

**SPECIAL DISTRICT AND LOCAL DISTRICT
GOVERNING BODY ISSUES**

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: R. Mont Evans

AN ACT RELATING TO SPECIAL DISTRICTS AND LIMITED PURPOSE LOCAL GOVERNMENT ENTITIES; MODIFYING PROVISIONS RELATING TO THE COMPOSITION, OPERATION, AND COMPENSATION OF THE BOARD OF TRUSTEES OF SPECIAL DISTRICTS AND ENACTING SUCH PROVISIONS FOR LOCAL DISTRICTS; AND MAKING TECHNICAL CHANGES.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

- 17A-2-208**, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-210**, as last amended by Chapter 124, Laws of Utah 1996
- 17A-2-219**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-305**, as last amended by Chapter 154, Laws of Utah 1999
- 17A-2-308**, as last amended by Chapter 17, Laws of Utah 1997
- 17A-2-411**, as last amended by Chapter 368, Laws of Utah 1998
- 17A-2-506**, as last amended by Chapter 36, Laws of Utah 1997
- 17A-2-509**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-511**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-512**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-514**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-529**, as last amended by Chapter 322, Laws of Utah 1997
- 17A-2-530**, as last amended by Chapter 322, Laws of Utah 1997
- 17A-2-531**, as last amended by Chapter 365, Laws of Utah 1999
- 17A-2-532**, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-533**, as last amended by Chapter 30, Laws of Utah 1992
- 17A-2-534**, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-535, as last amended by Chapter 227, Laws of Utah 1993
17A-2-536, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-537, as last amended by Chapter 36, Laws of Utah 1997
17A-2-540, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-541, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-543, as last amended by Chapter 227, Laws of Utah 1993
17A-2-544, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-545, as last amended by Chapter 227, Laws of Utah 1993
17A-2-546, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-547, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-548, as last amended by Chapter 227, Laws of Utah 1993
17A-2-549, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-550, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-551, as last amended by Chapter 227, Laws of Utah 1993
17A-2-552, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-553, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-555, as last amended by Chapter 227, Laws of Utah 1993
17A-2-556, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-560, as last amended by Chapter 227, Laws of Utah 1993
17A-2-561, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-563, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-566, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-609, as last amended by Chapters 5 and 273, Laws of Utah 1991
17A-2-610, as last amended by Chapter 227, Laws of Utah 1993
17A-2-613, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-614, as last amended by Chapter 322, Laws of Utah 1997
17A-2-615, as last amended by Chapter 227, Laws of Utah 1993
17A-2-617, as last amended by Chapter 227, Laws of Utah 1993

17A-2-618, as last amended by Chapter 227, Laws of Utah 1993
17A-2-619, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-622, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-703, as last amended by Chapter 146, Laws of Utah 1994
17A-2-704, as last amended by Chapter 146, Laws of Utah 1994
17A-2-705, as last amended by Chapter 146, Laws of Utah 1994
17A-2-706, as last amended by Chapter 273, Laws of Utah 1991
17A-2-707, as last amended by Chapter 273, Laws of Utah 1991
17A-2-711, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-712, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-714, as last amended by Chapter 227, Laws of Utah 1993
17A-2-715, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-716, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-718, as last amended by Chapter 227, Laws of Utah 1993
17A-2-719, as last amended by Chapter 10, Laws of Utah 1997
17A-2-720, as last amended by Chapter 227, Laws of Utah 1993
17A-2-721, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-723, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-724, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-726, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-727, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-728, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-731, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-732, as last amended by Chapter 322, Laws of Utah 1997
17A-2-733, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-740, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-741, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-742, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-743, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-744, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-745, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-746, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-747, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-748, as last amended by Chapter 227, Laws of Utah 1993
17A-2-749, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-750, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-751, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-752, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-754, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-756, as last amended by Chapter 299, Laws of Utah 1995
17A-2-757, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-758, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-759, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-760, as last amended by Chapter 227, Laws of Utah 1993
17A-2-761, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-767, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-768, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-801, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-802, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-818, as last amended by Chapters 199 and 299, Laws of Utah 1995
17A-2-819, as last amended by Chapter 10, Laws of Utah 1997
17A-2-820, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-821, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-824, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-825, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-827, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-828, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-829, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-830, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-831, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-834, as last amended by Chapter 199, Laws of Utah 1995
17A-2-835, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-836, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-840, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-841, as last amended by Chapter 322, Laws of Utah 1997
17A-2-842, as last amended by Chapter 322, Laws of Utah 1997
17A-2-843, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-845, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-847, as last amended by Chapter 199, Laws of Utah 1995
17A-2-849, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-850, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-907, as last amended by Chapter 250, Laws of Utah 1999
17A-2-1016, as last amended by Chapter 365, Laws of Utah 1999
17A-2-1038, as last amended by Chapter 266, Laws of Utah 1997
17A-2-1039, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1040, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1044, as last amended by Chapter 227, Laws of Utah 1993
17A-2-1048, as last amended by Chapter 368, Laws of Utah 1998
17A-2-1049, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1050, as last amended by Chapter 298, Laws of Utah 1997
17A-2-1051, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1052, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1054, as renumbered and amended by Chapter 186, Laws of Utah 1990
17A-2-1056, as renumbered and amended by Chapter 186, Laws of Utah 1990

- 17A-2-1326, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-1402, as last amended by Chapter 5, Laws of Utah 1991
- 17A-2-1407, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1409, as last amended by Chapter 268, Laws of Utah 1997
- 17A-2-1412, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1413, as last amended by Chapter 299, Laws of Utah 1995
- 17A-2-1420, as last amended by Chapter 227, Laws of Utah 1993
- 17A-2-1425, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1437, as last amended by Chapter 152, Laws of Utah 1996
- 17A-2-1439, as last amended by Chapter 261, Laws of Utah 1996
- 17A-2-1440, as last amended by Chapter 261, Laws of Utah 1996
- 17A-2-1442, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1448, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1449, as renumbered and amended by Chapter 186, Laws of Utah 1990
- 17A-2-1454, as enacted by Chapter 67, Laws of Utah 1990
- 17A-2-1808, as enacted by Chapter 216, Laws of Utah 1995
- 17B-2-203, as enacted by Chapter 368, Laws of Utah 1998
- 17B-2-208, as enacted by Chapter 368, Laws of Utah 1998

ENACTS:

- 17B-2-401, Utah Code Annotated 1953
- 17B-2-402, Utah Code Annotated 1953
- 17B-2-403, Utah Code Annotated 1953
- 17B-2-404, Utah Code Annotated 1953
- 17B-2-405, Utah Code Annotated 1953
- 17B-2-406, Utah Code Annotated 1953

REPEALS:

- 17A-2-209, as last amended by Chapter 124, Laws of Utah 1996
- 17A-2-215, as last amended by Chapter 227, Laws of Utah 1993

17A-2-218, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-220, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-508, as last amended by Chapter 368, Laws of Utah 1998

17A-2-510, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-513, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1410, as renumbered and amended by Chapter 186, Laws of Utah 1990

17A-2-1411, as renumbered and amended by Chapter 186, Laws of Utah 1990

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 17A-2-208 is amended to read:

17A-2-208. Cemetery maintenance district board of trustees -- Appointment -- Other provisions applicable.

(1) ~~[There]~~ Each cemetery maintenance district shall be [three cemetery maintenance commissioners in each cemetery district who shall constitute the cemetery maintenance board] governed by a board of trustees.

(2) (a) The county legislative body shall appoint the first members of a cemetery maintenance [commissioners of the cemetery maintenance district] board of trustees according to the requirements of Title 17A, Chapter 1, Part 3.

(b) The certificate of appointment shall be filed with the clerk of the county legislative body.

~~[(3) Every cemetery maintenance commissioner shall take and subscribe the official oath, and shall file the oath with the county legislative body.]~~

(3) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each cemetery maintenance district to the same extent as if the cemetery maintenance district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (3)(b)(i) decreases the number of board members, the

change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 2. Section **17A-2-210** is amended to read:

17A-2-210. Appointments to fill.

[~~(+)~~] All vacancies on the cemetery maintenance board shall be filled by the county legislative body by following the procedures and requirements of Section 17A-1-303.

~~[(2) (a) The board members shall:]~~

~~[(i) assume their duties at noon on the first Monday in January;]~~

~~[(ii) serve without compensation, but be reimbursed for their actual and necessary expenses; and]~~

~~[(iii) take and subscribe to the official oath.]~~

~~[(b) The subscribed oath shall be filed with the county legislative body.]~~

Section 3. Section **17A-2-219** is amended to read:

17A-2-219. Acquisition and possession of property -- Legal title.

The legal title to all property acquired under the provisions of this part shall immediately and by operation of law, vest in such cemetery maintenance district and shall be held by such district in trust for and is dedicated and set aside to the uses and purposes set forth in this part. ~~[Said board is authorized and empowered to hold, use, acquire, manage, occupy and possess said property as herein~~

~~provided and to institute and maintain any and all actions and proceedings, suits at law or in equity or to enforce, maintain, protect or preserve any and all rights, privileges and immunities created by this part or acquired in pursuance thereof. In all courts, actions, suits or proceedings, the said board may sue, appear and defend, in person or by attorney and in the manner of such cemetery maintenance district.]~~

Section 4. Section **17A-2-305** is amended to read:

17A-2-305. Board of trustees -- Creation -- Appointment and election of members -- Qualifications.

(1) (a) Except as provided in Subsection (3), the governing body of each district created under this part, except a district that has boundaries that coincide with the boundaries of an incorporated municipality, shall consist of a board of trustees created as provided in this Subsection (1).

(b) (i) ~~[Whenever]~~ If a district is created that does not include property within the boundaries of an incorporated municipality, the county legislative body of the initiating county may, in the initial resolution creating the district, declare that the county legislative body of that county act as the trustees of the district.

(ii) When the county legislative body of the county is designated as the trustees of the district, they may:

(A) exercise all the powers, authority, and responsibility vested in the trustees under this chapter; and

(B) use any existing county offices, officers, or employees for the purposes of the district.

(iii) The county legislative body shall charge the district a reasonable amount for the services rendered to the district by the county officers, offices, and employees, other than the county legislative body, to the county treasurer for the general fund of the county.

(c) (i) At any time after creation of ~~[any]~~ a district under ~~[the provisions of this subsection]~~ this part, the county legislative body of the initiating county may by resolution determine that the interests of the district would be best served by the appointment of a board of trustees.

(ii) The trustees shall be appointed by the county legislative body according to the procedures

and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(d) The county legislative body shall hold an election for trustees as provided in Chapter 1, Part 3, Special District Board Selection Procedures, when:

(i) a petition requesting an election for trustees is filed with the county legislative body at least 30 days before the date set for a bond election or 90 days before the date set for the November municipal elections; and

(ii) the petition is signed by at least 10% of the people eligible to vote on a bond issue in ~~[any] the district [created under this part]~~.

(2) In the resolution creating the district, the county legislative body of the initiating county may appoint a board of trustees according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures, to serve until the election and qualification of the successors as provided in this part.

(3) (a) If the district is created for the purpose of providing electric service, the requirements of this Subsection (3) supersede any contrary provision in this part.

(i) The initial board of trustees may be appointed by the county legislative body until the election and qualification of successors as provided in this Subsection (3).

(ii) The board of trustees shall subsequently be elected by the persons using electricity within the district.

(iii) In addition to the qualifications enumerated in this section, each member of the board of trustees shall be a resident of the district and a user of electricity from the district.

(iv) The board of trustees may be elected according to geographic areas within the district.

(v) A municipality within the district is not entitled to automatic representation on the board of trustees.

(b) All proceedings that have taken place in connection with the organization of the board of trustees of an electric service district are considered valid and binding despite any failure to comply with the provisions of this section if the electric service district was created or purported to be created under this part before April 28, 1986.

(c) The county legislative body of the initiating county may, in the initial resolution creating

an electric service district, set the boundaries of the geographic areas which each trustee will represent [~~and the number of members who may serve on the board of trustees~~].

~~[(d) The board of trustees may not consist of less than three or more than nine members.]~~

(4) (a) (i) Each incorporated municipality that is contained entirely within, but does not coincide with, the boundaries of the district [~~may request the county legislative body to appoint to the board one member who is a resident of the municipality~~] shall be represented on the board as provided in this Subsection (4)(a).

(ii) The legislative body of [~~the~~] each municipality or, if municipalities are combined under Subsection (4)(a)(iii)(B), the legislative bodies of those combined municipalities, shall appoint [~~that~~] a member by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(iii) (A) [~~H~~] Except as provided in Subsection (4)(a)(iii)(B) and subject to Subsection 17B-2-402(1), if two or more incorporated municipalities are entitled to representation on the board of trustees, the number of members of the board of trustees shall be increased to the lowest odd number greater than the number of those municipalities.

(B) (I) If the number of municipalities plus the number of board members under Subsection (4)(b) exceeds nine, then, except as provided in Subsection (4)(a)(iii)(B)(II), the number of trustees shall be nine and the least populated municipalities shall be combined for purposes of representation to the extent necessary to result in nine trustees.

(II) Application of Subsection (4)(a)(iii)(B)(I) may not cause a municipality to lose its separate representation on the board until the end of the term of the board member who represents only that municipality.

~~[(B)]~~ (b) (i) Except as provided in Subsection (4)~~[(a)(iii)(C)]~~(b)(ii), the members of the board of trustees who are not appointed from a municipality under Subsections (4)(a)(i) and (ii) shall reside within the district but outside the boundaries of each municipality that has the right to appoint a member to the board of trustees.

~~[(C)]~~ (ii) Notwithstanding Subsection (4)~~[(a)(iii)(B)]~~(b)(i), if the population in the unincorporated part of the district is less than 5% of the total district population, the members of the

board of trustees who are not appointed from a municipality under Subsections (4)(a)(i) and (ii) shall be chosen from the district at large.

~~[(b)]~~ (c) (i) If the boundaries of the newly created district coincide with the boundaries of an incorporated municipality, the legislative body of the municipality shall be the board of trustees for the district.

(ii) When the municipal legislative body serves as the board of trustees:

(A) they shall maintain separate minutes, accounts, and other records of the affairs of the district;

(B) they may use the existing facilities and personnel of the municipality to administer district affairs;

(C) notwithstanding Subsections 17B-2-403(1) and (2), their terms coincide with their terms as officials of those municipalities; and

(D) they represent the district at large.

~~[(c)]~~ (d) If there is no elected board of trustees for the unincorporated county at the time of the first bond election, election of members of the board of trustees who are not appointed as representatives of municipalities shall be held at the time the bond election is held.

~~[(d)]~~ (e) Candidates for election to the board of trustees shall be taxpayers and qualified voters in the district.

~~[(e)]~~ (f) Subject to Subsection (4)~~[(a)(iii)(C)]~~ (b)(ii), a registered voter in the district outside of an incorporated municipality that has the right to appoint a member to the board of trustees may file a signed statement announcing as a candidate to be one of the first elected trustees of the district with the county clerk within 30 days after the board of trustees has entered an order calling the bond election, but not less than 15 days before the election.

~~[(f)]~~ (g) The board of trustees, in calling the bond election, shall provide a separate ballot, if required, that contains the names of the candidates and blanks in which the voters may write in additional names.

~~[(g)]~~ (h) Each voter at the election may vote for three persons, or a lesser number qualified to represent the area outside the corporate limits of any incorporated municipality that has the right

to appoint a member to the board of trustees, if some members of the board of trustees of the improvement district are appointed by a municipality or incorporated area.

~~[(h)]~~ (i) The three persons, or a lesser number qualified as provided in this section, receiving the highest number of votes at the election are members of the board of trustees, together with those members appointed by an incorporated municipality.

~~[(i)]~~ (j) As a member of the board of trustees, each representative may vote on all questions, orders, resolutions, and ordinances coming before the board.

~~[(j)]~~ (i) ~~The members of the first board of trustees shall serve for two and four year terms from the first Monday of the next January following the first election held in the district.]~~

~~[(ii)]~~ Initial terms shall be selected by lot, and shall be apportioned so that, as nearly as possible, 1/2 of the board will serve for two years and 1/2 for four years.]

~~[(k)]~~ After the first election, except for appointments made to fill unexpired terms, the term of each member shall be four years and until his successor is elected and qualified.]

~~[(H)]~~ (k) In voting on the election of trustees, all qualified voters in the district outside the corporate limits of any incorporated municipality that has the right to appoint a member to the board of trustees may vote.

~~[(m)]~~ (l) Following the election or appointment of the first trustees, any elected trustee shall be elected according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

~~[(n)]~~ Each trustee shall:]

~~[(i)]~~ take office on the first Monday of the January after his election;]

~~[(ii)]~~ take the oath of office; and]

~~[(iii)]~~ give the bond required by law for members of the county legislative body.]

~~[(o)]~~ The trustees initially appointed shall:]

~~[(i)]~~ meet immediately after their appointment;]

~~[(ii)]~~ qualify as trustees;]

~~[(iii)]~~ elect one of their members as chairman; and]

~~[(iv)]~~ appoint a clerk and a treasurer.]

(5) This section is subject to the provisions of Section 17A-2-327.

Section 5. Section **17A-2-308** is amended to read:

17A-2-308. Board of trustees -- Other provisions applicable -- No compensation to county legislative body -- Audit -- Budget.

~~[(1) (a) Except for the levy of taxes, and for the powers and duties expressly vested in the county legislative body in this part, the board of trustees shall exercise all powers and duties in the operation of the properties of the district as are ordinarily exercised by the governing body of a political subdivision.]~~

~~[(b) The board of trustees shall:]~~

~~[(i) fix its domicile;]~~

~~[(ii) set a regular meeting time;]~~

~~[(iii) select and have an official seal made; and]~~

~~[(iv) either require all officers and employees who are charged with the handling of any district funds to provide surety bonds or provide a blanket surety bond to cover all those officers and employees.]~~

~~[(c) The board of trustees may:]~~

~~[(i) adopt regulations and bylaws for the orderly operation of the district;]~~

~~[(ii) employ agents and employees for the operation of the properties of the district;]~~

~~[(iii) sue and be sued;]~~

~~[(iv) enter into all contracts for the benefit of the district; and]~~

~~[(v) generally do all things and perform or cause to be performed all acts that are necessary or desirable in the conduct of its affairs and in the operation of the properties of the district.]~~

~~[(2) (a) Except as provided in Subsection (b), each trustee shall receive total compensation of not more than \$2,500 per year, as determined by the board of trustees.]~~

(1) (a) Except as provided in Section 17A-2-327, the provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each county improvement district to the same extent as if the county improvement district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with

the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (1)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

~~[(b)]~~ (2) When the county legislative body acts as the board of trustees, they may not receive any compensation.

~~[(c) The district shall reimburse the trustees for actual and necessary traveling and other expenses incurred in the performance of their duties.]~~

~~[(3) (a) At any meeting of the board, the presence of the trustees entitled to cast a majority of all votes entitled to be cast by the entire board of trustees is necessary for a quorum.]~~

~~[(b) All meetings of the board are public.]~~

~~[(c) The clerk shall keep a proper record of all proceedings of the board, which is open to public inspection.]~~

~~[(d)]~~ (3) The accounts of the district are subject to periodic audits provided by law for the auditing of county accounts.

(4) The board of trustees shall annually prepare and adopt a budget by following the

procedures and requirements of Title 17A, Chapter 1, Part 4, Uniform Fiscal Procedures for Special Districts Act.

Section 6. Section **17A-2-411** is amended to read:

17A-2-411. Board of trustees -- Selection procedures -- Surety bonds -- Other provisions applicable.

(1) Each service area authorized under this part shall be governed by a board of trustees [~~consisting of three or more members created as provided in this section~~].

(2) (a) Upon the creation of a county service area, the county legislative body may adopt an ordinance declaring that the county legislative body of the county shall act as the trustees of the service area.

(b) Upon passage of the ordinance, the county legislative body of the county shall act as trustees of the service area with all the powers, authority, and responsibility vested in the trustees under this part.

(c) (i) The county legislative body, when acting as trustees, may use any existing county offices, officers, or employees for the purposes of the service area.

(ii) The county legislative body shall charge costs of those services to the service area and require them to be paid to the county treasurer for the general fund of the county.

(3) At any time after the creation of a board of trustees as provided in Subsection (1), if no elected board has been established as provided in this section, the county legislative body of the county in which the service area is located may:

(a) by ordinance, delegate its powers to an appointed or elected board of trustees as provided in Chapter 1, Part 3, Special District Board Selection Procedures; and

(b) provide for the appointment or election of the board by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(4) At any time after the creation of a board of trustees as provided in Subsections (2) and (3), the county legislative body shall hold an election for trustees by following the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures, if:

(a) the county legislative body receives a petition requesting that an election for trustees be

held that is:

(i) signed by at least 10% of persons eligible to vote in an election in a service area authorized under this part; and

(ii) filed with the county legislative body at least 30 days before the date set for a bond election or 90 days before the date set for any municipal election; or

(b) territory located within a municipality is annexed into the county service area under Section 17A-2-417.

(5) (a) If there is no elected board of trustees at the time of the first bond election, trustees shall be elected in conjunction with that bond election.

(b) Candidates for election to the board of trustees shall be taxpayers and qualified voters in the service area.

(c) At any time within 30 days after the county legislative body has called a bond election, but not less than 15 days before the day of election, any person who is qualified to vote in the service area may file a signed statement with the county clerk announcing the person's candidacy to be one of the first elected trustees of the service area.

(d) The board of trustees shall provide a ballot separate from the bond ballot that contains the names of the candidates and blanks in which the voters may write in additional names.

(e) A voter at the election may vote for the number of trustee positions to be filled.

(f) The persons receiving the highest number of votes at the election are members of the board of trustees.

~~[(6) (a) Members of the first board of trustees shall serve for two and four year terms, beginning on the first Monday in January after the election.]~~

~~[(b) Initial terms shall be selected by lot and shall be apportioned so that, whenever possible, equal numbers of the board will serve for two years and four years.]~~

~~[(c) After the first election, except for appointments made to fill unexpired terms, the term of each member is four years.]~~

~~[(7)]~~ (6) (a) Each member of the board of trustees may vote on all questions, orders, resolutions, and ordinances coming before the board.

(b) ~~[Each trustee shall receive total compensation of not more than \$2,500 per year as determined by the board of trustees, except that when]~~ Notwithstanding Section 17B-2-404, if the county legislative body acts as the board of trustees, no compensation may be paid to them as trustees.

(c) Each trustee who is also a member of the county legislative body shall take the oath of office and shall give the bond that is required by law for members of the county legislative body.

~~[(d) All laws pertinent to the giving and filing of oaths and bonds for members of the county legislative body apply to the trustees.]~~

~~[(e) Trustees who are not members of the county legislative body shall take the oath of office and shall give a bond in the amount, and with the sureties, prescribed by the county legislative body.]~~

~~[(8)]~~ (7) All qualified voters in the service area may vote in elections to select trustees and in elections to approve the issuance of bonds.

~~[(9)(a)]~~ (8) Following the election or appointment of the first trustees, each elected trustee shall be elected according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

~~[(b) Each trustee shall take office on the first Monday in January following the trustee's election.]~~

~~[(10) Within a reasonable time after their appointment, the trustees shall meet and elect one of their members as chairman and shall appoint a clerk and a treasurer, or a clerk-treasurer.]~~

~~[(H)]~~ (9) Each vacancy of an elected trustee in office shall be filled according to the procedures and requirements of Chapter 1, Part 3, Special District Board Selection Procedures.

(10) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each county service area to the same extent as if the county service area were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (10)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 7. Section **17A-2-506** is amended to read:

17A-2-506. Corporate status -- Board of supervisors.

(1) A drainage district is a body corporate and politic with the right to sue and be sued, to have perpetual succession, and to adopt and use a corporate seal.

(2) The board of [~~supervisors~~] trustees shall lay out and construct the work found by the county legislative body, in connection with its review of the original petition proposing organization of the drainage district, to be necessary or useful for the drainage of lands in the district, and shall levy a tax upon the lands in the drainage district, subject to the approval of the county legislative body, as provided in this part.

(3) The board of [~~supervisors~~] trustees and their successors in office shall[~~-(a)~~] constitute the corporate authorities of the drainage district[~~;~~].

[~~(b) exercise the functions conferred upon them by law;~~]

[~~(c) be entitled to enter immediately upon the duties of their respective offices upon qualifying in accordance with law; and~~]

[~~(d) hold such offices, respectively, until their successors are appointed and have qualified.~~]

(4) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each drainage district to the same extent as if the drainage district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (4)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 8. Section **17A-2-509** is amended to read:

17A-2-509. Board to appoint engineer -- Contract with United States -- Eminent domain -- Power to obtain water.

~~[Within 30 days after their appointment and qualification, the supervisors shall meet and organize as a board, and elect a president, a secretary and a treasurer from among their own number. Each of such officers shall hold office during the pleasure of the board. The board of supervisors]~~

(1) The board of trustees shall appoint a competent engineer and fix [his compensation and shall have power to adopt a code of bylaws governing the conduct of the business and affairs of the

~~district as a corporation in connection with its association with individuals and corporations in and outside of the district, and regulating the use by outsiders of its drainage system. It shall also have the power to make and execute all necessary contracts, to employ and appoint such agents, officers and employees as may be required, prescribe their duties, and generally to perform such acts as shall be necessary fully to carry out the purposes of this part. The board shall also have power to invest the funds accumulated for the purpose of retiring bonds, in government bonds, bonds of the state of Utah, or of the public schools of Utah. The board shall also have power to] the engineer's compensation.~~

(2) The board may enter into any obligation or contract with the United States under any act of Congress now enacted, or which may hereafter be enacted, and the rules and regulations established thereunder, for the construction or operation and maintenance of the drainage system, or any drainage works, or for the assumption as principal or guarantor of indebtedness to the United States on account of district lands.

(3) The board and its agents and employees [~~shall likewise have the right to~~] may enter upon any lands to make surveys, and may locate the necessary drainage canal or canals, and the necessary branches of the same, on any lands which may be [~~deemed~~] considered best for such location. [~~It shall have the right~~]

(4) The board may also [~~to~~] acquire, on behalf of [~~said~~] the district, by purchase or condemnation or other legal means, all lands and other property necessary for the construction, use, maintenance, repair, and improvement of [~~said~~] a canal or canals, drains and works constructed (including canals, drains, or drain ditches being constructed) by private owners, and all necessary appurtenances.

(5) In case of necessity for condemnation proceedings the board shall proceed in the corporate name of the district under the provisions of the law relating to eminent domain.

(6) Drainage districts organized under the provisions of this part may appropriate water for useful and beneficial purposes, may regulate and control, for the benefit of the landholders within the district, all water developed, appropriated, or owned by it, and may appropriate, use, purchase, develop, sell and convey water and water rights in the same manner and for the same use and

purposes as any corporation, association, or person.

Section 9. Section **17A-2-511** is amended to read:

17A-2-511. Duties of secretary.

~~[It shall be the duty of the]~~

The secretary [to] shall:

(1) attend meetings of the board[,-to];

(2) keep an accurate journal of its proceedings[,-to];

(3) have the care and custody of its records and papers not otherwise provided for[,-to]; and

(4) countersign warrants drawn upon the treasurer[,-and to prepare and submit to the board

an annual statement, under oath, of receipts and disbursements during the year ending December 31.

~~The secretary shall receive for his services such compensation as the board of supervisors may determine].~~

Section 10. Section **17A-2-512** is amended to read:

17A-2-512. Qualification and duties of treasurer.

~~[The treasurer shall subscribe to the oath of office, and when required by the board of supervisors shall give a bond to the district with sufficient sureties and in such sum as the board may require, the oath and bond to be approved by the board and filed with its secretary.-] The treasurer shall prepare and submit in writing to the board an annual and a monthly report of receipts and disbursements, and pay out money only upon a warrant signed by the [president] chair, and countersigned by [the secretary. He] another officer other than the treasurer. The treasurer shall likewise perform such other duties as the board may require[,-and shall receive for his services an amount to be determined by the board].~~

Section 11. Section **17A-2-514** is amended to read:

17A-2-514. Employment of assistants.

The board of ~~[supervisors]~~ trustees may employ such clerks and assistants as may be necessary.

Section 12. Section **17A-2-529** is amended to read:

17A-2-529. Procedure for annexation -- Petition -- Appeals by persons aggrieved --

Recordation and filing of order.

(1) A contiguous area lying contiguous to a drainage district may be annexed to the drainage district as provided in this section.

(2) Annexation proceedings may be initiated by a petition filed with the clerk of the county:

(a) in which the drainage district is located, if within one county; or

(b) in which the greatest portion of the drainage district is located, if within more than one county.

(3) The petition under Subsection (2) shall be:

(a) signed by 2/3 of the owners of real property in the area proposed to be annexed and the owners of at least 2/3 of the total land area within the area; and

(b) accompanied by an accurate plat or map of the area proposed to be annexed.

(4) Upon receipt of a petition under Subsection (2), the county clerk shall deliver the petition to the county legislative body.

(5) (a) Except as provided in Subsection (10), at its next regular meeting after receipt of the petition the county legislative body shall fix a time and place for the hearing of the petition.

(b) (i) Except as provided in Subsection (10), the county legislative body shall give notice of the hearing by:

(A) serving a copy of the notice, map, and petition upon the board of [~~supervisors~~] trustees of the drainage district at least 15 days prior to the time set for the hearing; and

(B) publishing the notice at least once each week for two consecutive weeks in a newspaper having general circulation in the county or counties in which such drainage district is situated.

(ii) The first publication of the notice under Subsection (5)(b)(i) shall not be less than 15 days nor more than 30 days prior to the date set for the hearing.

(iii) The notice shall state generally the nature of the petition, the purpose of the hearing, the time and place when the county legislative body shall hear the petition, and that any owner of real property within the drainage district may appear and oppose the petition.

(6) (a) At the hearing of the petition:

(i) the petitioners or any interested party may appear in support of the petition;

(ii) the board of [~~supervisors~~] trustees or any landowner within the drainage district may appear and oppose the petition; and

(iii) the petitioners and contestants may offer any competent evidence in regard to the petition.

(b) The county legislative body may adjourn the hearing from time to time not exceeding four weeks.

(c) The county legislative body shall:

(i) hear and determine whether the petition contains the signatures of 2/3 of the owners of real property within the area sought to be annexed and the owners of at least 2/3 of the total land area within the area sought to be annexed; and

(ii) hear all competent evidence offered for or against the petition.

(7) (a) If the county legislative body, after hearing all competent evidence offered for and against the petition, finds that the petition has not been signed as required in this section, or that it would be inequitable to the landowners within the drainage district to permit such annexation, the county legislative body shall dismiss the petition at the cost of the petitioners.

(b) If the county legislative body finds that the petition has been signed as required in this section and that the annexation will not be inequitable to the landowners within the drainage district, the county legislative body shall so find.

(c) After hearing all of the evidence offered for or against the petition, the county legislative body shall determine whether or not the area shall be annexed to the drainage district and shall so order.

(d) The county legislative body's findings and order shall be conclusive upon the owners of real property within the area that they have assented to the inclusion of their property within the boundaries of the drainage district and that they have accepted all the provisions of this part.

(e) (i) Except as provided in Subsection (7)(e)(ii), the county legislative body, in making an order annexing an area to the drainage district, may make such changes in the proposed new boundaries of the drainage district caused by the annexation as the county legislative body considers proper.

(ii) Notwithstanding Subsection (7)(e)(i), the county legislative body may not modify the new boundaries so as to exclude any land included in the new boundaries which is susceptible to drainage by the system of drainage works applicable to the other lands annexed to the district pursuant to the petition.

(8) (a) Any person aggrieved by an order of annexation may, at any time within 30 days after the entry of the order, appeal to the district court of the county in which the district is situated.

(b) The procedure in an appeal shall conform to the Civil Code as nearly as may be.

(9) (a) The county legislative body shall:

(i) cause a copy of the order of annexation, duly certified, to be filed for record in the office of the county recorder of each county in which any portion of the annexed area is situated; and

(ii) immediately file a copy of the order of annexation with the county clerk of each county in which any portion of the district lies.

(b) Upon the recording and filing of the order of annexation, the area annexed shall be a part of the drainage district.

(10) (a) Notwithstanding Subsections (5), (6), and (7), the county legislative body shall order the area annexed to the drainage district if:

(i) the petition filed under Subsection (2) contains the signatures of all the owners of real property within the area proposed to be annexed; and

(ii) the county legislative body determines that the petition is supported by the board of [~~supervisors~~] trustees of the drainage district.

(b) The determination of owners under Subsection (10)(a)(i) shall be according to the last assessment roll for county taxes completed prior to the filing of the petition under Subsection (2).

Section 13. Section **17A-2-530** is amended to read:

17A-2-530. Viewing of annexed land by board of trustees -- Assessment for taxation -- Board of equalization -- Hearing -- Notice -- Lien for taxes.

(1) The board of [~~supervisors~~] trustees shall, as soon as practicable after the recording of the order of annexation:

(a) view each tract of land so annexed to the district;

(b) carefully consider all the damages and benefits that each particular tract of land shall receive from the annexation to the drainage district and from the construction and maintenance of such drainage system; and

(c) assess each tract of land in accordance with the benefits to be received by it, making proper allowance for damage, if there be any.

(2) After the assessment under Subsection (1) is made, the secretary of the board of [~~supervisors~~] trustees shall transmit the assessment to the county legislative body.

(3) (a) The county legislative body shall:

(i) at its next regular meeting fix a time and place where it shall sit as a board of equalization and equalize and determine the benefits and taxes to be assessed against the land; and

(ii) except as provided in Subsection (3)(b), publish a notice of the board of equalization hearing at least once each week for two consecutive weeks in a newspaper having general circulation in the county or counties where the drainage district is situated.

(b) If the annexation resulted from a petition signed by all the owners of real property within the annexed area whose addresses were included in the petition, the county legislative body may, in lieu of the notice under Subsection (3)(a)(ii), give notice of the board of equalization hearing by mailing a copy of the notice to each owner of real property at the address stated in the petition.

(c) (i) The first publication of the notice required under Subsection (3)(a)(ii) shall not be less than 15 days or more than 30 days prior to the date of the hearing.

(ii) If the residence or post office address of an owner of the lands so annexed is known, the county clerk shall cause a copy of the notice and a copy of the proposed benefits to be sent by United States mail to the landowner at least 15 days prior to the time fixed for the hearing.

(d) The notice shall state generally the purpose of the hearing and the time and place where the county legislative body shall meet as a board of equalization to hear and determine any complaint against the assessments.

(4) (a) The county legislative body, at the time and place stated in the notice, shall sit as a board of equalization and shall make and determine the benefits to be assessed against each tract of annexed land.

(b) The assessment of benefits shall be added to and made a part of the benefit assessment roll of the drainage district, and thereafter:

(i) all such lands, easements, or interests in land shall be assessed in accordance with the assessment roll; and

(ii) such assessment roll of benefits and taxes shall be the basis of a lien upon the parcels of land or interest in land as thus equalized for all district purposes and indebtedness.

Section 14. Section **17A-2-531** is amended to read:

17A-2-531. Bids for construction -- Contracts -- Payment and performance bonds -- Retainage.

(1) After adopting a plan and making an estimate of the cost of any drainage canal or canals, drains, drain ditches, and works, the board of [~~supervisors~~] trustees shall give notice by publication for at least 20 days in at least one newspaper published or having a general circulation in each of the counties comprising the district, and in any other publication they deem advisable, calling for bids for the construction of such work or of any portion of it. If less than the whole work is advertised, then the portion so advertised shall be particularly described in such notice. Such notice shall state:

(a) that plans and specifications can be seen at the office of the board of [~~supervisors~~] trustees;

(b) that the board of [~~supervisors~~] trustees will receive sealed proposals for the work;

(c) that the contract will be let to the lowest responsible bidder; and

(d) the time and place appointed for opening bids. The bids shall be opened in public, and as soon as convenient thereafter the [~~supervisors~~] trustees shall let the work, either in portions or as a whole, to the lowest responsible bidder, or they may reject any or all bids. Contracts for the purchase of material shall be awarded to the lowest responsible bidder. Any person or persons to whom a contract is awarded shall provide the board with bonds under Sections 14-1-18 and 63-56-38. The work shall be done under the direction and to the satisfaction of the engineer, and subject to the approval of the board of [~~supervisors~~] trustees. This section does not apply in the case of any contract with the United States.

(2) If any payment on a contract with a private contractor for the construction of works

under this section is retained or withheld, it shall be retained or withheld and released as provided in Section 13-8-5.

Section 15. Section **17A-2-532** is amended to read:

17A-2-532. Debt limitation.

The board of [~~supervisors~~] trustees or other officers of the district shall have no power to incur any debt or liability whatever, either by issuing bonds or otherwise, in excess of the express provisions of this part. A debt or liability incurred in excess of provisions of this part shall be and remain absolutely void, except that for the purposes of organization or for the purposes of this part the board of [~~supervisors~~] trustees may, before the collection of the first annual taxes, cause warrants of the district to issue, bearing interest not exceeding 8% per annum. The limit of the fund for such purposes shall be an amount the equivalent of an average of \$1.50 per acre throughout the district, and it shall be the duty of the board of [~~supervisors~~] trustees, in the preparation of the first annual budget, to make provision for the payment of all such warrants and the interest thereon. To meet such expenses, or to cover delinquencies in any annual tax, or in anticipation of the collection of taxes, the board of [~~supervisors~~] trustees may incur indebtedness by borrowing money or otherwise, not exceeding the taxes for the current year, and as evidence of such indebtedness may issue warrants or negotiable notes of the district payable in not more than one year from date thereof, and bearing interest not exceeding 8% per annum. Any such indebtedness permitted by this section shall in no sense be the personal obligation of the board of [~~supervisors~~] trustees, but shall constitute a lien upon the lands embraced within [~~said~~] the drainage district until paid.

Section 16. Section **17A-2-533** is amended to read:

17A-2-533. Board to report -- Public hearing -- Removal from office for failure --

Notices.

(1) The board of [~~supervisors~~] trustees shall report as required in Title 17A, Chapter 1, Part 5, Submission of Budgets and Audit Reports.

(2) (a) After filing the report, the board of [~~supervisors~~] trustees shall:

(i) call an annual meeting of the owners of land in the district; and

(ii) give notice of the time and place of the meeting by posting notices in four different public

places within the district at least ten days before the holding of the annual meeting.

(b) The board shall:

- (i) hold the annual meeting at the time and place stated in the notice;
- (ii) present the budget and a report of the district's operation; and
- (iii) conduct any other business.

(c) The [~~president~~] chair of the board of [~~supervisors~~] trustees shall act as [~~chairman~~] chair of the annual meeting.

Section 17. Section **17A-2-534** is amended to read:

17A-2-534. Public uses -- Right of entry on lands -- Prohibitions.

(1) The use of any canal, ditch, or the like, created under the provisions of this part, shall be [~~deemed~~] considered a public use and for a public benefit.

(2) (a) The [~~supervisors~~] trustees or their representatives from the time of their appointment may go upon the lands lying within [~~said~~] the district for the purpose of examining the same, and making surveys, and after the organization of [~~said~~] the district and payment or tender of compensation allowed, may go upon [~~said~~] those lands with their servants, teams, tools, instruments, or other equipment, for the purpose of constructing such proposed work, and may forever thereafter enter upon [~~said~~] those lands[~~, as aforesaid,~~] for the purpose of maintaining or repairing such proposed work, doing no more damage than the necessity of the occasion may require[~~, any~~].

(b) Any person or persons who [~~shall~~] willfully [~~prevent or prohibit~~] prevents or prohibits any of such persons from entering such lands for the purpose [~~aforesaid~~] stated in Subsection (2)(a) shall be [~~deemed~~] considered guilty of a misdemeanor and upon conviction be fined any sum not exceeding \$25 per day for each day's hindrance, which sum shall be paid into the county treasury for the use of [~~said~~] the district.

Section 18. Section **17A-2-535** is amended to read:

17A-2-535. Validation of organization proceedings -- Notice of proposed corrections, amendments, or changes in assessment of benefits -- Hearing by county legislative body of report of board of supervisors -- Board of equalization -- Increase of drainage benefits and taxes -- Lien.

Whenever it ~~[shall appear]~~ appears to the board of ~~[supervisors]~~ trustees that any proceedings for the organization of a drainage district have not been strictly in compliance with law, or if any lands within the district have been erroneously assessed for benefits or taxes, or inequitably assessed for benefits or taxes, or that any assessment of damages or benefits under this part has been made in error as to description, ownership, or acreage intended to be assessed, or if it ~~[shall appear]~~ appears to such board of ~~[supervisors]~~ trustees that the assessment of benefits has been inequitably distributed among the various parcels of land, or unjustly equalized as between the various parcels of land within the district, or that any tract of land, easement or interest in land, public, or private road, railroad or railroad right-of-way, has been included in, or omitted from, any assessment roll of benefits or taxes by reason of clerical error or otherwise, or that proper notice or notices as required by law has not or have not been given, such noncompliance, error, omission or want of notice shall not invalidate such organization, neither shall any such assessments of benefits or taxes be lost to the district in case of any omission, nor shall the board of ~~[supervisors]~~ trustees and the county legislative body be held to have lost jurisdiction to correct such error or omission, or to readjust such assessments of benefits or to redistribute such assessment of benefits upon the various parcels of land and interest in lands within such district, and to justly equalize the same as between various parcels of land and interest in lands within the district, but the board of ~~[supervisors]~~ trustees of such district may report any such conditions and recommend such corrections and changes as such board of ~~[supervisors may deem]~~ trustees considers necessary to remedy the same; and upon receiving such report and recommendation the ~~[said]~~ county legislative body may make such corrections, amendments or changes in the assessment rolls of benefits and taxes, or correct any error, omission, mistake, inequality or want of sufficient notice, as may be just; provided, that when any correction, amendment or change is sought to be made, notice of such proposed correction, amendment or change in the assessment of benefits and taxes shall be given to all persons affected thereby, in the following manner:

The board of ~~[supervisors]~~ trustees of the drainage district shall file with the clerk of the county legislative body of the county wherein the drainage district is located, a verified report containing the proposed corrections, amendments, and/or changes in the assessments of benefits and taxes with their recommendation with respect thereto, to the county legislative body. The county

legislative body shall, at its first meeting thereafter, fix a time and place for a hearing on [said] the report and shall cause a notice of the hearing thereon to be published three times if in a daily newspaper, twice if in a semiweekly newspaper and once if in a weekly newspaper, not less than 15 days before [said] the hearing, and when the residence or post-office address of any landowner, whose assessment of benefits or taxes is to be corrected, amended or changed is known the clerk of the county legislative body shall cause a copy of the notice to be sent by United States mail to such landowner, not less than 15 days before the time fixed for the hearing on the report. The notice shall state generally the purpose of the hearing and the time and place where the county legislative body shall meet as a board of equalization to hear and determine any complaint made against such report, corrections, amendments and changes in the assessment roll of benefits and taxes.

The county legislative body at the time and place fixed in the notice shall sit as a board of equalization and it shall make and finally determine such corrections, amendments and changes in the roll of assessment of benefits and taxes, as it shall determine after such hearing, and thereafter all such lands, easements or interest in lands shall be assessed in accordance with the assessment roll as thus corrected, amended, or changed; and such changed assessment roll of benefits and taxes shall be the basis of lien upon the parcels of land or interest in land, as corrected, amended or changed, for all district indebtedness. Whenever it shall be made to appear to the board of [supervisors] trustees of the drainage district that any owner or operator of any land within the drainage district has so changed the use of such land so as to increase the benefits received by such land by reason of the construction, maintenance, and operation of the drainage system, the board of [supervisors] trustees of the drainage district shall view each tract of such land and shall carefully consider the increased benefits such tract of land is receiving from the construction, maintenance and operation of the drainage system and shall assess such tract of land in accordance with the increased benefits received by it. After such assessment is made, the secretary of the board of [supervisors] trustees shall transmit the same to the county legislative body and the county legislative body shall within 15 days after receipt thereof, cause not less than 15 days notice to be sent by mail to each landowner in the district whose benefits have thus been increased, showing the amount of the benefits as thus increased on the land owned by the landowner within the district; and stating therein the time and place where the

county legislative body shall meet as a board of equalization to hear and determine complaints made against such increased assessments. At such hearing any landowner upon whose lands the benefits are thus increased may appear and oppose such increase or any part thereof. The county legislative body shall sit as a board of equalization of the increased drainage benefits and taxes, and shall equalize and determine the assessment of benefits and taxes to be made and levied upon such tract of land within the district. Such increased assessment of benefits shall be the basis of a lien upon such lands within the district for all district indebtedness and taxes.

Section 19. Section **17A-2-536** is amended to read:

17A-2-536. Compensation -- Conflict of interest -- Penalties.

Any engineer employed under the provisions of this part shall receive such compensation as shall be fixed and determined by the board of ~~[supervisors. Each member of the board of supervisors shall receive as compensation a sum not to exceed \$6 per diem and actual expenses incurred in the performance of his duty]~~ trustees. The salaries and all costs and expenses of the district shall be paid by the order of the board of ~~[supervisors]~~ trustees out of the district treasury from drainage funds collected for that purpose upon warrants drawn by the secretary and signed by the ~~[president. No supervisor]~~ chair. No trustee or any officer named in this part shall in any manner be financially interested directly or indirectly in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom; nor shall receive any bond, gratuity or bribe; and for any violation of this provision such officer shall be ~~[deemed]~~ considered guilty of a felony and upon conviction therefor ~~[he]~~ shall forfeit ~~[his]~~ the officer's office and be punished by a fine not exceeding \$5,000, or by imprisonment in the penitentiary for a term of not less than one or more than five years.

Section 20. Section **17A-2-537** is amended to read:

17A-2-537. Appointment of trustee -- Vacancy -- No more than two trustees from same county in multicounty district.

(1) The county legislative body shall appoint ~~[supervisors]~~ trustees and fill vacancies by following the procedures and requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

(2) If the lands in the drainage district are situated in different counties, not more than two

of the members of the board of [~~supervisors~~] trustees shall be from any one of those counties.

Section 21. Section **17A-2-540** is amended to read:

17A-2-540. Right-of-way -- Highways and railroads may be assessed -- Assessment of governmental units.

(1) The board of [~~supervisors shall have the right to~~] trustees may use any part of the right-of-way of any public highway, road or street, for the purpose of the work to be done, provided such use will not permanently destroy or materially impair such public highway, road or street for public use[~~; and if~~].

(2) (a) If in the judgment of the board of [~~supervisors~~] trustees any public highway, road or street, or any railroad right-of-way or any part of the same is or will be [~~benefited~~] benefitted by the drainage canals and works to be constructed[~~;~~]:

(i) or that have been constructed, benefits and taxes shall be assessed and equalized against such public highway, road, street, or railroad right-of-way in the same manner as against lands in private ownership within the district and such public highways, roads and streets and railroad rights of way are in all respect subject to the provisions of the drainage laws of this state; and

(ii) the state, county, city or town having control of such public highway, road or street or the owner of such railroad right-of-way shall pay the taxes assessed and equalized against the same irrespective of whether or not it owns the fee simple title to the land covered by such highway, road or street, or railroad right-of-way[~~; provided however that~~].

(b) Notwithstanding Subsection (2)(a), the state shall not be required to pay any such taxes for the years prior to 1955.

Section 22. Section **17A-2-541** is amended to read:

17A-2-541. Bridges and culverts across highways and railroads.

(1) The board of [~~supervisors is hereby authorized and empowered to~~] trustees may make all necessary bridges and culverts across or under any public highway or railroad right-of-way, to enable it to construct and maintain any canal, drain, or ditch necessary to be constructed as a part of the drainage system of such district, such bridges or culverts to be paid for by the drainage district[~~; provided, however, that~~].

(2) (a) Before the board exercises the power granted in Subsection (1), notice shall first be given by such board of [~~supervisors~~] trustees to railway authorities empowered to build or construct bridges and culverts, and the railway company shall be allowed 30 days to build such bridges or culverts, at its own expense, if it should so desire, according to its own plans[~~; provided, that such~~].

(b) Such bridges or culverts shall be [~~so~~] constructed by railway authorities so as not to interfere with the free and unobstructed flow of water, passing through the canal or drain, and shall be placed at such points as are indicated by the drainage engineer.

Section 23. Section **17A-2-543** is amended to read:

17A-2-543. Contractual powers -- Bond issues -- Elections -- Limitations -- Uses.

Whenever the board of [~~supervisors deem~~] trustees considers it expedient it shall have power, for the purpose of constructing drains, drainage canals and other required improvements necessary to drain lands in [~~said~~] the district or conserve the public health or welfare, to make a contract or contracts with the United States providing for the repayment of the principal and such other sums due thereunder at such times as may be agreed upon, or to issue bonds of the district to run not less than five years nor more than 40 years, and to bear interest, payable semiannually, at a rate not exceeding 8% per annum to be called "drainage district bonds," which [~~said~~] bonds shall not be sold for less than 90% of their par value, and the proceeds of which shall be used for no other purpose than paying the cost of constructing such drains, drainage canals, or other like work [~~deemed~~] considered necessary to drain lands within [~~said~~] the district, or conserve the public health or welfare. Before such contract or contracts shall be made or bonds shall be issued, the board of [~~supervisors~~] trustees shall request the county legislative body to order, and the county legislative body shall at once order a special election on the question of the issuance of bonds. The persons authorized to vote in, the giving of notice, the forms of ballots, and the manner of holding the election, and canvassing the results of the election, shall be as provided in the Utah Municipal Bond Act. The expenses of such election shall be paid out of the funds belonging to [~~said~~] the drainage district. The terms and times of payment of the bonds so issued shall be fixed by the board of [~~supervisors. Said~~] trustees. The bonds shall be issued for the benefit of the district authorizing [~~said~~] the issue and shall bear the name and number of [~~said~~] the district. The board of [~~supervisors~~] trustees shall keep a record of the bonds issued and

sold or otherwise disposed of, and such record will also show the lands embraced in ~~[said]~~ the district. In no case shall the amount of bonds exceed the benefits assessed. Each bond issued shall show expressly upon its face that it is to be paid by a tax assessed, levied, and collected on the lands within the drainage district. ~~[Said]~~ The board of ~~[supervisors]~~ trustees shall, by resolution, provide for the issuance and disposal of such bonds and for the payment of the interest thereon, the creation of a sinking fund for the ultimate redemption thereof, and for the date and manner of the redemption of ~~[said]~~ the bonds. ~~[Said]~~ The board of supervisors may sell or dispose of ~~[said]~~ the bonds either at public or private sale. Before making any such sale, either private or public, the board of ~~[supervisors]~~ trustees shall give due notice of their intention to sell or dispose of ~~[said]~~ the bonds, by publishing notice of sale at least once a week for four consecutive weeks in some newspaper having general circulation in the state ~~[of Utah]~~ and in the county where ~~[said]~~ the district is situated, and by publishing in any other publication they ~~[may deem]~~ consider advisable. The notice shall state that sealed proposals will be received by the board of ~~[supervisors]~~ trustees at their office, for the purchase of the bonds, until the day and hour fixed by the board of ~~[supervisors]~~ trustees. At the time appointed the board of ~~[supervisors]~~ trustees shall open the proposals, and award the purchase of the bonds to the highest responsible bidder, or may reject all bids. In case no bid is made and accepted as above provided, the board of ~~[supervisors]~~ trustees is hereby authorized to use ~~[said]~~ the bonds for the construction of any ditches, drain or drains, drainage canal or drainage canals, or any other required improvement ~~[deemed]~~ considered necessary to drain lands or for the public health or welfare.

Section 24. Section **17A-2-544** is amended to read:

17A-2-544. Bonds -- Lien on land and improvements.

Whenever any such drainage district bonds ~~[shall be]~~ are issued, or contract with the United States made, in accordance with the provisions of this part, such bonds or contract, shall constitute a lien upon all of the lands and improvements thereon within the boundaries of the district, to the extent of the total benefits, assessed and equalized, and pledged for such purpose, and not in excess thereof, and the board of ~~[supervisors]~~ trustees of ~~[said]~~ the district shall from time to time, as by this part provided, levy a sufficient tax to pay the annual interest charge on such bonds, and in addition

thereto, such an amount as a sinking fund which shall, in the course of events and ultimately, amount to a sufficient sum to redeem ~~[said]~~ the bonds, or in case of contract with the United States, shall levy a sufficient tax to meet all payments due, or to become due thereunder, and in addition thereto, a sufficient tax to pay the interest or penalties on any delinquent payment or payments, as provided in ~~[said]~~ the contract or as required by the statutes of the United States.

Section 25. Section **17A-2-545** is amended to read:

17A-2-545. Bond issue -- Statement attached.

Each bond issue as provided for by Section 17A-2-543, shall be signed by the ~~[president]~~ chair and secretary of the said board of ~~[supervisors]~~ trustees, and be attested by the county clerk, and ~~[said]~~ the clerk shall also make a certified statement thereon, affixing ~~[his]~~ the clerk's seal of office thereto, of the total amount of the assessment of benefits pledged for the payment of ~~[said]~~ the bonds and other bonds, if any, issued; the date, number, denomination, and time due of all bonds issued; when the assessment of benefits was confirmed by the county legislative body, and the number of acres of land in the district against which ~~[said]~~ the assessments were made.

Section 26. Section **17A-2-546** is amended to read:

17A-2-546. Organization of districts in cities or towns.

For the purpose of organizing a drainage district, which is wholly within the limits of any incorporated city or town, a like procedure may be followed within such city or town; the petition for organization may be presented to the town board, city council or commissioners; and city or town officers, who exercise functions similar or equivalent to the functions of the respective county officers named in this part, shall exercise the same functions with respect to the organization, administration and control of such district, and shall have the same powers in all respects, as such similar or equivalent county officers, with respect to the appointment, qualification and removal of district ~~[supervisors]~~ trustees, the giving of notices, the holding of hearings, issuing of proclamations, fixing boundaries, calling district elections, equalizing assessments of benefits and taxes, certifying bond issues, and doing such other acts or things as will put into effect the provisions of this part in any such district within such city or town, and so as to give to any such city or town, and the officers thereof, the same powers and duties as are had and exercised by a county, and the county officers; provided

that, except as varied to meet the requirements of this section, all other provisions of this part shall govern any such district organized pursuant to this section.

Section 27. Section **17A-2-547** is amended to read:

17A-2-547. Refunding bonds -- Time limit.

Any bond or bonds heretofore or hereafter issued by any drainage district may be refunded at any time by such drainage district when a lower rate of interest or better terms can be obtained, or to provide means for the payment of maturing bonds. Such refunding bonds may be issued by resolution of the board of [~~supervisors~~] trustees without an election, and may be sold by the board in such manner and on such terms as it may [~~deem~~] consider for the best interests of the district. Payment of such refunding bonds shall be provided for in the same manner as the bonds so refunded, and all statutory and other liens and rights existing under the original issue shall extend to and apply to [~~said~~] the refunding bond; provided, that refunding bonds shall mature in not exceeding 40 years from date of issue.

Section 28. Section **17A-2-548** is amended to read:

17A-2-548. Duties of trustees -- Equalizations.

(1) The board of [~~supervisors~~] trustees shall, as soon as may be, view each tract of land within the district, and shall carefully consider all of the damages and benefits that each particular tract of land will receive from the construction and maintenance of such drainage system, and assess each tract of land in accordance with the benefits to be received by it, making proper allowance for damage, if there be any.

(2) After such assessment is made up, the secretary of the board of [~~supervisors~~] trustees shall transmit the same to the county legislative body and the county legislative body shall within 15 days after receipt thereof, cause not less than 15 days' notice to be sent by mail to each landowner in the district of the amount of benefits assessed upon the land owned by him within the district; and stating therein the time and place where the county legislative body shall meet as a board of equalization to hear and determine complaints made against such assessments.

(3) The county legislative body shall sit as a board of equalization of drainage district benefits and taxes, and shall equalize and finally determine the assessments of benefits and taxes to be made

and levied upon each tract of land within the district. Such assessments of benefits shall be the basis of liens upon the lands within the district for all district indebtedness.

Section 29. Section **17A-2-549** is amended to read:

17A-2-549. Estimates for construction -- Debts -- Sinking fund -- Levy.

The board of [~~supervisors~~] trustees shall, on or before the first Monday in March of each year, prepare a statement and estimate of the amount of money to be raised by taxation within [~~said~~] the district for the purpose of constructing canals, drains, drain ditches, and other works, and maintaining the same; liquidating district warrants and notes and paying interest thereon, paying the interest on the bonded indebtedness of the district; creating a sinking fund for redeeming such bonds; meeting all payments due or to become due under any contract between the district and the United States; and for the purpose of maintaining and repairing drainage canals, flumes, and conduits, bridges, culverts and other works within [~~said~~] the district; and for the management and control of such drainage system; and shall levy the entire amount required in each year against the lands within [~~said~~] the district in proportion to the equalized benefits and after adding [~~15 per cent~~] 15% of each amount to the respective assessments to provide for incidentals and possible delinquencies, shall certify the same to the county assessor of the county within which such district is located.

Section 30. Section **17A-2-550** is amended to read:

17A-2-550. Addition of delinquent taxes in case of contract with the United States.

In case of contract with the United States government, the board of [~~supervisors~~] trustees may add to such statement and estimate as provided for in Section 17A-2-549, a sufficient amount to cover any deficit due the United States that may have resulted from nonpayment of delinquent taxes or assessments for any preceding year; and provided further that in the case of contract with the United States government it may be provided by contract between the district and the United States, that assessments shall conform to the requirements of the federal reclamation laws now enacted or which may hereafter be enacted, and particularly the Act of December 5, 1924, Public Law No. 292; and that assessments may thereafter be made accordingly.

Section 31. Section **17A-2-551** is amended to read:

17A-2-551. Attendance of officials.

The county legislative body, when sitting as a board of equalization of drainage district benefits, may require the presence of the board of ~~[supervisors]~~ trustees and the engineer of the drainage district. If the drainage district be in more than one county, the ~~[supervisor or supervisors]~~ trustee or trustees resident within the county may be required to attend.

Section 32. Section **17A-2-552** is amended to read:

17A-2-552. Drainage district taxes.

~~[It shall be the duty of the]~~ The county assessor ~~[to]~~ shall place upon the assessment roll drainage district taxes as certified by the board of ~~[supervisors. It shall be the duty of the]~~ trustees. The county treasurer ~~[to]~~ shall collect such taxes at the same time and in the same manner that the county taxes are collected, and pay the same to the treasurer of the board of ~~[supervisors]~~ trustees as soon as moneys are received ~~[by him. It shall be the further duty of the].~~ The county treasurer shall, after the first day of December and prior to the last day of December of each year, ~~[to]~~ make a written report to the treasurer of each drainage district located within the county, setting forth the amount of taxes paid and the amount of delinquent taxes levied by the district for the current year, and ~~[given]~~ giving in detail the names of delinquent landowners and the descriptions of lands upon which such taxes are delinquent.

Section 33. Section **17A-2-553** is amended to read:

17A-2-553. Taxes considered lien -- Sale of property -- Time of redemption -- Notice -- Penalty -- Record.

All drainage taxes levied and assessed under the provisions of this title shall attach to and become a lien on the real property assessed from and after the second Monday in March. Drainage taxes shall become due and delinquent at the same time, and shall be collected by the same officers and in the same manner and at the same time as state and county taxes, and when collected shall be paid to the treasurer of the board of ~~[supervisors]~~ trustees. The revenue laws of this state for the assessment, levying and collecting of taxes on real estate for county purposes, except as herein modified, shall be applicable for the purposes of this part, including the enforcement of penalties and forfeiture for delinquent taxes; provided, that lands sold for delinquent district taxes shall be sold separately for such tax and a separate certificate of sale shall issue therefor, and provided further that

the period of redemption from sale for taxes under this part, shall be four years. At the same time and in the same manner as the county treasurer publishes the delinquent tax list for state and county taxes in each year, the county treasurer ~~[must]~~ shall publish a delinquent drainage tax list, which ~~[must]~~ shall contain the names of the owners, when known and a description of the property delinquent or subject to lien of drainage district taxes with the amount of taxes due exclusive of penalty. The county treasurer ~~[must]~~ shall publish with such list a notice, each year, that unless the delinquent drainage taxes, together with the penalty, are paid before the date for tax sales for state and county taxes the real property upon which such taxes are a lien will be sold for taxes, penalty and costs, beginning on ~~[said]~~ the date, at the front door of the county courthouse. The delinquent list shall be published three times if in a daily newspaper, twice if in a semiweekly and once if in a weekly newspaper. On the date for tax sales for state and county taxes each year, the county treasurer shall expose for sale, between the hours of ~~[ten]~~ 10 a.m. and ~~[three]~~ 3 p.m. sufficient of all delinquent real estate to pay the drainage district taxes, penalty and costs for which such real estate is liable, at public auction, at the front door of the county courthouse, and sell the same to the highest responsible bidder for cash, and the county treasurer shall continue to sell from day to day between such hours until the property of all delinquents is exhausted or the taxes, penalty and costs are paid. In offering such real estate for sale the treasurer shall offer the entire tract assessed, and the first bid received in an amount sufficient to pay the taxes and costs shall be accepted unless a further bid in the same amount for less than the entire tract shall be received; and the highest and best bid shall be construed to mean the bid of that bidder who will pay the full amount of the taxes and costs for the smallest undivided portion of ~~[said]~~ the real estate. After receiving a bid for the full amount of the taxes ~~[and costs it shall not be the duty of]~~, the treasurer is not required to attempt to secure a higher bid, but ~~[he]~~ shall accept it if made. The treasurer shall make a record of all sales of real property in a book to be kept by ~~[him]~~ the treasurer for that purpose therein describing the several parcels of real property on which the taxes and costs were paid by the purchasers, in the same order as the published list of delinquent sales contained in the list of advertisements on file in ~~[his]~~ the treasurer's office. Separate columns shall also be provided in ~~[said]~~ the record in which the treasurer shall enter the description of any tract sold that is less than the entire tract on which the taxes are due, the date of

sale, to whom sold, the penalty, and costs, and the date of redemption. The purchaser shall ~~[be required to]~~ pay the penalty to the county treasurer, which penalty shall in all cases accrue to the benefit of the drainage district. When all sales have been made the county treasurer shall file the record in ~~[his]~~ the treasurer's office, in looseleaf bound form. ~~[It shall be the duty of the]~~ The county treasurer ~~[to]~~ shall issue a receipt to any person paying drainage district taxes on an undivided interest in real estate, showing the interest on which taxes are paid, and in case any portion of the drainage district taxes on such real estate remains unpaid, ~~[it shall be the duty of]~~ the treasurer ~~[to]~~ shall sell only such undivided interest in ~~[said]~~ the real estate as belongs to the co-owners who have not paid their portion of the taxes. In absence or default of purchaser at any such public sale of drainage district taxes, the drainage district in which taxes are delinquent shall become the purchaser and shall receive from the county treasurer the tax sale certificate of the real property on which drainage district taxes are delinquent upon the same terms upon which the county receives tax sales certificates on sales for delinquent state and county taxes and shall hold the same in the same manner as an individual may hold real property upon which state or county taxes are delinquent, subject to the same rights of redemption. In all respects, a drainage district shall be the beneficiary of taxes assessed and levied by it, provided, however, that county treasurer shall retain the costs and expense provided by law for the advertisement, sale and redemption of drainage district taxes.

Section 34. Section **17A-2-555** is amended to read:

17A-2-555. Statement of indebtedness to be procured -- Fees -- Filing -- Discharge of lien.

(1) Any person or persons, bank or banks, corporation or corporations or other organization or any mortgagee or other lien holder desiring to pay the unpaid equalized drainage district benefit assessments and/or taxes against any tract, lot or parcel of land in any drainage district may apply to the secretary of the board of ~~[supervisors]~~ trustees of the drainage district for a written statement of the unpaid amount of the same together with accrued interest thereon, and ~~[it shall be the duty of]~~ the secretary of such drainage district ~~[to]~~ shall execute and deliver to such applicant, on payment of a fee of \$1, such a statement duly certified to under ~~[his]~~ the secretary's hand and the seal of the district, and the applicant shall then present and file the same with the county treasurer of the county

in which such tract, lot or parcel of land is located, and when so filed and when payment in full of the unpaid amount of equalized drainage district benefit assessments and taxes is paid, either in lawful money of the United States, or drainage district bonds, notes, warrants, or matured interest coupons as herein provided, the county treasurer shall issue and deliver to such applicant a receipt in duplicate for the amount of such payment, stating therein the amount paid and whether paid in lawful money of the United States or in bonds, notes, warrants or matured interest coupons of the district, and upon presentation and filing of one copy of such a receipt with the treasurer of the drainage district, showing payment in full of the unpaid equalized benefit assessments and/or taxes against any such tract, lot or parcel of land, ~~[it shall be the duty of such]~~ the drainage district ~~[to]~~ shall issue and deliver

to the person or persons, bank or banks, corporation or corporations or other organizations or to such mortgagee or lien holder making such payment a written release and discharge releasing such tract, lot or parcel of land from all other and further liability for the payment of any of the then existing bonded indebtedness of the district or any bonds thereafter given to refund the same, or any notes or warrants theretofore or that may thereafter be issued for the payment of any interest on such bonds or such refunded bonds, and releasing and discharging ~~[said]~~ the land from any and all other liability for the payment of the same or any part thereof, and releasing and discharging such tract, lot or parcel of land from the payment of any of the unpaid equalized drainage district assessment of benefits and taxes and from the lien of the benefit assessment roll as equalized and finally determined by the county legislative body of the county in which such tract, lot or parcel of land is located~~[-and such tract, lot or parcel of land shall not thereafter be assessed by such drainage district except for the purposes of maintenance and supervision, provided, all assessments or taxes other than those levied for payment of bond, interest or principal shall be payable only in lawful money of the United States, or in warrants of the district issued within the same calendar year in which the warrants are tendered].~~

(2) (a) Such tract, lot, or parcel of land may not thereafter be assessed by the drainage district except for the purposes of maintenance and supervision.

(b) All assessments or taxes other than those levied for payment of bond, interest, or principal shall be payable only in lawful money of the United States, or in warrants of the district issued within

the same calendar year in which the warrants are tendered.

Section 35. Section **17A-2-556** is amended to read:

17A-2-556. Form of release and discharge.

Such release and discharge shall be substantially in the following form:

Release and discharge from liability for payment of the bonded indebtedness of ____ drainage district in ____ county, Utah, and from the lien of the equalized assessment of benefits and taxes and the benefit assessment roll.

Whereas, on the ____ day of ____, [~~19~~] 20 __, ____ (the owner, part owner, mortgagee or other lien holders, as the case may be) paid to the county treasurer of ____ county, (in lawful money of the United States, or bonds, notes, warrants or matured interest coupons of the district, as the case may be) the sum of \$____, being the total amount of the unpaid drainage district equalized assessment of benefits and taxes levied and assessed against that certain tract, lot or parcel of land located in ____ drainage district in ____ county, Utah, and particularly bounded and described as follows, to wit: (Insert description of property) ____ and, ____.

Whereas, there is on file with the treasurer of this drainage district a receipt showing such payment in full,

Now, Therefore, in consideration of such payment and pursuant to law, the undersigned drainage district does by these presents release and discharge the above described tract, lot or parcel of land from the lien of and from the payment of all of the bonded indebtedness now existing against the same, and from the payment of any bonds now issued or that may hereafter be issued to refund the same, or any part thereof, and from the payment of any notes or warrants of the district heretofore issued or that may hereafter be issued in payment of interest on such indebtedness or refunded indebtedness, and releases and discharges said tract, lot or parcel of land from the payment of any of the unpaid equalized assessment of benefits and taxes levied or assessed against the same and from the lien of the benefit assessment roll of said drainage district.

In Witness Whereof, the said drainage district has executed this instrument and caused its corporate name and corporate seal to be hereunto affixed by its [~~president~~] chair and secretary this ____ day of ____ [~~19~~] 20 __, pursuant to a resolution of its board of [~~supervisors~~] trustees.

Attest:

(Name of drainage district.)

By _____,

President

Secretary.

[Said] The written release and discharge may be acknowledged before any officer authorized to take acknowledgments of deeds. The form of acknowledgment shall be substantially as follows:

State of Utah, ss.

County of _____

On the _____ day of _____, A. D. [~~19~~] 20 __, personally appeared before me _____, who being by me duly sworn, did say that he is the [~~president~~] chair of _____ drainage district which executed the above and foregoing instrument and that [~~said~~] the instrument was signed in behalf of [~~said~~] the drainage district by authority of a resolution of its board of [~~supervisors~~] trustees, and [~~said~~] _____ acknowledged to me that [~~said~~] the drainage district executed the same.

Notary Public.

My Commission expires: _____

Residing at: _____.

Section 36. Section **17A-2-560** is amended to read:

17A-2-560. Land redeemed when lien discharged -- Lien priority -- Foreclosure.

Where it appears that the lien of all bond issues outstanding in any drainage district in the state of Utah, has been discharged and released of record with relation to any parcel or parcels of land within any drainage district as shown by the equalized benefit assessment roll of [~~said~~] the district by the payment in full of such equalized drainage district benefit assessment, together with matured interest thereon, lands and improvements sold to a drainage district for delinquent drainage district taxes or assessments may be redeemed by any person interested in the property, either as owner or lien holder, at any time while the district holds the tax sale certificate of such sale and prior to the execution of auditor's tax deed, by the payment of such taxes or assessments for the delinquency for

which the property is sold, together with all unpaid drainage district taxes or assessments subsequently levied against such lands and improvements and all interest, costs and penalties, unless in the judgment of the board of [~~supervisors~~] trustees of the drainage district and the county legislative body of the county wherein the land is situated, the interest of the drainage district will be best subserved by accepting a lesser sum in which case such lesser sum, to be fixed by the county legislative body, shall be accepted.

Any party in interest as owner or lien holder redeeming property as provided herein shall have a lien thereon in the amount so paid, with interest after such payment, which lien shall have the same priority as the tax lien of the district and may be foreclosed by an action in the district court in the same manner as provided by law for the foreclosure of a mortgage.

Section 37. Section **17A-2-561** is amended to read:

17A-2-561. Petition for dissolution -- Notice -- Hearings -- Objections -- Liquidation of indebtedness.

[~~That any~~] (1) A drainage district may be dissolved by an order of the district court of the county wherein the same is located, and if located in more than one county, then by an order of the district court in the county wherein the major portion of the land within [~~said~~] the district is located, upon a hearing had upon a verified petition filed with the county clerk of such county praying for such dissolution and signed by the owners of a majority of the acreage of lands embraced within the district.

(2) (a) Before [~~said~~] a hearing [~~shall~~] may be had, the clerk of [~~said~~] the court, upon fees and costs being advanced therefor, shall cause notice of such hearing to be given by posting notices in six public places in the district sought to be dissolved for a period of four weeks prior to the date of hearing [~~said~~] the petition and by publishing a copy thereof in a newspaper of general circulation in the county in which such district or major portion thereof is located once a week for four successive weeks prior to such hearing. [~~Such~~]

(b) The notice under Subsection (2)(a) shall specify the district to be dissolved, the date, time and place of the hearing of such petition, and shall provide that all persons[~~;~~] who have any objections to the dissolution of [~~said~~] the district shall file such objections in writing in the office of [~~said~~] the

clerk of ~~[said]~~ the court and serve a copy thereof upon the ~~[supervisors]~~ trustees of ~~[said]~~ the district at or prior to the date of ~~[said]~~ the hearing, and all persons who have any claims against ~~[said]~~ the district~~[-]~~ must present the same duly itemized and verified by the affidavit of the claimant at or prior to the time of ~~[said]~~ the hearing or be forever barred from thereafter asserting ~~[said]~~ those claims, and ~~[said]~~ the notice shall be signed by the clerk of ~~[said]~~ the court.

(3) (a) The petition shall be verified by at least three of the petitioners ~~[and said]~~.

(b) The verification shall set forth that the petition is signed by the owners of a majority of the acreage within such district.

(4) No district shall be dissolved until all indebtedness of such district ~~[shall have]~~ has been paid or until provision has been made for the payment thereof, either by the levying and collecting of assessments, or by money advanced by petitioners, or by depositing a sufficient bond, to be approved by the court, with the clerk of the court, which provides for and secures the payment of all such indebtedness, or by other means approved by the court.

Section 38. Section **17A-2-563** is amended to read:

17A-2-563. Statement of assessment levied, collected and uncollected, and of indebtedness filed with clerk.

Upon the filing of the petition or within 20 days thereafter, the ~~[supervisors]~~ trustees of ~~[said]~~ the drainage district shall file with the clerk of the court in which ~~[said]~~ a petition under Section 17A-2-561 is filed a detailed statement of the annual assessments levied for each year since the organization of the district and the payments made thereon by each landowner and the amounts unpaid and outstanding against all lands within ~~[said]~~ the district and also a statement of the indebtedness of ~~[said]~~ the drainage district as ~~[same]~~ it appears upon the books of the district, with the names of the creditors, the nature, date and amount of their respective claims ~~[also]~~, and a statement of the district bonded and other indebtedness of such drainage district at the time of the filing of such petition.

Section 39. Section **17A-2-566** is amended to read:

17A-2-566. Payment discharges lien, excepting liens for prior assessments.

Upon the final determination by the court of the amount or portion of the district's

indebtedness, costs, and expenses to be paid by any given acreage or tract of ground and upon the payment of the amount so determined in accordance with such determination and within the time and in the manner hereinafter specified the court shall enter a decree discharging [~~said~~] the land from all lien, tax, assessment, and obligation imposed upon [~~said~~] the land by reason of the organization of [~~said~~] the district and the assessments levied by [~~said~~] the district. Nothing in this part however shall be construed in the absence of such payment so as to impair or release any lien the district may have acquired or to which it may be entitled against any land within the district by reason of assessments heretofore made and all rights to enforce such liens as such rights now exist are expressly preserved and maintained and nothing in this part shall be construed so as to prevent the [~~supervisors~~] trustees of [~~said~~] the district from carrying out their duties in the same for nonpayment of assessments of any land within the district upon which the drainage district assessments have not been paid.

Section 40. Section **17A-2-609** is amended to read:

17A-2-609. Trustees -- Election or appointment -- Countywide fire protection district -- Other provisions applicable.

(1) [~~Except as provided in Subsection (b), there shall be three~~] Members of a fire protection district [~~commissioners for each district~~] board of trustees shall be appointed or elected according to the procedures and requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

(2) (a) As used in this Subsection (2), a "countywide fire protection district" means a fire protection district that includes all of the county except first and second class cities.

(b) If a complete county organizes into a countywide fire protection district, the county legislative body of that county is the fire protection district [~~commission~~] board of trustees for as long as the county remains a countywide fire protection district.

~~[(c) The fire commissioners shall serve without compensation, but shall receive necessary expenses in attending meetings and other district business.]~~

(3) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each fire protection district to the same extent as if the fire protection district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (3)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 41. Section **17A-2-610** is amended to read:

17A-2-610. Separate meetings -- County clerk may be secretary.

~~[The fire commissioners shall organize as a board and shall elect a chairman from their number and shall appoint a secretary and a treasurer. In the event]~~

(1) If the county legislative body [~~become~~] becomes the fire protection district [~~commissioners~~] board of trustees as provided for in Section 17A-2-609, meetings as [~~fire protection commissioners~~] the board of trustees shall be held separate and apart from meetings as the county legislative body.

(2) The board of [~~fire commissioners~~] trustees, at its discretion, may provide that until further order of the board, the county clerk shall be ex officio secretary of the board and may similarly provide that the county treasurer shall be ex officio treasurer of the board. [~~If the board appoints its~~

~~own secretary and treasurer, it may combine the two offices. The county legislative body shall require all officers and employees who shall be charged with the handling of funds of the district to furnish good and sufficient surety bonds, or the board in its discretion may provide for a blanket surety bond covering all such officers and employees. All such bonds shall be at the expense of the district.]~~

Section 42. Section **17A-2-613** is amended to read:

17A-2-613. Office of the board of trustees -- Principal places of business of district.

The office of the [~~fire commissioners~~] board of trustees and principal places of business of the district shall be within [~~said~~] the district or at some place within the county in which the district is situated and as near as possible to [~~said~~] the district. [~~The board shall hold regular monthly meetings at their office on such day as they, by resolution previously adopted, shall determine, and may adjourn such meetings as may be required for the proper transaction of business. Special meetings of the board may be called at any time by a majority of the commissioners or by the secretary and the chairman of the board. Any fire commissioner not joining in the call of a special meeting shall be entitled to a three-day written notice by mail of the same, specifying generally the business proposed to be transacted at said special meeting, but, when at any special meeting of the board all members are present, lack of previous notice thereof shall not invalidate the proceedings. All meetings of the fire commissioners shall be public and a majority shall constitute a quorum for the transaction of business. All records of the board shall be open to the inspection of any person at any reasonable time. The board shall have the power and it shall be the duty of the board to adopt a seal of the district, to manage and conduct business affairs of the district, to make and execute all necessary contracts, to employ any necessary service and to establish and promulgate reasonable rules and regulations for the government of the district and for the performance of its functions and generally to perform all such acts as may be necessary fully to carry out the objects of the creation of the district.]~~

Section 43. Section **17A-2-614** is amended to read:

17A-2-614. Annexation of contiguous territory -- Procedure -- Petition -- Special election.

(1) Territory contiguous with a fire protection district may be annexed to the district as provided in this section.

(2) (a) Annexation is initiated by filing a petition signed by 25% or more of the owners of real property within the territory proposed to be annexed.

(b) The petition shall be filed with the ~~[fire commissioners]~~ board of trustees of the fire protection district.

(c) If the ~~[fire commissioners concur]~~ board of trustees concurs with the petition, ~~[they]~~ it shall then file the petition with the county legislative body.

(3) (a) Except as provided in Subsection (3)(b), the proceedings by the county legislative body shall be the same as for the organization of a district under this part, except that the special election shall be held only within the boundaries of the territory proposed to be annexed to the fire protection district.

(b) Notwithstanding Subsection (3)(a), if a petition filed under Subsection (2)(a) has been signed by all the owners of real property within the territory proposed to be annexed:

(i) the hearing requirements of Sections 17A-2-603 and 17A-2-604 and the election requirements of Section 17A-2-605 and 17A-2-606 do not apply; and

(ii) immediately upon receipt of the petition from the fire protection district commissioners under Subsection (2)(c), the county legislative body shall by resolution declare the territory to be annexed to the fire protection district.

Section 44. Section **17A-2-615** is amended to read:

**17A-2-615. Association to encourage uniformity and coordination of programs --
Contracts between two or more fire protection districts.**

~~[Any fire protection district organized under this part shall, in addition to the powers stated in Section 17A-2-611, have authority:]~~

(1) ~~[To]~~ In addition to the powers stated in Section 17A-2-611, a fire protection district organized under this part may contract with any fire protection district, or with any town, city or municipal corporation or governmental agency or private person or persons to consolidate or cooperate for mutual fire fighting protection and prevention purposes; or, for mutual fire fighting,

protection and prevention purposes only, may annex or become annexed to any city or town or governmental agency already provided with fire fighting and protection equipment and fire protection service upon terms which may be mutually agreed upon. Any city, town, municipal corporation or governmental agency may contract with a fire protection district established and maintained under the provisions of this part for the purpose of affording such district fire fighting and protection equipment and service or fire prevention facilities, and in so contracting the district, city, town, municipal corporation or other governmental agency shall be deemed for all purposes to act within its governmental capacity. Any fire protection district established and maintained under the provisions of this part, or any city, town, municipal corporation or other governmental agency is hereby authorized to contract with any person, firm or corporation for the purpose of affording fire fighting, protection or fire prevention facilities to such person, firm or corporation and such contractual relation shall be deemed for all purposes to be within the governmental power of such fire protection district, city, town, municipal corporation, or other governmental agency;

(2) ~~[Fire]~~ In addition to the powers stated in Section 17A-2-611, fire protection districts situated in different counties may contract to operate jointly in carrying out the objects of their creation. Contracts for joint operation may provide for joint ownership of property and equipment, and may authorize a joint board of ~~[fire commissioners]~~ trustees of the contracting districts to manage the affairs of the joint operations; to employ and discharge the necessary agents and employees and fix their respective wages and salaries; to provide and designate a suitable place within ~~[said]~~ the districts or at some place in which any of the contracting districts is situated as near as possible to said districts, as a regular meeting place for the joint board; to incur the necessary expenses and direct the payment therefor from the funds of the contracting districts in such proportions as the joint boards shall determine; and to do all things as may in the judgment of the joint board, be required to carry out the joint operations of the contracting districts.

The joint board shall consist of the members of the boards of the contracting districts and a majority of the membership of each district board shall constitute a quorum for the transaction of the business of the joint board. The members of the boards of ~~[fire commissioners]~~ trustees of the contracting districts shall organize a joint board annually in January after the second Monday thereof,

elect a [~~chairman~~] chair and appoint a secretary for the ensuing year. Any member of the board of any contracting district may act as secretary of the joint board or the joint board may appoint such other person as the joint board may determine. The joint board shall prepare the annual budget for the joint operation of the contracting districts and shall determine the share of revenues for the joint operation to be raised by each district and the share of the expense of joint operation to be paid by each district in the ensuing year, and the secretary of the joint board shall certify and deliver within the time required by Section 17A-2-617 hereof, a copy of such annual budget to the county clerk of each county involved and to each of the contracting districts, showing the part of the budget to be raised by each contracting district, each contracting district shall then include that part of the budget to be raised by such district within the budget prepared and submitted to the county legislative body in accordance with Section 17A-2-617.

Contracts for joint operation of fire districts, as herein authorized, shall run from year to year and as of January 1st may be terminated by written notice of the board of [~~fire commissioners or~~] trustees of any contracting district to the other contracting district or districts on or before July 1st and the contract for joint operations shall terminate on January 1st following: Provided, that all obligations of the joint operations must be paid or definitely arranged for before contract termination and no notice of termination shall relieve any contracting district of its unpaid obligation incurred under the contract for joint operation[;].

(3) To encourage uniformity and coordination of fire protection district operation programs, the [~~fire commissioners~~] board of trustees of two or more fire protection districts may form an association thereof for the purpose of securing data and information of value in fighting and in preventing fires; hold and attend meetings thereof; and promote more economical and efficient operation of the associated fire protection districts. The [~~directors~~] trustees of fire protection districts so associated shall adopt articles of association, select a [~~chairman~~] chair and secretary and such other officers as they may determine, and may employ and discharge such agents and employees as the officers [~~deem~~] consider convenient to carry out the purposes of the association.

(4) Two or more fire protection districts may contract with each other and such a district may contract with a city or county or the state supervisor of forestry or any association approved by [~~him~~]

the supervisor for the joint leasing, ownership, maintenance and operation of all necessary and proper apparatus, facilities, machinery, and equipment for the elimination of fire hazards and for the protection of life and property against fire within the contracting districts, and of real property, improvements and fixtures thereon suitable and convenient for the housing, repairing and caring for, such apparatus, facilities, machinery and equipment, and may contribute their agreed proportion of the cost and expense thereof.

Such contracts shall be executed by the [commissioners] board of trustees of the contracting districts and, when the contract is between such districts, the terms and conditions thereof shall be carried out by the boards of [commissioners] trustees acting jointly.

Section 45. Section **17A-2-617** is amended to read:

17A-2-617. Annual budget -- Levy, extension, and collection of taxes.

Before June 15 of each year the [commissioners] board of trustees of each fire protection district shall prepare and adopt a budget for the next ensuing calendar year, and certify such budget to the county clerk specifying the amount of such budget to be raised by taxes. ~~[It shall be the duty of the]~~ The county legislative body [to] shall review such budget, [to] determine the tax levy rate for such district, and in levying general county taxes, [to] levy a tax at such rate for district purposes on all taxable property in the district. Such taxes shall be extended and collected in the manner provided by law for the collection of general county taxes and the proceeds thereof shall as collected be turned over to the treasurer of the district. All laws applicable to the imposition, collection and enforcement of general county taxes, including those pertaining to the allowance of collection fees, to the imposition of penalties for delinquencies and to the sale of property for nonpayment of taxes, shall be applicable to the taxes so levied for the district. The official in charge of the tax and assessment rolls of the county shall keep the rolls in such a manner as to show separately the property on the rolls which lies within the boundaries of each district created under the provisions of this part.

Section 46. Section **17A-2-618** is amended to read:

17A-2-618. Bonds -- Duty of board of trustees -- Levy of taxes for payment of bonds.

The [commissioners] board of trustees of each district which has issued bonds under the provisions of this part shall certify annually to the county legislative body the amount of the bonded

indebtedness unpaid, the amount of principal and interest to be paid during the current year, and the county legislative body shall levy annually, until principal and interest have been fully paid, taxes on all taxable property in the district, fully sufficient to assure the prompt payment of principal and interest as each falls due. The taxes to be levied by the county legislative body for any district, other than those levied for the payment of principal and of interest on the bonds of the district, may not in any year exceed .0008 per dollar of taxable value of taxable property in the district.

Section 47. Section **17A-2-619** is amended to read:

17A-2-619. Indebtedness not to exceed estimated expendable revenue.

It shall be unlawful for fire protection district [~~commissioners~~] board of trustees to incur any indebtedness in excess of the estimated expendable revenue for the ensuing year except as otherwise provided [~~herein~~] in this part.

Section 48. Section **17A-2-622** is amended to read:

17A-2-622. Election regarding issuance of bonds.

(1) After a fire protection district has been created, a petition may be presented to the fire protection district [~~commissioners~~] board of trustees requesting [~~such commissioners~~] the board to order an election to determine whether the bonds of the district shall be issued to the amount and for the purpose or purposes stated in the petition. Such petition shall comply in all respects to the requirements of Section 17A-2-602 hereof, except shall be made to the fire protection district [~~commissioners~~] board of trustees. After the filing of [~~said~~] the petition, the board of trustees' procedure [~~of said commissioners~~] in respect to publication of notice, contents of notice, hearing and determination of petition, continuance, objections, determination of amount of bonds shall comply, as nearly as practicable, with Sections 17A-2-603 and 17A-2-604.

(2) Adoption of the resolution calling the election, determination of voters' qualifications, notice and conduct of the election, and the canvass of election results shall be accomplished in the manner prescribed in [~~the~~] Title 11, Chapter 14, Utah Municipal Bond Act. [~~Fire~~] The fire protection district [~~commissioners~~] board of trustees, for purposes of the election, may treat the entire district as a single precinct or divide the district into several precincts and it may fix such polling places as they [~~deem~~] consider appropriate.

Section 49. Section **17A-2-703** is amended to read:

17A-2-703. Land and water allotments -- Revision and alteration -- Proceedings to list lands -- Writ of mandamus -- Hearing and determination on writ -- Calling election -- Conduct of election.

When a petition has been filed, water survey and allotment made, and notice of hearing published as required by this part, the county legislative body shall upon the date set, proceed to determine and list the lands, which need not be contiguous, by acreage and ownership in each 40-acre legal subdivision to be included in [~~said~~] the proposed district, from the petition, and from such applications for the exclusion of lands therefrom and the inclusion of lands therein, as may be made in accordance with the intent of this part and may revise the allotment of water made by the state engineer; provided that no increase shall be made in any such allotment without the approval of the state engineer; they may adjourn such examination from time to time not exceeding two months in all, and shall by final order duly entered determine and list the acreage and ownership in each 40-acre legal subdivision together with the allotment of water made; provided, that [~~said~~] the county legislative body shall not so alter the included lands, shown by the plat accompanying the petition, as to change the objects of [~~said~~] the petition, or so as to exempt from the operation of this part any lands, requiring water, shown on the plat as included within the petition, and susceptible of irrigation by the same system of waterworks applicable to other lands in such proposed district; nor shall any land which will not in the judgment of the county legislative body be [~~benefited~~] benefitted by such proposed system be included in such district; nor shall any lands of the state of Utah not held under contract of sale and for which the state board of land commissioners has not petitioned inclusion, be included in such district; provided also that lands not included in [~~said~~] the proposed district as shown on the ownership plat accompanying the petition, may upon application of the owner or owners be included in such district upon such hearing, and such included lands shall be listed with such allotment or water as the county legislative body, using the allotment made by the state engineer for similar lands as a basis, may make after the conclusion of such hearing; provided further that in the hearing of any such petition the county legislative body shall disregard any informality therein, and in case they deny the same or dismiss it for any reason on account of the provisions of this part not having

been complied with, which are the only reasons upon which they shall have a right to refuse or dismiss

the same, they shall state their reasons in writing therefor in detail, which shall be entered upon their records and in case these reasons are not well founded, a writ of mandamus shall, upon proper application therefor, issue out of the district court of [said] the county, compelling them to act in compliance with this part, which writ shall be heard within 20 days from the date of its issuance, and which 20 days shall be excluded from the two months after return of survey by the state engineer given the county legislative body herein to act upon [said] the petition. When the lands included in the proposed district [shall] have been determined and listed as aforesaid, the county legislative body shall forthwith make an order determining and listing [said] those lands as aforesaid together with the allotments of water made, and designating the name of such proposed district, and shall by further order duly entered upon the record call an election of landowners of [said] the district to be held for the purpose of determining whether such district shall be organized under the provisions of this part, and by such order shall submit the names of one or more persons from each of the three divisions of [said] the district as hereinafter provided to be voted for as [directors] trustees therein, and for the purpose of [said] the election shall divide [said] the district into three divisions as nearly equal in voting strength as may be practicable, define the boundaries thereof, designate polling places, and provided that a landowner of each of [said] the divisions shall be elected a member of the board of [directors] trustees of [said] the district by the landowners of the whole district. Each of [said] the divisions shall constitute an election precinct and three judges shall be appointed for each polling place therein, one of whom shall act as clerk of [said] the election, provided, that the county legislative body may divide each of such divisions or election precincts into one or more voting precincts, designate polling places, and appoint judges of the election therefor.

Section 50. Section **17A-2-704** is amended to read:

17A-2-704. Notice of election -- Trustees.

The county legislative body shall thereupon cause a notice embodying [said] the orders in substance signed by the chairman of the county legislative body, and the clerk of [said] the legislative body, to be issued, given and published, giving public notice of [said] the election, the time and place thereof, and the matters submitted to the vote of the landowners; [said] the notice and substance of

such order shall be so published as provided in Section 17A-2-702, and if any portion of such proposed district lies within any other county, or counties, then such order and notice shall be published in a newspaper of general circulation within each of ~~[said]~~ those counties. At all elections held under the provisions of this part, all persons shall be entitled to vote who are landowners of agricultural lands, to which water has been allotted with the district as defined by this part; provided, that corporations owning lands within the district shall be considered persons within the meaning of this section. Landowners shall be entitled to vote only in the division of such district, wherein their lands, to which water has been allotted, or a major portion thereof are located; and any individual entitled to vote as aforesaid shall also be eligible to election as a ~~[director]~~ trustee in and for the division in such district, in which the major portion of his lands are located. The ballots to be used and cast at such election for the formation of such district, shall be substantially as follows: [~~Water conservation~~] "Irrigation district, _____ Yes, _____ (Name) _____ acre-feet," or [~~Water conservation~~] "Irrigation district, _____ No _____ (Name) _____ acre-feet," or words equivalent thereto, and shall also contain the names of the persons to be voted for as members of the board of ~~[directors]~~ trustees of said district; each landowner may vote for three ~~[directors]~~ trustees, one for each division, and shall indicate ~~[his]~~ a vote by placing a marginal cross upon the ballot for or against any question submitted or name voted upon and opposite thereto at any election held under this part. Provided, that at the election for the organization of the district each elector as provided herein shall be entitled to cast one vote for each acre-foot of water or fraction thereof, allotted to the land owned by such elector, as shown by the order of the county legislative body, and shall sign the ballot and indicate along with ~~[his or her]~~ the elector's name the number of acre-feet allotted to the lands owned by the elector casting the ballot.

Section 51. Section **17A-2-705** is amended to read:

17A-2-705. Canvass of returns -- Organization of district.

The county legislative body shall meet on the first Monday next succeeding such election and proceed to canvass the returns thereof; and if, upon such canvass, it appears that a majority of the votes cast at ~~[said]~~ the election are [~~Water conservation~~] "Irrigation district..... yes," the county legislative body shall by an order entered on their minutes, declare such territory duly organized as

~~[a water conservation]~~ an irrigation district, under the name and style theretofore designated, and shall declare the persons receiving respectively the highest number of votes for such several offices to be duly elected to such office. The county legislative body shall within a reasonable time thereafter, cause a copy of such order, including a list and plat of the lands of ~~[said]~~ the district, with water allotment, to be filed for record in the office of the county clerk of the county in which the petition is filed and certified copy with the county recorder of each county in which any portion of such lands are situated, and no county legislative body of any county including any portion of such district, shall after the date of organization of such district, allow another district to be formed including any of the land of such district, without the consent of the board of ~~[directors]~~ trustees thereof; and from and after the date of such filing, the organization of such district shall be complete ~~[and the officers thereof shall immediately enter upon the duties of their respective offices, upon qualifying in accordance with law, and shall hold such offices, respectively, until their successors are elected and qualified]~~. No filing or recording fees shall be charged for filing or recording any instruments required to be filed or recorded under this section.

Section 52. Section **17A-2-706** is amended to read:

17A-2-706. Regular election of district -- Official bond -- Fiscal agents.

(1) The regular election of the district, for the purpose of electing a board of ~~[directors]~~ trustees, shall be held according to the procedures and requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

~~[(2) (a) Each member of the board of directors shall execute an official bond in the sum of \$3,000.]~~

~~[(b) That bond shall be approved by the county clerk of the county in which the district was organized.]~~

~~[(c) The board shall:]~~

~~[(i) record the bonds in the office of the county clerk; and]~~

~~[(ii) pay the premium on the bonds.]~~

~~[(d) All official bonds shall be in the form prescribed by law for official bonds for county officials, except that the obligee named in the bonds shall be the district.]~~

~~[(3)]~~ (2) (a) If any district organized under this part is appointed fiscal agent of the United States or is authorized by the United States to collect money for and on behalf of the United States in connection with any federal project, each ~~[director]~~ trustee shall execute an additional official bond in whatever sum that the Secretary of the Interior requires, conditioned upon the faithful discharge of the duties of the ~~[director's]~~ trustee's office.

(b) The district shall execute an additional bond for the faithful discharge by the district of its duties as fiscal or other agent of the United States under that appointment or authorization.

(c) Those additional official bonds shall be filed in the office of the county clerk.

(d) The United States or any person injured by the failure of a ~~[director]~~ trustee or of the district to fully, promptly, and completely perform their respective duties may sue upon those official bonds.

Section 53. Section **17A-2-707** is amended to read:

17A-2-707. Office location.

The office of the board of ~~[directors]~~ trustees shall be located in the county that organized the district.

Section 54. Section **17A-2-711** is amended to read:

17A-2-711. Board of trustees -- Organization -- Powers and duties -- Other provisions applicable.

~~[Once the directors have duly qualified, they shall organize as a board, elect a president from their number, and appoint a secretary. The secretary shall execute a bond, in favor of the district, in a form and amount prescribed by the board. The board shall adopt a seal, manage and conduct the affairs and business of the district, make and execute all necessary contracts, employ agents, attorneys, officers, and employees as required, and prescribe their duties.]~~

(1) The board shall establish boundaries of election precincts and may change them, but no change may be made less than 30 days prior to an election. Upon the completion of the organization of the district and before any bond issue or contract is voted on, any assessment levied, or toll or charge imposed, the board of ~~[directors]~~ trustees, having first determined the amount of water available for the use of the district, shall upon notice and a hearing and under rules determined by the

board, make a final revision and allotment of the available water to each 40-acre tract or smaller tract in separate ownership within each legal subdivision; but no allotment may be increased above the amount originally allotted by the state engineer without the consent of the state engineer and the final allotment may not be decreased as long as there may be any outstanding indebtedness in excess of .4% of the fair market value of the lands within the district. The allotment may, however, be increased to an amount not exceeding the amount allotted by the state engineer if the additional amount of water becomes available for the use of the district. The final allotment in acre-feet, or other units of measurement, the service, turnout, construction, distribution charges, or other charges, if any, shall be the basis for all assessments, tolls, and charges levied against the land and shall also subsequently be the basis of the vote at all elections. A copy of the order making the allotment or any increase provided, certified to by the secretary of the district, shall be immediately filed for record in the office of the county clerk of the county in which the office of the district is located and a certified copy filed with the county recorder of each county in which any lands of the district are situated. Nothing in this part may prohibit the state engineer, upon petition by the board of [~~directors~~] trustees after the organization of the district has been perfected, from increasing the maximum allotment of water for any tract or tracts of land embraced within the district when in the opinion of the state engineer the tract or tracts of land cannot be beneficially irrigated with the amount of water allotted. The board of [~~directors~~] trustees may construct or may acquire by contract, purchase, condemnation, or otherwise, canals, ditches, reservoirs, reservoir sites, irrigation systems or works and lands necessary or incidental to the use and operation of irrigation works, and reservoir sites, which lands may be leased when leasing will not interfere with their use for irrigation purposes, and also water filings, water rights, rights-of-way, or other property or any interest in the property, including power plants when acquired or developed in connection with an irrigation system with the right to sell or dispose of the surplus power. The board may also purchase stock of irrigation canal, and reservoir companies. The board may exchange bonds of the district for any such property upon terms and conditions the board considers best, subject to the approval of the State Board of Certification. The board, its agents, and employees may enter upon any land in the district to make surveys and to locate and construct any canal or canals, and the necessary laterals. The board may,

by condemnation, acquire rights of way for the enlargement of any ditches, canals, or reservoirs, but the board may not occupy the premises proposed to be condemned pending the determination of a suit, except upon filing the bond required by law in the case of suits by other corporations and individuals. The right-of-way is given, dedicated, and set apart, to locate, construct, and maintain the works, or reservoirs, over, through, or upon any of the lands which are now, or may be the property of the state. The board may make these investigations and based on them, make representations and assurances to the Secretary of the Interior, as may be requisite under the act of Congress, approved August 11, 1916, and may enter into any obligation or contract with the United States for the construction or operation and maintenance of the necessary works for the delivery and distribution of water or for the assumption, as principal or guarantor of indebtedness to the United States on account of district lands, or for the temporary rental of water under the provisions of the Federal Reclamation Act, and all acts amendatory of that act, or supplementary to it, or any other Acts of Congress now enacted or which may be enacted, and the rules and regulations established under them; or the board may contract with the United States for a water supply under any act of Congress providing for or permitting the contract, and may convey to the United States as partial or full consideration water rights or other property of the district, and in case the contract has been or may be made with the United States as provided in this section, bonds of the district may be deposited with the United States at 95% of their par value to the amount to be paid by the district to the United States under the contract, the interest on the bonds to be provided for by assessment and levy as in the case of other bonds of the district, and regularly paid to the United States to be applied as provided in the contract, and if bonds of the district are not so deposited, the board of [~~directors~~ trustees] shall include as part of any levy or assessment now provided for by law, an amount sufficient to meet each year all payments accruing under the terms of the contract and the board may accept on behalf of the district, appointment of the district as fiscal agent of the United States, or authorization of the district by the United States, or authorization of the district by the United States to make collections of moneys for or on behalf of the United States in connection with any federal reclamation project, at which time the district shall be authorized so as to act and to assume the duties and liabilities incident to that action, and the board may do any and all things required by the federal

statutes enacted in connection with it, and all things required by the rules and regulations established by any department of the federal government. Districts cooperating with the United States may rent or lease water to private lands, entrymen, or municipalities in the neighborhood of the district, in pursuance of a contract with the United States. If a contract is proposed to be made with the United States and bonds are not to be deposited with the United States in connection with the contract, the question to be submitted to the voters at a special election is whether or not the contract shall be entered into with the United States. The notice of election shall state under the terms of what Act or Acts of Congress the contract is proposed to be made, and the maximum amount of money payable to the United States for construction purposes exclusive of penalties and interest and the water rights and other property, if any, to be conveyed to the United States as provided in this section. The ballots for the election shall contain the words "Contract with the United States-Yes" and "Contract with the United States-No," or the equivalent. If a majority of the votes cast at the election are "Contract with the United States-Yes," the board of [~~directors~~] trustees shall immediately enter into the contract with the United States. The board shall establish equitable rules for the distribution and use of water among the owners of lands included in this district, and may provide that no water may be delivered to lands which are delinquent or in default in the payment of any toll, charge, tax, or assessment. The rules shall, as soon as adopted, be printed in convenient form for distribution in the district; but water, the right to the use of which is acquired by the district under any contract with the United States, shall be distributed and apportioned by the district in accordance with the Acts of Congress, the rules and regulations, and the provisions of the contract.

(2) The board of [~~directors~~] trustees may annually instruct the county assessor of the county in which the lands to be affected are located to remove from the assessment roll any land publicly dedicated to streets, highways, and roads, and also other land the use of which has so permanently changed as to prevent the beneficial use of water, and the assessor shall do so. The instructions to the assessor shall be accompanied by a written consent to the removal from the assessment roll signed by all owners of private land affected by it.

(3) When any tract of land in the district which has no water allotment becomes susceptible to irrigation and use of water, or when any tract has an insufficient water allotment, the board of

[directors] trustees, upon written application of the owner of the land, may temporarily permit water to be applied on the land, and in that case the board may annually instruct the county assessor of the county in which the tract to be affected is located to assess the tract for water in the amount fixed by the board, and the assessor shall do so. Nothing contained in this section may affect the permanent water allotments in the district.

(4) The board of [directors] trustees may lease or rent the use of water not needed by the landowners of the district and in addition may contract to supply and deliver the water to municipalities, corporations, associations, or individuals, within or without the district for irrigation or any other beneficial use, at prices and terms the board considers best. No lease or rental agreement running for a period of more than five years may be made, and no vested or prescriptive right to the use of the water may attach to the land by virtue of the lease or rental; and any landowner in the district may, where practicable, with the consent of the board of [directors] trustees, assign the right to the whole or any portion of the water apportioned to the landowner's land for any one year to any other bona fide landowner, for use in the district for the year; if the landowners have paid all amounts due on assessments upon the lands. ~~[The board shall generally perform all acts and have all powers necessary to carry out fully the purposes of this part. The board of directors shall, by resolution, prescribe the dates for holding regular meetings and shall also hold special meetings as required for the proper transaction of business. A special meeting may be called by a written request of ten or more of the electors of the district, addressed to the president of the board of directors, or by the president of the board, or by any two directors. All meetings of the board shall be public, two members constitute a quorum for the transaction of business, and on all questions requiring a vote, there shall be a concurrence of at least two members of the board. All records of the board shall be open to the inspection of any landowner during business hours.]~~ The board shall, at the end of each fiscal year, prepare and submit to a public meeting of the landowners within the district, called for that purpose, a report covering all transactions and operations of the district during the year.

(5) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each irrigation district to the same extent as if the irrigation district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (5)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 55. Section **17A-2-712** is amended to read:

17A-2-712. Additional powers of board.

(1) In addition to any of the powers granted in this part, the board of [~~directors~~] trustees of any irrigation district may acquire, purchase, construct, improve, enlarge, and operate, or contract for the construction, improvement, enlargement, and operation of:

(a) reservoir sites, reservoirs, water, water filings, water rights, canals, ditches, and all other related structures and works necessary or proper for the storage and conveyance of water for irrigation purposes and all other structures and facilities necessary or proper for the purposes of the irrigation district; and

(b) facilities for the generation of hydroelectric power and all other related structures and works necessary or proper for the generation of electricity, including hydroelectric power plants,

turbine generators, penstocks, transformers, electrical equipment, and other facilities related to hydroelectric production plants, not including transmission facilities related to hydroelectric production plants.

(2) In addition to any of the powers granted in this part, the board of [~~directors~~] trustees of any irrigation district may enter into contracts for the sale of all or a portion of the electric power generated at a hydroelectric power plant, whether or not the electric power to be sold is surplus to the needs of the district, for the periods of time and under the terms and conditions the board deems necessary in order to accomplish the purposes of the district. Any sale of the electric power may be for the period and upon the terms and conditions as may be provided in contracts authorized by the board and entered into by the district and any purchaser of the electric power having, at the time of the commencement of the acquisition and construction of the electric power plant by the district, a system for distributing the electric power. Any revenues received by the district pursuant to power sale contracts may be used and pledged for the payment of the principal of and interest and any premium on bonds or notes of the district issued to pay all or part of the cost of acquiring, constructing, improving, or enlarging the facilities from which the hydroelectric power is generated, or for any other lawful purpose of the district. The boards of [~~directors~~] trustees of any two or more irrigation districts may, by appropriate resolutions, enter into agreements with one another by which the districts may jointly or cooperatively exercise any of the powers conferred by this section.

(3) The board may issue revenue bonds of the district, in the manner provided in this section:

(a) to pay for all or part of the costs of the acquisition, construction, improvement, or enlargement of any facilities described in Subsection (1) and other related structures and works and to pay expenses preliminary and incidental thereto;

(b) to pay interest on the bonds during acquisition, construction, improvement, or enlargement; and

(c) to provide for necessary reserves and to pay costs of issuance and sale of the bonds, including, without limitation, printing, registration, and transfer costs, legal, financial advisor's, and rating agency fees, insurance premiums, and underwriter's discount.

(4) The board may provide that any revenue bonds issued and sold under this section shall

be payable solely out of a special fund into which the district issuing the revenue bonds shall be obligated to deposit, as from time to time received, all or a designated portion of the proceeds from the sale of the services furnished by the facilities of the irrigation district, including the facilities to be so acquired, constructed, improved, or enlarged, all pursuant to contracts to be entered into as authorized in this section.

(5) Revenue bonds of the district issued under the authority of this section shall be issued and sold in compliance with Title 11, Chapter 14, ~~the~~ Utah Municipal Bond Act, and may be in the form and denominations and have the provisions and details as are permitted by the Utah Municipal Bond Act. The bonds and any evidences of participation interests in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, ~~the~~ Registered Public Obligations Act, or any other statute relating to the registration of bonds enacted to meet the requirements of Section 149(a) of the Internal Revenue Code of 1986, or any similar or successor federal law, and applicable regulations. Bonds may be issued under the authority of this section at one time or from time to time. If more than one issue or series of bonds is delivered under the authority of this section, the bonds of the respective issue or series shall have the priorities of payment as provided in the proceedings authorizing the bonds.

(6) Any resolution authorizing revenue bonds may contain covenants with the future holders of the bonds as to:

(a) the management and operation of the facilities of the irrigation district, including the facilities acquired, constructed, improved, enlarged, or operated pursuant to this section;

(b) the imposition and collection of rates for the services furnished thereby;

(c) the disposition of the revenues;

(d) the issuance of future bonds and the creation of future liens and encumbrances against these facilities and the revenues thereof;

(e) the carrying of insurance on these facilities and the disposition of the proceeds of insurance;

(f) the sale, disposal, or alienation of these facilities; and

(g) other pertinent matters deemed necessary or proper by the board to assure the

merchantability of the bonds. These covenants and agreements may not be inconsistent with this section.

(7) When a district has issued revenue bonds and pledged for the payment thereof any revenues of the facilities of the irrigation district, including the facilities acquired, constructed, improved, enlarged, or operated pursuant to this section, the district shall establish rates and collect fees and charges for the services furnished by these facilities in that amount and at those rates which will be fully sufficient at all times to pay the expenses of operating and maintaining these facilities, to provide a special fund sufficient to assure the prompt payment of principal of and interest on the bonds as principal and interest fall due, and to provide funds for reserves and contingencies and for a depreciation fund for repairs, extensions, and improvements to these facilities as [~~deemed~~] considered necessary to assure adequate and efficient service, all as required by the bond resolution. No board or commission other than the board of [~~directors~~] trustees of the district has authority over or is required to approve the making or fixing of the fees and charges or the acquisition of property by the district or the issuance of its bonds.

(8) Any restrictions, limitations, or regulations in any other section of this part relative to the issuance of bonds or the execution of contracts pursuant to the authority contained in this section do not apply to the revenue bonds issued under this section or the execution of contracts under the authority of this section. Sections 17A-2-750, 17A-2-751, 17A-2-752, and 17A-2-753 do not apply to any contract entered into by an irrigation district under this section, nor to the issuance of any revenue bonds by an irrigation district under this section.

Section 56. Section **17A-2-714** is amended to read:

17A-2-714. Judicial notice -- Presumptions as to organization.

~~[The said board is hereby authorized and empowered to take conveyances or assurances for all property acquired by it under the provisions of this part in the name of such irrigation district, and to institute and maintain any and all actions and proceedings, suits at law or in equity, necessary or proper in order to fully carry out the provisions of this part or to enforce, maintain, protect, or preserve any or all rights, privileges and immunities created by this part or acquired in pursuance thereof. And in all courts, actions, suits, or proceedings the said board may sue, appear and defend~~

~~in person or by attorneys and in the name of such irrigation district.]~~ Judicial notice shall be taken in all actions, suits and judicial proceedings in any court of this state of the organization and existence of any irrigation district of this state, now or hereafter organized, from and after the filing in the office of the county clerk of the order of the county legislative body mentioned in Section 17A-2-705 and a certified copy of [~~said~~] the order shall be prima facie evidence in all actions, suits and proceedings in any court of this state of the regularity and legal sufficiency of all acts, matters and proceedings therein recited and set forth; and any such irrigation district, in regard to which any such order has been heretofore or may hereafter be entered, and which has exercised or shall exercise the rights and powers of such a district, and shall have had or shall have in office a board of [~~directors~~] trustees exercising the duties of their office, the legality or regularity of the formation or organization whereof shall not have been questioned by proceedings in quo warranto instituted in the district court of the county in which such district or the greater portion thereof is situated within one year from the date of such filing, shall be conclusively [~~deemed~~] considered to be a legally and regularly organized, established and existing irrigation district within the meaning of this part, and its due and lawful formation and organization shall not thereafter be questioned in any action, suit or proceeding whether brought under the provisions of this part or otherwise.

Section 57. Section **17A-2-715** is amended to read:

**17A-2-715. Issuance of bonds -- Special election -- Contract with the United States --
Additional bonding -- Validation of previous issues.**

For the purpose of constructing or purchasing or acquiring necessary reservoir sites, reservoirs, water, water filings, water rights, canals, ditches and works, stock of irrigation, canal, or reservoir companies, and other necessary property and rights, for the assumption of any indebtedness to the United States, for the purpose of paying interest upon the bonds herein authorized during the period of construction and for not more than four years thereafter, and otherwise carrying out the provisions of this part, the board of [~~directors~~] trustees of any such district shall as soon after such district has been organized as may be practicable, estimate and determine the amount of money necessary to be raised for such purposes, and shall forthwith call a special election, at which election shall be submitted to the landowners of such district, possessing the qualifications prescribed by this

part, the question of whether or not the bonds of [said] the district shall be issued in the amount so determined. Notice of such election shall be given by posting notice in one public place in each election precinct in [said] the district for at least 20 days, and also by publication in the manner prescribed in Section 17A-2-702. Such notice shall specify the time of holding the election, the amount and purpose of bonds proposed to be issued, and [said] the election must be held and the result thereof determined and declared in all respects as nearly as possible in conformity with the provisions of this part governing the election of officers; provided, that no informalities in conducting such election shall invalidate the same, if the elections [shall] have been otherwise fairly conducted. At such election, the ballots shall contain the words "Bonds -- Yes," or "Bonds -- No," or words equivalent thereto. If a two-thirds majority of the votes cast at such election are "Bonds-Yes," the board of [directors] trustees shall cause the bonds to be executed and payable in series as follows, to wit:

Not later than at the expiration of 11 years, and annually, after the date of first payment of principal amount, a certain percentage, not less than 3%, of the whole amount and number of [said] the bonds; at the expiration of the final period for which the bonds have been issued, which period shall in no event exceed 40 years, a percentage sufficient to pay off the remainder of [said] the bonds; that the several enumerated percentages be of the entire amount of the bond issue; that each bond must be payable at the given time for its entire amount, and not for percentage. That [said] the bonds shall bear interest at the rate of not to exceed 6% per annum, payable semiannually on the 1st day of June and December of each year.

The principal and interest shall be payable at the office of the county treasurer of the county in which the organization of the district was effected as aforesaid, and at such other places as the board of [directors] trustees may designate in such bonds. [Said] The bonds shall be each of the denomination of not less than \$100, nor more than \$1,000, shall be negotiable in form, executed in the name of the district and signed by the [president] chair and secretary and the seal of the district shall be affixed thereto. Bonds deposited with the United States may call for the payment of such interest not exceeding 6% per annum, may be of such denomination, and may call for the repayment of the principal at such times as may be agreed upon between the board and the United States, and

where contract is made and bonds are not deposited with the United States, the contract may likewise call for the repayment of the principal at such time as may be agreed upon. [Said] The bonds shall be numbered consecutively as executed and bear the date of authorization. Coupons for the interest shall be attached to each bond bearing the printed or lithographed facsimile of the signature of the [president] chair and the secretary. [Said] The bonds shall express on their face that they are issued by the authority of this part, stating its title and date of approval. The secretary shall keep a record of the bonds sold, their number, date of sale, the price received, the name of the purchaser and may keep a transfer register; provided, any such district may provide for the issuance of bonds that will mature in any number of years less than 40, and arrange for the payment thereof, in series as above provided; provided, further, that when the money obtained from any previous issue of bonds has become exhausted by expenditures, herein authorized therefor, and it becomes necessary to raise additional money for such purposes, additional bonds may be issued after submitting the question at a special election to the qualified voters of [said] the district, and otherwise complying with the provisions of this section in respect to an original issue of such bonds; provided, also that the lien for taxes, for the payment of interest and principal for any bond issue, or for any indebtedness under any contract with the United States for or with which bonds have not been deposited, shall be a prior lien to that of any subsequent bond issue.

All bonds heretofore executed by any irrigation district wherein the proceedings for the organization of such district and authorizing the issuance of such bonds have been approved and confirmed by the district court of the judicial district within which such irrigation district is located, are hereby confirmed and validated.

Section 58. Section **17A-2-716** is amended to read:

17A-2-716. Sale of bonds -- Use of funds.

The board may sell bonds from time to time in such quantities as may be necessary and most advantageous to raise the money for the construction or purchase of canals, reservoir sites, reservoirs, water rights and works, stock and irrigation, canal or reservoir companies, and otherwise fully to carry out the objects and purposes of this part. Before making any sale the board shall at a meeting, by resolution declare its intention to sell a specified amount of the bonds and the day and hour and

place of such sale, and shall cause such resolution to be entered in the minutes, and notice of the sale to be given by publication thereof at least 20 days in any daily newspaper published in the city of Salt Lake, and in any other newspaper at their discretion. The notice shall state that sealed proposals will be received by the board at its office, for the purchase of the bonds, till the day and hour named in the resolution. At the time appointed the board shall open the proposals and award the purchase of the bonds to the highest responsible bidder, or may reject all bids, provided that no proposal shall be accepted which is not accompanied by a certified check for at least 10% of the amount of the bid to apply on the purchase price of the bonds, the amount of which check shall be forfeited if after the acceptance of the proposal the bidder ~~[shall refuse]~~ refuses to accept ~~[said]~~ the bonds and complete ~~[his]~~ the purchase of the bonds on the conditions stated in ~~[his]~~ the bidder's proposal. In case no bid is made and accepted as above provided the board of ~~[directors]~~ trustees, subject to the approval of the state board of certification is hereby authorized to use ~~[said]~~ the bonds for the purchase of canals, reservoir sites, reservoirs, water rights and works, stock of irrigation, canal, or reservoir companies; or for the construction of any canal, reservoir and works or otherwise fully to carry out the purposes of this part; provided that bids for all such construction work are first called for in accordance with Section 17A-2-723. The board shall make no sale of bonds either at public or private sale, or use ~~[said]~~ the bonds for payment of construction work for less than the amount authorized by the state board of certification.

Section 59. Section **17A-2-718** is amended to read:

17A-2-718. Trustees to determine amounts required for current years -- Establishment of sinking funds and reserve funds -- Certification of amounts.

~~[It shall be the duty of the board of directors]~~ The board of trustees shall, on or before July 1st of each year, ~~[to]~~ determine the amount of money required for the current year, ~~[to]~~ pay interest on and all maturing installments of principal of any bonds, and warrants, and all payments due or to become due to the United States under any contract between the district and the United States accompanying which bonds of the district have not been deposited with the United States as in Section 17A-2-711, and all operation and maintenance or rental payments to be made by the district to the United States under the provisions of any such contract between the United States and the

district, and all water payments and all operation and maintenance or rental payments to be made by the district to other entities under the provisions of any contract between the district and other entities, and [tø] meet the cost of any construction or reconstruction proposed to be covered by annual assessments, and all maintenance, operating and current expenses, including the payment of assessments upon stock of irrigation, canal, or reservoir companies owned by the district, and the amount necessary to meet the obligations of local improvement districts, and [tø] establish, keep, and maintain sinking funds sufficient to assure the prompt payment of principal of and interest on the bonds as principal and interest fall due, and reserve funds at the level required by any contract between the district and the United States, and other entities; and [tø] establish, keep and maintain adequate reserve funds for depreciation, repairs, extensions and improvements to the works necessary to assure adequate and efficient service, as determined by the board, and [tø] certify to the county legislative body of the county in which the office of [said] the district is located, [said] those amounts together with such additional amount as may be necessary to meet any deficiencies theretofore incurred, and if so provided in case of contract with the United States a further amount to cover any deficit in payments due the United States thereunder which may have resulted from delinquent assessments for any preceding year.

Section 60. Section **17A-2-719** is amended to read:

17A-2-719. Duty of county assessors -- Basis of valuation -- Uniformity -- Returns -- Apportionment in case of contracts with United States.

[It shall be the duty of the] The county assessor of [any] each county embracing the whole or a part of any irrigation district [tø] shall assess and enter upon [his] the assessor's record [as assessor] in its appropriate column the assessment of all real estate, to which water has been allotted, exclusive of improvements, situate, lying and being within any irrigation district in whole or in part in such county. The assessor shall assess the lands on the basis of the value per acre-foot of water allotted to the lands within the district; provided, that the board of [directors] trustees of any such irrigation district may divide the district into units and fix a different value per acre-foot of water, or other units of measurement, to cover the service, turnout, construction, distribution charges, or other charges, if any, in the respective units, and in such case, the assessor shall assess the lands within each

such unit upon the same basis of value per acre-foot of water, or other units of measurement, to cover the service, turnout, construction, distribution charges, or other charges, if any, within such unit; and the assessor shall enter on ~~[his]~~ the assessment roll the amount of special benefits assessed against each tract of land within any local improvement district situate in the irrigation district as the same is shown on the equalized benefit assessment roll of ~~[said]~~ the improvement district. Immediately after ~~[said]~~ the assessment ~~[shall have]~~ has been extended as provided by law, the assessor shall make returns of the total amount of such assessment to the county legislative body of the county in which the office of ~~[said]~~ the district is located.

In case of contract with the United States, however, under the federal laws, the assessment of real estate within the district may be otherwise apportioned in the following manner:

(1) It may be provided by contract with the United States that assessments shall conform to the requirements of the federal reclamation laws now enacted or which may hereafter be enacted.

(2) It may be provided by contract with the United States that water shall be furnished to the district, or to part of the irrigable lands thereof, upon a temporary rental basis, whereupon lands of the district for which rental charges for any given year are not required to be paid to the United States by the district shall not be taxed for such purposes.

(3) District lands shall not be taxed for purposes of payment to the United States in any year when, and to the extent, on account of exceptional difficulties of reclamation, the district shall be exempted by contract with the United States from ~~[said]~~ the payment to the United States for such lands.

(4) The lands of any irrigation district may be by contract with the United States, divided into units and placed upon a basis of repayment to the United States in successive units, which shall not necessarily be composed of contiguous lands, and in such event the lands of units not yet, in any year, placed upon the repayment basis shall not during such year be subject to taxation for payment of building costs.

(5) In case lands, which shall have been irrigated by means of ditches, canals and reservoirs constructed prior to the organization of any district shall be included within such district under the terms of Section 17A-2-701, equitable credit shall be given in the making of assessments for any

water and ditch rights appurtenant to such lands, such adjustment shall be made by the board of [~~directors~~] trustees of such irrigation district, which adjustment shall be equitably made so that the cost of the additional rights, property, or benefits acquired by the district under contract from the United States will be fairly and equitably apportioned between the lands having rights in such old ditches, reservoirs or other works, and the lands of the district having no such rights, and due and equitable allowance made to the lands to which any such rights may be appurtenant; provided, that before making any such adjustment or allowance, the board of [~~directors~~] trustees shall publish notice for a period of at least three weeks in a newspaper published in the county in which the greater portion of the irrigable lands of the district are located or if there be no such newspaper published in such county, then in some newspaper of general circulation in that county, which notice shall state that a meeting of the board will be held for the purpose of making such adjustment and allowance, and that all parties interested therein who desire to be heard on the matter will be given an opportunity to appear and present evidence, and such notice shall state the date, the day and hour that such meeting will be held and the place of meeting, and at the date and place provided in the notice the board shall proceed to hear such evidence, if any be presented, and to make such adjustment or allowance in the manner herein prescribed. After such adjustment and allowance by the board of [~~directors~~] trustees, the board shall proceed in the manner prescribed in Sections 17A-2-749, 17A-2-750, 17A-2-751, 17A-2-752, and 17A-2-753 to have such adjustment and allowance duly confirmed by decree of court in similar manner to that provided in [~~said~~] those sections with reference to confirmation of the bond issue, and the court shall proceed in like manner as provided in [~~said~~] Sections 17A-2-749, 17A-2-750, 17A-2-751, 17A-2-752, and 17A-2-753 to examine into the regularity of [~~said~~] the proceedings of the board and the equity of the adjustment or allowance made by the board, and should the court find [~~said~~] the proceedings regular and [~~said~~] the allowance or adjustment equitable, then the court shall file its findings and decree confirming the [~~said~~] allowance and adjustment, but if the court [~~shall find~~] finds that such allowance and adjustment is not equitable, then the court shall itself make an allowance and adjustment which shall be just and equitable as between the various classes of lands in the district, and shall file a decree, confirming such apportionment in like manner and with like effect as the findings and decree provided for in [~~said~~]

Section 17A-2-753, provided, that in no case shall any land be taxed for irrigation purposes under this part, which from any natural cause cannot be irrigated, or is incapable of cultivation.

Section 61. Section **17A-2-720** is amended to read:

17A-2-720. Fixing tax levy -- Covering delinquencies -- All taxes special.

It shall be the duty of the county legislative body of the county in which is located the office of any irrigation district, immediately upon receipt of the returns of the total assessment of [said] the district, and upon the receipt of the certificate of the board of [~~directors~~] trustees certifying the total amount of money required to be raised as herein provided, to fix the rate of levy necessary to provide [said] the amount of money, including the amount required to pay the interest and principal of the bonds of [said] the district as the same shall become due and all payments due or to become due to the United States on contract accompanying which bonds of the district have not been deposited with the United States as in Section 17A-2-711; and to fix the rate necessary to provide the amount of money required for any local improvement district; also to fix the rate necessary to provide the amount of money required for any other purposes as in this part provided, and which are to be raised by the levy of assessments upon the real property of [said] the district and to certify [said] the respective rates to the county legislative body of each county embracing any portion of [said] the district. In fixing the rates of levy the basis shall be the total assessment returned for the district, except that in the case of districts under contract with the United States, all amounts assessed against land held by the county on district tax sales shall be excluded. The rates of levy as above determined shall be increased 15% to cover delinquencies; except that in fixing the rate necessary to meet all payments due or to become due under any contract with the United States such further and additional increases above [said] 15% shall be made if so provided in [said] the contract as are sufficient to cover any deficit that may have resulted from delinquent assessments for any preceding year. For the purposes of [said] the district it shall be the duty of the county legislative body of each county in which any irrigation district is located, in whole or in part, at the time of making levy for county purposes, to make a levy at the rates above specified, upon all real estate in [said] the district within their respective counties. It shall furthermore be the duty of the county legislative body of each county embracing any portion of [said] the district when sitting as a board of equalization for general

county taxes to equalize district taxes. All taxes levied under this part are special taxes.

Section 62. Section **17A-2-721** is amended to read:

17A-2-721. Duties of county treasurer -- Liability -- Secretary of district as treasurer -- Accounts to be kept and methods of payments -- Deposit of funds.

The county treasurer of each county in which any irrigation district is located shall be liable upon the treasurer's official bond and to indictment and criminal prosecution for malfeasance, or failure to perform any duty as county treasurer as provided by law in other cases as county treasurer. The treasurer shall collect, receive, and receipt for all moneys belonging to the district arising through taxation. The county treasurer of each county in which any irrigation district is located shall, in whole or in part, furnish each landowner under the district within the county with the valuation notice for general taxes, and a separate notice of the taxable value for district taxes, and of the day fixed by the board of equalization for hearing complaints, and collect and receipt for all taxes levied, but payment of district taxes may be received and receipted for separately from taxes upon real estate for county purposes. The county treasurer shall receive in payment of the general fund tax for the year in which the taxes are levied, warrants drawn against the general fund the same as so much lawful money of the United States, if the warrant does not exceed the amount of the general fund tax which the person tendering it owes. The county treasurer shall receive in payment of the district bond fund taxes for the year in which the taxes were levied, interest coupons or bonds of the irrigation district maturing within the year the same as so much lawful money of the United States, if the interest coupons or bonds do not exceed the amount of district bond fund tax which the person tendering them owes. Except in case of contract obligation due to the United States as provided in Section 17A-2-717, any landowner may tender, and the county treasurer shall receive, money, bonds, or coupons of the district equaling the landowner's proportion of the total issue of bonds of the district, with interest to maturity, based on the proportion of the landowner's water allotment to the total final water allotment of the district, and taxes for payment of the bonds or interest on the bonds of the district may not subsequently be levied against the landowner. The county treasurer of each county comprising a portion of the irrigation district shall, on the first Monday of each month, remit to the district all moneys, warrants, coupons, or bonds previously collected or received on account of the

district. The funds so remitted shall be deposited to the credit of the district by the secretary of the district. The secretary of the district shall serve also as treasurer of the district, unless a treasurer is otherwise provided by the board. The district shall keep a bond fund account, United States contract fund account, local improvement fund accounts, reserve fund account and a general fund account. The bond fund account shall consist of all moneys received on account of interest and principal of bonds issued by the district, the accounts for interest and principal shall be kept separate, and the United States contract fund account shall consist of all moneys received on account of any and all payments due or to become due the United States accompanying which bonds of the district have not been deposited with the United States as provided in Section 17A-2-711. The local improvement fund accounts shall consist of moneys received on account of local improvements of local improvement district or districts respectively. The reserve fund account shall consist of funds required contractually to be kept and maintained and for depreciation, repairs, extensions, and improvements as determined by the board. The general fund shall consist of all other moneys or general fund warrants received by the collection of taxes or otherwise. The district shall pay out of the bond fund, when due, the interest and principal of the bonds of the district, at the time and place specified in the bonds, and shall pay out of the United States contract under any fund when due all payments due to the United States under any contract between the district and the United States accompanying which bonds of the district have not been deposited with the United States as provided in Section 17A-2-711, and shall pay out of the local improvement fund accounts respectively, all obligations of local improvement districts as they become due, and shall pay out of the reserve fund those amounts contractually to be paid from it and repairs, extensions, and improvement charges for which the reserve funds were provided.

In cases where bonds have been deposited with the United States as provided in this part, the moneys to be paid to the United States for rentals or operation and maintenance charges, if not secured by bonds, shall be paid out of the general fund account along with all other construction, operation, and maintenance charges of the district for which no reserve funds exist. The district shall pay out of the general fund only upon the order of the board of [~~directors~~] trustees of the district, signed by the [~~president~~] chair or other [~~director~~] trustee authorized by the board and countersigned

by the secretary of the district. All district taxes collected and paid to county treasurers as provided shall be received by the treasurers in their official capacity, and they shall be responsible for the safekeeping and remittance of the taxes to the district the same as for other moneys collected by them as treasurers. County treasurers shall receive as sole compensation for the collection of the taxes the amount allowed by the board of ~~directors~~ trustees, which is in addition to the regular salary of the county treasurers as provided by law. The district may deposit the district funds with any bank or trust company.

Section 63. Section **17A-2-723** is amended to read:

17A-2-723. Construction -- Notice -- Awarding contracts -- Contractor's bonds.

After adopting a plan for the construction of canals, reservoirs, and works, the board of ~~directors~~ trustees shall give notice thereof by publication in the county in which the principal office of the district is located at least once not less than ten days prior to the expiration of the period in which bids shall be received, and such other notice as they ~~may deem~~ consider advisable calling for bids for the furnishing of material or construction of ~~said~~ the work or any portion thereof. If less than the whole work is advertised, then the portion so advertised must be particularly described in such notice; ~~said~~ the notice shall set forth that plans and specifications, or specifications alone where there are no plans, may be seen at the office of the board, and that the board will receive sealed proposals therefor, and that the contract will be let to the lowest responsible bidder, stating the time and the place for opening the proposal which at ~~said~~ that time and place shall be opened in public, and as soon as convenient thereafter the board shall let ~~said~~ the work, either in portions or as a whole, or award and order for materials, to the lowest responsible bidder, or it may reject any or all bids, and thereupon readvertise for proposals, or proceed to construct the work under its own superintendence. Contracts for the purchase of material shall be awarded to the lowest responsible bidder unless all bids are rejected or the board determines to readvertise for bids. The person or persons to whom a contract may be awarded shall enter into a bond, with good and sufficient sureties, to be approved by the board, payable to ~~said~~ the district for not less than 25% of the amount of the contract price and conditioned for the faithful performance of ~~said~~ the contract, but no such bond need be required by the board where materials are contracted for the bond requirement. The work

shall be done under the direction and to the satisfaction of the engineer in charge, and be approved by the board, and shall be paid for out of the general fund account; provided, that the provisions of this section shall not apply in the case of any contract between the district and the United States. Nothing herein contained shall be construed to prohibit the district from purchasing material or doing any work required by it without advertising for bids and without the letting of a contract where the estimated cost of such work or such material does not exceed \$30,000 or in cases of emergencies the board of [~~directors~~] trustees may let contracts for the work required in the emergency without advertising for bids or may cause such work to be done by the district itself.

Section 64. Section **17A-2-724** is amended to read:

17A-2-724. Claims -- Manner of payment -- Registry of warrants -- Emergency loans.

No claims shall be paid by the district until the same shall have been allowed by the board, and then only upon warrants signed by the [~~president~~] chair, or other [~~director~~] trustee authorized by the board, and countersigned by the secretary, which warrants shall state the date authorized by the board and for what purpose; and if the district has not sufficient money on hand to pay such warrant when it is presented for payment, the secretary or treasurer of the district shall endorse thereon "Not paid for want of funds; this warrant draws interest from date of presentation at 6% per annum," and endorse thereon the date when so presented, over [~~his~~] the secretary or treasurer's signature, and from the time of such presentation until paid such warrant shall draw interest at the rate of 6% per annum; provided, when there is more than the sum of \$100 in the hands of the district it shall be applied upon [~~said~~] the warrant. All claims against the district shall be verified as required in the case of claims filed against counties in this state, and the secretary of the district is hereby authorized and empowered to administer oaths to the parties verifying [~~said~~] the claims, as the county clerk or a notary public might do. The district shall keep a register in which shall be entered[;] each warrant, to whom payable, the date of the presentation for payment, the date of payment, and the amount paid in redemption thereof, and all warrants shall be paid in the order of their presentation for payment to the district. All warrants shall be drawn payable to the claimant or bearer in the same manner as county warrants. The district is also authorized to pay claims against the district by checks signed by the [~~president~~] chair, or other [~~director~~] trustee authorized by the board, and countersigned by the

secretary. To meet necessary expenses in anticipation of the collection of taxes, the board of [~~directors~~] trustees may incur indebtedness by borrowing money or otherwise, not exceeding the taxes for the current year, and as evidence of such indebtedness may issue negotiable notes of the district, payable in not more than one year from date thereof. In case of a break in the reservoir or canal or other disaster, the board of [~~directors~~] trustees is authorized to borrow money and make the necessary repairs.

Section 65. Section **17A-2-726** is amended to read:

17A-2-726. Compensation of officials -- Prohibitions -- Penalties.

[~~Each member of the board of directors shall receive compensation for his services, not in excess of \$1,000 per annum, to~~] The salary of the secretary, manager, engineer, and other officers and employees shall be fixed by the board[, payable monthly, and his actual and necessary traveling expenses while engaged in official business. The salary of the secretary, manager, engineer and other officers and employees shall be fixed by the board of directors] of trustees. No director or any officer named in this part shall, in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom; nor shall receive any bonds, gratuity, or bribe, and for any violation of this provision, such officer shall be [~~deemed~~] considered guilty of a felony, and upon conviction therefor he shall forfeit [~~his~~] office, and be punished by a fine not exceeding \$5,000, or by imprisonment in the penitentiary for a term of not less than one or more than five years.

Section 66. Section **17A-2-727** is amended to read:

17A-2-727. Debt limit -- Interest on warrants.

The board of [~~directors~~] trustees, or other officers of the district, [~~shall have no power to~~] may not incur any debt or liability whatever, either by issuing bonds or otherwise, in excess of the express provisions of this part, and any debt or liability incurred in excess of such express provisions shall be and remain absolutely void; provided, however, that the district shall assume the expense incurred in its organization and may incur additional indebtedness for the conduct of its business until bonds are sold or returns from first district taxes are received, which additional indebtedness, together with such expense assumed, shall not exceed \$3 per acre of land embraced within the district; such

indebtedness shall be the general obligation of the district and the board of [~~directors~~] trustees may cause warrants or notes of the district to issue therefor, bearing interest not exceeding 7% per annum. [~~Said~~] Those warrants or notes shall be payable not later than the 1st day of January following the receipt of the first district taxes levied and collected and the board of [~~directors~~] trustees of the district shall include in their first annual budget for the ensuing year the amount necessary to liquidate all such outstanding warrants, or notes.

Section 67. Section **17A-2-728** is amended to read:

17A-2-728. Distribution of water.

In case the volume of water in any canal, reservoir, or other works in any district [~~shall~~] is not [~~be~~] sufficient to supply the continual wants of the entire district lands susceptible of irrigation therefrom, then [~~it shall be the duty of~~] the board of [~~directors to~~] trustees shall distribute all available waters upon certain or alternate days to different localities, as they may in their judgment think best for the interest of all parties concerned. All water, however, the right to the use of which is acquired by the district under any contract with the United States shall be distributed and apportioned by the district in accordance with the acts of Congress, rules and regulations established thereunder and the provisions of [~~said~~] the contract in relation thereto.

Section 68. Section **17A-2-731** is amended to read:

17A-2-731. Petition for inclusion.

The holder or holders of title, or evidence of title, representing a majority of the acreage of any body of land in the vicinity of the lands in any irrigation district, may file with the board of [~~directors~~] trustees of [~~said~~] the district a petition in writing, praying that such lands be included in such district. The petition shall describe the tracts, or body of land owned by the petitioners, and the proposed method of supplying water thereto, but such description of the lands need not be more particular than is required, when such lands are entered by the county assessor in the assessment book. Such petition shall be [~~deemed~~] considered to give the assent of the petitioners to the inclusion in [~~said~~] the district of the lands described in the petition, and such petition must be acknowledged in the same manner that conveyances of land are required to be acknowledged.

Section 69. Section **17A-2-732** is amended to read:

17A-2-732. Notice of application -- Procedure -- Time -- Costs.

(1) (a) (i) Except as provided in Subsection (1)(b), the secretary of the board of [~~directors~~] trustees shall cause notice of the filing of a petition under Section 17A-2-731 to be given as provided in Section 17A-2-702.

(ii) The notice shall:

(A) state the filing of such petition and the names of the petitioners, a description of the lands mentioned in [~~said~~] the petition, and the prayer of the petitioners; and

(B) notify all persons interested to appear at the office of the board at a time named in the notice and show cause, in writing, why the petition should not be granted.

(iii) The time specified in the notice under Subsection (1)(a)(ii)(B) shall be the regular meeting of the board next after the expiration of the time for the publication of the notice.

(b) If a petition under Section 17A-2-731 has been signed by all the owners of real property within the area proposed for inclusion and contains their addresses:

(i) the requirement under Subsection (1)(a)(i) to give notice of the petition as provided in Section 17A-2-702 does not apply;

(ii) the meeting at which the board will consider the petition may not occur until the next regular meeting of the board that is at least seven days after mailing the notice under Subsection (1)(b)(iii); and

(iii) the secretary of the board of [~~directors~~] trustees shall give the owners written notice through the United States mail, addressed to the address specified in the petition under Section 17A-2-731, of the date, time, and place of the meeting of the board where the board will consider the petition.

(2) The petitioner or petitioners shall advance to the secretary sufficient money to pay the estimated cost of all proceedings under such petition before the secretary shall be required to give notice required under this section.

Section 70. Section **17A-2-733** is amended to read:

17A-2-733. Hearing on petition.

The board of [~~directors~~] trustees, at the time and place mentioned in [~~said~~] the notice, or at

the time or times to which the hearing of [said] the petition [~~may have~~] has been adjourned, shall proceed to hear the petition and all objections thereto, presented in writing by any person, showing cause as aforesaid, why [said] the petition should not be granted. The failure of any person interested to show cause, in writing, as aforesaid, shall be [~~deemed and taken as an~~] considered as the person's assent [~~on his part~~] to the inclusion of such lands in [said] the district as prayed for in [said] the petition.

Section 71. Section **17A-2-740** is amended to read:

17A-2-740. Petition for exclusion.

The owner or owners of any lands constituting a portion of any irrigation district may file with the board of [~~directors~~] trustees of the district a petition praying that such lands may be excluded and taken from [said] the district. The petition shall describe the lands which the petitioners desire to have excluded, and the description of such lands shall be with the same particularity that is required when lands are entered in the assessment book by the county assessor. Such petition [~~must~~] shall be acknowledged in the same manner and form as is required in case of a conveyance of land.

Section 72. Section **17A-2-741** is amended to read:

17A-2-741. Notice of petition -- Objections.

The secretary of the board of [~~directors~~] trustees shall cause a notice of the filing of such petition to be published as in Section 17A-2-702 provided; or if no newspaper be published as therein provided, then by posting such notice for the same time in at least three public places in [said] the district, and in case of the posting of [said] those notices, one of [said] the notices [~~must~~] shall be so posted on the lands proposed to be excluded. The notice shall state the filing of such petition, the names of the petitioners, description of the lands mentioned in [said] the petition, and the prayer of [said] the petitioners; and it shall notify all persons interested to appear at the office of [said] the board at a time named in [said] the notice, and show cause in writing, if any they have, why [said] the petition should not be granted. The time to be specified in the notice at which they shall be required to show cause shall be the regular meeting of the board next after the expiration of the time for the publication of the notice. The petitioner or petitioners shall advance to the secretary sufficient money to pay the estimated cost of all proceedings under such petition before the secretary shall give such

notice.

Section 73. Section **17A-2-742** is amended to read:

17A-2-742. Hearings by board -- Assent by petitioners.

The board of [~~directors~~] trustees at the time and place mentioned in the notice, or at the time or times to which the hearing of [~~said~~] the petition may be adjourned, shall proceed to hear the petition and all objections thereto, presented in writing by any person showing cause as aforesaid why the prayer of [~~said~~] petition should not be granted. The filing of such petition with such board as aforesaid, shall be [~~deemed and taken~~] considered as an assent by each and all such petitioners to the exclusion from such district of the lands mentioned in the petition, or any part of [~~said~~] those lands.

Section 74. Section **17A-2-743** is amended to read:

17A-2-743. Exclusion of lands, when -- Contracts with the United States.

The board of [~~directors~~] trustees, if they [~~deem~~] consider it not for the best interest of the district that the lands mentioned in the petition, or some portion thereof, should be excluded from [~~said~~] the district, shall order that [~~said~~] the petition be denied; but if they [~~deem~~] consider it for the best interest of the district that the lands mentioned in the petition, or some portion thereof, be excluded from the district, and if there are no outstanding bonds of the district, then the board may order the lands mentioned in the petition, or some defined portion thereof, excluded from the district; provided, however, that the board shall require as a condition precedent to the granting of such petition that the petitioners shall severally pay to such district their pro rata share of the outstanding obligations and indebtedness of the district provided, if within 30 days from the making of such order a majority of the landowners of the district protest in writing to [~~said~~] the board against the exclusion of such lands from [~~said~~] the district, [~~said~~] the order shall be held for naught and such lands shall not be excluded therefrom; provided, further, that in case contract has been made between the district and the United States, no lands shall be excluded from [~~said~~] the district unless the United States shall assent thereto in writing and such assent be filed with the board of [~~directors~~] trustees.

Section 75. Section **17A-2-744** is amended to read:

17A-2-744. Filings with county clerk and recorder.

Upon the allowance of such petition and in case no protest has been filed with the board

within 30 days after the entry of ~~[said]~~ the order as aforesaid, a certified copy of the order of the board of ~~[directors]~~ trustees making such change and a plat of such district showing such change, certified by the ~~[president]~~ chair and secretary, shall be filed for record in the office of the clerk of the county in which the office of the district is located and with the recorder of each county in which lands of the district are situate, and the district shall remain an irrigation district as fully to every intent and purpose as if the lands which are excluded by the change as aforesaid had not been excluded therefrom.

Section 76. Section **17A-2-745** is amended to read:

17A-2-745. Division of districts -- Representation.

At least 30 days before the next general election of such district the board of ~~[directors]~~ trustees thereof shall make an order dividing such district into three divisions as nearly equal in size as may be practicable, which shall be numbered first, second and third, and one ~~[director]~~ trustee shall be elected from each division.

Section 77. Section **17A-2-746** is amended to read:

17A-2-746. Dissolution of district -- Election -- Procedure.

Whenever landowners representing a majority of the number of acre-feet of water allotted to the lands in any irrigation district organized, or hereafter to be organized, under this part, ~~[shall]~~ petition the board of ~~[directors]~~ trustees to call a special election[;] for the purpose of submitting to the landowners of ~~[said]~~ the irrigation district a proposition to vote on the dissolution of ~~[said]~~ the irrigation district, setting forth in ~~[said]~~ the petition that all bills and claims of every nature whatsoever have been fully satisfied and paid, ~~[it shall be the duty of said directors]~~ the trustees shall, if they ~~[shall be]~~ are satisfied that all claims and bills have been fully satisfied, ~~[to]~~ call an election, setting forth the object of ~~[said]~~ the election, and ~~[to]~~ cause notice of ~~[said]~~ the election to be published, as in Section 17A-2-702, setting forth the time and place for holding ~~[said]~~ the election in each of the three voting precincts in ~~[said]~~ the district. ~~[It]~~ The trustees shall also ~~[be the duty of the directors to]~~ prepare ballots to be used at ~~[said]~~ the election on which shall be written or printed the words: "For Dissolution -- Yes," and "For Dissolution -- No," provided, that in case contract has been made between the district and the United States the board shall have no jurisdiction to consider any such

petition for dissolution of the district, no such special election shall be held, and such district shall not be disorganized or declared disorganized until it shall have been certified to the board of [~~directors~~] trustees by the United States that all payments and obligations due or to become due to the United States under such contract have been fully paid or that the United States consents to such dissolution.

Section 78. Section **17A-2-747** is amended to read:

17A-2-747. Returns and canvass of election.

The board of [~~directors~~] trustees shall name a day for canvassing the returns of election, and if it [~~shall appear~~] appears that a majority of the votes cast are "For Dissolution -- Yes," then [~~it shall be the duty of said~~] the board of [~~directors to~~] trustees shall declare [~~said~~] the district to be disorganized, and shall certify to the county clerk of the county in which the office of the district is located, stating the number of signers to [~~said~~] the petition and the number of acre-feet of water allotted to them; that [~~said~~] the election was called and set for the ____ day of _____ month of ____ year, that [~~said~~] the election was held and that so many votes (stating the number) had been cast for, and that so many votes (stating the number) had been cast against [~~said~~] the proposition; [~~said~~] the certificates to bear the seal of the district, and the signatures of the [~~president~~] chair and secretary of [~~said~~] the board of [~~directors~~] trustees. And it shall be the duty of [~~said~~] the clerk to have such certificate recorded with the county recorder of the respective counties embracing any lands of the district. Should it appear that a majority of the votes cast at [~~said~~] the election were "For Dissolution -- No," then the board of directors shall declare the proposition lost and shall cause the result and the vote to be made a part of the records of [~~said~~] the irrigation district.

Section 79. Section **17A-2-748** is amended to read:

17A-2-748. Irrigation district's failure to function -- Dissolution -- Increase of assessment -- Lien and tax sale.

If after its organization [~~a water conservation~~] an irrigation district [~~shall fail~~] fails to function as provided by this part for a period of three years after the notice issued by the county legislative body and a majority of the owners of acre-feet of water allotted to such district shall evidence a desire to dissolve the district by the filing of a petition for that purpose with the board of [~~directors, it shall be the duty of~~] trustees, the board of [~~directors to~~] trustees shall file a petition with the district court

requesting the dissolution of the district. Upon the filing of such petition the court shall give such notice regarding the hearing thereof as it [~~shall deem~~] considers necessary and shall proceed to hear all objections against such dissolution. If no bonds have been issued or other obligations incurred which may not be paid by a pro rata assessment against the landowners within [~~said~~] the district, or if no contract has been entered into with the United States or other persons which cannot be abrogated or the value of which cannot be assessed as liquidated damages, the court shall order a dissolution of the district upon the payment by each person therein of his pro rata share of the obligations of the district, provided that if it shall appear to the court that there are lands within the district the value of which will not satisfy such pro rata share, then assessment against the remaining lands shall be increased in an amount sufficient to repay the total obligations of the district. If any landowner [~~shall fail~~] fails to pay the amounts so assessed [~~against him~~], such amount shall be a prior lien against [~~his~~] the landowner's land and the same shall be sold by court order as upon a tax sale as provided in Section 17A-2-722, and the proceeds of the sale shall be applied toward the payment of the amount assessed against him. In such proceeding for dissolution the court shall have power to adjust the obligations of the district, allotment of benefits, and other matters affecting the property of the landowners.

Section 80. Section **17A-2-749** is amended to read:

17A-2-749. Special proceedings for judicial examination.

The board of [~~directors of a water conservation~~] trustees of an irrigation district organized under the provisions of this part may commence special proceedings, in and by which all proceedings had in the organization of the district or in and by which its acts and the acts of the district in authorizing the issue and sale of the bonds of [~~said~~] the district or providing for the authorization of contract with the United States and the validity of such contract, whether [~~said~~] the bonds or any of them have or have not been sold or disposed of, or such contract or proposed contract shall or shall not have been actually signed by the United States or the district, may be judicially examined, approved and confirmed.

Section 81. Section **17A-2-750** is amended to read:

17A-2-750. Petition for confirmation.

The board of [~~directors of a water conservation~~] trustees of an irrigation district shall file in the district court of the county in which the lands of the district, or some portion thereof, are situate, a petition praying, in effect, that the proceedings aforesaid may be examined, approved and confirmed by the court. The petition in case bonds or a contract with the United States has been authorized shall state the facts showing the proceedings had for the issue and sale of [~~said~~] the bonds, or for the authorization of contract with the United States, as the case may be, and shall state generally that the [~~water conservation~~] irrigation district was duly organized, and that the first board of [~~directors~~] trustees was duly elected, but the petition need not state the facts showing such organization of the district, or the election of [~~said~~] the first board of [~~directors~~] trustees.

Section 82. Section **17A-2-751** is amended to read:

17A-2-751. Notice -- Contest -- Time for hearing.

The court shall fix the time for the hearing of [~~said~~] the petition and shall order the clerk of the court to give and publish notice of the filing of [~~said~~] the petition. The notice shall be given and published as in Section 17A-2-702. The notice shall state the time and place fixed for the hearing of the petition and the prayer of the petitioners, and that any person interested in the organization of [~~said~~] the district, or in the proceedings for the issue or sale of [~~said~~] the bonds, or in the making of contract with the United States, may, on or before the day fixed for the hearing of [~~said~~] the petition, demur to or answer [~~said~~] the petition. The petition may be referred to and described in [~~said~~] the notice as the petition of the board of [~~directors~~] trustees of _____ [~~water conservation~~] irrigation district (giving its name) praying that the proceedings for the issue and sale of [~~said~~] the bonds of [~~said~~] the district, or that the proceedings for the contract with the United States, or the proceedings had for the organization of [~~said~~] the district and the validity thereof, be examined, approved and confirmed by the court.

Section 83. Section **17A-2-752** is amended to read:

17A-2-752. Parties -- Appearances -- Practice and procedure.

Any person interested in [~~said~~] the district, or in the issue or sale of [~~said~~] the bonds, or in the making of contract with the United States, may demur to or answer [~~said~~] the petition. The provisions of the Code of Civil Procedure respecting the demurrer and answer to a verified complaint

shall be applicable to a demurrer and answer to ~~[said]~~ the petition. The person so demurring or answering ~~[said]~~ the petition shall be the defendant to the special proceedings, and the board of ~~[directors]~~ trustees shall be the plaintiff. Every material statement of the petition not specifically controverted by the answer shall, for the purpose of ~~[said]~~ the special proceedings, be taken as true, and each person failing to answer the petition shall be ~~[deemed]~~ considered to admit as true all the material statements of the petition. The rules of pleading and practice relating to appeals and writs of error provided by the ~~[Code]~~ Rules of Civil Procedure which are not inconsistent with the provisions of this part are applicable to the special proceedings herein provided for.

Section 84. Section **17A-2-754** is amended to read:

17A-2-754. Transfer of water rights -- Notice to landowners.

The board of ~~[directors]~~ trustees of any irrigation district, with the consent of the bondholders and other creditors, ~~[shall have authority to]~~ may sell, transfer, and convey the water rights and all or any other property belonging to the district to any irrigation company; provided, however, that no such sale, transfer, or conveyance shall be made until notice of the intention of ~~[said]~~ the board to make the same shall have been published, as in Section 17A-2-702, and mailed to each landowner in the district at his last known address at least 30 days prior to the expiration of the time fixed for protest, and provided further that no such sale, transfer, or conveyance shall be made if within 30 days from the last publication of such notice the owners of ~~[one-third]~~ 1/3 of the acre-feet of water allotted in ~~[said]~~ the district file with ~~[said]~~ the board their written protest against such sale, transfer, or conveyance.

Section 85. Section **17A-2-756** is amended to read:

17A-2-756. Inclusion of state lands.

(1) Lands belonging to the state not under contract of sale may be included in any irrigation district upon petition by the state entity responsible for the administration of the affected lands for the inclusion of those lands.

(2) No such state lands included within any legally organized irrigation district shall ever be assessed, nor shall any of the preceding sections relative to the levying and collection of assessments and taxes apply.

(3) The entity responsible for the administration of the affected lands and the state engineer shall make a thorough examination as to the benefits to accrue to these lands by reason of the inclusion of the lands in the irrigation district, and by reason of the acquiring of water rights for the lands.

(4) (a) The entity responsible for the administration of the affected lands may enter into contract with the board of [~~directors~~] trustees of the irrigation district, specifying by legal subdivisions the land [~~benefited~~] benefitted and the amount of benefit to accrue to each tract of land.

(b) The contract shall provide that annual payments shall be made to the district, to be applied on the cost of constructing the irrigation works for the district, until the full amount of the benefit is paid.

(c) The entity responsible for the administration of the affected lands has the option to pay the full amount of the contract at any time, upon any or all of the legal subdivisions.

Section 86. Section **17A-2-757** is amended to read:

17A-2-757. Special-benefit construction -- Terms -- Costs.

Any drain, ditch, canal, or drainage system, or any other desired special construction, reconstruction, betterment, or improvement for the special benefit of particular lands lying within an irrigation district, may be constructed and provision made to meet the cost thereof, as follows: The holders of title or evidence of title of one-quarter of the acreage proposed to be assessed for any such improvement may file with the board of [~~directors~~] trustees of the irrigation district a petition in writing, setting out the nature and general plan of the desired improvement, and specifying the lands proposed to be specially assessed therefor. Such petition shall be accompanied with a bond in such sum and with surety or sureties as may be required by [~~said~~] the board of [~~directors~~] trustees, conditioned that the petitioners will pay the cost of the investigation of the proposed improvement and of the hearing on the petition if the same be not allowed. Upon the filing of such petition the board of [~~directors~~] trustees, with the assistance of a competent engineer, shall make an investigation of the feasibility, cost, and need of the proposed local improvement together with the ability of the land to pay such cost, and if same appears feasible they shall have plans and estimate of the cost thereof prepared. If the cost [~~shall appear~~] appears to the board to exceed the benefits to accrue

therefrom, or if the lands proposed to be embraced within the local improvement district shall be found to be insufficient security for the return of the cost, or if a protest against the establishment of the proposed improvement signed by a majority of the holders of title to lands in the proposed local improvement district be presented at or prior to the hearing hereinafter provided for, or if in other respects the proposed local improvement district shall be found not feasible, the board shall dismiss the petition at the expense of the petitioners.

Section 87. Section **17A-2-758** is amended to read:

17A-2-758. Local improvement districts.

In the event the [~~said~~] board shall find the proposed local improvement feasible, it shall approve the petition, fix a time and place for the hearing thereof, and shall publish notice thereof, as in Section 17A-2-702, stating that the certain lands, describing them, are proposed to be organized as a local improvement district and stating generally the nature of the proposed improvements; that warrants for such local improvement are proposed to be issued as the warrants of the irrigation district; and that the lands within [~~said~~] the local improvement district are to be assessed for such improvement. At the time and place of hearing named in [~~said~~] the notice all persons interested may appear before the board and show cause for or against the formation of the proposed improvement district and the issuance of warrants as aforesaid. Upon the hearing the board shall determine whether or not the proposed local improvement district shall be established. Any landowner whose lands can be served or will be [~~benefited~~] benefitted by the proposed improvement may make application to the board at the time of hearing to include such lands, and the board of [~~directors~~] trustees in such case may, at their discretion, include such lands within such district. The board of [~~directors~~] trustees may exclude any land specified in [~~said~~] the notice from [~~said~~] the district, provided that in the judgment of the board the inclusion thereof will not be practicable.

Section 88. Section **17A-2-759** is amended to read:

17A-2-759. Establishment -- Limit as to costs -- Authorization -- Construction warrants -- Orders.

If the board [~~shall determine~~] determines in favor of the improvement it shall enter an order establishing the improvement district and shall list and plat lands included therein, and shall adopt

plans for the proposed improvement, estimate the cost, and determine the number of equal annual installments, in which the cost of ~~[said]~~ the improvement shall be paid; provided, however, that no local improvement, the cost of which will exceed \$10,000 and be less than \$25,000, ~~[shall]~~ may be undertaken unless such improvement ~~[shall]~~ is first ~~[be]~~ authorized and ratified, in writing, by a majority of the landowners within the local improvement district; nor ~~[shall]~~ may any improvement the cost of which will exceed \$25,000 be undertaken unless first authorized and ratified, in writing, by a two-thirds majority of the landowners within the local improvement district, and not then if protests, in writing, signed by landowners of the irrigation district having a majority of the votes according to the number of votes cast at the last election, be submitted within 30 days after completion of publication of notice of the proposed improvement, published as in Section 17A-2-702. The cost of such improvement shall be paid by the issuance of the warrants of the district, from time to time, therefor, either directly for the payment of the labor and material or for the securing of the funds for such purposes. ~~[Said]~~ The warrants shall bear interest at a rate of not to exceed 7% per annum, payable semiannually, and shall state upon their face that they are issued as warrants of the irrigation district for the benefit of the local improvement district within ~~[said]~~ the irrigation district, that all lands within ~~[said]~~ the local improvement district shall be primarily liable to assessment for the principal and interest of ~~[said]~~ the warrants, and that such warrants are also a general obligation of ~~[said]~~ the district. No warrant ~~[shall]~~ may be issued in denomination exceeding \$500 and no warrant shall be sold for less than par. A copy of the order establishing any local improvement district, together with list and plat of lands included, certified by the ~~[president]~~ chair and secretary, shall be filed and recorded in accordance with the provisions of Section 17A-2-705 relating to the filing and recording of the order declaring the organization of the irrigation district.

Section 89. Section **17A-2-760** is amended to read:

17A-2-760. Assessment of damages and benefits -- Board of equalization.

The board of ~~[directors]~~ trustees shall, as soon as may be after the establishment of a local improvement district, view each tract of land within the district, and shall carefully consider the benefits and damages that each particular tract of land will receive from the construction and maintenance of such local improvement and assess each tract of land in accordance with the benefits

received by it, making proper allowance for damages if there be any. After such assessment is made up the secretary of the board of [~~directors~~] trustees shall transmit the same to the county legislative body and the county legislative body shall cause notice to be sent by mail to each landowner in the local improvement district of the amount of benefits assessed against the landowner's land [~~owned by him~~] within the local improvement district, and shall state therein the time and place when the county legislative body shall meet as a board of equalization to hear and determine complaints made against such assessment. The county legislative body shall sit as a board of equalization of local improvement district benefits and shall equalize and finally determine the assessment to be made and levied upon each tract of land within the local improvement district, in the manner provided for by law for equalizing state and county taxes, and shall thereupon certify the same to the county assessor of each county within which any part of [~~said~~] the local improvement district is located, who shall enter the same in the tax rolls.

Section 90. Section **17A-2-761** is amended to read:

17A-2-761. Validation of the creation and organization of irrigation districts and of district elections.

All proceedings that have been adopted and actions taken before March 16, 1987, under authority of [~~Chapter 2, Part 7~~] this part, purporting to create any irrigation district or purporting to provide for the inclusion of any additional area in any irrigation district, including all petitions filed and all notices given, published, and mailed in connection with any such creation and any inclusion, are validated, ratified, and confirmed, notwithstanding any failure to comply with any one or more pertinent statutory provisions, and each irrigation district so created or enlarged is declared to be a validly created and existing district. All proceedings and actions taken with respect to the appointment, election, and organization of a board of [~~directors~~] trustees and officers for each irrigation district are validated, ratified, and confirmed and each board of [~~directors~~] trustees is declared to be the de facto and de jure governing body of its respective irrigation district.

Section 91. Section **17A-2-767** is amended to read:

17A-2-767. Default of district -- Court procedure.

If, after the issuance and sale of bonds, warrants, or other evidence of debt by any irrigation

district, such district [~~shall~~] for any reason [~~, become~~] becomes insolvent, and [~~fail~~] fails to maintain a board of [~~directors~~] trustees, or other organization as herein provided, and [~~shall~~] for more than two years [~~fail~~] fails to pay its bonded indebtedness, or interest thereon, or its other indebtedness, after the same [~~shall become~~] becomes due and payable, the district court of the county wherein such irrigation district, or the major portion thereof, is situate, shall, by virtue of its general equity powers, have jurisdiction to appoint a commissioner to take charge of the property of such irrigation district, sell and dispose of the same for the benefit of creditors and close the affairs of the district under the orders and directions of [~~said~~] the district court.

Section 92. Section **17A-2-768** is amended to read:

17A-2-768. Effect of repeals construed -- Procedure against defaulting members.

The repeal by the Revised Statutes of sections 2403-2427, both inclusive, of the Compiled Laws of Utah, 1888, shall not be construed to affect the existence of any district or company organized under the aforesaid sections; but any such company or district shall, notwithstanding such repeal, continue in existence with all the rights, privileges, and limitations heretofore conferred or imposed upon it by law until disincorporated or dissolved according to law. In any case in which an irrigation company or district [~~shall have~~] has a right of action against a delinquent member of such company or district for the nonpayment of taxes voted according to law the board of [~~directors~~] trustees thereof may proceed to sell the interest of such member in the canals or ditches of such company or district and his right to the use of the water flowing therein.

Section 93. Section **17A-2-801** is amended to read:

17A-2-801. Short title.

This act shall be known as the "Metropolitan Water District Act" and shall apply to the incorporation, organization, government, maintenance and operation of the water districts herein provided for and described, and to the board of [~~directors~~] trustees herein referred to.

Section 94. Section **17A-2-802** is amended to read:

17A-2-802. Definitions.

As used [~~herein the term "municipality"~~] in this part:

(1) "Municipality" or "city" [~~shall be deemed to mean and include~~] means and includes any

incorporated city or town of the state ~~[of Utah]~~.

~~[The terms "board"]~~ (2) "Board" and "board of ~~[directors]~~ ~~shall be deemed to refer~~ trustees" refers to the board of ~~[directors]~~ trustees created under Section 17A-2-819.

(3) ~~[The term "governing body" as used herein shall be deemed to mean]~~ "Governing body" means the legislative body of any municipality.

~~[The term "public]~~ (4) "Public corporation" ~~[as used herein shall be deemed to mean and include]~~ means and includes the United States or any public agency thereof, this or any other state or any political district or subdivision thereof.

Section 95. Section **17A-2-818** is amended to read:

17A-2-818. Powers of incorporated districts -- Preferential right of city to purchase water.

(1) (a) Any district incorporated as provided in this part may:

(i) have perpetual succession;

(ii) sue and be sued in all actions and proceedings and in all courts and tribunals of competent jurisdiction;

(iii) adopt a corporate seal and alter it;

(iv) take by grant, purchase, bequest, devise, or lease, and hold, enjoy, lease, sell, encumber, alienate, or otherwise dispose of, water, waterworks, water rights, and sources of water supply, and any real and personal property of any kind within or without the district and within and without Utah necessary or convenient to the full exercise of its powers;

(v) acquire, construct, or operate, control, and use works, facilities, and means necessary or convenient to the exercise of its powers, both within and without the district and within and without Utah; and

(vi) perform any and all things necessary or convenient to the full exercise of the powers granted under this section.

(b) (i) Any district incorporated as provided in this part may have and exercise the power of eminent domain and, in the manner provided by law for the condemnation of private property for public use, take any property necessary to the exercise of the powers granted under this section.

(ii) In any proceeding relative to the exercise of the power of eminent domain, the district has the same rights, powers, and privileges as a municipal corporation.

(2) (a) Any district incorporated as provided in this part may:

(i) construct and maintain works and establish and maintain facilities across or along any public street or highway and in, upon, or over any vacant public lands, that are now, or may become, the property of the state, other than those lands defined in Subsection 53C-1-103(6); and

(ii) construct works and establish and maintain facilities across any stream of water or watercourse if the district promptly restores the street or highway to its former state of usefulness as nearly as may be and does not use the street or highway in a manner that completely or unnecessarily impairs the usefulness of it.

(b) (i) In the use of streets, the district is subject to the reasonable rules and regulations concerning excavations and the refilling of excavations, the relaying of pavements and the protection of the public during periods of construction of the county or municipality in which the streets are located.

(ii) The county or municipality may not require the district to pay any license or permit fees, or file any bonds.

(iii) The county or municipality may require the district to pay reasonable inspection fees.

(3) (a) Any district incorporated as provided in this part may borrow money, incur indebtedness, and issue bonds and other obligations.

(b) A district may not issue bonds that pledge the full faith and credit of the district for payment if those bonds, in the aggregate, exceed 10% of the fair market value, as defined under Section 59-2-102, of the taxable property in the district as computed from the last equalized assessment roll for county purposes before the issuance of the bonds.

(c) For purposes of Subsection (3), the district shall include the fair market value of all tax equivalent property, as defined under Section 59-3-102, as a part of the fair market value of taxable property in the district.

(4) Contracts and agreements with the United States of America, and with any water users' association or any other public, cooperative, or private entity from which the district procures water,

and bonds payable solely from revenues of the district other than from the proceeds of ad valorem taxes, are not within the limitation established by ~~[this subsection]~~ Subsection (3).

(5) (a) Any district incorporated as provided in this part may fix and determine the funds required for district purposes of every nature and apportion and charge the same against the area of each city within the district by following the procedures and requirements of this Subsection (5).

(b) As to the costs of all water, water rights, reservoirs, canals, conduits, and other works for which the district as a whole receives the benefit, and because of which the district is indebted or because of which the district has made payment without any previous apportionment and charge having been made, and the charges made against the district because of its ownership of stock in any water users' association, in the same proportion as the water and water rights set apart or allotted to each area bear to the total water and water rights owned or held by the district.

(c) As to that portion of these funds required for operation, maintenance, and the cost of construction of distributing systems, the district shall equitably apportion these costs and determine and base them on the benefits and the relative cost of service provided by the district to each respective area.

(6) (a) Any district incorporated as provided in this part may:

(i) levy and collect taxes for the purposes of carrying on the operations and paying the obligations of the district; and

(ii) in any year, levy a tax sufficient to cover in full any deficit that may have resulted from tax delinquencies for any preceding year.

(b) (i) Taxes levied under this ~~[subsection]~~ Subsection (6) for administering the district and maintaining and operating its properties may not exceed .0005 per dollar of taxable value of taxable property in the district.

(ii) Taxes levied to pay principal of and interest on the bonds of the district, to pay indebtedness and interest owed to the United States of America, or to pay assessments or other amounts due any water users' association or other public cooperative, or private entity from which the district procures water are not subject to the limitation established by this Subsection (5)(b).

(c) (i) The district shall:

(A) levy taxes for the payment of principal of and interest on the bonds of the district as separate and special levies for that specific purpose; and

(B) apply the proceeds from them solely to the payment of this principal and interest.

(ii) As separate and special levies, these levies are not subject to any priorities in favor of obligations of the district in existence at the time the bonds were issued.

(d) (i) The district may not levy any of the taxes authorized by this subsection unless it has conducted, at its regular place of business, a public hearing on the purposes and necessities of the taxation.

(ii) The board of [~~directors~~] trustees of the district shall publish notice of the public hearing at least seven days prior to the hearing in a newspaper of general circulation published in the county or counties in which the district is located.

(e) Any district incorporated as provided in this part may:

(i) enter into contracts, employ and retain personal services, and employ laborers;

(ii) create, establish, and maintain and elect, appoint, and employ necessary and convenient:

(A) officers, attorneys, and agents convenient for the transaction of the business of the district;

(B) officers and positions as necessary; and

(C) employees.

(7) (a) Any district incorporated as provided in this part may:

(i) join with one or more other corporations, public or private, for the purpose of carrying out any of its powers;

(ii) contract with any other corporation or corporations for the purposes of financing acquisitions, constructions, and operations;

(iii) in the contract, obligate itself severally or jointly with the other corporations; and

(iv) secure, guarantee, or become surety for the payment of any indebtedness, or the performance of any contract or other obligation that may be, or has been, incurred or entered into by any corporation in which the district has acquired shares of stock by subscription or otherwise.

(b) The contracts may provide for:

- (i) contributions to be made by each party to them;
- (ii) the division and apportionment of the expenses of the acquisitions and operations;
- (iii) the division and apportionment of the benefits, the services, and the products from them;

and

- (iv) an agency to effect the acquisitions and carry on these operations.

(c) The contracts shall provide the powers and the methods of procedure for the agency the method by which the agency may contract.

(d) The contract may contain further covenants and agreements as necessary and convenient to accomplish its purposes.

- (8) Any district incorporated as provided in this part may:

- (a) acquire water and water rights within or without Utah;

- (b) develop, store, and transport water;

- (c) subscribe for, purchase, and acquire stock in canal companies, water companies, and water users' associations;

- (d) provide, sell, lease, and deliver water within or outside of the district for municipal and domestic purposes, irrigation, power, milling, manufacturing, mining, and metallurgical and any and all other beneficial uses;

- (e) fix the rates;

- (f) acquire, construct, operate, and maintain any works, facilities, improvements, and property that are necessary or convenient; and

- (g) in the doing of all of these things:

- (i) obligate itself jointly with other persons and corporations, public and private; and

- (ii) execute and perform these obligations according to their tenor.

- (9) (a) Any district incorporated as provided in this part may invest any surplus money in the district treasury, including any money in any sinking fund established for the purpose of providing for the payment of the principal or interest of any bonded contract or other indebtedness or for any other purpose, not required for immediate necessities of the district, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act.

(b) The district shall ensure that the sales of any bonds or treasury notes purchased and held are made in season so that the proceeds may be applied to the purposes for which the money, with which the bonds or treasury notes were originally purchased, was placed in the treasury of the district.

(c) The treasurer and controller, with the approval of the attorney, shall perform the functions and duties authorized by this subsection under rules adopted by the board of [~~directors~~] trustees of the district.

(10) Each city, the area of which is a part or all of any district incorporated under this part, has a preferential right to purchase from the district, at rates determined by the board of [~~directors~~] trustees of the district, for distribution by the city, or any public utility empowered by the city for the purpose, for domestic, municipal, and other beneficial uses within the city, a portion of the water served by the district which shall bear the same ratio to all of the water supply of the district as the total accumulation of amounts levied as taxes by the district against the property of the city which is within the area of the district shall bear to the total of all taxes levied by the district against the property in all of the cities in the areas of which are within the area of the district.

Section 96. Section **17A-2-819** is amended to read:

17A-2-819. Trustees -- Representation -- Voting -- Organization and membership -- Other provisions apply.

(1) [~~All powers, privileges and duties vested in or imposed upon any district incorporated under this part shall be exercised and performed by and through a~~] The board of [~~directors, all the members of which shall serve without compensation for the terms of office as provided and who, in all events,~~] trustees shall be designated and appointed by the legislative body or bodies, respectively, of a city or cities the area of which is within a metropolitan water district. [~~The exercise of any and all executive, administrative, and ministerial powers may be by the board of directors delegated and redelegated to any of the offices created by this part or by the board of directors acting under this part.~~]

(2) If the district is organized to comprise the area of two or more cities, the board of [~~directors~~] trustees shall consist of at least one representative from each municipality, the area of which shall lie within the metropolitan water district. As a member of the board of [~~directors~~]

trustees, each representative may vote on all questions, orders, resolutions, and ordinances coming before the board, and may cast one vote for each \$10,000,000, or major fractional part of that amount, of the taxable value of property taxable for district purposes in the city represented by the representative as shown by the assessment records of the county and evidenced by the certificate of the county auditor. Each city shall have at least one vote. In lieu of one representative any city may at its option designate and appoint several representatives not exceeding one additional representative for each \$1,000,000 of taxable value, but the representative shall cast the vote to which the city would otherwise be entitled as a unit and as a majority of such representatives present shall determine. The affirmative vote of members representing more than 50% of the total number of votes of all the members shall be necessary and, except as otherwise provided, shall be sufficient to carry any order, resolution, or ordinance coming before the board of [~~directors~~] trustees. For the purposes of this section, the term "major fractional part" means a fractional part larger than [~~one-half~~] $1/2$.

(3) If a district includes the area of only one municipality, the board of [~~directors~~] trustees may consist of either five or seven members, as determined by the legislative body of the municipality. Each [~~director~~] trustee may cast one vote on all matters coming before the board[~~; on a board of five members, the affirmative vote of three, and on a board of seven members, the affirmative vote of four, shall, except as otherwise provided, be necessary and sufficient to carry any order, resolution, or ordinance coming before the board~~].

[~~(4) Members of the board of directors of any metropolitan water district who have been appointed as provided shall convene at the time and place fixed by the presiding officer of the municipality initiating the proceedings, and immediately upon convening, the board of directors shall elect from its membership a chairman, a vice-chairman, and a secretary, who shall serve for a period of two years, or until sooner recalled or resigning, or until a successor is elected and qualified.~~]

[~~(5)~~] (4) Every member of the board of [~~directors~~] trustees of a metropolitan water district shall be a registered voter, a property taxpayer, and a resident of the municipality by the legislative body of which the member is appointed. In each municipality, the area of which is in a metropolitan water district, except in districts occupying the area of more than one city, one of the [~~directors~~] trustees appointed by its legislative body to the board of [~~directors~~] trustees shall be the commissioner

of water supply and waterworks, or other comparable officer, however designated, who is in charge of the municipality's water supply and distribution system, if municipally owned, and who shall be known as the ex officio ~~[director]~~ trustee. Except for the ex officio ~~[director]~~ trustee, all other elected or appointed officers, or the employees of the municipality shall be ineligible for appointment to any district board; and except for the ex officio ~~[director]~~ trustee, any member of the metropolitan water district board of ~~[directors]~~ trustees who at a time after appointment to the board becomes elected or appointed to office in, or who becomes an employee of, the municipality in which the member resides shall immediately become disqualified as a ~~[director]~~ trustee and shall forfeit the office, and the legislative body of the municipality shall immediately appoint a successor to serve the unexpired portion of the term of office. The appointment of ~~[directors]~~ trustees by the legislative body of a municipality shall be made without regard to partisan political affiliations from among citizens of the highest integrity, attainment, competence, and standing in the community, and it is the intent of this part that each municipality shall adhere so far as possible to a policy of continuing reappointment, at the expiration of their terms of office, of ~~[directors]~~ trustees of high character and proven competence.

~~[(6)]~~ (5) Except as to an ex officio ~~[director]~~ trustee, the terms of office of members of the board of ~~[directors]~~ trustees are as ~~[follows:]~~ provided in Section 17B-2-403.

~~[(a) in metropolitan water districts comprising the area of two or more cities, six years;]~~

~~[(b) in metropolitan water districts comprising the area of only one city where the number of members of the board of directors is five, one member shall be appointed for a two-year term; one for a three-year term; one for a five-year term; one for a six-year term all as determined by lot; and upon the expiration of these terms, the ensuing terms of office for each shall be six years; and]~~

~~[(c) in metropolitan water districts comprising the area of only one city where the number of members of the board of directors is seven, two members shall be appointed for a two-year term; two for a four-year term and two for a six-year term, all as determined by lot; and upon the expiration of these terms, the ensuing terms of office for each shall be six years.]~~

~~[(7) Every member of a board of directors shall serve until the member resigns or until a successor has been duly appointed and qualified. Before assuming office, every director, other than~~

~~an ex officio director, shall first subscribe to the constitutional oath of office of the state, and the oath shall be delivered to and retained among the records of the secretary of the district.]~~

~~[(8)]~~ (6) Members of the board of ~~[directors]~~ trustees of any metropolitan water district who are serving as such on the effective date of this amendment and who are otherwise qualified as provided in Subsection ~~[(5)]~~ (4), shall immediately be reappointed to office by the legislative body or bodies, respectively, of the city or cities the area of which is included in a metropolitan water district, and for the terms of office provided in Subsection ~~[(6)]~~ (5).

(7) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each metropolitan water district to the same extent as if the metropolitan water district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (7)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 97. Section **17A-2-820** is amended to read:

17A-2-820. Powers of trustees.

~~[The board of directors shall have power:]~~

~~[Meetings:]~~

~~[(1) To fix the time and place or places at which its regular meetings shall be held, and shall provide for the calling and holding of special meetings:]~~

~~[Ordinances, Resolutions and Orders -- Roll Call.]~~

~~[(2)] (1) [To make and pass ordinances, resolutions and orders not repugnant to the Constitution of the United States or of the state of Utah, or to the provisions of this part, necessary for the government and management of the affairs of the district, for the execution of the powers vested in the district and for carrying into effect the provisions of this part. On all ordinances the roll shall be called and the ayes and noes recorded. Resolutions and orders may be adopted by viva voce, but on demand of any member the roll shall be called:] No ordinance [shall] may be adopted unless it [~~shall have~~] has been introduced on a day previous to the time of such adoption except by unanimous vote of all the members of the board of [~~directors~~] trustees present, provided there shall be present [~~directors~~] trustees from not less than [~~three-fourths~~] 3/4 of all cities composing [~~said~~] the metropolitan water district and representing not less than [~~three-fourths~~] 3/4 of the total votes of [~~said~~] the district; provided, that in lieu of such previous introduction or unanimous vote any ordinance may be mailed by registered mail, postage prepaid to each member of the board of [~~directors~~] trustees at least five days prior to the day upon which such ordinance shall be presented for adoption.~~

~~(2) All ordinances shall take effect upon their adoption by the board of [~~directors~~] trustees.~~

~~[Location of Offices:]~~

~~[(3) To fix the location of the principal place of business of the district and the location of all offices and departments maintained hereunder:]~~

~~[Business Administration, Officers and Employees:]~~

~~[(4) To prescribe by ordinance a system of business administration and to create any and all necessary offices which shall include the offices of controller and of treasurer and to select and employ, and establish and re-establish the powers, duties and compensation of all officers and~~

employees and prescribe the periods, terms and conditions of their employment, and to require and fix the amount of all official bonds necessary for the protection of the funds and the property of the district.]

[Civil Service.]

~~[(5) To prescribe by ordinance a system of civil service.]~~

[Delegation of Authority to Officers.]

~~[(6) By ordinance or resolution to delegate and redelegate to officers of the district power to employ clerical, legal and engineering assistants and labor, and, under such conditions and restrictions as shall be fixed by the directors, power to bind the district by contract.]~~

[Claims, Method of Auditing -- Construction of Works -- Letting Contracts.]

~~[(7) To]~~ (3) (a) The board of trustees may prescribe a method of auditing and allowing or rejecting claims and demands~~[-; also to]~~ and may prescribe methods for the construction of works and for the letting of contracts for the construction of works, structures or equipment, or the performance or furnishing of labor, materials or supplies, required for the carrying out of any of the purposes of this part~~[-; provided, that in cases where].~~

(b) Notwithstanding Subsection (3)(a):

(i) if work is not to be done by the district itself by force account, and the amount involved ~~[shall be]~~ is \$10,000~~[-;]~~ or more, the board of ~~[directors]~~ trustees shall provide for the letting of contracts to the lowest responsible bidder, after publication of notices inviting bids, at least once and not less than ten days prior to the expiration of the period within which bids ~~[shall be]~~ are received, subject always to the right of ~~[said]~~ the board to reject any and all proposals~~[- Provided, likewise, that];~~

(ii) the board of ~~[directors]~~ trustees, in advertising for bids and in letting contracts as above provided, may require all articles to be furnished to the district thereunder to be manufactured, produced or fabricated in the United States or its territories, and may prohibit the use in, or employment in connection with, the carrying out of such contracts by the contractor or any subcontractor, of all machinery or materials except such as ~~[shall]~~ have been manufactured, produced or fabricated in the United States or its territories, if such are available, the question of such

availability to be determined by the board of [~~directors. Provided, further, that~~] trustees; and

(iii) contracts, in writing or otherwise, may be let without advertising for or inviting bids, when any repairs, alterations, or other work or the purchase of materials, supplies, equipment or other property [~~shall be deemed~~] are considered by the board of [~~directors~~] trustees to be of urgent necessity, and shall be authorized by a two-thirds vote thereof.

[~~Rates.~~]

[~~(8) To~~] (4) (a) The board of trustees may fix the rates, from time to time, at which water [~~shall be~~] is sold[~~; provided, however, the rates~~].

(b) Rates fixed under Subsection (4)(a) shall be equitable, although not necessarily equal or uniform, for like classes of service throughout the district.

Section 98. Section **17A-2-821** is amended to read:

17A-2-821. Resolution or ordinance proposing obligations or indebtedness -- Election.

[~~Whenever~~] If the board of [~~directors~~] trustees of any metropolitan water district incorporated under this part [~~shall~~] determines, by resolution or ordinance adopted by a vote of a majority of the aggregate number of votes of all the members of the board of [~~directors, determine~~] trustees, that the interests of the district and the public interest or necessity demand the acquisition, construction, or completion of any source of water supply, water, waterworks or other improvement, works or facility, or the making of any contract with the United States or other persons or corporations, or the incurring of any preliminary expense, necessary or convenient to carry out the objects or purposes of the district wherein an indebtedness or obligation shall be created to satisfy which shall require a greater expenditure than the ordinary annual income and revenue of the district shall permit, the board of [~~directors~~] trustees may order the submission of the proposition of incurring the obligation or bonded or other indebtedness, for the purposes set forth in the resolution or ordinance, to the qualified electors of the district at an election held for that purpose. The resolution or ordinance calling the election shall be adopted, the notice of the election shall be given, the election shall be held, the voters' qualifications shall be determined, and the results of the elections canvassed in the manner and subject to such conditions as are provided in [~~the~~] Title 11, Chapter 14, Utah Municipal Bond Act. The declaration of public interest or necessity so required and the provision for the holding

of the election may be included within the same resolution or ordinance, which resolution or ordinance, in addition to the declaration of public interest or necessity, shall recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the public works or improvements, or the estimated amount of preliminary expenses, as the case may be, and the maximum amount of the principal of the indebtedness to be incurred.

Section 99. Section **17A-2-824** is amended to read:

17A-2-824. Revenue indebtedness or general obligation indebtedness -- Procedure for incurring -- Terms.

(1) (a) Any district which has determined to issue bonds shall issue its bonds under Title 11, Chapter 14, ~~[the]~~ Utah Municipal Bond Act, for the acquisition through construction, purchase, or otherwise and for the improvement or extension of any properties necessary or desirable in the obtaining, treatment, and distribution of water and any other properties which the district is authorized to own under this part. Bonds may be issued or a contract indebtedness or obligation may be created ~~[(a)]~~:

(i) payable solely from the revenues of the district other than the proceeds of taxes, in which case they shall be known for purposes of this section as "revenue indebtedness"~~[-or (b)]~~;

(ii) payable solely from the proceeds of taxes, in which case they shall be known for purposes of this section as "general obligation indebtedness"~~[-];~~ or ~~[(c)]~~

(iii) payable from both operating revenues and the proceeds of taxes, in which case they shall be known for purposes of this section as "general obligation revenue indebtedness."

(b) The full faith and credit of the district shall be pledged to the payment of its general obligation and general obligation revenue indebtedness, and taxes shall be levied fully sufficient to pay that part of the principal of and interest on general obligation revenue indebtedness as the revenues of the district pledged for this purpose may not be sufficient to meet.

(c) General obligation indebtedness and general obligation revenue indebtedness may be issued only after approval at an election as provided in Section 17A-2-821.

(d) Revenue indebtedness may be similarly submitted at an election as provided in Section 17A-2-821 if considered desirable by the board of ~~[directors]~~ trustees, but nothing in this part shall

be construed to require such submission.

(e) Refunding bonds may be issued without approval at an election.

(2) Revenue indebtedness and general obligation revenue indebtedness may be payable from and secured by the pledge of all or any specified part of the revenues to be derived by the district from its water supply and the operation of its water facilities and other properties. It is the duty of the board of [~~directors~~] trustees to impose for water and water services rendered thereby, rates fully sufficient to carry out all undertakings contained in the resolution authorizing the bonds or the contract. The board of [~~directors~~] trustees may in the resolution agree to pay the expenses of maintaining and operating the properties of the district from the proceeds of the ad valorem taxes authorized in Subsection 17A-2-818 (1)(i) and may enter into those covenants with the future holders of the bonds or the other contracting party as to the management and operation of the properties, the imposition and collection of fees and charges for water and services furnished thereby, the disposition of the fees and revenues, the issuance of future bonds or the creation of future contract indebtedness or obligations and the creation of future liens and encumbrances against the properties and the revenues from them, the carrying of insurance on the properties, the keeping of books and records, the deposit, securing, and paying out of the proceeds of the bonds, and other pertinent matters, as [~~deemed~~] considered proper by the board of [~~directors~~] trustees to assure the marketability of the bonds or the making of the contract. The board of [~~directors~~] trustees may undertake in the resolution to make the revenues of the properties sufficient to pay all or any specified part of the expense of the operation and maintenance of them. Covenants may be contained in the resolution with respect to the manner of the imposition and collection of water charges, and provision also may be made in it for the appointment of a receiver for the properties of the district in the event of a default by the district in carrying out the covenants and agreements contained in the resolution. Provision may also be made in the resolution for a [~~trustee~~] receiver to perform those services with respect to the holding and paying out of the revenues of the district and the proceeds of the bonds, and otherwise, as may be considered advisable. Maintenance and operation costs and expenses as referred to in this section shall be construed to include any payments made by the district to the United States of America, to any water users' association, or to any other public or private entity for

the cost of operating facilities used in providing water for the district.

Section 100. Section **17A-2-825** is amended to read:

17A-2-825. Validity of signatures and facsimile signatures.

~~[In case]~~ If any of such officers, whose signatures or countersignatures appear on the bonds or coupons, ~~[shall]~~ cease to be such officer before the delivery of such bonds to the purchaser, such signatures or countersignatures shall nevertheless be valid and sufficient for all purposes, the same as if they had remained in office until the delivery of such bonds.

Any officer whose signature or countersignature is required on bonds and coupons may make written request to, and the board of ~~[directors]~~ trustees of the metropolitan water district issuing bonds as herein provided shall thereupon grant and by resolution authorize the~~;~~ use of ~~[his]~~ the officer's signature on bonds and coupons by facsimile imprinting in lieu of ~~[his]~~ a hand-affixed signature, and such imprinted facsimile signature shall in every instance be valid and sufficient for all of the purposes of such bonds and coupons.

Section 101. Section **17A-2-827** is amended to read:

17A-2-827. Proceeds of sale of bonds.

Such bonds may be issued and sold by ~~[said]~~ the board of ~~[directors]~~ trustees as they ~~[shall]~~ determine, and the proceeds thereof, excepting premium and accrued interest, shall be placed in the treasury of ~~[said]~~ the district to the credit of the proper improvement fund, and shall be applied exclusively to the purposes and objects mentioned in ~~[said]~~ the ordinance; provided, that the interest on ~~[said]~~ the bonds accruing during the construction period and for one year thereafter shall be ~~[deemed]~~ considered to be a construction cost within the meaning of the purposes and objects mentioned in ~~[said]~~ the ordinance, and such interest may be paid from ~~[said]~~ the proceeds of the sales of such bonds. Premium and accrued interest shall be placed in the fund to be applied to the payment of interest on, and the retirement of, the bonds so sold. For the purposes of this section, the construction period shall be ~~[deemed]~~ considered to end when the works, the construction of which shall have been authorized from the proceeds of any such bond issue, ~~[shall]~~ have been placed in operation to such extent as to result in the sale and delivery in the district, of water transported and provided by means of such works.

Section 102. Section 17A-2-828 is amended to read:

17A-2-828. Action to test validity of contracts, bonds, and other contract obligations or indebtedness.

The board of [~~directors~~] trustees may, within 90 days from the date of the election authorizing the issuance of bonds, the making of any contract, the incurring of any contract obligation or indebtedness, cause to be brought in the name of the district an action in the district court of the county in which [~~said~~] the district, or the greater portion of the property subject to taxation by [~~said~~] the district, according to the most recent assessment, is located, to determine the validity of any such bonds, contract, contract obligation, or indebtedness, and the sufficiency of the provision for the collection of an annual tax sufficient to pay the interest on such bonded or other indebtedness and the principal thereof as such interest and principal shall fall due and/or to constitute a sinking fund for the payment of principal on or before maturity. Such action shall be in the nature of a proceeding in rem, and jurisdiction of all parties interested may be had by publication of summons for at least once a week for three weeks in some paper of general circulation published in the county where the action is pending, such paper to be designated by the court having jurisdiction of the proceedings. Jurisdiction shall be complete within ten days after the full publication of such summons in the manner herein provided. Anyone interested may at any time before the expiration of [~~said~~] the ten days appear and by proper proceedings contest the validity of such bonds, contract or contract obligation, or indebtedness and the sufficiency of the provisions for the collection of [~~said~~] the annual tax. Such action shall be speedily tried and judgment rendered declaring such bonds, contract or contract obligation, or indebtedness to be valid or invalid, and declaring the provision for the collection of an annual tax for [~~said~~] those purposes, to be sufficient or insufficient. Either party may have the right to appeal to the Supreme Court at any time within 30 days after the rendition of such judgment, which appeal must be heard and determined within three months from the time of taking such appeal. After the expiration of 90 days from the date of the election authorizing the making of such contract or contracts, the issuance of bonds, or the incurring of other obligation or indebtedness, no action may be brought to contest or question the validity of [~~said~~] the bonds, contract, obligation, or indebtedness and proceedings in relation thereto or the sufficiency of the provision for the collection

of an annual tax sufficient to pay the interest on such indebtedness, or the principal thereof, as it falls due and/or to constitute a sinking fund for the payment of principal on or before maturity. If there ~~[be]~~ is more than one action or proceeding involving the validity of any such bonds, indebtedness or contract, or the sufficiency of the provision for the collection of an annual tax sufficient for ~~[the said]~~ those purposes, they shall be consolidated and tried together. The court hearing any proceeding or action inquiring into the regularity, legality or correctness of the proceedings leading up to the making of such contract or contracts, the incurring of ~~[said]~~ the indebtedness or issuance of bonds or the validity of such bonds or the sufficiency of such provision for the collection of an annual tax, must disregard any error, irregularity or omission which does not affect the substantial rights of the parties to ~~[said]~~ the action or proceeding. The rules of pleading and practice provided by the ~~[Code]~~ Rules of Civil Procedure, which are not inconsistent with the provisions of this part, are applicable to all actions or proceedings herein provided for. The motion for a new trial of any such action or proceeding ~~[must]~~ shall be heard and determined within ten days from the filing of the notice of intention. The costs on any proceeding or action herein provided for may be allowed and apportioned between the parties or taxed to the losing party, in the discretion of the court.

Section 103. Section **17A-2-829** is amended to read:

17A-2-829. Water rates to pay operating expenses, repairs, and depreciation -- Interest and principal of bonded and other debt to be paid so far as practicable from water rates -- Tax levy.

The board of ~~[directors]~~ trustees shall fix such rate or rates for water furnished as will, in conjunction with the proceeds of the maintenance and operation tax authorized by Section 17A-2-818, pay the operating expenses of the district, provide for repairs and depreciation of works owned or operated by such district, pay the interest on any bonded or other debt, and so far as practicable, provide a sinking or other fund for the payment of the principal of such debt as the same may become due; it being the intention of this section to require the districts to pay the interest and principal of its indebtedness from the revenues of such district, so far as practicable. If, however, from any cause, the revenues of the district ~~[shall be]~~ are inadequate to pay the interest or principal of any debt, other than revenue bonds, as the same ~~[shall become]~~ becomes due, the board of

[directors] trustees shall, at the time of fixing the tax levy and in the manner for such tax levy provided, levy and collect annually until [said] the indebtedness [~~shall be~~] is paid or until there [~~shall be~~] is a sum in the treasury of the district set apart for that purpose sufficient to meet all sums coming due for principal and interest thereon, a tax sufficient to pay the annual interest on such indebtedness, or such part thereof as [~~shall~~] is not [~~be~~] met from revenues of the district, and also sufficient to pay such part of the principal of such bonds and other debt as shall become due before the time when money will be available from the next general tax levy, or such portion thereof as [~~shall~~] is not [~~be~~] met from revenues of the district; provided, however, that if the maturity of such indebtedness [~~be~~] is made to begin more than one year after the date when the same [~~shall be~~] is incurred, such tax shall be levied and collected at the time and in the manner aforesaid annually sufficient when added to revenues of the district available for that purpose to pay the interest on such indebtedness as it falls due and also to constitute, together with the revenues of the district available for such purpose, a sinking fund for the payment of the principal thereof on or before maturity. The taxes herein required to be levied and collected shall be in addition to all other taxes levied for district purposes and shall be collected at the time and in the same manner as other district taxes are collected and shall be used for no purpose other than the payment of such indebtedness and accruing interest. Nothing in this part shall be so construed as to prevent the making of long term contracts by the district for the sale of water to industrial or other large consumers at fixed rates.

Section 104. Section **17A-2-830** is amended to read:

**17A-2-830. Conversion of coupon bonds into registered bonds -- Reconversion --
Exchanging for higher denomination.**

Coupon bonds issued hereunder, at the request of the holder, may be registered as to principal and interest in the holder's name on the books of the treasurer of the district, and the coupons surrendered and the principal and interest made payable only to the registered holder of the bond. For that purpose the treasurer of the district shall detach and cancel the coupons, and shall endorse a statement on the bonds that the coupon sheet issued therewith has been surrendered by the holder, and the coupons canceled by such treasurer, and that the principal and the semiannual interest are thereafter to be paid to the registered holder, or order, by draft, check or warrant drawn payable at

a place of payment specified in the bond, after which no transfer shall be valid unless made on such treasurer's books by the registered holder, or by his attorney duly authorized, and similarly noted on the bond. After such registration, the principal and interest of such bond shall be payable only to the registered owner. Bonds registered under this section may, with the consent of the district and the holders of the bonds, be reconverted into coupon bonds at the expense of the holder thereof, and again reconverted into registered bonds from time to time, as the board of [~~directors~~] trustees of the district and the holders of the bonds may determine. In converting coupon bonds into registered bonds, coupon bonds may be exchanged for registered bonds of \$100 each, or multiples thereof, but not exceeding \$50,000 each, in which event new registered bonds shall be issued at the expense of the holder. Coupon bonds may be exchanged for other coupon bonds of \$100 each, or multiples thereof, but not exceeding \$50,000 each, in which event new coupon bonds shall be issued at the expense of the holder.

Section 105. Section **17A-2-831** is amended to read:

17A-2-831. Fees.

For each conversion or reversion of a coupon or registered bond, the treasurer of the district [~~shall be entitled to~~] may charge and collect such fee as the board of [~~directors~~] trustees of the district may prescribe from time to time.

Section 106. Section **17A-2-834** is amended to read:

17A-2-834. Rate of taxation.

Before June 22 of each year, the board of [~~directors~~] trustees of the district shall, by resolution, determine the amount of money necessary to be raised by taxation and shall fix the rate of taxation of the areas of each separate city within the district, designating the levy on taxable value of taxable property in each of the areas in each county and shall levy a tax accordingly:

(1) sufficient to meet interest and sinking fund requirements on, and/or any payment to principal of, outstanding bonded and other indebtedness of the district; and sufficient to meet the payment of the principal and interest on any refunding bonds, or on any bonds the issuance of which may have been authorized as provided in this part, and which bonds have not been sold but which, in the judgment of the board of [~~directors~~] trustees, will be sold prior to the time when money will

be available from the next subsequent tax levy, and in case the bonds are not so issued and sold or the tax for any other reason is not required for that purpose, the tax levied shall be applied to the payment of interest and/or principal on any refunding bonds, or on any bonds authorized as provided in this part, then outstanding or subsequently issued and/or sold, or on any contract or other indebtedness; and

(2) for all other district purposes.

Section 107. Section **17A-2-835** is amended to read:

17A-2-835. Amounts due from cities declared in resolution.

The board of [~~directors~~] trustees shall also cause to be computed and shall declare in [~~said~~] the resolution the amount of money to be derived from the area of the district lying within each separate municipality by virtue of the tax levy in accordance with the provisions of Section 17A-2-818. The board shall immediately cause certified copies of such resolution to be transmitted to the presiding officer of the governing body of each such city.

Section 108. Section **17A-2-836** is amended to read:

17A-2-836. Tax rates for cities.

Before June 22 the controller of the district shall cause to be prepared and transmitted to the auditor of each county in which the district lies, a statement showing the tax rate to be applied to taxable property in each city, which rate shall be the rate fixed by resolution of the board of [~~directors~~] trustees.

Section 109. Section **17A-2-840** is amended to read:

17A-2-840. Expenses of incorporation.

Any city [~~which shall incur~~] that incurs expenses in preliminary work in preparing for the incorporation of or in the incorporation of any district hereunder likewise may certify the amount thereof, without interest, to the board of [~~directors~~] trustees of [~~said~~] the district at any time within four years from the date of the incorporation of such district, and if allowed by the board of [~~directors~~] trustees, such amount shall be credited to the city incurring the same, and shall be considered as a payment for water purchased, or to be purchased, by such city from the district.

Section 110. Section **17A-2-841** is amended to read:

17A-2-841. Annexation to district -- Validity of proceedings.

(1) Territory may be annexed to a metropolitan water district as provided in this section.

(2) If a city within a metropolitan water district adds territory to the city by annexation or by consolidation with another city, that territory shall, by virtue of the annexation or consolidation, become and be a part of the district and is taxable in accordance with the provisions of this part, to pay the indebtedness of the district outstanding at the time of annexation or consolidation.

(3) (a) If the governing or legislative body of a municipality requests the controller of a metropolitan water district for a statement showing the amount of the bonded and other indebtedness of the district, the taxable value of the taxable property in the district according to the most recent assessment, and the names of all municipalities included within the district, the controller shall furnish the requested information.

(b) After consideration of the statement, the governing or legislative body of the municipality may apply to the board of [~~directors~~] trustees of the metropolitan water district for consent to annex the municipality to the metropolitan water district.

(c) (i) The board of [~~directors~~] trustees may grant or deny the application.

(ii) If the board of [~~directors~~] trustees grants the application, it may fix the terms and conditions upon which the city may be annexed to the metropolitan water district.

(d) The board of [~~directors~~] trustees shall promptly transmit to the governing or legislative body of the applying city a copy of the board's order indicating its action on the application.

(e) (i) If the board grants the application, the city's governing or legislative body shall, except as provided in Subsection (3)(f), submit to the qualified electors of the city, at any general or special election held in the city, the proposition of the annexation subject to the terms and conditions fixed as provided in this part.

(ii) The governing or legislative body shall give notice of the election:

(A) by posting the notice at least ten days and in three public places in the city; or

(B) publishing the notice once at least ten days before the date fixed for the election in a newspaper of general circulation in the city.

(iii) The notice shall contain the substance of the terms and conditions fixed by the board of

[directors] trustees.

(iv) The election shall be conducted and the returns canvassed in the manner provided by law for municipal elections in the city.

(f) (i) An election is not required under Subsection (3)(e) if a petition approving annexation is filed with the city's governing or legislative body that:

(A) is signed by a majority of the registered voters residing in the city; and

(B) contains the substance of the terms and conditions fixed by the metropolitan water district's board of [directors] trustees.

(ii) If a petition filed under Subsection (3)(f)(i) meets the requirements of that subsection, the city's governing or legislative body shall so certify to the board of [directors] trustees of the metropolitan water district.

(g) If annexation receives approval either by the affirmative vote of a majority of electors of the city voting at the election under Subsection (3)(e) or by a petition under Subsection (3)(f), the governing or legislative body of the municipality shall certify the result of the election or petition on the proposition to the board of [directors] trustees of the district.

(h) (i) Upon the board's receipt of the certification under Subsection (3)(g), the secretary of the district shall prepare and file with the lieutenant governor a certificate of annexation indicating that all the requirements of this section for annexation have been complied with.

(ii) Upon the filing of the certificate in the office of the lieutenant governor, the municipality shall be part of the metropolitan water district, and the taxable property in the municipality shall be subject to taxation for the purposes of the metropolitan water district, including the payment of bonds and other obligations of the district at the time authorized or outstanding.

(4) The validity of proceedings for the annexation of a municipality or city to any district organized under this part may not be contested in an action unless the action is brought within three months after the completion of the proceedings, or, in case such proceedings are completed prior to the time that this section takes effect, then within three months after this section becomes effective.

Section 111. Section **17A-2-842** is amended to read:

17A-2-842. Withdrawal from district.

Any municipality whose corporate area has become or is a part of any water district may withdraw therefrom in the following manner:

The governing body of any such municipality may submit to the electors thereof at any general or special election the proposition of withdrawing from any water district incorporated thereunder. Notice of such election shall be given in the manner provided in Subsection 17A-2-841(3)(e). Such election shall be conducted and the returns thereof canvassed in the manner provided by law for the conduct of municipal elections in ~~[said]~~ the city. In the event that the majority of the electors voting thereon vote in favor of such withdrawal, the result thereof shall be certified by the governing body of such municipality to the board of ~~[directors]~~ trustees of the district. A certificate of the proceedings hereunder shall be made by the secretary of the district and filed with the lieutenant governor, and upon the filing of such certificate the area of the municipality so withdrawing shall be excluded from the ~~[said]~~ water district, and shall no longer be a part thereof; provided, however, that the property within the ~~[said]~~ municipality as it ~~[shall exist]~~ exists at the time of such exclusion shall continue taxable for the purpose of paying ~~[said]~~ the bonded and other indebtedness outstanding or contracted for, at the time of such exclusion and until such bonded or other indebtedness ~~[shall have]~~ has been satisfied.

Section 112. Section **17A-2-843** is amended to read:

17A-2-843. Interest of trustees or employees in contracts.

Except as herein provided, no ~~[director]~~ trustee or any other officer or employee of the district ~~[shall]~~ may in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board of ~~[directors]~~ trustees, or made or to be made by such officer or employee pursuant to discretionary authority vested in ~~[him]~~ the officer or employee, or in the profits to be derived therefrom. Notwithstanding the fact that such ~~[director]~~ trustee or other officer or employee of the district may be a stockholder or bondholder or director or other officer or employee of a corporation contracting with the district, contracts may be made with such corporation for its general benefit unless such ~~[director]~~ trustee or officer or employee of the district ~~[shall own or control]~~ owns or controls, directly or indirectly, stock or bonds to an amount exceeding 5% of the total amount of the stock or bonds, respectively, of such contracting corporation issued and outstanding. For any

violation of this section such [~~director~~] trustee or other officer or employee of the district shall be [~~deemed~~] considered guilty of a misdemeanor, and such conviction shall work a forfeiture of [~~his~~] office, or employment, and [~~he~~] the trustee or other officer or employee shall be punished by a fine not exceeding \$500, or by imprisonment in the county jail not exceeding six months, or by both such fine and imprisonment.

Section 113. Section **17A-2-845** is amended to read:

17A-2-845. Administration.

All matters and things necessary for the proper administration of the affairs of [~~said~~] the district which are not provided for in this part shall be provided for by the board of [~~directors~~] trustees of the district by ordinance.

Section 114. Section **17A-2-847** is amended to read:

17A-2-847. Fiscal year -- Annual statements.

(1) The fiscal year of any metropolitan water district incorporated hereunder shall begin July 1 of each year and shall end on June 30 of the following year.

(2) As promptly as shall be possible after the close of each fiscal year, [~~it shall be the duty of~~] the controller of the district [~~to~~] shall prepare and transmit to the chief executive officer of each municipality, the area of which [~~shall lie~~] lies within the district:

(a) a statement of revenues and expenditures in such detail as shall be prescribed by the board of [~~directors~~] trustees; and

(b) a statement of the amount of water stored by or made available to the district and the amounts used by the respective cities.

Section 115. Section **17A-2-849** is amended to read:

17A-2-849. Time for expenditure of tax revenues.

Tax revenues levied and collected pursuant to the provisions of Sections 17A-2-818 and 17A-2-834 need not necessarily be expended during the fiscal year of their levy or collection but may, when so elected by the board of [~~directors~~] trustees, be expended in the fiscal year or years ensuing.

Section 116. Section **17A-2-850** is amended to read:

17A-2-850. Reserve funds -- Creation -- Use of funds -- Limitation.

The board of [~~directors~~] trustees of a metropolitan water district [~~is hereby authorized to~~] may create and maintain, out of revenues of any nature available to it, a reserve fund and [~~to~~] may expend therefrom when it [~~deems~~] considers necessary sums to meet immediate needs and emergencies such as major catastrophe, earthquake, drought relief or any other happening which imperils the public health and safety, and, among other things, but without intention to limit, for any district purposes necessary for the health, safety and security of the inhabitants of the district; provided, that such reserve fund shall in no event exceed 10% of the total investment value, at cost, of such metropolitan water district in water acquisitions, water rights, reservoirs, pipelines and water treatment plants and the like, whether such investments are financed by such district directly or for its benefit by the United States or the state [~~of Utah~~]. Such reserve funds may also be drawn upon by the board of [~~directors~~] trustees when in its discretion it is advisable to do so either in abatement of a tax levy, in lieu of a tax levy, or in avoidance of an increase in a tax levy for any year.

Section 117. Section **17A-2-907** is amended to read:

17A-2-907. Board of trustees -- Vacancies -- Other provisions applicable.

~~[(1) (a) The members of the board of trustees shall:]~~

~~[(i) meet on the first Monday that is at least 30 days after the certificate of incorporation is issued by the lieutenant governor; and]~~

~~[(ii) organize by electing one of their members as president, one as secretary, and other officers as desired.]~~

~~[(b) A member of the board may receive:]~~

~~[(i) total compensation of not more than \$1,000 per year as determined by the board of trustees; and]~~

~~[(ii) reasonable mileage and expenses necessarily incurred to attend meetings or conduct business connected with the board.]~~

~~[(2)]~~ (1) Any vacancy on the board shall be filled as provided in Chapter 1, Part 3, Special District Board Selection Procedures.

~~[(3) (a) The board of trustees shall:]~~

~~[(i) provide for the time, place, and manner of calling its regular meetings; and]~~

~~[(ii) establish rules for its proceedings.]~~

~~[(b) Subject to the requirements of Title 52, Chapter 4, Open and Public Meetings:]~~

~~[(i) three trustees may call a special meeting by giving notice to each member;]~~

~~[(ii) all meetings are open to the public; and]~~

~~[(iii) the majority of the members of the board are a quorum for the transaction of business.]~~

(2) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, except Section 17B-2-402, apply to each mosquito abatement district to the same extent as if the mosquito abatement district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 118. Section **17A-2-1016** is amended to read:

17A-2-1016. Powers of incorporated district -- Bidding -- Eminent domain.

(1) As used in this section, "operator" means any city, public agency, person, firm, or private corporation engaged in the transportation of passengers for hire.

(2) Any district incorporated under this part may:

(a) have perpetual succession;

(b) sue and be sued in all actions and proceedings and in all courts and tribunals of competent jurisdiction;

(c) adopt a corporate seal and alter it at pleasure;

(d) levy and collect taxes only for paying:

(i) the principal and interest of bonded indebtedness of the district; or

(ii) any final judgment obtained against the district beyond the amount of any collectable

insurance or indemnity policy if the district is required by final order of any court of competent jurisdiction to levy a tax to pay the judgment;

(e) take by grant, purchase, bequest, devise, or lease, and to hold, enjoy, lease, sell, encumber, alien, or otherwise dispose of real or personal property of every kind within the district;

(f) make contracts and enter into stipulations of any nature, including contracts and stipulations:

(i) to indemnify and save harmless;

(ii) to do all acts to exercise the powers granted in this part; and

(iii) with any department or agency of the United States of America, of the state, or with any public agency or private person, firm, or corporation upon terms and conditions the board of [~~directors~~] trustees finds are in the best interests of the district;

(g) (i) insure against:

(A) loss of revenues from accident or destruction of the system or any part of the system, from any cause whatsoever; or

(B) public liability or property damage, or against all other types of events, acts, or omissions; and

(ii) provide in the proceedings authorizing the issuance of any bonds for the carrying of any other insurance, in an amount and of such character as may be specified, and for the payment of the premiums on the insurance;

(h) provide a public transit system for the transportation of passengers and their incidental baggage;

(i) purchase all supplies, equipment, and materials;

(j) construct facilities and works, but when the expenditure required exceeds \$25,000 construction shall be let by contract to the lowest responsible bidder or proposer;

(k) acquire, contract for, lease, construct, own, operate, control, or use rights-of-way, rail lines, monorails, bus lines, stations, platforms, switches, yards, terminals, parking lots, any facilities necessary or convenient for public transit service, and all structures necessary for access by persons and vehicles;

(l) hire, lease, or contract for the supplying of, or management of, any facilities, operations, equipment, services, employees, or management staff of any operator and provide for subleases or subcontracts by the operator upon terms that are in the public interest; and

(m) operate feeder bus lines and other feeder services as necessary.

(3) (a) Bids or proposals shall be advertised through public notice as determined by the board.

(b) The notice may include publication in a newspaper of general circulation in the district, trade journal, or other method determined by the board at least once and not less than ten days prior to the expiration of the period within which bids or proposals are received.

(c) The board may reject any and all bids or proposals and readvertise or give renote at its discretion.

(d) If, after rejecting bids or proposals, the board determines and declares by vote of two-thirds of all its members present that in its opinion the supplies, equipment, and materials may be purchased at a lower price in the open market, the board may proceed to purchase the same in the open market without further observance of the provisions requiring contracts, bids or proposals, advertisement, or notice.

(e) Contracts, in writing or otherwise, may be let without advertising for or inviting bids when any repairs, alterations, or other work or the purchase of materials, supplies, equipment, or other property is found by the board upon a two-thirds vote of its members present to be of urgent necessity, or where the general manager certifies by affidavit that there is only one source for the required supplies, equipment, and materials, or construction items.

(f) If any payment on a contract with a private contractor to construct facilities under this section is retained or withheld, it shall be retained or withheld and released as provided in Section 13-8-5.

(4) (a) Installations in state highways or freeways are subject to the approval of the Department of Transportation.

(b) It is presumed that the use of the streets, roads, highways, and other public places by the district for any of the purposes permitted in this section constitutes no greater burden on adjoining

properties than the uses existing on July 9, 1969.

(c) If facilities, other than state highways or freeways referred to in Subsection (2), including streets, roads, highways, pipelines, sewers, water mains, storm drains, poles, and communications wires of another public agency of the state, or of a private owner must be relocated, replaced, or altered in order for the district to construct or operate its system, or to preserve and maintain already constructed district facilities, the facilities shall be relocated, replaced, or altered with reasonable promptness by the respective public corporation, state, or private owner and the district shall by prior agreement reimburse the public corporation, state, or private owner for the reasonable cost incurred in relocation, replacement, or alteration.

(d) The district may enter into an agreement with any city or county having jurisdiction over the street, road, or highway involved and, as may be provided by agreement, close any city street or county road at or near the point of its interception with any district facility or provide for carrying the city street or county road over or under or to a connection with the district facility and may do any and all work on the city street or county road as is necessary. A city street or county road may not be closed directly or indirectly by the construction of district facilities except:

- (i) pursuant to agreement; or
- (ii) while temporarily necessary during the construction of district facilities.

(5) The state, a municipality, or a county may acquire private property interests by eminent domain pursuant to Title 78, Chapter 34, Eminent Domain, including fee simple, easements, air rights, rights-of-way, and other private property interests necessary to the establishment and operation of a public transit district.

Section 119. Section **17A-2-1038** is amended to read:

17A-2-1038. Board of trustees -- Appointment -- Apportionment -- Qualifications -- Quorum -- Compensation -- Terms.

(1) (a) All powers, privileges, and duties vested in any incorporated district shall be performed by a board of [~~directors~~] trustees.

(b) The board may delegate the exercise of any duty to any of the offices created under this part.

(2) If 200,000 people or less reside within the district boundaries:

(a) the board of [~~directors~~] trustees shall consist of [~~directors~~] trustees appointed by the legislative bodies of each municipality, county, or unincorporated area within any county on the basis of one [~~director~~] trustee for each full unit of regularly scheduled passenger routes proposed to be served by the district in each municipality or unincorporated area within any county in the following calendar year;

(b) the number of service miles comprising a unit shall be determined jointly by the legislative bodies of the municipalities or counties comprising the district;

(c) [~~Directors~~] trustees shall be appointed and added to the board or omitted from the board at the time scheduled routes are changed, or as municipalities, counties, or unincorporated areas of counties annex to or withdraw from the district using the same appointment procedures; and

(d) municipalities, counties, and unincorporated areas of counties in which regularly scheduled passenger routes proposed to be served by the district in the following calendar year is less than a full unit, as defined in Subsection (2)(a), may combine with any other similarly situated municipality or unincorporated area to form a whole unit and may appoint one [~~director~~] trustee for each whole unit formed.

(3) If more than 200,000 people reside within the district boundaries, the board of [~~directors~~] trustees shall consist of 15 [~~directors~~] trustees appointed as described under Subsections (4) and (5).

(4) (a) Except as provided under Subsections (4)(b) and (c), the board shall apportion members to each county within the district based on:

(i) from the effective date of this act until the apportionment following the year 2000 decennial United States Census Bureau report, the proportion of population included in the district and residing within each county, rounded to the nearest 1/15 of the total transit district population; and

(ii) beginning with the first apportionment following the year 2000 decennial United States Census Bureau report, an average of:

(A) the proportion of population included in the district and residing within each county, rounded to the nearest 1/15 of the total transit district population; and

(B) the proportion of transit sales and use tax collected from areas included in the district and within each county, rounded to the nearest 1/15 of the total transit sales and use tax collected for the transit district.

(b) The board shall join an entire or partial county not apportioned a member under this subsection with an adjacent county for representation. The combined apportionment basis included in the district of both counties shall be used for the apportionment.

(c) If rounding to the nearest 1/15 of the total transit district apportionment basis under Subsection (4)(a) results in an apportionment of:

(i) more than 15 members, the county or combination of counties with the smallest additional fraction of a whole member proportion shall have one less member apportioned to it; or

(ii) less than 15 members, the county or combination of counties with the largest additional fraction of a whole member proportion shall have one more member apportioned to it.

(5) (a) If the unincorporated area of a county is at least 1/15 of the district's population, the county executive, with the advice and consent of the county legislative body, shall appoint one [~~director~~] trustee to represent each 1/15 of the district's population within a county's unincorporated area population.

(b) If a municipality's population is at least 1/15 of the district's population, the chief municipal executive, with the advice and consent of the municipal legislative body, shall appoint one [~~director~~] trustee to represent each 1/15 of the district's population within a municipality.

(c) The number of [~~directors~~] trustees appointed from a county and municipalities within a county under Subsections (5)(a) and (b) shall be subtracted from the county's total member apportionment under Subsection (4).

(d) If the entire county is within the district, the remaining [~~directors~~] trustees for the county shall represent the county or combination of counties if Subsection (4)(b) applies, or the municipalities within the county.

(e) If the entire county is not within the district, and the county is not joined with another county under Subsection (4)(b), the remaining [~~directors~~] trustees for the county shall represent a municipality or combination of municipalities.

(f) Except as provided under ~~Subsection~~ Subsections (5)(a) and (b), ~~directors~~ trustees representing counties, combinations of counties if Subsection (4)(b) applies, or municipalities within the county shall be designated and appointed by a simple majority of the chief executives of the municipalities within the county or combinations of counties if Subsection (4)(b) applies. The appointments shall be made by joint written agreement of the appointing municipalities, with the consent and approval of the county legislative body of the county that has at least 1/15 of the district's apportionment basis.

(g) ~~Directors~~ Trustees representing a municipality or combination of municipalities shall be designated and appointed by the chief executive officer of the municipality or simple majority of chief executive officers of municipalities with the consent of the legislative body of the municipality or municipalities.

(h) The appointment of ~~directors~~ trustees shall be made without regard to partisan political affiliation from among citizens in the community.

(i) Each ~~director~~ trustee shall be a bona fide resident of the municipality, county, or unincorporated area or areas which the ~~director~~ trustee is to represent for at least six months before the date of appointment, and must continue in that residency to remain qualified to serve as a ~~director~~ trustee.

(j) (i) Each ~~director~~ trustee whose term has not expired and is serving on the effective date of this act shall continue to serve as a ~~director~~ trustee until the expiration of the term for which the ~~director~~ trustee was appointed, subject to the term limitations under which the ~~director~~ trustee was initially appointed.

(ii) Beginning on the effective date of this act, any vacancy for which the successor has not taken the oath of office shall be filled in the following order:

(A) by a municipality eligible to make an appointment under Subsection (5)(b);

(B) by a county eligible to make an appointment for its unincorporated area under Subsection (5)(a); and

(C) as otherwise provided under this section.

(k) (i) All population figures used under this section shall be the most recent official census

or census estimate of the United States Bureau of the Census.

(ii) If population estimates are not made for any county, city, or town by the United States Bureau of Census, population figures shall be determined according to the biennial estimate from the Utah Population Estimates Committee.

(iii) All transit sales and use tax totals shall be obtained from the Tax Commission.

(l) After the initial apportionment immediately following the effective date of this act, the board shall be apportioned as provided under this section in conjunction with the decennial United States Census Bureau report every ten years.

(6) (a) Except the initial [~~directors~~] trustees, the terms of office of the [~~directors~~] trustees shall be three years or until their successors are appointed, qualified, seated, and have taken the oath of office.

(b) At the first meeting of the initial [~~directors~~] trustees, the directors shall designate by the drawing of lots 1/3 of their number to serve for one-year terms, 1/3 for two-year terms, and 1/3 for three-year terms.

(c) A [~~director~~] trustee may not be appointed for more than two successive full terms.

(7) (a) Vacancies shall be filled by the official appointing the member creating the vacancy for the unexpired term, unless the official fails to fill the vacancy within 90 days.

(b) If the appointing official under Subsection (2) does not fill the vacancy within 90 days, the board of [~~directors~~] trustees of the authority shall fill the vacancy.

(c) If the appointing official under Subsection (5) does not fill the vacancy within 90 days, the governor, with the advice and consent of the Senate, shall fill the vacancy.

(8) (a) Each [~~director~~] trustee may cast one vote on all questions, orders, resolutions, and ordinances coming before the board of [~~directors~~] trustees.

(b) A majority of all members of the board of [~~directors~~] trustees are a quorum for the transaction of business.

(c) The affirmative vote of a majority of all [~~directors~~] trustees present at any meeting at which a quorum was initially present shall be necessary and, except as otherwise provided, is sufficient to carry any order, resolution, ordinance, or proposition before the board of [~~directors~~]

trustees.

(9) The district shall pay to each [~~director~~] trustee:

(a) an attendance fee of \$50 per board or committee meeting attended, not to exceed \$200 in any calendar month to any [~~director~~] trustee; and

(b) reasonable mileage and expenses necessarily incurred to attend board or committee meetings.

(10) (a) Members of the initial board of [~~directors~~] trustees shall convene at the time and place fixed by the chief executive officer of the entity initiating the proceedings.

(b) Immediately upon convening, the board of [~~directors~~] trustees shall elect from its membership a president, vice president, and secretary who shall serve for a period of two years or until their successors shall be elected and qualified.

(11) [~~(a)~~] At the time of a [~~director's~~] trustee's appointment or during a [~~director's~~] trustee's tenure in office, a [~~director~~] trustee may not hold:

~~[(i) hold]~~ (a) any elected public office with the United States, the state, or any political subdivision of either; or

~~[(ii)]~~ (b) any employment, except as an independent contractor, with a county or municipality within the district.

~~[(b) Each director shall:]~~

~~[(i) take an oath of office before entering the office; and]~~

~~[(ii) file a copy of the oath with the lieutenant governor and the secretary of the district.]~~

Section 120. Section **17A-2-1039** is amended to read:

17A-2-1039. Board of directors -- Powers and duties.

(1) The board of trustees:

~~[(1) Shall be the legislative body of the district and, in connection with the provisions of this part, shall determine all questions of district policy.]~~

~~[(2) Shall fix the time and place when regular meetings shall be held and shall provide for the calling and holding of special meetings.]~~

~~[(3) May contract and take all actions and proceedings and do all other things necessary to~~

~~carry out the purposes of this part.]~~

~~[(4)]~~ (a) Shall determine what transit facilities should be acquired or constructed.

~~[(5)]~~ (b) Shall supervise and regulate every transit facility owned and operated by the district, including the fixing of rates, fares, rentals, charges, and classifications thereof, and making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any transit facility owned or controlled by the district.

~~[(6)]~~ Shall prescribe by resolution a system of business administration and create any and all necessary offices and positions of employment, and select and employ, establish, and re-establish the powers, duties, and compensation of all officers and employees and prescribe the periods, terms, and conditions of their employment, and require and fix the amount of all official bonds necessary for the protection of the funds and property of the district.]

~~[(7)]~~ May contract for or employ any professional services required by the district or for the performance of work or services for the district which in the opinion of the board cannot satisfactorily be performed by the officers or employees of the district.]

~~[(8)]~~ (c) May make and pass ordinances, resolutions, and orders not repugnant to the Constitution of the United States or of the state ~~[of Utah]~~, or of the provisions of this part, necessary for the government and management of the affairs of the district for the execution of the powers vested in the district and for carrying into effect the provisions of this part. On all ordinances, the roll shall be called and the ayes and nays recorded. Resolutions and orders may be adopted by voice vote, but on demand of any member the roll shall be called. No ordinance shall be adopted unless it is introduced at least a day prior to the time of adoption except by unanimous vote of all members of the board present at a meeting at which there is present not less than ~~[three-fourths]~~ 3/4 of all directors; provided, that in lieu of such previous introduction or unanimous vote, any ordinance may be mailed by registered mail, postage prepaid, to each member of the board of directors at least five days prior to the day upon which the ordinance shall be presented for adoption. All ordinances shall take effect upon their adoption by the board, unless otherwise provided therein. The board shall fix the location of the principal place of business of the district and the location of all offices and departments.

~~[(9) May, by ordinance or resolution, delegate and redelegate to officers of the district power to employ clerical, legal, and engineering assistants and labor, and, under such conditions and restrictions as shall be fixed by the directors, power to bind the district by contract.]~~

~~[(10)]~~ (d) Shall cause an annual audit made of all books and accounts of the district by an independent certified public accountant, and shall as soon as practicable after the close of each fiscal year submit to the chief administrative officers and legislative bodies of cities and counties within the district a financial report showing the result of operations during the preceding fiscal year and the financial status of the district on the final day thereof. Copies of the report shall be supplied to the general public upon request in the quantity deemed appropriate by the board.

~~[(11)]~~ (e) May provide by resolution, under terms and conditions it ~~[deems]~~ considers fit, for the payment of demands against the district, without prior specific approval by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount no greater than the amount so authorized, and if the demand is approved by the general manager or such other officer or deputy as the board may prescribe.

~~[(12)]~~ (f) May hold public hearings, subpoena witnesses, and perform all other acts necessary to properly carry out its duties. The board may appoint other officers of the district to conduct any hearing who shall make findings and conclusions and report thereon to the board. Each director or designated hearing officer may administer oaths and affirmations in any district investigation or proceeding.

(2) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, except Sections 17B-2-402, 17B-2-403, and 17B-2-404, apply to each public transit district to the same extent as if the public transit district were a local district under Title 17B, Chapter 2, Local Districts.

Section 121. Section **17A-2-1040** is amended to read:

17A-2-1040. District officers -- Appointment -- Duty -- Compensation -- Oath -- Bond.

(1) The officers of the district shall consist of: the members of the board of ~~[directors]~~ trustees; a president and vice president who shall be members of the board; a secretary, a general manager, a general counsel, a treasurer, a comptroller, and any other officers, assistants, and deputies the board ~~[deems]~~ considers necessary.

(2) The general manager shall be a full-time officer appointed by the affirmative vote of a majority of the members of the board. The general manager shall serve at the pleasure of the board and may be removed by a majority vote of the board. All other officers and employees other than those mentioned in Subsection (1) shall be appointed by the general manager and shall serve at his pleasure.

(3) The compensation of all district officers and employees, except as otherwise provided in this part, shall be fixed by ordinance or resolution of the board.

(4) The general counsel shall be a person admitted to practice law in the state [~~of Utah~~] and shall have been actively engaged in the practice of law for not less than seven years next preceding his appointment. The person appointed comptroller shall have been actively engaged in the practice of accounting for not less than seven years next preceding his appointment.

(5) The oath of office of all officers appointed by the board of [~~directors~~] trustees or by the general manager of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

(6) The board may require officers, assistants, deputies, and employees to give bonds and fix the amount thereof.

(7) The treasurer shall be the custodian of the funds of the district and make payments only upon warrants duly and regularly signed by the president or vice president, secretary, or general manager or other person authorized by the board. [~~He~~] The treasurer shall keep an account of all receipts and disbursements.

Section 122. Section **17A-2-1044** is amended to read:

17A-2-1044. Annual tax levy -- Election.

Before June 22, the board of [~~directors~~] trustees of the district shall, by resolution, determine the amount of money necessary to be raised by taxation during the fiscal year beginning January 1 next preceding to pay the district's operating needs and obligations for the fiscal year, and to recommend to the governing body of each county within the district the rate of taxation for the areas within the district. Upon receipt of the resolution by the board of [~~directors~~] trustees of the district,

the governing body of each county may levy a tax not to exceed .0004 per dollar of taxable value of taxable property within the district. This tax may not be imposed unless the county legislative body has provided by resolution [~~for the submittal of~~] to submit the proposed tax to a general election within the county in which all electors situated both within and without the incorporated areas of the county may participate and a majority of the electors voting on the proposal have approved it. The county legislative body shall cause 15 days notice of the election to be given in the manner provided by law for giving notice of general elections. The election shall be held, its results canvassed, and the returns made under the provisions of the general election laws. If a majority of the electors voting on the proposal to impose the additional tax have approved the proposal, the additional tax shall become effective on the date fixed by the governing body.

Section 123. Section **17A-2-1048** is amended to read:

17A-2-1048. Annexations to or consolidations with municipalities already within district.

Additional municipalities and county areas may be included within or become part of a district by either of the following methods:

(1) If any area is annexed to or consolidated with any municipality which is a part of a district organized under these provisions, the annexed or consolidated area shall by virtue of its annexation or consolidation become part of the district and be taxable in accordance with the provisions of this part to pay the indebtedness of the district outstanding at the time of annexation or consolidation.

(2) The governing body of any municipality or of any county may apply to and obtain from the comptroller of the district a financial statement showing the financial condition of the district, its assets and liabilities, taxable value of taxable property according to the last assessment, and the names of the municipalities and a description of other areas included in the district. After consideration of the statement, the governing body of the municipality or county may apply to the board of [~~directors~~] trustees of the district for consent to annex the municipality or described county area. The board of [~~directors~~] trustees after reasonable notice and public hearing may grant or deny the application and in granting it may fix the terms and conditions upon which the area may be annexed. The action of the board of [~~directors~~] trustees evidenced by order made on motion shall be promptly transmitted

to the governing body or bodies of the entities applying for annexation, which shall promptly submit the proposition of annexation to the qualified electors of the area. Notice of election shall be given by posting or publication. When notice is given by posting, notice shall be posted for at least ten days in three public places in each area to be annexed. When notice is given by publication, notice shall be published at least once ten days before the date fixed for election in a newspaper of general circulation in the municipality and county area. Publication may be made in one newspaper having general circulation in each of the areas sought to be annexed. Notice shall contain the substance of the terms and conditions fixed by the board of [~~directors~~] trustees. Elections shall be conducted and returns canvassed by the governing bodies of the areas seeking annexation. If the annexation proposition receives the affirmative vote of a majority of the electors, the governing body of the municipality or county shall certify the election results to the board of [~~directors~~] trustees of the district and a certificate of proceedings shall be made by the secretary of the district and filed with the lieutenant governor. Upon filing the certificate in the office of the lieutenant governor, the municipality or county area shall become an integral part of the district and the taxable property in the municipality or area subject to taxation for the purposes of the district, including the payment of bonds and other obligations of the district at the time authorized or outstanding.

(3) No action to contest the validity of annexation proceedings may be commenced more than three months after the certificate of proceedings is filed with the lieutenant governor.

(4) Upon annexation the annexed area shall have a representative on the board of [~~directors~~] trustees on the same basis as it would have had if it had [~~it~~] been included in the district as originally organized.

Section 124. Section **17A-2-1049** is amended to read:

17A-2-1049. Withdrawal from district.

Any municipality or unincorporated county area may withdraw from the district in the following manner:

The governing body of such municipality, or unincorporated area, may submit to the electors at a special election a proposition for withdrawal from the district. Notice of election shall be given in the manner provided in Section 17A-2-1048. Elections shall be conducted and returns canvassed

in the manner provided by law for the conduct of municipal elections. If a majority of the electors voting thereon vote in favor of withdrawal, the result thereof shall be certified by the governing body of the municipality or unincorporated area to the board of [~~directors~~] trustees of the district and filed with the lieutenant governor. Withdrawal shall become effective upon filing the certificate with the lieutenant governor. Taxable property within the withdrawn area at the time of exclusion shall continue taxable for purposes of paying any bonded indebtedness or judgments against the district incurred prior to the date of withdrawal.

Section 125. Section **17A-2-1050** is amended to read:

17A-2-1050. Conflict of interests prohibited -- Disclosure -- Violation -- Penalty.

(1) As used in this section, "relative" means any parent, spouse, child, grandparent, grandchild, great grandparent, great grandchild, or sibling of a [~~director~~] trustee, officer, or employee.

(2) Except as provided in this section, a [~~director~~] trustee or any other officer or employee of the district may not be interested in any manner, directly or indirectly, in any contract or in the profits derived from any contract:

(a) awarded by the board of [~~directors~~] trustees; or

(b) made by any officer or employee pursuant to discretionary authority vested in him.

(3) Notwithstanding Subsection (2), when a [~~director~~] trustee or other officer or employee of the district is a stockholder, bondholder, director, or other officer or employee of a corporation contracting with the district, the district may contract with that corporation for its general benefit unless the [~~director~~] trustee, officer, or employee of the district owns or controls, directly or indirectly, stock or bonds in an amount greater than 5% of the total amount of outstanding stock or bonds.

(4) (a) (i) A [~~director~~] trustee, officer, or employee of the district who has, or whose relative has, a substantial interest in any contract, sale, purchase, or service to the district shall disclose that interest to the board of [~~directors~~] trustees of the district in a public meeting of the board.

(ii) The board of [~~directors~~] trustees of the district shall disclose that interest in the minutes of its meeting.

(b) A [~~director~~] trustee, officer, or employee of the district who has, or whose relative has,

a substantial interest in any contract, sale, purchase, or service to the district may not vote upon or otherwise participate in any manner as a [~~director~~] trustee, officer, or employee in the contract, sale, or purchase.

(5) A [~~director~~] trustee, officer, or employee of the district, in contemplation of official action by himself or by the district or in reliance on information to which he has access in his official capacity and which has not been made public, commits misuse of official information if he:

(a) acquires a pecuniary interest in any property, transaction, or enterprise that may be affected by the information or official action;

(b) speculates or wagers on the basis of the information or official action; or

(c) aids, advises, or encourages another to do so with intent to confer upon any person a special pecuniary benefit.

(6) Each [~~director~~] trustee, officer, and employee who violates this section:

(a) is guilty of a class B misdemeanor; and

(b) if convicted, his board appointment or district employment is terminated.

Section 126. Section **17A-2-1051** is amended to read:

17A-2-1051. Members of board subject to recall.

Every member of the board of [~~directors~~] trustees of a district shall be subject to recall for cause by the governing body of the municipality or unincorporated county area from which he is appointed, and any member upon notice may resign his position as [~~director~~] trustee.

Section 127. Section **17A-2-1052** is amended to read:

17A-2-1052. Board may promulgate additional rules.

The board of [~~directors~~] trustees has authority to promulgate rules and regulations not provided in this part for the administration of districts.

Section 128. Section **17A-2-1054** is amended to read:

17A-2-1054. Fiscal year -- Annual statement of revenues and expenditures.

The fiscal year of any district incorporated hereunder shall commence on the first day of January of each year and shall continue until the close of the 31st day of December. As promptly as shall be possible after the close of each fiscal year, it shall be the duty of the comptroller of the district

to prepare and transmit to the chief executive officer of each municipality or unincorporated county area within the district a statement of revenues and expenditures in the detail prescribed by the board of [~~directors~~] trustees.

Section 129. Section **17A-2-1056** is amended to read:

17A-2-1056. Claims against district -- Procedures.

Any person who believes [~~he has~~] to have a claim against the district for death, injury, or damage alleged to have been caused by the negligent act or omission of the district shall:

(1) file a written notice of claim with the board of [~~directors~~] trustees as provided in Title 63, Chapter 30, [~~the~~] Utah Governmental Immunity Act; and

(2) comply with all the requirements of Title 63, Chapter 30, [~~the~~] Utah Governmental Immunity Act, in seeking satisfaction of the claim.

Section 130. Section **17A-2-1326** is amended to read:

17A-2-1326. Administrative control board -- Powers -- Compensation.

(1) (a) The governing authority of a municipality or the county legislative body that has established a service district may, by resolution adopted at the time of the establishment or at any time afterwards, create an administrative control board for the service district.

(b) (i) The administrative control board shall consist of at least three and no more than seven persons, each of whom is a qualified elector of the service district.

(ii) If a county establishes a service district that includes all or part of one or more municipalities or one or more improvement districts organized under Title 17A, Chapter 2, Part 3, County Improvement Districts for Water, Sewerage, Flood Control, Electric and Gas, to provide the same service as the service district, the municipality or improvement district may appoint one member to represent it on any administrative control board created.

(iii) That member may, but need not, be a qualified elector of the service district.

(c) (i) If a service district is providing commodities, services, or facilities to an institution of higher education, that institution may appoint the number of members necessary to assure that it has at least [~~one-third~~] 1/3 of the total of the board members to represent it on the board.

(ii) Those members may, but need not, be qualified electors of the service district.

(d) The number of members of the administrative control board shall be increased by the number of improvement district, municipal, or institution of higher education members appointed.

(2) Members of the administrative control board other than improvement district, municipal, or institution of higher education members shall be either appointed or elected as provided in Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

(3) (a) If a service district was established to provide either water or sewerage service or both, the governing authority may by resolution adopted at or after the time of establishment, or if the service district was established before March 29, 1983, or within 90 days after that date, create an administrative control board according to Subsection (1).

(b) A resolution creating a service district for water or sewerage purposes adopted under Section 17A-2-1305 after March 29, 1983, shall identify all existing water and sewerage districts within the area of the proposed service district.

(4) (a) One-half of the members initially elected or appointed shall serve two-year terms and [~~one-half~~] 1/2 shall serve four year terms.

(b) The initial terms shall be determined by lot.

(5) (a) The governing authority of the municipality or the county legislative body that established the service district may, by resolution, delegate any of its powers to the administrative control board, including the power to act as the governing authority of the service district and to exercise all or any of the powers provided for in Sections 17A-2-1314, 17A-2-1316, 17A-2-1320, and 17A-2-1321.

(b) Notwithstanding anything to the contrary in this part, the governing authority of the municipality or the county legislative body may not delegate the power to:

(i) levy a tax on the taxable property of the service district;

(ii) issue bonds payable from taxes;

(iii) call or hold an election for the authorization of the tax or bonds;

(iv) levy assessments for improvements in an improvement district created under Title 17A, Chapter 3, Part 3, Municipal Improvement Districts, or Title 17A, Chapter 3, Part 2, County Improvement Districts;

- (v) issue interim warrants or bonds payable from those assessments; or
- (vi) appoint a board of equalization under Section 17A-3-217 or Section 17A-3-317.

(c) The administrative control board may not hold an election, levy a tax or assessment, or issue bonds or interim warrants unless the county or municipal legislative body that created the district has approved.

(d) The county or municipal legislative body that created the district may revoke in whole or in part any power or authority delegated to an administrative control board or other officers or employees.

(6) ~~[(a)]~~ Administrative control board members ~~[shall be paid at a per diem rate to be set by resolution of the governing authority.]~~ may receive compensation and reimbursement of expenses as provided in Section 17B-2-404 to the same extent as if they were members of a board of trustees of a local district.

~~[(b) The administrative control board shall be assigned or authorized to employ staff commensurate with the duties and functions assigned to it by the governing authority.]~~

Section 131. Section **17A-2-1402** is amended to read:

17A-2-1402. Short title -- Title of districts and bonds -- Requirements as to publication -- Definitions.

This part is known as "Water Conservancy Act"; the districts created hereunder may be termed "water conservancy districts"; and the bonds which may be issued hereunder may be called "water conservancy bonds," and such designation may be engraved or printed on their face.

(1) Wherever the term "publication" is used in this part and no manner specified therefor, it shall be taken to mean once a week for three consecutive weeks in at least one newspaper of general circulation in each county wherein such publication is to be made. It shall not be necessary that publication be made on the same day of the week in each of the three weeks, but not less than 14 days (excluding the day of the first publication) shall intervene between the first publication and the last publication, and publication shall be complete on the date of the last publication.

(2) Whenever the term "person" is used in this part, and not otherwise specified, it shall be taken to mean a person, firm, copartnership, association or corporation, other than a county, town,

city, city and county, or other political subdivision. Similarly, the words "public corporation" shall be taken to mean counties, city and counties, towns, cities, school districts, metropolitan water districts, irrigation districts, water districts, park districts, subdistricts, and all other governmental agencies of this state, clothed with the power of levying or providing for the levy of general or special taxes or special assessments; and any political subdivision of another state of the United States.

(3) Whenever the word "board" is used in this part, and not otherwise specified, it shall be taken to mean the board of ~~directors~~ trustees of the district.

(4) Whenever the term "works" is used in this part, it shall unless otherwise specified, be held to mean dams, storage reservoirs, compensatory and replacement reservoirs, canals, conduits, pipelines, drains, tunnels, power plants and any and all works, facilities, improvements, and property necessary or convenient for the supplying of water for domestic, irrigation, power, milling, manufacturing, mining, metallurgical and any and all other beneficial uses, and for otherwise accomplishing the purposes of this part.

(5) Whenever the term "court" is used in this part, and not otherwise specified, it shall be taken to mean the district court of that judicial district of the state ~~[of Utah]~~ wherein the petition for the organization of a water conservancy district ~~[shall be]~~ is filed.

(6) Whenever the term "property" is used in this part, it shall unless otherwise specified, be held to mean real estate and personal property.

(7) Whenever the term "land" or "real estate" is used in this part, it shall unless otherwise specified, be held to mean real estate, as the words "real estate" are defined by the laws of the state ~~[of Utah]~~, and shall embrace all railroads, tramroads, highways, electrical roads, street and interurban railroads, roads, streets, and street improvements, telephone, telegraph, and transmission lines, gas, sewer and water systems, water rights, pipelines and rights of ways for public service corporations and all other real property whether held for public or private use.

(8) Whenever the term "land" or "property" is used in this part with reference to benefits, appraisals, assessments, or taxes, public corporations shall as political entities, according to benefits received, be considered as included in such reference in the same manner as "land" or "property."

Section 132. Section **17A-2-1407** is amended to read:

17A-2-1407. Protest petition -- Objections -- Hearing -- Decree establishing district -- Meetings -- Dismissal of petition or proceedings -- Finality and conclusiveness of order -- Appeal.

(1) At any time after the filing of a petition for the organization of a conservancy district, and not less than 30 days prior to the time fixed by the order of the court for the hearing upon the petition, a petition protesting the creation of the district may be filed in the office of the clerk of the court where the proceeding for the creation of the district is pending. The petition must be signed by not fewer than 20% of the owners of the lands in the proposed district outside the limits of any incorporated city or town, who have not signed the petition for creating the district. The aggregate taxable value of their lands, together with improvements, shall equal at least 20% of the total taxable value of land in the proposed district situated outside the limits of incorporated cities and towns. The protesting petition must also be signed by not fewer than 20% of owners of lands within the limits of each incorporated city and town situated in the proposed district who have not signed the petition for creating the district. The aggregate taxable value of their lands, together with improvements, shall equal at least 20% of the total taxable value of land within the limits of each incorporated city and town in the proposed district. The signers of the protesting petition shall state in the petition:

- (a) a description of the land owned by each signer; and
- (b) the land's value as shown by the last preceding assessment.

(2) If a proposed water conservancy district will consist of more than one county, the lands within a county shall be eliminated from the petition for organization of the district if a protesting petition is filed, signed by the percentage of owners of land specified in Subsection (1) of the requisite taxable value located in the protesting county.

(3) If a petitioner signs the petition as an owner of land situated both inside and outside a municipality, [~~his~~] the petitioner's name shall be counted only as an owner of land situated outside a municipality.

(4) After the protesting petition is filed, the clerk of the court shall make as many certified copies of the petition, including the signatures, as there are counties in which any part of the proposed district extends, and shall send a certified copy to the county treasurer of each of the counties. Prior

to the hearing date each county treasurer shall determine from the tax rolls of ~~his~~ the treasurer's county, and certify to the district court under ~~his~~ the treasurer's official seal, the total valuation of the tracts of land listed in the protest, situated in the proposed district within ~~his~~ the treasurer's county. On the hearing date of the original petition, if it appears to the court from the certificate and evidence that the protesting petition is not signed by the requisite number of owners of land and of the requisite value as set forth in Subsection (1), the court shall:

- (a) dismiss the protesting petition; and
- (b) proceed with the original hearing as provided in this section.

(5) If the court finds that the protesting petition is signed by the requisite number of owners of lands, and of the requisite values, the court shall dismiss the original petition for the creation of the district. The finding and order of the court on the issues regarding total valuation, the genuineness of the signatures, and all matters of law and fact incident to the determination shall be final and conclusive on all parties in interest whether appearing or not, unless within 30 days from entry of the order of dismissal an appeal is taken to the Supreme Court as provided in this section.

(6) (a) If any owner of real property in the proposed district did not individually sign a petition for the organization of a conservancy district, and objects to the organization and incorporation of the district, ~~he~~ the owner may file an objection to the organization and incorporation of the district on or before the date set for the hearing.

(b) The objection is limited to a denial of the statements in the petition and shall be heard by the court as an advanced case without unnecessary delay.

(7) (a) The court shall, by order, adjudicate all questions of jurisdiction, declare the district organized, and give it a corporate name, if it appears at the hearing that:

- (i) a petition for the organization of a water conservancy district has been signed and presented pursuant to this part;
- (ii) the allegations of the petition are true; and
- (iii) no protesting petition has been filed, or if filed has been dismissed as provided in this section.

(b) The district shall be a political subdivision of the state ~~of Utah~~ and a body corporate

with all the powers of a public or municipal corporation.

(8) (a) In the decree establishing the district, the court shall designate the place where the office or principal place of the district shall be located, which shall be within the corporate limits of the district, and may be changed by order of the court from time to time.

(b) The official records and files of the district shall be kept in the district office.

(c) The regular meetings of the board shall be held at the office or place of business, but may be held at another convenient place. If a change in meeting place is proposed and the time and place agreed upon by a majority of [~~directors~~] trustees at a regular meeting of the board held at the district's office or principal place of business, no other public notice of the changed meeting is required. If, however, a change in the meeting place of the board is set at a place other than the district office or principal place of business, and the time and place are not fixed in a prior meeting of the board at its office or principal place of business during a regular meeting of the board, notice of the time and place of the meeting shall be given by:

(i) posting notice at the district's office or principal place of business at least three days before the meeting; and

(ii) by publication of a notice of the time and place of the meeting in one issue of a newspaper with general circulation within the district at least three days before the meeting.

(9) The court shall dismiss the proceedings and adjudge the costs against the signers of the petition proportionately and equitably if it finds that:

(a) the petition has not been signed and presented pursuant to this part; or

(b) the material facts are not as set forth in the petition.

(10) An appeal to the Supreme Court from the order of dismissal may be taken as provided in this section. Nothing in this part shall be construed to prevent the filing of a subsequent petition for similar improvements or water conservancy districts, and the right to renew the proceedings is expressly granted.

(11) If an order is entered establishing the district, the order is final and shall conclusively establish the regular organization of the district against all persons, unless an appeal is taken to the Supreme Court as provided in this section or quo warranto proceedings attacking the order are

instituted on behalf of the state by the attorney general within three months of the order. The organization of the district shall not be directly nor collaterally questioned in any suit, action, or proceeding except as expressly authorized in this part.

(12) Any petitioner, protestant, or objector may appeal to the Supreme Court from the order of the district court entered pursuant to this section. Those appeals shall be taken within 30 days from the entry of the order in accordance with the Utah Rules of Civil Procedure.

Section 133. Section **17A-2-1409** is amended to read:

17A-2-1409. Board of trustees -- Selection of members -- Number -- Qualifications -- Terms -- Vacancies -- Surety bonds -- Meetings -- Reports.

(1) (a) Within 45 days after entry of the decree incorporating the district, the board of [~~directors~~] trustees shall be selected as provided in this Subsection (1).

(b) For a district that consists of a single county, the county legislative body of that county shall appoint each [~~director~~] trustee.

(c) (i) For a district that consists of more than a single county, the governor, with the advice and consent of the Senate, shall appoint each [~~director~~] trustee from nominees submitted as provided in this Subsection (1)(c).

(ii) (A) Except as provided in Subsection (1)(c)(ii)(B), in a division composed solely of incorporated cities, the legislative body of each city within the division shall submit two nominees per [~~director~~] trustee.

(B) Notwithstanding Subsection (1)(c)(ii)(A), the legislative body of a city may submit fewer than two nominees per [~~director~~] trustee if the legislative body certifies in writing to the governor that the legislative body is unable, after reasonably diligent effort, to identify two nominees who are willing and qualified to serve as [~~director~~] trustee.

(iii) (A) Except as provided in Subsection (1)(c)(iii)(B), in all other divisions, the county legislative body of the county in which the division is located shall submit three nominees per [~~director~~] trustee.

(B) Notwithstanding Subsection (1)(c)(iii)(A), the county legislative body may submit fewer than three nominees per [~~director~~] trustee if the county legislative body certifies in writing to the

governor that the county legislative body is unable, after reasonably diligent effort, to identify three nominees who are willing and qualified to serve as [~~director~~] trustee.

(iv) If a [~~director~~] trustee represents a division located in more than one county, the county governing bodies of those counties shall collectively compile the list of three nominees.

(d) In districts where substantial water is allocated for irrigated agriculture, one [~~director~~] trustee appointed in that district shall be a person who owns irrigation rights and uses those rights as part of that person's livelihood.

~~[(2) (a) (i) The terms of office shall be fixed so that:]~~

~~[(A) approximately 1/4 of the directors trustees first appointed, after organization of the district, shall serve for one year;]~~

~~[(B) approximately 1/4 of the directors trustees first appointed shall serve for two years;]~~

~~[(C) approximately 1/4 of the directors trustees first appointed shall serve for three years;]~~

and

~~[(D) the remainder of the directors trustees shall serve for four years;]~~

~~[(ii) All succeeding terms of office shall be four years.]~~

~~[(b)]~~ (2) (a) The court shall establish the number, representation, and votes of [~~directors~~] trustees for each district in the decree creating the district. The board of [~~directors~~] trustees of the district shall consist of not more than 11 persons who are residents of the district. If the district consists of five or more counties, the board of [~~directors~~] trustees shall consist of not more than 21 persons who are residents of the district.

~~[(e)]~~ (b) At least 90 days before expiration of a [~~director's~~] trustee's term, the secretary of the board shall:

(i) give written notice of vacancies in any office of [~~director~~] trustee and of the expiration date of terms of office of [~~directors~~] trustees to the county legislative body in single county districts and to the nominating entities and the governor in all other districts; and

(ii) publish the notice in a newspaper having general circulation.

~~[(d)]~~ (c) (i) Upon receipt of the notice of the expiration of a [~~director's~~] trustee's term or notice of a vacancy in the office of [~~director~~] trustee, the legislative body of the city or the county

legislative body, as the case may be, shall nominate candidates to fill the unexpired term of office pursuant to Subsection (1).

(ii) If the entity charged with nominating candidates for appointment by the governor has not submitted the list of nominees within 90 days after service of the notice, the governor shall make the appointment from qualified candidates without consultation with the legislative body of the city or the county legislative body.

(iii) If the governor fails to appoint, the incumbent shall continue to serve until ~~his~~ a successor is appointed and qualified.

(iv) Appointment by the governor vests in the appointee, upon qualification, the authority to discharge the duties of ~~director~~ trustee, subject only to the advice and consent of the Senate.

~~(e)~~ (d) Each ~~director~~ trustee shall hold office during the term for which appointed and until a successor is duly appointed and has qualified.

(3) Each ~~director~~ trustee shall furnish a corporate surety bond at the expense of the district, in amount and form fixed and approved by the court, conditioned for the faithful performance of duties as a ~~director~~ trustee.

~~[(4) (a) An annual meeting of the board of directors trustees shall be held on a date to be fixed by the court in the order incorporating the district. The board shall also hold special meetings at least quarterly.]~~

~~(b)~~ (4) (a) A report of the business transacted during the preceding year by the district, including a financial report prepared by certified public accountants, shall be filed with:

- (i) the clerk of the district court;
- (ii) the governing bodies of counties with lands within the district; and
- (iii) cities charged with nominating ~~directors~~ trustees.

~~(e)~~ (b) No more than 14 days and no less than five days prior to the annual meeting, the district shall have published at least once in a newspaper having general circulation within the district:

- (i) a notice of the annual meeting; and
- (ii) the names of the ~~directors~~ trustees.

~~(d)~~ (c) The district shall have published a summary of its financial report in a newspaper

having general circulation within the district. The summary shall be published no later than 30 days after the date the audit report required under Title 51, Chapter 2, Audits of Political Subdivisions, Interlocal Organizations and Other Local Entities, is required to be filed with the state auditor.

~~[(e)]~~ (d) Subsections (4)~~[(e)]~~(b) and ~~[(d)]~~ (c) do not apply to districts with annual revenues of less than \$1,000,000.

Section 134. Section **17A-2-1412** is amended to read:

17A-2-1412. Duties of secretary -- Board may employ chief engineer, attorney, and other employees.

The secretary shall be custodian of the records of the district and of its corporate seal, and shall assist the board in such particulars as it may direct in the performance of its duties. The secretary shall attest, under the corporate seal of the district, all certified copies of the official records and files of the district that may be required ~~[of him]~~ by this part or by any person ordering the same and paying the reasonable cost of transcription, and any portion of the record so certified and attested shall prima facie import verity. ~~[The secretary shall serve also as treasurer of the district, unless a treasurer is otherwise provided for by the board.]~~ The board may also employ a chief engineer, who may be an individual, copartnership or corporation; an attorney, and such other engineers, attorneys and other agents and assistants as may be needful; and may provide for their compensation which, with all other necessary expenditures, shall be taken as a part of the cost or maintenance of the improvement. The chief engineer shall be superintendent of all the works and improvements, and shall make a full report to the board each year, or oftener if required by the board, and may make such suggestions and recommendations to the board as ~~[he may deem]~~ the chief engineer considers proper. The secretary and treasurer and such other agents or employees of the district as the court may direct shall furnish corporate surety bonds, at the expense of the district, in amount and form fixed and approved by the court, conditioned upon the faithful performance of their respective duties.

Section 135. Section **17A-2-1413** is amended to read:

17A-2-1413. District powers -- Powers of board of trustees -- Other provisions applicable.

(1) (a) Each water conservancy district established under this part:

(i) shall have perpetual succession;

(ii) except as provided in Subsection (1)(b), may exercise the power of eminent domain, as provided by law, to take any property necessary to exercise powers granted to the district.

(b) Notwithstanding Subsection (1)(a)(ii), a water conservancy district may not:

(i) exercise the power of eminent domain to acquire title to or beneficial use of vested water rights for transmountain diversion; and

(ii) carry or transport water in transmountain diversion, the title to which has been acquired by a municipality by virtue of eminent domain proceedings.

(2) The board [shall have power] of trustees may, on behalf of the district [to]:

[(1) have perpetual succession;]

[(2)] (a) take by appropriation, grant, purchase, bequest, devise, or lease, and [to] hold and enjoy water, waterworks, water rights, sources of water supply, and any real and personal property within or without the district necessary or convenient to [fully] exercise fully its powers;

[(3)] (b) sell, lease, encumber, alienate, or otherwise dispose of water, waterworks, water rights, and sources of water supply for any beneficial use within or without the district, and [to] fix rates and terms for the sale, lease, or other disposal of water;

[(4)] (c) acquire, construct, operate, control, and use any works or facilities within or without the district necessary or convenient to exercise its powers;

[(5) have and to exercise the power of eminent domain, as provided by law, to take any property necessary to exercise powers granted, except the district may not exercise the power of eminent domain to acquire title to or beneficial use of vested water rights for transmountain diversion, and the district may not carry or transport water in transmountain diversion, the title to which has been acquired by any municipality by virtue of eminent domain proceedings;]

[(6)] (d) construct, establish, or maintain works or facilities:

[(a)] (i) across or along any public street or highway;

[(b)] (ii) in, upon, or over any vacant public lands which are now, or may become, the property of this state in accordance with [Titles] Title 53C, School and Institutional Trust Lands Management Act, and Title 65A, State Lands, except that any such action upon school or institutional

trust lands may only be undertaken with the consent of the director of the School and Institutional Trust Lands Administration, acting pursuant to Sections 53C-1-102 and 53C-1-303; or

~~[(e)]~~ (iii) across any streams of water or watercourses;

~~[(7)]~~ (e) contract with any agency of the United States, person, or corporation, public or private, for the construction, preservation, operation, or maintenance of tunnels, drains, pipelines, reservoirs, regulating basins, diversion canals and works, dams, power plants, and any necessary incidental works;

~~[(8)]~~ (f) acquire perpetual rights to the use of water from the works referred to in Subsection ~~[(7)]~~ (2)(e) and to sell perpetual rights to the use of water from those works to persons and corporations, public and private;

~~[(9)]~~ (g) list in separate ownership the lands within the district which are susceptible of irrigation from district sources and to make an allotment of water to all those lands, which allotment of water may not exceed the maximum amount that the board determines could be beneficially used on the lands;

~~[(10)]~~ (h) levy assessments, as provided for by this part, against lands within the district to which water is allotted on the basis of:

~~[(a)]~~ (i) a uniform district-wide value per acre-foot of irrigation water; or

~~[(b)]~~ (ii) a uniform unit-wide value per acre-foot of irrigation water provided that the board divides the district into units and fixes a different value per acre-foot of water in the respective units;

~~[(11)]~~ (i) fix rates for the sale, lease, or other disposal of water, other than irrigation water, at rates that are equitable, although not necessarily equal or uniform, for like classes of service;

~~[(12) contract for services, employ persons, and elect or appoint officers as shall be necessary and convenient to transact the district's business;]~~

~~[(13)]~~ (j) adopt and modify plans and specifications for the works for which the district was organized;

~~[(14)]~~ (k) investigate and promote water development;

~~[(15)]~~ (l) appropriate and otherwise acquire water and water rights within or without the state;

- [(16)] (m) develop, store, and transport water;
- [(17)] (n) acquire stock in canal companies, water companies, and water users' associations;
- [(18)] (o) make and adopt plans for and to acquire, construct, operate, and maintain dams, reservoirs, canals, conduits, pipelines, tunnels, power plants, and any works, facilities, improvements, and property necessary or convenient for those purposes;
- [(19)] (p) generate, distribute, or sell electric power from hydroelectric power plants owned, operated, licensed, or leased by the district if, as determined by the board, the electric power plant was acquired or constructed as an incidental and not the primary purpose of a project for the conservation, development, storage, transportation, or distribution of water;
- [(20)] (q) invest any surplus money in the district treasury pursuant to ~~the~~ Title 51, Chapter 7, State Money Management Act;
- [(21)] (r) refund bonded indebtedness incurred by the district pursuant to rules prescribed by the board;
- [(22)] (s) borrow money and to issue bonds or other evidence of indebtedness;
- [(23)] ~~adopt bylaws not in conflict with the Utah Constitution and laws of the state for carrying on the business of the board and district;~~
- [(24)] (t) construct works and improvements on land not subject to acquisition by condemnation held by the district for a term of not less than 50 years under lease, easement, or otherwise and to issue bonds to pay the costs for which bonds may be issued as in this part;
- [(25)] (u) acquire, construct, operate, or maintain works for the irrigation of land;
- [(26)] (v) sell water and water services to individual customers and to charge sufficient rates for the water and services supplied; however, no sale of water for domestic or culinary use shall be made to a customer located within the limits of any incorporated municipality without the consent of the municipality, except as provided by Subsection 17A-2-1439 (7);
- [(27)] (w) make and collect fees for customer connections to the works of the district and for permitting and supervising the making of the connections;
- [(28)] (x) use the proceeds of connection charges for any lawful corporate purpose, including the construction or acquisition of facilities, payment of principal of and interest on bonds, and the

creation of a reserve for such purposes;

~~[(29)]~~ (y) own property for its corporate purposes within the boundaries of incorporated municipalities; and

~~[(30)]~~ (z) adopt a fiscal year, which may end June 30 or December 31.

(3) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, except Section 17B-2-402, apply to each water conservancy district to the same extent as if the water conservancy district were a local district under Title 17B, Chapter 2, Local Districts.

(b) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 136. Section **17A-2-1420** is amended to read:

17A-2-1420. Organization of subdistricts -- Authority -- Bonds -- Board of trustees -- Powers -- Validation of proceedings -- Separability clause.

(1) Subdistricts may be organized upon the petition of owners of real property, within or partly within and partly without the district, which petition shall be in substantially the same form and shall fulfill the same requirements concerning the subdistricts as the petition outlined in Section 17A-2-1404 is required to fulfill concerning the organization of the main district. The petition shall also contain a statement of the initial quantity of water which the subdistrict proposes to acquire from the district for perpetual use, and the court shall, prior to the entry of its decree organizing a subdistrict, require that the petitioners attach to the petition written evidence of the consent of the board of ~~[directors]~~ trustees of the district to furnish each subdistrict the perpetual use of water for the purpose specified. Petitions for the organization of subdistricts shall be filed with the clerk of the court and shall be accompanied by a bond as provided for in Section 17A-2-1405. The procedure for

the organization of subdistricts shall be the same as for the organization of districts, except that the provisions of Section 17A-2-1404 respecting the minimum taxable value of land and improvements within districts does not apply to subdistricts. A subdistrict shall be a separate entity within the district, may contract with the district for the furnishing of water and for other purposes, and in addition to any other authority granted under this part, may issue its bonds pursuant to and in conformity with the provisions of this part for the following purposes: (a) acquiring or constructing all or part of an irrigation water system to be operated by the subdistrict for the purpose of providing irrigation water for agricultural and residential land within the boundaries of the subdistrict, including as a part of the subdistrict, the purchase or acquisition of stock in canal companies, water companies, and water users' associations and the acquisition or purchase of water rights and sources of water supply; and (b) constructing water pipelines and storage works, purchase of water and water rights, operation of waterworks systems for the purpose of providing municipal water within the boundaries of the subdistrict and for this purpose the subdistrict board has the same powers, rights, and privileges granted to a district board referred to in Sections 17A-2-1413, 17A-2-1421, 17A-2-1422, and 17A-2-1424, to carry out its separate purposes under the provisions of this part. The subdistrict board may contract with the district for the furnishing of water for the purposes as stated in the initial petition as well as other purposes. Within 30 days after entering the decree incorporating a subdistrict, the county legislative body of the county shall appoint a board of [~~directors~~] trustees of the subdistrict not exceeding seven persons who are owners of real property in the subdistrict and who are not [~~directors~~] trustees of the district. Vacancies in subdistricts shall be filled by the county legislative body of the county. The board of [~~directors~~] trustees of a subdistrict has all of the powers, rights, and privileges granted to a district board, including specifically, but not limited to, the right of the subdistrict board to levy and collect taxes and assessments referred to in Sections 17A-2-1423 through 17A-2-1430, to carry out its separate purposes, including the payment of principal and interest on bonds payable in whole or in part from the proceeds of assessments and taxes levied under this part issued by the subdistrict under this part. These taxes and assessments may be levied and collected by a subdistrict, notwithstanding the fact that taxes and assessments are being levied and collected by the district in which the subdistrict may lie, to carry out the district purposes; but the

taxes levied and collected pursuant to Section 17A-2-1423 may not exceed .0002 per dollar of taxable

value of taxable property within the subdistrict to pay the expenses of its organization and administration and may not exceed .0002 per dollar of taxable value of taxable property for all purposes.

(2) Each subdistrict created under this section may exercise all powers granted to subdistricts under this part, it being expressly found and determined that all taxable property lying in each subdistrict will be ~~[benefited]~~ benefitted by the acquisition or construction of the improvements acquired or constructed by the district to an amount not less than the aggregate of the taxes and assessments levied against the property to pay for the cost of acquisition or construction. Wherever proceedings are adopted under authority of this part purporting to create any subdistrict, all proceedings in connection with the creation of each subdistrict are validated, ratified, and confirmed, notwithstanding any failure to comply with any one or more pertinent statutory provisions; and each subdistrict is declared to be a validly created and existing subdistrict under authority of law.

(3) If any provision of this part, or the application of any provision to any person or circumstance, is held invalid, the remainder of this part is not affected.

Section 137. Section **17A-2-1425** is amended to read:

17A-2-1425. Board may sell or lease water to irrigation districts -- Levy and collection of special assessments under class C.

To levy and collect special assessments upon lands under class C as herein provided, the board shall make an allotment of water to each of the petitioning irrigation districts within the district in the manner as hereinafter provided in such quantity as will in the judgment of the board, when added to the present supply of water of such irrigation district, make an adequate supply of water for such irrigation district, and shall fix and determine the rates per acre-foot or other unit of measurement, the service, turnout, connection, distribution system charges or other charges and terms at and upon which water shall be sold, leased or otherwise disposed of to such irrigation district; provided, however, that such rates and charges shall be equitable although not necessarily equal or uniform for like classes of services throughout the district. ~~[In the event]~~ If any irrigation district ~~[shall desire]~~ desires to purchase, lease, or otherwise obtain the beneficial use of waters of the district, the board

of such irrigation district shall by resolution authorize and direct its [~~president~~] chair and secretary to petition the board for an allotment of water, upon terms prescribed by the board, which petition shall contain, inter alia, the following:

- (1) Name of irrigation district.
- (2) Quantity of water to be purchased or otherwise acquired.
- (3) Price per acre-foot or other unit of measurement and the amount of any service, connection, distribution system charge or other charges to be paid.
- (4) Whether payments are to be made in cash or annual installments.
- (5) Agreement by such irrigation district to make payments for the beneficial use of such water, together with annual maintenance and operating charges, and to be bound by the provision of this part and the rules and regulations of the board.

The secretary of the board shall cause notice of the filing of such petition to be given and published, which notice shall state the filing of such petition and giving notice to all persons interested to appear at the office of the board at a time named in [~~said~~] the notice and show cause in writing, if any they have, why the petition should not be granted. The board at the time and place mentioned in [~~said~~] the notice, or at such time or times at which the hearing of [~~said~~] the petition may be adjourned, shall proceed to hear the petition and objections thereto, presented, in writing, by any person showing cause [~~as aforesaid~~] why [~~said~~] the petition should not be granted. The failure of any person interested to show cause in writing, as aforesaid, shall be [~~deemed and taken as~~] considered an assent [~~on his part~~] to the granting of [~~said~~] the petition. The board may, at its discretion, accept or reject the [~~said~~] petition, but if it [~~deems~~] considers it for the best interest of the district that the [~~said~~] petition [~~shall~~] be granted, shall enter an order to that effect granting the [~~said~~] petition, and from and after such order, the irrigation district, and/or persons therein shall be deemed to have purchased, leased, or otherwise acquired the beneficial use of water as set forth in [~~said~~] the order. If [~~said~~] the petition is granted, the board shall, in each year, determine the amount of money necessary to be raised by special assessment on lands within such irrigation district and shall determine whether such special assessment shall be levied by the district or by the irrigation district. If the board determines that such assessments shall be levied by the district, it shall certify to the

county auditor of the county in which the lands of such irrigation district are located the amount of the assessment, plus a fair proportionate amount of the estimated operating and maintenance charges for the next succeeding year on each tract of land on or before the 1st day of July of each year, and such county auditor shall extend the amount of such special assessment, plus ~~said~~ the operating and maintenance charges on the tax roll as a special assessment against the lands on which ~~said~~ the special assessment is made. If the board determines that such assessments shall be levied by the irrigation district, the district shall make a contract with the irrigation district which shall provide among other things for the annual payment to the district of an amount to be obtained from the levy by the irrigation district of annual assessments in accordance with the irrigation district law. If subdistrict or subdistricts are organized as herein provided, assessments of special benefits shall be made, spread on the tax rolls and collected in the same manner as herein provided in the case of irrigation districts.

Section 138. Section **17A-2-1437** is amended to read:

17A-2-1437. Change of boundaries -- Petitions for and against inclusion within district -- Hearing -- Petition protesting inclusion -- Hearing -- Appeal -- Annexation -- Hearings -- Objections -- Order of inclusion -- Findings and decrees -- Appeal.

(1) The boundaries of any district organized under this part may be changed as provided by this section, but the change of boundaries of the district shall not impair or affect:

- (a) its organization;
- (b) its rights in or to property;
- (c) any of its other rights or privileges; or

(d) any contract, obligation, lien, or charge for or upon which it might be liable or chargeable had the change of boundaries not been made.

(2) (a) (i) The owners of lands which are either contiguous or noncontiguous to the district and to each other may file a written petition with the board requesting that their lands be included in the district. The petition shall contain:

- (A) a description of the tracts or body of land sought to be included; and
- (B) the signatures, acknowledged in the same form as conveyances of real estate, of the

owners of the lands.

(ii) A petition filed in this form will be considered to give assent of the petitioners to the inclusion within the district of the lands described in the petition.

(b) The board shall, within 90 days after the filing of the petition, set and convene a hearing to consider the petition and all objections.

(c) The secretary of the board shall cause notice of the filing of the petition to be given and published in the county in which the lands are situated. This notice shall state:

(i) the names of petitioners;

(ii) a description of lands mentioned;

(iii) the request of the petitioners; and

(iv) that all persons interested must appear at the office of the board at the time named in the notice and state in writing why the petition should not be granted.

(d) The board shall at the appropriate time, proceed to hear the petition and review the written objections to the petition. The failure of any person to show cause, in writing, shall be considered to be ~~[his]~~ that person's assent to the inclusion of these lands within the district.

(e) If any of the lands proposed for inclusion in the district are located within a municipality, the petitioners shall, before the date of the hearing set by the board, obtain from the municipality's governing body its written consent to the inclusion of the land located within the municipality.

(f) (i) If any of the lands proposed for inclusion in the district are located within a municipality's proposed municipal expansion area established by the municipality's annexation policy declaration adopted under Title 10, Chapter 2, Part 4, ~~[Extension of Corporate Limits - Local Boundary Commissions]~~ Annexation, the petitioners shall, before the date of the hearing set by the board, obtain from that municipality's governing body its written consent to the inclusion of the land located within the area proposed for municipal expansion.

(ii) Subsection (2)(f)(i) does not apply if the land proposed for inclusion in the district is located within the proposed municipal expansion area of more than one municipality in a county of the first class.

(g) If any of the lands proposed for inclusion in the district are located within a county not

previously containing any part of the district, the petitioners shall, before the date of the hearing set by the board, obtain from the county's legislative body its written consent to the inclusion of the land located within that county.

(h) If any of the lands proposed for inclusion in the district are located within the unincorporated portion of a county, the petitioners shall, before the date of the hearing set by the board, obtain from the county's legislative body its written consent to the inclusion of that land.

(i) If the petition is granted, the board shall make an order to that effect and file the petition with the clerk of the court and upon order of the court the lands shall be included in the district.

(3) (a) In addition to the method provided in Subsection (2), additional areas may be included in a district by petition as described in this subsection. A written petition may be filed to include:

(i) irrigated lands;

(ii) nonirrigated lands;

(iii) land in towns and cities;

(iv) other lands; or

(v) any combination of lands under this Subsection (3)(a). These lands may be contiguous or noncontiguous to the district and to each other.

(b) The petition [~~must~~] shall:

(i) be filed in the district court of the county in which the petition for organization of the original district was filed;

(ii) include the signatures, acknowledged in the same form as conveyances of real estate, of not fewer than 20% or 500, whichever is the lesser, of the owners of irrigated lands in the area, but outside the corporate limits of a city or town;

(iii) include the signatures, acknowledged in the same form as conveyances of real estate, of not fewer than 5% or 100, whichever is the lesser, of the owners of nonirrigated lands and lands within the incorporated limits of a city or town, which are within the area specified in the petition;

(iv) list a description of each tract of land owned by the signer opposite the name of the signer, with an indication that each tract, together with its improvements, has a taxable value of not less than \$300; and

(v) set forth:

(A) a general description of the territory in the area sought to be included in the district;

(B) the name of the district in which it is sought to be included;

(C) the terms and conditions upon which inclusion is sought;

(D) a statement that the property sought to be included will be [~~benefited~~] benefitted by the accomplishment of the purposes for which the original district was formed; and

(E) a request for inclusion of the area in the district.

(c) No petition with the requisite signatures [~~shall~~] may be declared null and void because of alleged defects, but the court may permit the petition to be amended to conform to the facts by correcting any errors. However, similar petitions or duplicate copies of the petition for the inclusion of the same area may be filed and shall together be regarded as one petition. All petitions filed prior to the hearing on the first petition shall be considered by the court the same as though filed with the first petition. In determining whether the requisite number of landowners has signed the petition, the names as they appear upon the tax roll shall be prima facie evidence of their ownership.

(d) At the time of filing the petition or at any time before, and prior to the time of hearing on the petition, a bond shall be filed, with security approved by the court sufficient to pay all expenses connected with the proceedings in the case. If at any time during the proceeding the court determines that the first bond is insufficient, the court may require that an additional bond be obtained within ten days following the court's request. If the petitioner fails to obtain a bond, the petition shall be dismissed.

(e) Immediately after the filing of the petition, the district court of the county where the petition is filed shall fix a place and time between 60 and 90 days after the petition is filed for a hearing. The clerk of the court shall then publish notice of the pendency of the petition and of the time and place of hearing. The clerk of the court shall also mail a copy of the notice by registered mail to:

(i) the board of [~~directors~~] trustees of the district;

(ii) the county legislative body of each of the counties with land within the area proposed to be included in the district; and

(iii) the governing body of each of the cities or towns having territory within the area

proposed to be included within the district.

(f) If any of the lands proposed for inclusion in the district are located within a municipality, the petitioners shall, before the date of the hearing set by the district court, obtain from the municipality's governing body its written consent to the inclusion of the land located within the municipality.

(g) (i) If any of the lands proposed for inclusion in the district are located within a municipality's proposed municipal expansion area established by the municipality's annexation policy declaration adopted under Title 10, Chapter 2, Part 4, [~~Extension of Corporate Limits - Local Boundary Commissions~~] Annexation, the petitioners shall, before the date of the hearing set by the board, obtain from that municipality's governing body its written consent to the inclusion of the land located within the area proposed for municipal expansion.

(ii) Subsection (3)(g)(i) does not apply if the land proposed for inclusion in the district is located within the proposed municipal expansion area of more than one municipality in a county of the first class.

(h) If any of the lands proposed for inclusion in the district are located within a county not previously containing any part of the district, the petitioners shall, before the date of the hearing set by the district court, obtain from the county's legislative body its written consent to the inclusion of the land located within that county.

(i) If any of the lands proposed for inclusion in the district are located within the unincorporated portion of a county, the petitioners shall, before the date of the hearing set by the district court, obtain from the county's legislative body its written consent to the inclusion of that land.

(j) After the filing of a petition for inclusion of an additional area and at least 30 days prior to the time fixed by the court for the hearing on the petition, a petition protesting the inclusion of the lands within the district may be filed in the clerk's office of the court where the proceeding for inclusion is pending. The protest petition must contain:

- (i) the signatures, acknowledged in the same form as conveyances of real estate, of at least:
 - (A) 35% of the owners of irrigated lands in the area sought to be included, but not within the

incorporated limits of a city or town; and

(B) 20% of the owners of nonirrigated lands and lands within the incorporated limits of a city or town within the area proposed to be included within the district; and

(ii) a description of each tract of land opposite the name of the signer, with an indication that each tract, together with its improvements, has an assessed value of at least \$300.

(k) A landowner may protest if he:

(i) did not sign the petition for inclusion; and

(ii) owns land, including improvements thereon, which had a taxable value of at least \$300 as shown by the last preceding assessment.

(l) If a petitioner signs the petition both as owner of irrigated and nonirrigated land, his name counts only as an owner of irrigated lands.

(m) On the day set for the hearing on the original petition, if it appears to the court that the protesting petition does not meet the requirements of Subsection (3)(j), the court shall dismiss the protesting petition and proceed with the original hearing as provided in this section. If the court finds from the evidence that the protesting petition does qualify, the court shall dismiss the original petition for inclusion. The finding of the court upon the question of valuation, the genuineness of the signatures, and all matters of law and fact incident to this determination shall be final and conclusive on all parties in interest whether appearing or not, unless within 30 days from entry of the order of dismissal an appeal is taken to the Supreme Court.

(n) (i) Any owner of real property in the proposed area who did not individually sign a petition for the inclusion, but who desires to object to the inclusion, may, on or before ten days prior to the date set for the cause to be heard, file an objection to the inclusion. This objection shall be heard by the court as an advanced case without unnecessary delay.

(ii) An owner of irrigated lands may file a petition asking to have [~~his~~] the owner's irrigated lands excluded from the inclusion pursuant to the requirements of Subsection (3)(n)(i). This petition shall be heard by the district court on the date set for the hearing of the petition for inclusion of the area and the district court shall exclude these irrigated lands from the area proposed for inclusion within the district.

(o) If it appears at the hearing that a petition for the inclusion has been signed and presented as provided in Subsections (3)(a) and (b), that each written consent required by Subsections (3)(f), (g),(h), and (i) has been obtained, that the allegations of the petition are true, and that no protesting petition has been filed, or if filed has been dismissed as provided in Subsection (3)(m), the court shall:

(i) adjudicate all questions of jurisdiction;

(ii) find that the property described in the petition will, if included, be [~~benefited~~] benefitted by the accomplishment of the purposes for which the original district was formed;

(iii) declare the area included in the district;

(iv) declare whether the area is annexed to an existing division, or constitutes a separate division; and

(v) declare whether the area can be properly represented by existing [~~directors~~] trustees or whether the number of [~~directors~~] trustees shall be increased to provide for representation of the area annexed. However, prior to the entry of its decree including such area within the district, the court shall obtain the verified consent of the board of [~~directors~~] trustees of the district to the inclusion of such area.

(p) If the court finds that the petition for inclusion has not been signed and presented pursuant to this section, that any written consent required by Subsections (3)(f), (g), (h), and (i) has not been obtained, or that the material facts are not as set forth in the petition filed, it shall dismiss the proceedings and adjudge the costs against the signers of the petition in such proportion as it considers just and equitable. An appeal to the Supreme Court shall lie from an order dismissing the proceeding. Nothing in this part shall be construed to prevent the filing of a subsequent petition or petitions for similar purposes, and the right to renew such proceeding is expressly granted.

(4) (a) If lands are annexed into a public corporation which corporation is already part of the district described in this part and these annexed lands are not located within the district's boundaries, the board may make a finding that these lands are not part of the district, and that these lands are or may be [~~benefited~~] benefitted from the service provided by the district. Upon making this finding, the board shall set a time and place for a public hearing to hear objections as to why these lands should not be annexed and included within the district. The secretary of the board shall cause notice of the

time and place of the hearing to consider the inclusion of the lands within the district to be given and published in the county in which the lands are situated. The notice shall:

(i) state a general description of the lands;

(ii) state that the lands are being considered for inclusion within the district; and

(iii) give notice to all interested persons to appear at the time and place named in the notice and show cause, in writing, as to why the lands should not be included within the district. The secretary shall mail a copy of the notice by registered mail to the governing body of the public corporation and to the landowners.

(b) Before the date set for the hearing, the board shall obtain the written consent of the public corporation's governing body to the inclusion of the lands into the district.

(c) The board shall, at the time and place named in the notice or at any time at which the hearing may be adjourned, proceed to hear all objections to the inclusion of the lands within the district. The failure of any interested person to appear or show cause, in writing, shall be ~~taken~~ considered as an assent on his part to the inclusion of the lands within the district. If, after hearing all objections to the inclusion of the land within the district, the board has obtained the consent of the public corporation's governing body as required in Subsection (4)(b) and determines that the lands will be ~~benefited~~ benefitted by inclusion within the district, the board shall make an order to that effect. Upon filing the order with the clerk of the court and upon order of the court, the lands shall be included in the district.

(d) A finding by the board that the lands will not be ~~benefited~~ benefitted by inclusion within the district shall not preclude the board at any subsequent date from finding that changed conditions or circumstances now benefit the lands. After making this finding the board may renew the proceedings for inclusion of these lands in whole or in part and find that the lands will be ~~benefited~~ benefitted by inclusion in the district and make an order to that effect. Upon filing the order with the clerk of the court and upon order of the court, the lands shall be included in the district.

(e) If the board finds that any portion of land to be annexed into the district is presently receiving water from another public water system, the board shall exclude that portion of land from the land to be annexed into the district.

(5) Upon the entry of the decree, the clerk of the court shall transmit to the Division of Corporations and Commercial Code and the county recorder in each of the counties having lands in the area, copies of the findings and decrees of the court. The findings and decrees shall be filed with the Division of Corporations and Commercial Code pursuant to the general laws concerning corporations. Copies shall also be filed in the office of the county recorder in each county in which the district is located where they will become permanent records. The recorder in each county shall receive the fee designated by the county legislative body for filing and preservation. The Office of the Lieutenant Governor shall receive fees as may be provided by law for like services in similar cases.

(6) If an order is entered establishing the inclusion of the area into the district, such order shall be final unless within 30 days an appeal is taken to the Supreme Court. The entry of a final order shall conclusively establish the inclusion of the area against all persons, except that the state may attack the order in an action in the nature of a writ of quo warranto, commenced by the attorney general within three months after the decree declaring the area included. The inclusion of the area shall not be directly or collaterally questioned in any suit, action, or proceeding, except as expressly authorized.

(7) Any area included in a district pursuant to this part shall be subject to taxes and assessments levied for the payment of indebtedness of the district which was outstanding at the time of the entry of the order for inclusion, and for the payment of indebtedness thereafter incurred as if the area were a part of the district as originally established.

(8) The boundaries of any subdistrict may be changed in the manner provided in this part for the change of the boundaries of districts.

Section 139. Section **17A-2-1439** is amended to read:

17A-2-1439. Contracts providing for payment in installments -- Issuance and sale of bonds -- Sinking fund -- Covenants -- Default -- Revenue obligations -- Refunding bonds.

(1) (a) (i) To pay for construction, operation, and maintenance of works, and expenses preliminary and incidental to them, the board may enter into contracts with the United States of America or its agencies, providing for payment in installments.

(ii) To pay for all or part of the cost of the construction or acquisition of any works, to pay

for the improvement and extension of them, to pay expenses preliminary and incidental to them, to pay interest on the bonds during acquisition and construction, to provide for necessary reserves, and to pay costs of issuance and sale of the bonds (including, without limitation, printing, registration and transfer costs, legal fees, financial advisor's fees, and underwriter's discount), the board may issue the bonds of the district as provided in this section.

(b) The indebtedness or obligation represented by any bonds issued by or any contract entered into by the board may be payable in whole or in part from all or part of the revenues derived by the district from the operation of all or any designated portion of its works, from the proceeds of assessments and taxes levied under this part, or from any combination of those revenues, assessments, and taxes.

(c) The indebtedness or obligation represented by any bonds issued by or any contract entered into by the board may be incurred for the acquisition, construction, or both, of all or part of any works, for the improvement or extension of any works, or for a system of works for the distribution of water or for the treatment of water or both, whether or not the works of the district so acquired, constructed, improved, or extended include a source of water supply.

(d) (i) These bonds shall be issued and sold in compliance with Title 11, Chapter 14, Utah Municipal Bond Act, and may be in the form and denominations and have provisions and details permitted by the Utah Municipal Bond Act, except that the bonds shall mature serially or otherwise and contract payment installments shall fall due at any time or times not later than 50 years from their date.

(ii) The bonds and any evidences of participation interests in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other statute relating to the registration of bonds enacted to meet the requirements of Section 103 of the Internal Revenue Code of 1954, as amended, or any similar or successor federal law, and applicable regulations.

(2) (a) Bonds may be issued hereunder at one time or from time to time.

(b) If more than one issue or series of bonds is delivered hereunder, the bonds of the respective issues or series shall have priorities of payment as provided in the proceedings authorizing

the bonds.

(3) (a) Any resolution authorizing the issuance of bonds or the entering into of a contract indebtedness or obligation payable in installments hereunder shall provide for the creation of a sinking fund into which shall be paid from the revenues, assessments, and taxes, any or all, pledged to the payment in the authorizing resolution sums fully sufficient to pay the principal of and interest on the bonds or on the contract indebtedness or obligation and to create a reserve for contingencies as required by the resolution.

(b) Any resolution so authorizing bonds or the entering into of a contract indebtedness or obligation may contain those covenants with the future holders of the bonds or the other contracting party as to the management and operation of the properties and works of the district, the imposition and collection of fees and charges, including taxes and assessments, for the water and services furnished thereby, the disposition of the fees and revenues, the issuance of future bonds and the incurring of future contract indebtedness or obligations and the creation of future liens and encumbrances against the works and the revenues thereof, the carrying of insurance on the works and the disposition of the proceeds of insurance, the sale, disposal, or alienation of the works, and other pertinent matters [~~deemed~~] considered necessary or proper by the board to assure the merchantability of the bonds or the execution of the contract.

(c) These covenants and agreements may not be inconsistent with this section.

(4) (a) It may be provided in the resolution that any holder of the bonds or any contracting party may by appropriate legal action compel performance of all duties required of the board and the officials of the district by this part and the resolution authorizing the bonds or contract.

(b) If any bond issued or any contract entered into hereunder is permitted to go into default as to any installment of principal or interest, any court of competent jurisdiction may, pursuant to the application of the holder of any bond or of the other contracting party, appoint a receiver to operate the works of the district and to collect and distribute the revenues thereof under the resolution, this part, and as the court may direct.

(5) (a) When the district has issued bonds or entered into a contract and pledged any revenues of the works for the payment of them as provided in this part, the district shall impose and

collect fees and charges for water and services furnished by the works in that amount and at those rates fully sufficient at all times (in conjunction with the proceeds of available taxes and assessments if the bonds or contract indebtedness or obligation are also payable in part from the proceeds of assessments and taxes levied under this part) to pay the expenses of operating and maintaining the works, to provide a sinking fund sufficient to assure the prompt payment of principal of and interest on the bonds or contract indebtedness or obligation as principal and interest fall due, and to provide those funds for reserves and contingencies and for a depreciation fund for repairs, extensions, and improvements to the works as [~~deemed~~] considered necessary to assure adequate and efficient service, all as may be required by the resolution.

(b) No board or commission other than the board of [~~directors~~] trustees of the district has authority over or is required to approve the making or fixing of fees and charges, the acquisition of property by the district, the issuance of its bonds, or the entering into of a contract.

(6) (a) The board of any district that issues or has issued any bonds under this part, or that enters or has entered into any contracts under this part, may issue bonds hereunder for the purpose of refunding all or any part of the outstanding bonds, or the outstanding indebtedness or obligation represented by the contracts, or in part for the purpose of the refunding and in part for the purpose of acquiring, constructing, improving, or extending works for the district.

(b) If bonds are issued solely for refunding purposes, the election required by Section 17A-2-1440 is not a condition precedent to the issuance of the bonds.

(c) Refunding bonds so authorized:

(i) may be sold and the proceeds thereof applied to or deposited in an escrow and invested pending the retirement of the outstanding bonds; or

(ii) may be delivered in exchange for the outstanding bonds.

(d) The refunding bonds shall be authorized and secured in the manner herein provided for the issuance and securing of other bonds and may, but are not required to, have the same source of security and payment as the bonds refunded.

(7) (a) If bonds have been issued or a contract indebtedness or obligation has been incurred hereunder payable in whole or in part from revenues to be derived from supplying water to the

inhabitants of territory which was not at the time of the issuance of the bonds or the entering into of the contract contained within the corporate limits of any municipality or any other district created for the purpose of supplying water to the territory, the district shall thereafter be the sole public corporation or political subdivision authorized to supply water to this area.

(b) No municipal corporation or other district into which any part of the territory is incorporated or included has authority either to supply water to the inhabitants of the corporation or district or to grant a franchise for the supplying of the water.

(c) Nothing contained in this Subsection (7) prevents the modification of this restriction contained by the district if modification does not in any way jeopardize the prompt payment of principal of and interest on the bonds of the district then outstanding or of the payment of installments of indebtedness or obligation under a contract.

Section 140. Section **17A-2-1440** is amended to read:

17A-2-1440. Election for issuance of bonds or incurring contract indebtedness or obligation -- When an election is not required.

(1) If the majority of a water conservancy district board approves a resolution determining that the interests of the district and the public interest or necessity demand the acquisition, construction, or completion of any water supply, waterworks, improvements, or facilities, or the making of any contract with the United States or other persons or corporations, public or private, to carry out the purposes of the district, wherein an indebtedness or obligation is created, to satisfy which requires an expenditure greater than the ordinary annual income and revenue of the district, the board shall adopt a resolution directing that an election be held to determine whether bonds shall be issued, or an indebtedness or obligation under a contract shall be incurred in the amount and for the purposes specified in the resolution.

(2) The following shall be subject to the conditions provided in Title 11, Chapter 14, Utah Municipal Bond Act:

- (a) adoption of the resolution calling the election;
- (b) giving notice of the election;
- (c) conduct of the election;

(d) determination of voters' qualifications; and

(e) canvassing of election results.

(3) The board may, for purposes of the election:

(a) treat the entire district as a single precinct or divide the district into precincts; and

(b) fix polling places.

(4) If bonds or the indebtedness or obligations under a contract are payable solely from revenues derived from the operation of all or any part of the district's works, no election is required under this section prior to issuance of the bonds or the entering into of the contract, except as provided in Subsection (5).

(5) No district may issue bonds or incur an indebtedness or obligation under a contract payable solely from revenues unless:

(a) the issuance of the bonds or the incurring of the contract indebtedness or obligation has been approved at an election called and held as provided in this section; or

(b) the board of [~~directors~~] trustees adopts a resolution declaring the intention of the district to issue bonds or incur a contract indebtedness or liability payable solely from revenues in the amount and for the purpose provided in the resolution and directs that notice of this intention be published once in a newspaper of general circulation in the district.

(i) The notice of intention shall set forth:

(A) the amount and purpose of the proposed bond issue or contract; and

(B) when and where petitions may be filed requesting the calling of an election to determine whether the bonds may be issued or the contract indebtedness or obligation may be incurred.

(ii) The resolution of the board shall specify the form of the petitions.

(iii) If, within 30 days after the publication of the notice of intention, a petition is filed with the secretary of the board, signed by not less than 5% of the qualified electors of the district, requesting that an election be called to authorize the issuance of the bonds or the incurring of the contract indebtedness or liability payable solely from revenues, then the board shall proceed to call and hold an election as provided in this section. The qualified electors of the district shall be certified to the board, prior to the adoption of the resolution, by the clerks of the counties in which portions

of the district are located.

(iv) If no petition is filed, or if the number of signatures filed within the 30-day period is less than the required number, the board of [~~directors~~] trustees may adopt the resolution and proceed to issue the bonds or enter into the contract.

Section 141. Section **17A-2-1442** is amended to read:

17A-2-1442. Board may petition district court for judicial determination of its acts -- Procedure.

The board may, in its discretion, at any time file a petition in the court, praying a judicial examination and determination of any power conferred hereby or by any amendment hereto or of any tax or assessment levied or of any act, proceeding or contract of the district, whether or not [~~said~~] the contract shall have been executed, including proposed contracts for the acquisition, construction, maintenance or operation of works for the district. Such petition shall set forth the facts whereon the validity of such power, assessment, act, proceeding or contract is founded and shall be verified by the [~~president~~] chair of the board. Notice of the filing of [~~said~~] the petition shall be given by the clerk of the court, under the seal thereof, stating in brief outline the contents of the petition and showing where a full copy of any contract or contracts, therein mentioned, may be examined. [~~Said~~] The notice shall be served by publication at least once a week for five consecutive weeks (five issues) in a newspaper of general circulation in the county in which the principal office of the district is located, and by posting the same in the office of the district at least 30 days prior to the date fixed in [~~said~~] the notice for the hearing on [~~said~~] the petition. Any owner of property in the district or person interested in the contract or proposed contract may appear and demur to or answer [~~said~~] the petition at any time prior to the date fixed for [~~said~~] the hearing or within such further time as may be allowed by the court; and the petition shall be taken as confessed by all persons who fail so to appear. The [~~said~~] petition and notice shall be sufficient to give the court jurisdiction and, upon hearing, the court shall examine into and determine all matters and things affecting the question submitted, shall make such findings with reference thereto and render such judgment and decree thereon as the case warrants. Costs may be divided or apportioned among the contesting parties in the discretion of the trial court. Review of the judgment of the court may be had as in other similar cases, except that such

review must be applied for within 30 days after the time of the rendition of such judgment, or within such additional time as may be allowed by the court within 30 days. The ~~[Code]~~ Rules of Civil Procedure shall govern in matters of pleading and practice where not otherwise specified herein. The court shall disregard any error, irregularity or omission which does not affect the substantial rights of the parties.

Section 142. Section **17A-2-1448** is amended to read:

17A-2-1448. Validation of proceedings -- Changes.

~~[That wherever]~~ If proceedings have been ~~[heretofore]~~ adopted under authority of ~~[the Water Conservancy Act]~~ this part purporting to create any conservancy district thereunder, all proceedings had in connection with the creation of each such district are hereby validated, ratified and confirmed notwithstanding any failure to comply with any one or more pertinent statutory provisions and each such district is declared to be a validly created and existing district under authority of ~~[said]~~ the law. It is expressly found and determined that all taxable property lying in each such district will be ~~[benefited]~~ benefitted by the construction of the improvements to be constructed by such district to an amount not less than the aggregate of the taxes and assessments to be levied against such property to pay for the cost of such improvements. All proceedings had in connection with the appointment election and organization of board of ~~[directors]~~ trustees for each such district are ratified and approved and each such board of ~~[directors]~~ trustees is declared to be de facto and de jure governing body of each such district. ~~[Where]~~ If in any such district an election has been ~~[heretofore]~~ held on the approval of a contract with the United States of America or on the issuance of the bonds of the district or both, all proceedings had in connection with the calling and holding of each such election are validated, ratified and confirmed despite any irregularity which may have occurred therein and any contract so approved by any such election and any bonds so authorized at any such election are validated and confirmed and the board of ~~[directors]~~ trustees and officers of each such district are authorized and empowered to proceed to do all things necessary to the execution of such contract or to the issuance of such bonds as the case may be and each such contract when duly executed and all such bonds when delivered and paid for are declared to be valid and binding obligations of such district in accordance with the terms thereof and to be fully negotiable for all purposes. All

construction contracts heretofore entered into by any such district for the construction or acquisition of works or facilities for such district are validated, ratified, and confirmed and declared to be valid obligations of such district in accordance with the terms thereof. The board of directors of any such district may make such changes in any contract or in any bond proceedings or bonds hereby validated as may in its opinion be desirable for the best interests of such district without in any wise impairing or making ineffective any of the curative effect of this section. Any such change or changes may be so made despite the fact that such change or changes may be inconsistent with the proceedings at which any such contract, if voted at an election, or any such bonds, where voted, and no new election to approve or authorize such change or changes shall be necessary.

Section 143. Section **17A-2-1449** is amended to read:

17A-2-1449. Validation of proceedings and actions -- Changes in validated contracts, bond proceedings or bonds authorized.

All proceedings that have been adopted and actions taken before May 13, 1969, under authority of [~~the Water Conservancy Act~~] this part, purporting to create any water conservancy district thereunder or purporting to provide for the inclusion of any additional area or areas in any such district, including all petitions filed and all notices given, published and mailed in connection with any such creation and any such inclusion, are hereby validated, ratified and confirmed, notwithstanding any failure to comply with any one or more pertinent statutory provisions and each such district as so created or enlarged is declared to be a validly created and existing district. It is expressly determined that all taxable property lying in each such district shall be [~~benefited~~] benefitted by any improvements constructed before or after this part takes effect to an amount not less than the aggregate of the taxes and assessments levied against such property to pay for the cost of such improvements. All proceedings and actions taken with respect to the appointment, election and organization of a board of [~~directors~~] trustees and officers thereof for each such district are validated, ratified and confirmed and each such board of [~~directors~~] trustees is declared to be the de facto and de jure governing body of each such district. [~~Where~~] If in any such district an election has been held, before May 13, 1969, on the question of approving a contract with the United States of America or on the question of the issuance of the bonds of the district, or both, all proceedings and actions

concerned with the calling, holding and conduct of any such elections are validated, ratified and confirmed despite any irregularities which may have occurred in connection therewith. Any contract so approved at such an election and any bonds so authorized at such an election are validated, ratified and confirmed. The board of ~~[directors]~~ trustees and officers of each such district may do all things necessary to execute any such contract or issue such bonds, and each such contract when executed and all such bonds when delivered and paid for shall be valid and binding obligations of such district in accordance with the tenor and terms thereof. Any contracts made by such district for the construction or acquisition of works or facilities for such district are validated, ratified and confirmed and shall be valid obligations of such district in accordance with the terms thereof. Changes made after May 13, 1969 by the board of directors of any such district in any contract, bond proceedings or bonds hereby validated shall be considered not to nullify any curative effect of this section.

Section 144. Section **17A-2-1454** is amended to read:

17A-2-1454. Terms of trustees representing excluded lands cease.

If land being excluded from a district constitutes all or substantially all of the land in a division of the district:

(1) on the effective date of the exclusion the ~~[directors]~~ trustees representing the division shall cease to be ~~[directors]~~ trustees of the board of the district; and

(2) the court shall issue an order amending the decree which created the district to show:

(a) a reduction in the number of ~~[directors]~~ trustees of the district; and

(b) the elimination of the ~~[directors]~~ trustees representing the division from the board.

Section 145. Section **17A-2-1808** is amended to read:

17A-2-1808. Board of trustees -- Selection procedure -- Other provisions applicable.

(1) Each regional service area organized under this part shall be governed by a board of trustees ~~[consisting of not less than three but not more than five members]~~.

(2) Except as otherwise provided in this section, members of the board of trustees shall be elected by following the procedures and requirements of Title 17A, Chapter 1, Part 3, Special District Board Selection Procedures.

(3) Candidates for election to the board of trustees shall be taxpayers and qualified voters in

the regional service area.

(4) Those persons serving on the board of trustees of the county service area when the county service area is reorganized as a regional service area shall be the initial board of trustees of the regional service area for the remainder of the term to which they were each elected or appointed as trustees of the county service area.

~~[(5) (a) The board of trustees may by resolution, at any time after the regional service area is organized, including in the organizing resolution, increase the number of trustees to the maximum number allowed under Subsection (1).]~~

~~[(b)] (5) If the number of trustees is increased, additional trustees shall be appointed by the board of trustees following the procedures of Section 17A-1-302.~~

~~[(c) The terms of the appointed additional trustees shall expire the first Monday in January after the next municipal election which is at least six months after the date of appointment.]~~

(6) (a) The board of trustees may, at any time, divide the regional service area into districts for the purpose of electing some or all of the trustees. Before dividing the regional service area, the board of trustees shall:

(i) prepare a districting proposal that includes the boundaries of the proposed election districts; and

(ii) hold a public hearing at which any interested person may appear and speak for or against the districting proposal.

(b) If trustee election districts are established, each election district shall be as nearly equal in population as practicable and shall be of a compact form.

(c) Except for land excluded from or annexed to the regional service area under this part, the boundaries of established trustee election districts may not be changed more often than once every five years and election district boundaries shall be reviewed at least every ten years.

(d) After election districts are established, every part of the regional service area shall be included in a trustee election district.

(e) One or more trustee position may be an at large position to be voted upon by all registered voters within the regional service area.

~~[(7) (a) Trustee terms shall be apportioned so that as close to an equal number of trustee positions as possible will be voted on at each special district election.]~~

~~[(b) Trustees elected after the organization of the regional service area and trustees elected after having been appointed under Subsection (5) shall serve two-, four-, or six-year terms, beginning on the first Monday in January after the election, as necessary to achieve the apportionment required under Subsection (a).]~~

~~[(c) Initial elected terms shall be selected by lot as necessary to apportion the terms.]~~

~~[(d) After terms have been properly apportioned, except for appointments to fill unexpired terms, the term of each member of the board of trustees is six years.]~~

~~[(8)] (7) Subject to districting for election purposes, all qualified voters in the regional service area may vote in trustee elections.~~

~~[(9)] (8) Each member of the board of trustees may vote on all questions, orders, resolutions, and ordinances coming before the board.~~

~~[(10) Each trustee shall receive compensation at a rate to be set by resolution of the board of trustees after holding at least one public hearing at which all interested persons may appear and speak in favor of or against the compensation proposal. After the public hearing, the board of trustees may establish the rate of compensation in an amount which is not more than the maximum amount proposed at the public hearing not to exceed \$5,000 per year.]~~

~~[(11) Each trustee shall give a bond in the amount, and with the sureties, prescribed in the bylaws of the regional service area.]~~

~~[(12) Each trustee shall take the oath of office and take office on the first Monday in January following the election of the trustee.]~~

~~[(13) The trustees shall meet and elect one of their members as chair and shall appoint a clerk and a treasurer, or a clerk-treasurer, and other officers approved by the board of trustees.]~~

~~[(14)] (9) All vacancies of elected trustees in office shall be filled as provided under Section 17A-1-302.~~

(10) (a) The provisions of Title 17B, Chapter 2, Part 4, Board of Trustees, apply to each regional service area to the same extent as if the regional service area were a local district under Title

17B, Chapter 2, Local Districts.

(b) (i) If a change in the number of board of trustees members is necessary to comply with the requirements of Subsection 17B-2-402(1), the board of trustees may by majority vote, notwithstanding Subsection 17B-2-402(3), change the number of board members to the next odd number higher or lower than the number of current board members.

(ii) If a change under Subsection (10)(b)(i) decreases the number of board members, the change may not take effect until the expiration of the term of the member whose term next expires.

(iii) If a change in the number of board members necessitated by Subsection 17B-2-402(1) would cause the district to violate a provision of bonds issued by the district, the number of board members may be modified to the extent necessary to avoid a violation.

(c) (i) If a change in the expiration date of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(1), the term of each board member whose term expires on a day other than the first Monday in January shall be extended to the first Monday in January after the normal expiration date next following the special district election date under Section 17A-1-305.

(ii) If a change in the length of the term of a board of trustees member is necessary to comply with the requirements of Subsection 17B-2-403(2), the change may not take effect until the expiration of the term of the member whose term length is to be changed.

Section 146. Section **17B-2-203** is amended to read:

17B-2-203. Process to initiate the creation of a local district -- Petition or resolution.

(1) The process to create a local district may be initiated by:

(a) subject to Section 17B-2-204, a petition signed by the owners of private real property that:

(i) is located within the proposed local district;

(ii) covers at least 33% of the total private land area within the proposed local district as a whole and within each applicable area;

(iii) is equal in value to at least 25% of the value of all private real property within the proposed local district as a whole and within each applicable area; and

- (iv) complies with the requirements of Subsection 17B-2-205(1) and Section 17B-2-208;
- (b) subject to Section 17B-2-204, a petition that:
 - (i) is signed by registered voters residing within the proposed local district as a whole and within each applicable area, equal in number to at least 33% of the number of votes cast in the proposed local district as a whole and in each applicable area, respectively, for the office of governor at the last regular general election prior to the filing of the petition; and
 - (ii) complies with the requirements of Subsection 17B-2-205(1) and Section 17B-2-208; or
 - (c) a resolution proposing the creation of a local district, adopted by the legislative body of each county whose unincorporated area includes and each municipality whose boundaries include any of the proposed local district.

(2) (a) Each resolution under Subsection (1)(c) shall:

- (i) describe the area proposed to be included in the proposed local district;
- (ii) be accompanied by a map that shows the boundaries of the proposed local district;
- (iii) describe the service proposed to be provided by the proposed local district;
- (iv) explain the anticipated method of paying the costs of providing the proposed service;

[and]

(v) state the estimated average financial impact on a household within the proposed local district[-]; and

(vi) state the number of members that the board of trustees of the proposed local district will have, consistent with the requirements of Subsection 17B-2-402(1).

(b) Each county or municipal legislative body adopting a resolution under Subsection (1)(c) shall, on or before the first public hearing under Section 17B-2-210, mail or deliver a copy of the resolution to the responsible body if the county or municipal legislative body's resolution is one of multiple resolutions adopted by multiple county or municipal legislative bodies proposing the creation of the same local district.

Section 147. Section **17B-2-208** is amended to read:

17B-2-208. Additional petition requirements and limitations.

(1) Each petition shall:

(a) be filed with the responsible clerk; ~~and~~

(b) separately group signatures by county and municipality, so that all signatures of the owners of real property located within or of registered voters residing within each county whose unincorporated area includes and each municipality whose boundaries include part of the proposed local district are grouped separately[-]; and

(c) state the number of members that the board of trustees of the proposed local district will have, consistent with the requirements of Subsection 17B-2-402(1).

(2) (a) A petition may not propose the creation of a local district that includes an area located within the unincorporated part of a county or within a municipality if the legislative body of that county or municipality has adopted a resolution under Subsection 17B-2-212(1) indicating that the county or municipality will provide to that area the service proposed to be provided by the proposed local district.

(b) Subsection (2)(a) does not apply if the county or municipal legislative body is considered to have declined to provide the requested service under Subsection 17B-2-212(3).

(c) Subsection (2)(a) may not be construed to prevent the filing of a petition that proposes the creation of a local district whose area excludes that part of the unincorporated area of a county or that part of a municipality to which the county or municipality has indicated, in a resolution adopted under Section 17B-2-212, it will provide the requested service.

(3) A petition may not propose the creation of a local district whose area includes:

(a) some or all of an area described in a previously filed petition that, subject to Subsection 17B-2-202(4)(b):

(i) proposes the creation of a local district to provide the same service as proposed by the later filed petition; and

(ii) is still pending at the time the later petition is filed; or

(b) some or all of an area within a political subdivision that provides in that area the same service proposed to be provided by the proposed local district.

(4) A petition may not be filed more than 12 months after a county or municipal legislative body declines to provide the requested service under Subsection 17B-2-212(1) or is considered to

have declined to provide the requested service under Subsection 17B-2-212(2) or (3).

Section 148. Section **17B-2-401** is enacted to read:

Part 3. Reserved

Part 4. Board of Trustees

17B-2-401. Board of trustees duties and powers.

(1) (a) Each local district shall be governed by a board of trustees which shall manage and conduct the business and affairs of the district and shall determine all questions of district policy.

(b) All powers of a local district are exercised through the board of trustees.

(2) The board of trustees may:

(a) fix the location of the local district's principal place of business and the location of all offices and departments, if any;

(b) select and use an official district seal;

(c) employ employees and agents, or delegate to district officers power to employ employees and agents, for the operation of the local district and its properties and prescribe or delegate to district officers the power to prescribe the duties, compensation, and terms and conditions of employment of those employees and agents;

(d) require district officers and employees charged with the handling of district funds to provide surety bonds in an amount set by the board or provide a blanket surety bond to cover all those officers and employees;

(e) contract for or employ professionals to perform work or services for the local district that cannot satisfactorily be performed by the officers or employees of the district;

(f) through counsel, prosecute on behalf of or defend the local district in all court actions or other proceedings in which the district is a party or is otherwise involved;

(g) adopt bylaws for the orderly functioning of the board;

(h) adopt rules and regulations for the orderly operation of the local district and for carrying out the purposes for which the district was created;

(i) prescribe a system of civil service for district employees;

(j) on behalf of the local district, enter into contracts that the board considers to be for the

benefit of the district;

(k) acquire, construct or cause to be constructed, operate, occupy, control, and use buildings, works, or other facilities for carrying out the purposes of the local district;

(l) on behalf of the local district, acquire, use, hold, manage, occupy, and possess property necessary to carry out the purposes of the district, dispose of property when the board considers it appropriate, and institute and maintain in the name of the district any action or proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district property; and

(m) exercise all powers and perform all functions in the operation of the local district and its properties as are ordinarily exercised by the governing body of a political subdivision of the state and as are necessary to accomplish the purposes of the district.

Section 149. Section **17B-2-402** is enacted to read:

17B-2-402. Number of board of trustees members.

(1) The number of members of each board of trustees shall be an odd number that is no less than three and no more than nine.

(2) For a newly created local district, the number of members of the initial board of trustees shall be the number specified:

(a) for a local district whose creation was initiated by a petition under Subsection 17B-2-203(1)(a) or (b), in the petition; or

(b) for a local district whose creation was initiated by a resolution under Subsection 17B-2-203(1)(c), in the resolution.

(3) (a) For an existing local district, the number of members of the board of trustees may be changed by a two-thirds vote of the board of trustees.

(b) No change in the number of members of a board of trustees under Subsection (3)(a) may:

(i) violate Subsection (1); or

(ii) serve to shorten the term of any member of the board.

Section 150. Section **17B-2-403** is enacted to read:

17B-2-403. Term of board of trustees members -- Oath of office -- Bond.

(1) The term of each member of a board of trustees shall begin at noon on the first Monday

of January following the member's election or appointment.

(2) (a) The term of each member of a board of trustees shall be four years, except that approximately half the members of the initial board of trustees, chosen by lot, shall serve a two-year term so that the term of approximately half the board members expires every two years.

(b) Each board of trustees member shall serve until a successor is duly elected or appointed and qualified, unless the member earlier is removed from office or resigns or otherwise leaves office.

(3) (a) Before entering upon the duties of office, each member of a board of trustees shall take the oath of office specified in Utah Constitution Article IV, Section 10.

(b) The failure of a board of trustees member to take the oath required by Subsection (3)(a) does not invalidate any official act of that member.

(4) A board of trustees member is not limited in the number of terms the member may serve.

(5) Except as provided in Subsection (6), each midterm vacancy in a board of trustees position shall be filled as provided in Section 20A-1-512.

(6) (a) For purposes of this Subsection (6):

(i) "Appointed official" means a person who:

(A) is appointed as a member of a local district board of trustees by a county or municipality entitled to appoint a member to the board; and

(B) holds an elected position with the appointing county or municipality.

(ii) "Appointing authority" means the county or municipality that appointed the appointed official to the board of trustees.

(b) The board of trustees shall declare a midterm vacancy for the board position held by an appointed official if:

(i) during the appointed official's term on the board of trustees, the appointed official ceases to hold the elected position with the appointing authority; and

(ii) the appointing authority submits a written request to the board to declare the vacancy.

(c) Upon the board's declaring a midterm vacancy under Subsection (6)(b), the appointing authority shall appoint another person to fill the remaining unexpired term on the board of trustees.

(7) (a) Each member of a board of trustees shall give a bond for the faithful performance of

the member's duties, in the amount and with the sureties prescribed by the board of trustees.

(b) The local district shall pay the cost of each bond required under Subsection (7)(a).

Section 151. Section **17B-2-404** is enacted to read:

17B-2-404. Annual compensation -- Per diem compensation -- Participation in group insurance plan -- Reimbursement of expenses.

(1) (a) A member of a board of trustees may receive compensation for service on the board, as determined by the board of trustees.

(b) The amount of compensation under this Subsection (1) may not exceed \$3,500 per year.

(c) (i) As determined by the board of trustees, a member of the board of trustees may participate in a group insurance plan provided to employees of the local district on the same basis as employees of the local district.

(ii) The amount that the local district pays to provide a member with coverage under a group insurance plan shall be included as part of the member's compensation for purposes of Subsection (1)(b).

(2) (a) As determined by the board of trustees, a member of a board of trustees may receive per diem compensation, in addition to the compensation provided in Subsection (1), for attendance at up to 12 meetings or activities per year related to any district business.

(b) The amount of per diem compensation under Subsection (2)(a) shall be as established by the Division of Finance for policy boards, advisory boards, councils, or committees within state government.

(3) In addition to any compensation a member receives under this section, each member of a board of trustees shall be reimbursed by the local district for all actual and necessary expenses incurred in attending board meetings and in performing the member's official duties.

Section 152. Section **17B-2-405** is enacted to read:

17B-2-405. Board officers -- Term.

(1) (a) The board of trustees shall elect from their number a chair and may elect other officers as the board considers appropriate.

(b) The offices of treasurer and clerk may not be held by the same person.

(2) Each officer serves at the pleasure of the board of trustees, but the board may designate a set term for officers.

Section 153. Section **17B-2-406** is enacted to read:

17B-2-406. Quorum of board of trustees -- Meetings of the board.

(1) (a) Except as provided in Subsection (1)(b), a majority of the board of trustees constitutes a quorum for the transaction of board business, and action by a majority of a quorum constitutes action of the board.

(b) (i) Subject to Subsection (1)(b)(ii), a board may adopt bylaws or other rules that require more than a majority to constitute a quorum or that require action by more than a majority of a quorum to constitute action by the board.

(ii) Except for board action to dispose of real property owned by the local district, board bylaws or rules may not require a vote of more than two-thirds vote of the board to constitute board action.

(2) The board of trustees shall hold such regular and special meetings as the board determines at a location that the board determines.

(3) Each meeting of the board of trustees shall comply with Title 52, Chapter 4, Open and Public Meetings.

Section 154. **Repealer.**

This act repeals:

Section **17A-2-209, Terms of office.**

Section **17A-2-215, Board of cemetery maintenance commissioners -- Organization -- Vacancies -- Officers -- Certified copies of appointments -- Regular and special meetings -- Bills payable-- Oath of office and bond.**

Section **17A-2-218, Powers of commissioners.**

Section **17A-2-220, Compensation and expenses of commissioners -- Compensation of agents and employees.**

Section **17A-2-508, Bonds of supervisors.**

Section **17A-2-510, Duties of president.**

Section 17A-2-513, Meetings of the board -- Records.

Section 17A-2-1410, Directors to take oath -- Chairman, president, and secretary --
Compensation.

Section 17A-2-1411, Quorum.