

APPROVED BY BOARD OF TRUSTEES – October 21, 2025,
TITLE 1 - CHAPTER 1 - ADMINISTRATIVE POLICIES AND PROCEDURES
ORGANIZATION AND MANAGEMENT

1.1.1. BACKGROUND

- A. **Policy:** This shall be known as the Kearns Improvement District (the “District”) Organization and Management Policy (the “Policy”).

1.1.2. GOVERNANCE

- A. **Application of Utah Code:** The Kearns Improvement District (“District”) is governed by a Board of Trustees (“Board”), as authorized by UTAH CODE ANN. § 17B-1-301.
- B. **The Board:** The Board, composed of three (3) trustees elected at large by the voters of the District, constitutes the policy-making body of the District. Trustees must satisfy the eligibility requirements specified in Utah Code Ann. § 17B-1-302.
- C. **Trustee Elections:** Trustees are elected as provided in UTAH CODE ANN. §§ 17B-1-305 through -306 and 17B-2a-404, and applicable portions of Title 20A (the Election Code), as the same may be amended from time to time.

1.1.3. TRUSTEE REMUNERATION

- A. **Compensation:** The Trustees are to receive compensation as provided by law pursuant to the provisions of UTAH CODE ANN. § 17B-1-307 and as approved by the Board.
1. **Annual Compensation:** The Trustees shall receive annual compensation pursuant to the provisions of UTAH CODE ANN. § 17B-1-307(1)(a). Trustee compensation shall be set periodically by the Trustees pursuant to the provisions of said UTAH CODE. It is the intent of the District that Trustees are not eligible for Utah Retirement Systems (URS) benefits. Therefore, Trustee compensation shall be set such that Trustee compensation shall remain below the monthly income limitations set by URS for Tier 1 eligibility for retirement benefits. Such limit is set annually by URS. Trustee compensation includes annual compensation for Trustee duties and per diem compensation as discussed in the following paragraph.
 2. **Per Diem Compensation:** As allowed by UTAH CODE ANN. § 17B-1-307(4), each Trustee may receive additional per diem compensation for attendance at up to twelve special Board meetings, training, or other activities per year provided the following conditions are met: (i) per diem compensation shall not be paid for attending regular board meetings, (ii) per diem compensation shall not be paid for attending meetings, training, or activities if the Trustee is compensated by another organization (for example, the Central Valley Water Reclamation Facility) for

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attending the meeting, training, or activity, (iii) the meeting, training, or activity must be related to District business, and (iv) attendance at the meeting, training, or activity must be approved by the Board (for this purpose, special meetings of the Board shall, unless the Board decides otherwise, qualify for per diem compensation). The amount of per diem compensation shall be as established from time to time by the State Division of Finance as provided in UTAH CODE ANN. § 63A-3-106 and -107.

3. **Group Insurance:** A Trustee may participate in any group insurance plan provided to employees of the District on the same basis as District employees as allowed by UTAH CODE ANN. § 17B-1-307(1)(c) provided that the amount of the insurance premium paid by the District shall be offset against the Trustee's annual compensation and any premium in excess of that amount shall be paid or reimbursed by the affected Trustee.

B. Costs: In addition, the District shall reimburse the Trustees for actual and necessary travel and other expenses incurred in the performance of their duties as provided in the District's Travel Policy (Title 2 Chapter 3 of the Policies and Procedures Manual). Subject to prior Board approval and to the extent reimbursement is authorized by law, expenses incurred by Trustees in the performance of their duties include, but are not limited to, the following:

1. Travel to and from and attendance at approved seminars, conventions, workshops, meetings, and conferences; and
2. Such other per diem as is specifically approved by the Board and allowed by law.

1.1.4. MANAGER

A. Employment of a General Manager: The Board, by majority vote of its full membership, shall employ a General Manager, who shall be responsible for the day-to-day operations of the District.

1. **Appointment:** The General Manager shall be appointed solely on the basis of ability, integrity and prior experience relating to the duties of the office, including but not limited to, abilities of public administration and leadership; and shall possess managerial capabilities as in the opinion of the Board are necessary for the General Manager to provide professional direction to the District.
2. **Removal:** The General Manager serves at the pleasure of the Board. The Board may, at its pleasure, by majority vote, remove the General Manager. Except in the case of removal for proven malfeasance in office, the General Manager, upon

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removal, shall be paid the unpaid salary balance up to the date of removal, together with salary at the same rate for three months following the date of removal.

3. **Working Time**: The full attention of the General Manager shall be devoted to the performance of these duties, and the General Manager shall not engage in other outside employment without the prior consent of the Board.

B. Powers and Duties: The General Manager shall possess the following powers and duties:

1. **Interaction with the Board**: The General Manager shall:

- (a) attend all meetings of the Board and take part in its discussions and deliberations;
- (b) at least quarterly present to the Board detailed financial reports showing the financial position and operations of the District for that quarter and the year-to-date status;
- (c) carry out the policies and programs established by the Board;
- (d) recommend to the Board for adoption such measures as deemed to be necessary or expedient;
- (e) submit to the Board plans and programs relating to the development and needs of the District, and annual or special reports concerning the financial, administrative, and operational activities of the District;
- (f) notify the Board of any emergency existing in any department;
- (g) prepare a financial estimate of the annual budget and advise the Board of the financial condition and needs of the District; and
- (h) schedule and cause notice to be published of public hearings before the Board as required by law including, but not limited to, tax rate hearings and adoption of or amendment to District budgets.

2. **Day-to-Day Operations**: The General Manager shall:

- (a) perform the duties and functions and have the responsibilities which customarily repose with an administrator who has primary responsibility for the day-to-day conduct of the affairs of a corporation or governmental entity such as the District and shall have such additional power and authority and such additional responsibilities as may be delegated by the Board;

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- (b) faithfully execute and enforce all applicable laws, rules, and regulations, and see that all franchises, leases, permits, contracts, licenses, and privileges granted by the District are observed;
- (c) implement and administer a plan for the compensation of district employees within parameters established by the applicable Board approved Budget, which plan will be reported to the Board;
- (d) develop, implement, and administer Personnel Rules and Regulations as approved by the Board;
- (e) coordinate all District departments;
- (f) examine and inspect the books, records, and official papers of any office, department, agency, board, or commission of the District, and make investigations and require reports from personnel;
- (g) investigate, examine, or inquire into the affairs or operation of any department, division, or office; and when so authorized by the Board, have power to employ consultants and professional counsel to aid in such investigations, examinations, or inquiries;
- (h) approve expenditures made for official District business, provided such expenditures are within the appropriations contained within the appropriate budget as adopted by the District and have been authorized as provided in Section 1.1.10.B below;
- (i) examine all proposed contracts to which the District may be a party; and
- (j) execute such contracts as are necessary for the good order and functioning of the District, provided the expenditures pursuant to such contracts are within the appropriations contained within the appropriate budget, as adopted by the Board, and have been authorized by Board or other appropriate action as required by law and the District's Policies and Procedures.

3. **Employee Appointments and Supervision:** The General Manager may delegate such duties and functions to employees and consultants as the General Manager deems expedient and appropriate and shall:

- (a) be accountable solely to the Board and shall have supervisory responsibility for all employees of the District;

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- (b) appoint, with the advice and consent of the Board, a qualified person to each of the offices of District Engineer, Controller, and Attorney; recommend the creation of any other office as may be deemed necessary for the good government of the District; and regulate and prescribe the powers and duties of all employees of the District except as provided by law;
- (c) establish standards, qualifications, criteria, and procedures to govern appointments, by heads of departments or by other authorized divisional officers, assistants, deputies, and employees within their respective organizational units, subject to any applicable provisions of the Personnel Policies and Procedures and this document;
- (d) make such appointments, suspensions, removals, or terminations as authorized by law or by the rules, policies, and procedures made by the Board;
- (e) authorize a department head or employee responsible to the General Manager to appoint and remove employees serving under that department head;
- (f) perform the duties of any office or position under the General Manager's control which is vacant, or which lacks administration due to the absence or disability of the incumbent or designate some other employee to do so; and
- (g) assign any employee of the District to any department or branch requiring services appropriate to the personnel system classification of the employees so assigned.

1.1.5. TREASURER

- A. **Appointment:** The Trustees shall appoint a Treasurer, who may, but need not be, the General Manager but may not be a Trustee or the District Clerk. The Treasurer shall be responsible for the safekeeping and investment of the District's funds in accordance with applicable provisions and requirements of the State Money Management Act, UTAH CODE ANN. §§ 51-7-1 *et seq.*; UTAH CODE ANN. §§ 17B-1-601, *et seq.*; and the District's Policies and Procedures.
- B. **Duties:** In addition to performing such other functions and duties as may be directed by the Board, the Treasurer, or the Treasurer's designee, shall have the following duties and responsibilities:

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1. The Treasurer shall be custodian of all money, bonds, and other securities of the District.
2. The Treasurer shall determine the cash requirements of the District and provide for the deposit and investment of all monies by following the procedures and requirements of the State Money Management Act.
3. The Treasurer shall deposit all public funds and money payable to the District within three (3) business days after collection, including all taxes, licenses, fines and inter-governmental revenue, and keep an accurate, detailed account in the manner provided in this chapter and as the Trustees may, by resolution, from time-to-time direct.
4. The Treasurer shall collect all taxes and assessments as provided by law.
5. The Treasurer shall apply any money received on any special assessment to the payment of the improvement for which the assessment was made, including, but not limited to, the payment of interest and principal on bonds or other indebtedness, and special assessment funds may not be used for any other purpose except as otherwise allowed by law and approved by the Board.
6. For every person paying money to the District treasury, the Treasurer shall prepare or supervise the preparation of a receipt or other evidence of payment, specifying, as appropriate, the date of payment and upon which account paid, and shall file or supervise the filing of the duplicate of the receipt.
7. The Treasurer and/or any other person designated by the Board shall sign checks of the District as provided in Subsection 1.1.10.B.1. Prior to affixing the signature, the Treasurer or other designated person shall determine that a sufficient amount is on deposit in the appropriate bank account of the District to honor the check.
8. The Treasurer shall promptly deposit or supervise the deposit of all District funds in the appropriate bank accounts of the District. It shall be unlawful for any person to commingle District funds with that person's own money. If it appears to the Board or General Manager that the Treasurer or any other officer or employee of the District is making a profit out of public money, or using the same for any purpose not authorized by law, the Treasurer, officer or employee may be suspended from office by either the Board or the General Manager, but subject to the Treasurer's or other officer's or employee's grievance rights under Section 2.1.11 of the Administrative Policies and Procedures Manual.
9. The Treasurer shall, jointly with management personnel as assigned, be responsible for the training of all clerical personnel of the District.

10. The Treasurer shall oversee activities of the administrative services personnel such that funds will be receipted and accounted for daily and will be deposited in a bank account no later than the next business day following receipt of such funds. Whenever possible, funds other than petty cash and normal operating reserves will not remain at the District office longer than the close of the next business day, or over a holiday or weekend period.
11. The Treasurer shall be responsible for monitoring expenditures during the fiscal year.

C. Application of the State Money Management Act: Those portions of the State Money Management Act, UTAH CODE ANN. §§ 51-7-1 *et seq.*, as it may be amended, superseded, and replaced from time to time, applicable to the District, are incorporated herein by reference. In the event of any conflict between the District's Rules and Regulations, as expressed in the Administrative Policies and Procedures Manual or otherwise and any applicable provision of the State Money Management Act, the provision of the State Money Management Act shall control. For purposes of clarity, certain requirements of the State Money Management Act are restated, verbatim or otherwise, in this chapter of the District's Administrative Policies and Procedures Manual. In the event of any conflict between any paraphrased statutory restatement and the provision found in the State Money Management Act, the provision in the State Money Management Act shall control.

D. Criteria for Investments: In depositing and investing funds of the District, the Treasurer shall consider and meet the following objectives:

- (a) safety of principal;
- (b) need for liquidity;
- (c) yield on investments;
- (d) recognition of the different investment objectives of operating and permanent funds; and
- (e) maturity of investments, so that the maturity date of the investment does not exceed the anticipated date of the expenditure of the funds.

District funds may be deposited or invested only in assets that meet the foregoing criteria and qualify under applicable provisions of UTAH CODE ANN. § 51-7-11. The Treasurer may also deposit all or any part of the District's funds with the State Treasurer for investment by the State Treasurer for the benefit of the District, as allowed by the State Money Management Act. The Treasurer should attempt, subject to Subsection 1.1.5.D.1., to obtain competitive rates of return on District investments. The Treasurer shall ensure

that all purchases and sales of securities are settled within fifteen (15) days of the trade date.

1. **Prudent Man Rule:** Investments authorized by law and by this Chapter of the Administrative Policies and Procedures Manual shall be made by the Treasurer with the exercise of that degree of judgment and care, under circumstances then prevailing, which men and women of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital, as well as the probable benefits to be derived and the probable duration for which such investment may be made and considering the investment objectives and criteria specified above. The Treasurer may sell or otherwise dispose of any security or investments at less than cost if such sale or other disposition tends to maximize the benefits that may be derived from such changed investment.

- E. **Investment in Utah:** It is the policy of the District that all District funds invested in deposit instruments be invested with qualified depositories in Utah, unless national market rates on instruments of similar quality and term exceed those offered by qualified Utah depositories, in which event, investments in out-of-state deposit instruments may be made provided that the out-of-state institution meets quality criteria set forth by rules promulgated by the State Money Management Council created under UTAH CODE ANN. § 51-7-16.

- F. **Required Bond:** The Treasurer shall be insured, at District expense, in an amount of not less than that established by the State Money Management Council as provided in UTAH CODE ANN. § 51-7-15.

- G. **Reports:** The Treasurer shall report to the Board on a monthly basis regarding the District's investment portfolio in such detail as is desired by the Board. All such reports shall be maintained at the District's place of business. The Treasurer shall also prepare, file, and maintain such additional reports as may be required by the State Money Management Act including, but not limited to, § 51-7-18.2. The Treasurer shall make copies of all reports required by the State Money Management Act available to the public at the office of the Treasurer during normal business hours.

- H. **Criminal Penalties:** UTAH CODE ANN. § 51-7-22 provides for criminal penalties as follows:
 - (a) Any public treasurer who willfully violates the deposit and investment provisions of the State Money Management Act is guilty of a Class A misdemeanor.
 - (b) Any public treasurer who knowingly makes or causes to be made a false statement or report to the State Money Management Council is guilty of a Class A misdemeanor.

1.1.6. CONTROLLER

- A. **Appointment:** The General Manager shall hire a Controller who will be the custodian of the accounting and data processing records of the District.
- B. **Duties:** The duties of the Controller shall include the following:
1. The Controller shall perform such duties as instructed by the General Manager.
 2. The Controller shall maintain the accounting records of the District as provided in Section 1.1.9.
 3. The Controller shall cooperate with and assist the independent auditors in conducting the annual financial audit of the District.
 4. The Controller, in consultation with the District's independent auditors, will set up internal control procedures to be followed by all accounting and clerical personnel who handle funds of the District and/or are involved in the preparation of accounting records. The internal control procedures developed by the Controller and the auditors shall be submitted to the General Manager for final approval prior to implementation. In the discretion of the General Manager, the internal control procedures may be submitted to the Board for review. Whether or not reviewed and approved by the Board, the internal control procedures, once approved by the General Manager, shall be followed by all District employees.
 5. The Controller shall, jointly with management personnel as assigned, be responsible for the training of all accounting personnel of the District.
 6. The District's accounting records are generally maintained by computer. The Controller shall maintain the accounting software and train and supervise accounting personnel regarding its proper use.
 7. The Controller shall, through controller's efforts and those of the accounting staff, prepare detailed monthly and quarterly financial reports showing the financial position and operations of the District for that month or quarter, as appropriate, and the year-to-date status, with appropriate journal entries and detail to ensure the accuracy of such reports and to guarantee that they can properly be audited by the District's independent auditors.

1.1.7. CLERK

- A. **Duties:** The Clerk (or other designated person not performing Treasurer duties) is required by State law to maintain the financial records for each fund of the District and all related subsidiary records, including a list of the outstanding bonds, their purpose,

amount, terms, date, and place payable. The Clerk is also required to pre-audit all claims and demands against the District before they are allowed and to prepare necessary checks for payment.

B. Controller's Duties as Clerk: During any period that a member of the Board serves as Board Clerk or Clerk, unless the Board otherwise directs, the Controller, provided that the Controller is not also the Treasurer, shall serve either as the “District Clerk” or as a “Deputy District Clerk” with full rights, powers and authority to perform those functions required of the Clerk by UTAH CODE ANN. §§ 17B-1-631, -632, -635(1) and -638, as those Sections may be amended from time-to-time, and by this Chapter of the Policies and Procedures Manual. Included among the responsibilities of the Controller in acting in this capacity shall be supervising the preparation of checks after having determined that:

1. The claim has been authorized in one of the following ways:
 - (a) claim directly approved by the Board of Trustees; or
 - (b) claim approved by the financial officer of the District (in this regard, the Controller may not serve as the financial officer);
2. The claim does not overexpend the appropriate departmental budget established by the Board; and
3. The expenditure was approved in advance by the Board or its designee.

1.1.8. OTHER OFFICERS

A. Appointment: The Board may appoint or otherwise authorize the appointment of other officers as provided in the Bylaws or rules and regulations and other persons, such as Assistant Secretaries, Deputy Clerks, Election Clerks or Assistant Treasurers, to assist those officers, as may be required by law or as may promote the effective functioning of the District. The persons so appointed need not be members of the Board, but shall have all the rights, duties, and powers of the Secretary, Clerk, or Treasurer, as the case may be, and may act within the scope of authority delegated by the Board.

1.1.9. FINANCIAL RECORDS

A. Accounting Records: Under the direction of the General Manager and of the Treasurer (if other than the General Manager), the Controller shall establish and maintain the accounting records of the District and financial statements prepared from those records in conformance to generally accepted accounting principles.

- B. Reports:** The Controller shall prepare and present to the Board a monthly written report in such detail as is desired by the Board including, but not limited to, an accounts payable register, Statement of Net Position and Statement of Revenues and Expenses.
1. **Check Register:** The Controller shall prepare a check register listing all computer and manually generated checks and electronic transfers, which register shall be presented to the Board of Trustees on a monthly basis for review and approval. Approval of the check register by the Board during any public meeting of the Board shall constitute approval of each expenditure listed in the check register.
 2. **Funds and Account Groups:** The District shall maintain, according to its accounting needs, some or all of the funds and account groups as prescribed in the Uniform Accounting Manual for Local Districts prescribed by the State Auditor.
 3. **Bank Reconciliations:** A bank reconciliation shall be performed monthly by such person or persons as may be designated by the Controller and the reconciliations shall be reviewed as directed by the Controller. The bank reconciliation and the review of that reconciliation are not to be performed by the same person.
 4. **Documents:** All backup documents related to District purchases shall be provided in a timely manner and shall be maintained as part of the District's financial records. The District shall establish and implement an information gathering and retrieval system which will allow all District expenditures to be substantiated with a minimum amount of delay and make all financial and other records and documents of the District available on an as needed basis.
- C. Fixed Assets:** A fixed asset listing shall be maintained by the District, to the extent practical.

1.1.10 PURCHASING PROCEDURES

- A. Application of §§ 17B-1-601 et seq., of the Utah Code:** Applicable provisions of UTAH CODE ANN. §§ 17B-1-601, *et seq.*, as it may be amended, superseded, and replaced from time-to-time, are incorporated herein by reference. In the event of any conflict between the District's rules and regulations, as expressed in the Administrative Policies and Procedures Manual or otherwise and any applicable provision of Title 17B, Chapter 1, Part 6 of the Utah Code, the provision of the Utah Code shall control. For purposes of clarity, certain requirements of the Utah Code are restated, verbatim or otherwise, in this Chapter of the District's Administrative Policies and Procedures Manual. In the event of any conflict between any paraphrased statutory restatement and the provision found in the Utah Code, the provision in the Utah Code shall control.
- B. Approval of District Expenditures:** The Purchasing Policy of the District is set forth in Title 1, Chapter 3 of the District's Policies and Procedures Manual. Except as otherwise provided in Title 1, Chapter 1 or Title 1 Chapter 3 of the District's Policies and

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Procedures Manual, the Board shall approve all expenditures of the District. Notwithstanding the foregoing, however, the General Manager is authorized and empowered to act as the “budget officer” and the “financial officer” of the District under the provisions of UTAH CODE ANN. § 17B-1-601 *et seq.*, for the purpose of approving:

- (a) payroll checks, if the checks are prepared in accordance with a schedule approved by the Board of Trustees; and
- (b) routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials.

All expenditures shall be reviewed and approved as provided in Subsection 1.1.9.B.1.

1. **Checks:** Checks shall be issued in accordance with this Chapter of the District's Policies and Procedures Manual and the District's Purchasing Policy and upon proper authorization. The signatures of any two of the following shall be required on each check: any one or more of the Trustees, the General Manager, the Treasurer (if other than the General Manager), the Controller and any other person designated by the Board. Unnumbered “counter” checks are not to be used except under extreme emergency conditions. All check stock is to be inventoried and accounted for as part of the normal accounting activities of the District. All checks that are spoiled, duplicate checks and other checks which are not intended to be delivered to the named payee shall be immediately voided so that they cannot be cashed and shall either be maintained in a secure location or destroyed, with paper documentation regarding the destruction.
2. **Excess Expenditures Prohibited:** The District may not make or incur expenditures or encumbrances in excess of total appropriations in the current budget as adopted or as subsequently amended.
3. **Account Balance Transfers:** Any unencumbered or unexpended appropriation balance or portion of the balance, excluding security and investment accounts, may be transferred from one account in a fund to another account within the same fund as directed by the General Manager. Subject to restrictions imposed by applicable bond covenants, laws and regulations, the Board may authorize loans from one fund to another at interest and subject to such terms and conditions as directed by the Board. In making such account and fund transfers and loans, no appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or covenant may be reduced below the minimums required.
4. **Invoices and Receipts:** Whenever possible, original invoices shall be used as supporting documentation for District purchases. All supporting documentation for disbursements are to be marked to indicate they have been paid to prevent reuse. An intentional effort on the part of a supplier to obtain a double payment

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may serve as the basis for a “debarment” under which that supplier will be precluded from providing materials, goods, and/or services to the District for a prescribed period of not to exceed three years. Similarly, any intentional effort on the part of a District employee to receive a double reimbursement may result in sanctions, including termination.

5. **Credit Card Purchases:** Receipts are to be maintained for all credit card purchases and vendor statements are to be reconciled against those receipts prior to making credit card payments. Unless there is a dispute arising from the reconciliation or otherwise, all credit card charges are to be timely paid so as to avoid finance charges.

- C. **Emergency Expenditures:** If the Board determines that an emergency exists, such as extraordinary damage from fire, flood or earthquake, and that the emergency necessitates the expenditure of money in excess of the applicable budget, the Board may, by resolution, amend the applicable budget, authorize the expenditures and incur any deficits in the fund balance of the general fund reasonably necessary to meet the emergency.

1.1.11. BUDGETING

- A. **Budgeting Procedures:** The District's annual budget shall be prepared and adopted as provided in applicable provisions of Title 17B, Chapter 1, Part 6 of the Utah Code.
 1. **Submission of Budgets and Audit Reports:** The District's budgets and audit reports will be submitted to constituent entities and customer agencies that have requested a copy in writing as provided in UTAH CODE ANN. §§ 17B-1-701 *et seq.*

1.1.12. RETIREMENT BENEFITS

- A. **Utah Retirement Systems:** The District participates in Utah Retirement Systems (URS), which is under the direction and control of the Utah State Retirement Board. Lawful determinations of the State Retirement Board, whether expressed as rules and regulations or otherwise, together with applicable legislation, shall control the District's retirement program and are deemed to be incorporated herein by reference. In the event of any inconsistency between the District's Rules and Regulations and valid rules and regulations or requirements of URS including applicable legislative enactments, the applicable requirements of URS shall control. To the maximum extent allowed, newly hired District employees will be enrolled in the Tier 2 system offered through URS. However, if an employee has previously accrued service credit in the Tier 1 system or other URS plan for which they are eligible they shall continue with the District in the Tier 1 system or other URS plan.

- B. **District Contributions:** The District shall contribute not less than the current contribution rate established by URS of each qualifying employee's annual wages or salary into retirement programs. The District will also match one-half of each employee's

total combined contributions to their URS savings account(s) (401(k), 457, Roth, etc.), up to a maximum contribution by the District of 2 1/2 % of the employee's payroll period salary or wages. All District matching contributions will be deposited into the employee's URS 401(k) savings account unless otherwise allowed by regulation or law.

C. **Exemptions:** Elected or appointed officials of the District who are not entitled to merit or civil service protection and who otherwise meet the membership qualifications for retirement coverage may elect to be exempt from participation in URS. Any qualifying official shall be responsible for filing such forms as are necessary and otherwise qualifying for the exemption. Notwithstanding the foregoing, however, no more than the lesser of thirty positions or a number equal to 10% of the employees of the District (but in any event at least one person) may elect to be exempt from participation in URS.

1. **Private Plan:** To the extent allowed by law, the current contribution rate established by URS for an exempt employee shall be paid by the District into a private retirement program that is qualified, under applicable law, to receive such funds. The exempt employee shall designate the retirement program and shall be solely responsible for the qualification of the program and any adverse tax or other consequences should the program not, for any reason, qualify under applicable law. To the extent allowed by law, the exempt employee shall direct the employee's private retirement program. The exempt employee shall periodically, as requested by the District, provide appropriate verification that the private retirement program satisfies the requirements of applicable law and regulations.

D. **Qualifications for Retirement Coverage:** An employee or official of the District whose working hours drop below an average of 30 hours per week measured over a year's time, or who does not receive other benefits, such as paid vacation time and health insurance, which are normally provided by the District shall not qualify for participation in any retirement program in which the District participates.

1. **Elected Trustees:** ~~At present, elected Trustees of the District may not receive compensation in excess of the amount allowed under State Law.~~ A Trustee may contribute all or any part of the Trustee's compensation into a qualified Section 457 plan or 401(k) plan, but the District will not match any contribution made by the Trustee or contribute any District funds into a Section 457 plan or a 401(k) plan for the benefit of a Trustee.
2. **Trustee Ineligibility:** Trustees are not eligible for retirement coverage from the District. Any Trustee that could be classified as Tier 2 system eligible, will be certified part-time ineligible under URS Tier 2 retirement plan. For any Trustees who could be considered a Tier 1 system eligible Trustee, their compensation

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must remain below the monthly income eligibility level as set by
URS for Tier 1 elected officials.

Approved by the Board of Trustees of the Kearns Improvement District on this 21st day
of October 2025.

Gregory R. Christensen (e.s.)
Gregory R. Christensen, Chair

ATTEST:

F. Greg Anderson (e.s.)
F. Greg Anderson
General Manager/CEO

**TITLE 1 - CHAPTER 1 - ADMINISTRATIVE POLICIES AND PROCEDURES
ORGANIZATION AND MANAGEMENT**

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