
*Pocket Guide
For
Board Members*



UTAH ASSOCIATION OF SPECIAL DISTRICTS

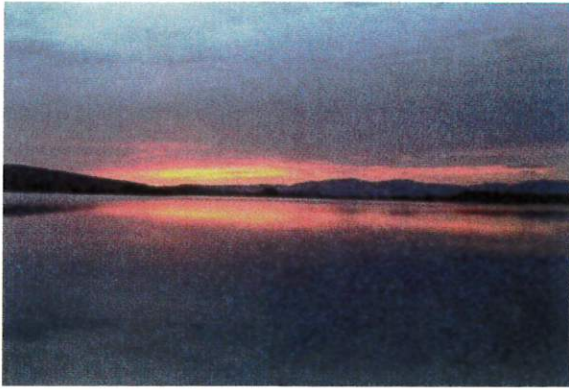
Revised January 2019

Congratulations on becoming a board member! We hope that your public service will be successful and enjoyable.

Utah has a wide variety of local districts and special service districts - from small cemetery districts that serve communities of less than 100 people to large water and sewer districts that serve hundreds of thousands of Utah citizens. Whether large or small, these districts are vital in providing essential services to the people of the state.

A district's governing board acts in a position of trust on behalf of its citizens. The public is depending on you to do your duty as a member of the board.

To assist you in understanding your duty, the Utah Association of Special Districts (UASD) has prepared this Pocket Guide to be an accessible and practical tool for all board members. These guidelines have been endorsed by the Board of Trustees of the Utah Association of Special Districts.



General Guidelines

A district's governing board of trustees oversees the conduct of the district's business. The board should:

- receive initial and annual training;
- select and retain competent management;
- establish, with management, the district's long and short-term objectives;
- adopt policies to achieve these objectives in a legal and sound manner;
- monitor operations to ensure that the district is operating in compliance with laws and policies;
- stay informed regarding changes in laws and practices that could affect the district;
- oversee the district's performance and effectiveness in the proper delivery of services; and
- ensure that board meetings are conducted as prescribed by law.

Your responsibilities are governed by a complex framework of state and federal laws and regulations. The guidelines in this booklet do not modify the legal framework in any way and are not intended to cover every conceivable situation that may arise in your district. Rather, they are intended only to offer general assistance to board members in meeting their responsibilities.

Underlying these guidelines is the assumption that board members are making an honest effort to deal fairly with their districts and citizens and to comply with all applicable laws and regulations and follow sound practices.

Maintain Independence

The first step the board should take is to establish and maintain the board's independence.

Effective oversight requires a high level of cooperation between a district's board and its management. Nevertheless, a board member's duty to oversee the conduct of the district's operations requires that each board member exercise independent judgment in evaluating management's actions and competence. Critical thinking and evaluation of issues before the board are essential.

Board members who routinely approve management decisions without exercising their own informed judgment are not serving their district, their communities, or the public. The board should never merely "rubber stamp" management's decisions.

Get Trained

State law requires that all board members receive initial training from the State Auditor's Office within one year of their appointment or election. This requirement also applies to each term to which a board member is re-appointed or re-elected.

Each spring UASD correlates with the State Auditor's Office in scheduling regional training sessions throughout the state. Those who attend receive a certificate to verify that they have completed the required training.

Both UASD and the State Auditor's Office provide additional training sessions throughout the state covering governance and financial issues. These sessions can be scheduled at the request of any district. The annual convention of the Utah Association of Special Districts also provides excellent training for board members on a wide variety of topics.

In addition to the initial training, state law requires that each board member receive annual training regarding the procedures and requirements of Utah's open meetings laws. The presiding officer of the board is charged with ensuring that each board member receive this annual training.

In recent years, the State Legislature has adopted or strengthened the penalties for violations of ethics and nepotism laws. Laws regarding nepotism are found in Title 52, Chapter 3 of the Utah Code. Title 67, Chapter 16 deals with ethics violations. In order to protect board members, UASD recommends that you read the ethics laws annually and review the nepotism laws periodically. UASD can also provide training to you in these areas.

Stay Informed

Board members must keep themselves informed of the activities and condition of their district and of the environment in which it operates. They should know the laws and regulations that govern their district. (On page 17 of this pamphlet, you will find a section titled "Sources of Additional Information". This section will tell you where you can find some basic information regarding laws and regulations.)

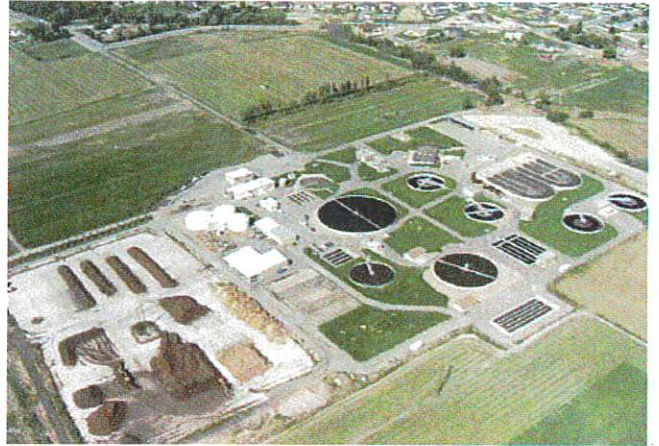
Board members should attend board meetings regularly. If assigned to a committee by the board, the board member should also attend those committee meetings regularly.

Board members should carefully review all meeting materials and auditor's findings and recommendations, and carefully consider any and all public comments. Board members should also stay abreast of general developments in the field of services provided by the district and any changes in state and/or federal law pertinent to their district.

Board members should work with management to develop a program to keep board members, management, and employees informed. Periodic briefings by management, legal counsel, auditors, or consultants might be helpful.

The training provided through attendance at the UASD annual convention should be seriously considered. The annual convention offers training regarding laws and regulations applicable to districts, governance, accountability and many other issues.

It is particularly important that board members commit adequate time in order to be informed participants in the affairs of their district.



Supervise Management

Management oversight is the broadest of the board's duties and the most difficult to describe, as its scope varies according to the circumstances of each case. Consequently, the following should be viewed as constituting general suggestions.

Establish Policies. The board should ensure that all significant activities are covered by clearly communicated written policies which can be easily understood by all employees. All policies should be monitored to ensure that they conform with changes in laws, economic conditions, and district circumstances.

Adopting a short, concise mission statement to guide the adoption of policies may be helpful. Policies should be formulated to further the district's operating plan in a manner consistent with laws and sound business practices. They should contain procedures, including a system of internal controls, designed to foster sound practices, comply with laws and regulations, and protect the district from external crime and internal fraud and abuse.

Means. Written policies that outline how the district will achieve the board's stated goals are vital.

One theory of organizational behavior suggests that it is more effective for the board to detail all of the means that management is prohibited from using to attain the stated objective.

Limitations on management are set as boundaries that limit the choices that staff can consider, usually for reasons of prudence or ethics. This leaves all other options available to management. When policies are created with this kind of cooperation, management can feel safe to authorize further choices.

Management can then use all means and talents within the board's limitations to accomplish the board's goals.

Monitor Implementation. The board's policies should establish mechanisms for providing the board the information needed to monitor the district's operations.

In most cases, these mechanisms will include management reports to the board. These reports should be carefully prepared to present information in a form that is meaningful to the board.

The appropriate level of detail and frequency of individual reports will vary with the circumstances of each district. Reports should be provided far enough in advance of board meetings to allow for meaningful review.



Management should be asked to respond to questions raised by the reports.

Provide for Independent Reviews. The board also should establish a mechanism for independent, third-party review and testing of compliance with board policies and procedures, applicable laws and regulations, and the accuracy of information provided by management. This might be accomplished by an internal auditor reporting directly to the board, or by an examining committee of the board itself.

In addition, an annual financial report in conformity with generally accepted accounting principles is required as prescribed in the Uniform Accounting Manual for Local Districts prepared by the State Auditor's Office. The board should review the auditor's findings with management and should monitor management's efforts to resolve any problems identified in the financial report.

In order to discharge its general oversight responsibilities, the board should have direct responsibility for hiring, firing, and evaluating the district's auditors, and should have access to the district's legal counsel and staff as required.

Local Government and Limited Purpose

Entity Registry

As provided in Utah Code Annotated Section 67-1a-15, on or before July 1, 2019, all local and special service districts must register on the Local Government and Limited Purpose Entity Registry (the "Registry") maintained by the Lieutenant Governor, annually renew the registration, and update information on the Registry within 30 days after the information changes. The following information is to be included in each district's registration submission:

- the resolution or other legal or formal document creating the district, or conclusive proof of the district's lawful creation;
- a map or plat of the geographic boundaries of the district, or other conclusive proof of the district's boundaries;
- the district's name;
- the type of district (special service district or local district);
- the district's governmental function;
- the district's physical address and phone number, including contact information for the individual who is the primary contact for the district;
- the names of the members of the district's governing body and the method by which they are elected or appointed; and
- the district's revenue sources.

Procurement

Local Districts and Special Service Districts are subject to the Utah Procurement Code found in Title 63G, Chapter 6a of the Utah Code and, unless the district adopts its own purchasing rules, to state purchasing rules found in Title R33 of the Utah Administrative Code. The governing body of the district is the "head" of the district for procurement purposes, but may delegate purchasing authority to a procurement officer, such as the general manager of the district. The board may authorize a district financial officer to approve payroll checks and routine expenditures. Otherwise, all expenditures must be approved by the board and the board is required, at least quarterly, to review all expenditures authorized by the financial officer and must set a maximum sum over which a purchase may not be made without the board's approval. A procurement may not be made unless funding for the purchase is included in the annual budget adopted by the board.



Avoid Preferential Transactions

Avoid all preferential transactions involving board members, management, employees, or their related interests. All of the district's business transactions must be beyond reproach. They must be in full compliance with laws and regulations concerning such transactions and must be judged according to the same criteria used in transactions with non-related individuals.

Board members and management who permit preferential business to be conducted with insiders breach their responsibilities, can expose themselves to serious civil and criminal liability, and may expose their district to greater than ordinary risks.

Open and Closed Meetings

Because the Board is conducting the public's business, the public has the right to know what you are doing. You are subject to the open meetings laws found in Title 52, Chapter 4 of the Utah Code. Most of what you do must be done in full view of the public with advance notice provided concerning the topics you intend to discuss as a Board. In most cases, you must keep both written minutes and a recording of your Board meetings.

Recordings of open meetings must be retained for two years after the adoption of the written minutes, and written minutes of open meetings must be retained permanently. Recordings of closed meetings must be retained permanently.

Advance notice is given to the public by posting notice of the board meeting and the agenda at least 24 hours in advance of the meeting at the principal office of the district (or the building where the meeting will be held if there is no principal office) and on the Utah Public Notice Website, as well as providing the press with advance notice of the meeting and the agenda.

The board may discuss a topic that is not listed on its agenda **only** if it is raised by a member of the public. The board may not take final action on any topic or item that is not on the agenda for that meeting.

Occasionally, it is appropriate to close a portion of the board meeting to the public. This may be done only when the board needs to discuss:

- the character, competence, or health of an individual;
- the deployment of security personnel, devices, or systems;
- collective bargaining issues;
- pending or reasonably imminent litigation;
- the purchase, exchange, lease, or sale of real property, including any form of water right or water shares;
- investigative proceedings regarding allegations of criminal misconduct; or
- procurement deliberations, to the extent legally authorized.

No official board action may be taken in a closed meeting. There are very specific procedures that must be followed when closing a meeting to the public. You should consult the Utah Code or your district's attorney before closing a board meeting.

[UTAH PUBLIC MEETING NOTICE WEBSITE](#)

All local districts and special service districts are required to post a notice of all of their public meetings on the Utah Public Meeting Notice Website (UPMN).

This website has been established by the State of Utah to function as a central location for the posting of public meeting notices for various governmental entities. The internet address for the UPMN website is: <https://www.utah.gov/pmn>.

For assistance regarding the UPMN, you may contact the Utah Public Meeting Notice Website Administrator, Division of Archives and Records Service. The Administrator's e-mail address is gfairclough@utah.gov and the phone number is (801) 531-3847.



Public Comment

Members of the public may disagree with how you vote or the decisions that the board makes.

Often, citizens are forming their decisions with less information than you have been given as a board member. You should avoid being driven by the political heat of the moment instead of by the board's policy objectives.

Every effort should be made to share information that is critical to the board's decision with the public.

Sources of Additional Information

Knowing where to find information is vital to board members. Utah law that governs local and special service districts is found throughout the Utah Code. However, Title 17B of the Utah Code may be particularly helpful and, for special service districts only, Title 17D, Chapter 1 of the Utah Code should be consulted. This is where you will find most of the Utah law that is specific to local and special service districts. You can find the Utah Code on line at <http://www.le.utah.gov/xcode/code.html>.

- LeGrand Bitter is the Executive Director of the Utah Association of Special Districts. You may call him at any time to answer any question. He will provide training to you individually or as a board. You will find him to be very knowledgeable in all aspects of local and special service districts. You can contact Mr. Bitter at (801) 725-1312 or at uasdmail@yahoo.com.

- Mark Anderson of the law firm of Fabian VanCott serves as legal counsel to the Utah Association of Special Districts as well as to many local and special service districts in the state. Mr. Anderson has helped draft much of the Utah law governing local and special service districts in Utah. Mr. Anderson may be reached at (801) 323-2234 or at: mhanderson@fabianvancott.com.

- The State Auditor's office can be a source of helpful information regarding budgeting and financial reporting legal requirements. Jeremy Walker and Calvin Bergmann act as liaisons between local governmental entities and the State Auditor's office.

Jeremy Walker may be contacted at (801) 538-1040 or at: jeremywalker@utah.gov

Calvin Bergmann may be reached at (801) 834-5413 or at: cbergmann@utah.gov

- Your own district's independent auditors are also a source of valuable information, as are your district's financial advisors and bond attorneys. You should call on them at any time to help you understand financial statements and financing questions.
- A variety of books and publications are available to you on how successful boards operate. ***Boards That Make A Difference***, written by John and Miriam Carver, is a publication that has been well respected in this area. *Roberts Rules of Order* is the standard publication used by public boards in the official conduct of most meetings. It explains the rules generally used to discuss issues, make motions, vote on motions, and request information.



About UASD

The Utah Association of Special Districts (UASD) was formed in 1989 and is dedicated to advocating and strengthening district governance by providing services and support to its members. UASD is the only statewide association representing all types of local and special service districts, including irrigation, mosquito abatement, water, solid waste, cemetery, electric, fire protection policies, roads, transportation, health care, animal control, parks and recreation, and sewer districts ... [just to name a few.](#)

Membership in UASD is an investment in the future! Through membership, local and special service districts take an active role in educating the general public, their constituents, and legislators about the important role these districts play in Utah.

In addition, as UASD members, districts receive access to education and training, legislative advocacy, and current information that is crucial to a district's management and operational effectiveness.



Mission

The mission of the Utah Association of Special Districts is to promote the proper and efficient operation of all local and special service districts within the State of Utah.

Methods

- assist in fulfilling their respective missions in an effective manner;
- help government and public officials better understand why local and special service districts are organized, what their purpose is, and how they operate; and
- promote district awareness, provide training, provide legislative input, and update current laws and regulations.

UASD Website

The Utah Association of Special Districts maintains a website containing news, information, and legislation relevant to local districts and special service districts. The website may be accessed at www.uasd.org. It also contains a section that is only available to members of the Association.

Utah Association of Special Districts

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