts prepared by the state auditor under Subsection 67-3-1(13) to better serve the needs of the District. However, Special Districts may not deviate from or alter the basic prescribed classification systems for the identity of funds and accounts described in the Uniform Accounting Manual for Special Districts.

2-642 APPROVAL OF CONTRACTS AND EXPENDITURES

- 1) The approval of expenditures required under this Section of the P&P is in addition to requirements for proper budget appropriations, P&P Section 2-619 and 2-620, compliance with Procurement Regulations regarding the selection of providers of goods and services, Chapter 5 of the P&P, and requirements of P&P Section 2-635 regarding available unencumbered balances and monies on deposit before checks may be issued. The Board shall approve all District expenditures except as otherwise provided in this P&P Section or the resolution approving the budget.
- 2) Any authorized approval of a specific District contract includes approval of the expenditures that are properly payable by the District as described under that contract.
- 3) Except as otherwise instructed by the Board, the GM may approve:
 - a) payroll checks if consistent with a pay structure approved by the Board;

- b) contracts and expenditures relating to routine and non-routine operation and maintenance items not exceeding \$75,000;
 - c) budgeted capital items not exceeding \$75,000;
 - d) utility bills, payroll-related expenses, purchase of chemicals, purchase of software and renewals, health insurance premiums, risk insurance premiums, retirement contributions;
 - e) the issuance of District credit cards to be used by District employees for travel expenses and other routine expenditures; and
 - f) with the concurrence of the Chair before making such expenditure, budgeted O&M and capital items exceeding \$75,000 if the delay in procurement would impact the District's ability to receive good value and a reasonable price.
- 4) A list of all expenditures shall be provided to the Finance Committee at least quarterly for its review, as described in P&P Section 1-14(1)(d)(v).

2-643 IMPOSING OR INCREASING A FEE FOR SERVICE

- 1) Before imposing a new fee or increasing an existing fee for a service provided by the District, the Board shall first hold a public hearing at or after 6:00 p.m. at which any interested person may speak for or against the new fee or increased fee.
- 2) The notice of the public hearing shall comply with the requirements of the Open Meetings Act and Utah Code Ann. § 17B-1-643.
- 3) The date for the hearing shall not be less than 7 days after the first notice is published.
- 4) After holding a public hearing as described, the Board may impose the new or increased fee as described, adjust the amount of the new or increased fee and impose it as adjusted, or decline to impose the new or increased fee.

2-702 DISTRICT TO SUBMIT BUDGET

- 1) Within 30 days after the tentative budget is adopted and not less than 30 days before the Board adopts a final budget, the GM shall send a copy of the tentative budget and notice of the time and place for the public hearing to each constituent entity (defined by Utah Code Ann. § 17B-1-701(4) as any county, city or town that levies property taxes within the boundaries of the District) that has in writing requested a copy and each customer agency (defined by Utah Code Ann. § 17B-1-701(5) as governmental entities except school districts, institutions of higher education and federal government agencies that purchase or obtain services from the District) that has in writing requested a copy.

- 2) The tentative budget sent to such entities that request a copy in writing shall include a signature sheet for the designee of the entity to sign indicating that entity received the budget and has no objection to it. If such signature sheet is not returned to the District within 15 calendar days after the tentative budget is mailed, the GM shall send a written notice of the public hearing to each such entity that did not return the signature sheet and invite them to attend.
- 3) If requested to by any constituent entity or customer agency, the District shall schedule a meeting to discuss the budget with the constituent entity or customer agency.

2-703 DISTRICT TO SUBMIT AUDIT REPORT

- 1) Within 30 days after it is presented to the Board, the GM shall send a copy of any audit report to each constituent entity (defined by Utah Code Ann. § 17B-1-701(4) as any county, city or town that levies property taxes within the boundaries of the district) that has in writing requested a copy and each customer agency (defined by Utah Code Ann. § 17B-1-701(5) as governmental agencies, except school districts, institutions of higher education and federal government agencies, that purchase or obtain service from the District) that has in writing requested a copy.
- 2) Any constituent entity or customer agency that receives a copy of the audit report may schedule a meeting with the District to discuss the audit report and plans to implement suggestions made by the auditor.

2-704 COMMUNITY REINVESTMENT AGENCY AND SIMILAR ACTIVITY

- 1) The District may participate in Community Reinvestment Agency projects, and similar development and/or renewal projects, as governed by Title 17C, Utah Code Ann. In the event a proposed project has an impact upon the tax revenues of the District and allows for the discretionary participation of the District, the District will not participate in such project.