



FAIRVIEW WATER DISTRICT

Established 1952

Amended Bylaws (Effective March 1, 2024)

SECTION 1 - PURPOSE

The Fairview Water District (the "District") was duly organized in the year 1952 by Order of the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Franklin, as a water district governed by the Idaho Water and Sewer District Act, Title 42, Chapter 32, Idaho Code (the "Act") for the purpose of owning and operating a public water system to provide water to the inhabitants of the District for domestic, commercial, and industrial uses.

SECTION 2 - GOVERNING LAW

The District is governed by the Act. Pursuant to Idaho Code section 42-3212(m) of the Act, the Board of Directors is granted the power to adopt and amend bylaws not inconsistent with the constitution and laws of the State of Idaho for the carrying on the business, objects, and affairs of the Board and of the District. These Bylaws are intended to comply with the requirements of constitution and laws of the State of Idaho, including the Act. Any inconsistency between these Bylaws and the Act shall be governed by the Act.

SECTION 3 - PRINCIPAL OFFICE

The principal office of the District shall be located at 5454 South 1600 West Preston, Idaho 83263. The principal office of the District may be changed from time to time by the Board of Directors.

SECTION 4 - BOARD OF DIRECTORS

4.1 Governance. The affairs and activities of the District shall be managed by its Board of Directors (the "Board"). The Board shall consist of five (5) directors. The Board shall have all powers authorized by the Act, including without limitation the power to (a) enter into contracts and agreements, (b) to borrow money and incur indebtedness, (c) to acquire, dispose of, and encumber real and personal property, water, water rights, water systems, and interests therein, (d) to manage, control, and supervise all business and affairs of the District, (e) to hire and retain agents, employees, engineers, and attorneys, (f) to have and exercise the power of eminent domain in the manner proscribed by law, (g) to construct, install, operate, and maintain District improvements, (h) to fix and from time to time increase or decrease water rates, tolls or charges for services or facilities furnished by the District and the time for payment thereof, (i) to take action when such payments are delinquent, (j) to adopt and amend bylaws not in conflict with the constitution and laws of the State of Idaho for carrying on the business, objects, and affairs of the Board and District, (k) to levy and collect ad valorem taxes on all taxable property within the District, and (l) to enact rules and regulations for the District.

4.2 Election of Directors. Each member of the Board of Directors (a "Director") shall be elected for a 6-year term in accordance with requirements and procedure set forth in the Act. In any election for a Director, if after the deadline for filing a declaration of intent as a write-in candidate, it appears that the number of qualified candidates who have been nominated is equal to the number of Directors to be elected, it shall not be necessary for the candidates to stand for election, and the Board of Directors shall declare such candidates elected as Directors, and the secretary of the District shall immediately make and deliver to such persons certificates of election signed by the secretary of the District and bearing the seal of the District.

4.3 Vacancies. Any vacancy on the Board shall be filled within thirty (30) days by appointment by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board may exist. The appointee shall act as a Director until the next biennial election when the vacancy shall be filled by election.

4.4 Regular Meetings. The Board shall meet regularly once each month at a time and place to be designated by resolution of the Board. Notice of a regular meeting of the Board shall be posted no later than five (5) calendar days prior to the day on which a regular meeting is scheduled to be held. Notice of the agenda for the regular meeting must be posted at least forty-eight (48) hours before the regular meeting. If the Board holds regular meetings once per month and these regular meetings are scheduled in advance over the course of the year, the Board may satisfy the meeting notice by giving meeting notices at least once each year of its regular meeting schedule.

4.5 Special Meetings. Special meetings of the Board may be called for any purpose as often as the needs of the District require. A special meeting of the Board may only be called at the request of the President or any two Directors. Special meetings shall take place at the same place designed for regular meetings. Notice of a special meeting of the Board and notice of the agenda for the meeting shall be posted at least twenty-four (24) hours before the meeting unless an emergency exists. An emergency is a situation involving injury or damage to persons or property, or immediate financial loss, or the likelihood of such injury, damage, or loss, when the notice requirement would make such notice impracticable, or increase the likelihood of severity of such injury, damage or loss, and the reason for the emergency is stated at the outset of the meeting.

4.6 Executive Sessions. An executive session is any meeting or part of a meeting which is closed to the public or any person for deliberation on certain matters. Notice of an executive session only meeting of the Board and notice of the agenda for the meeting shall be posted at least twenty-four (24) hours before the meeting. The motion to go into executive session shall identify the specific authorized purpose for the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. No executive session may be held for the purpose of taking any final action or making any final decision. The authorized purposes for holding an executive session are as follows:

- (a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;
- (b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

- (c) To acquire an interest in real property not owned by a public agency;
- (d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;
- (e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;
- (i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or
- (j) To consider labor contract matters authorized under Idaho Code section 74-206A (1)(a) and (b).

4.7 Contents of Meeting Notices and Agenda Notices. All meeting notices shall include at a minimum the District's name and the date, time, and place of the meeting. All agenda notices shall include a list of topics to be addressed, discussed, considered, decided, and voted upon by the Board at the meeting. Each agenda item that requires a vote of the Board shall be identified on the agenda as an "Action Item." Identifying an item as an Action Item on the agenda does not require a vote to be taken on that item. Any amendment to an agenda after it has been posted must comply with the requirements of Idaho Code section 74-204(4).

4.8 Posting of Meeting Notices and Agenda Notices. Meeting notices and agenda notices shall be posted in a prominent place at the District's principal office or, if no such office exists, at the building where the meeting is to be held. Meeting notices and agenda notices shall also be posted on the District's website or social media platform if the District maintains a website or social media platform.

4.9 Meeting Minutes. The Board shall ensure that written minutes are taken of all meetings. Neither a full transcript nor a recording of the meeting is required. All minutes shall be available to the public within a reasonable time after the meeting and shall include at least the following: (1) a list of all members of the Board present; (2) all motions, resolutions, orders, and ordinances proposed and their disposition; (3) the result of all votes, and upon the request of a member, the vote of each member, by name. Minutes of executive sessions shall be limited to only sufficient detail to identify the purpose and topic of the executive session and shall not include the disclosure of material or matters that comprise the purpose of the executive session.

4.10 Participating by Phone or Video Call. All meetings may be conducted using telecommunication devices, which enable all members of the Board participating in the meeting to communicate with each other. Such devices may include, but are not limited to, telephone or video conferencing devices and similar communication tools. Participation by a member of the Board through telecommunications devices shall constitute presence in person by such member at the meeting; provided, however, that at

least one (1) member of the Board shall be physically present at the location designated in the meeting notice to ensure that the public may attend such meeting in person. The communications among the members of the Board must be audible to the public attending the meeting in person and the members of the Board.

4.11 Quorum and Manner of Action. Three (3) members of the Board shall constitute a quorum at any meeting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board. No decision shall be made by secret ballot.

4.12 Compensation. Each member of the Board shall receive as compensation for his service a sum of one hundred fifty dollars (\$150.00) per meeting or any greater amount authorized by the Act, payable monthly.

4.13 Open Meeting Laws. All meetings of the Board shall comply with Idaho Open Meeting Laws and shall be open to the public, except for executive sessions.

4.14 Conflicts. No member of the Board shall be interested in any contract or transaction with the District except in his official representative capacity.

SECTION 5 - OFFICERS

5.1 Number and Qualification. The officers of the District shall be a president, vice-president, secretary, and treasurer. The president and vice-president must be a member of the Board. The secretary and the treasurer may or may not be members of the Board. The secretary and treasurer may be a single person.

5.2 Election of Officers. The officers of the District shall be elected annually by the Board at the first meeting of the Board held after each annual meeting of the Members of the District. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected.

5.3 Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the District will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

5.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by appointment of the Board for the unexpired portion of the term.

5.5 President. The president shall be the principal executive officer of the District and, subject to the control of the Board, shall in general supervise and control the business and property affairs of the District. The president shall be the Chairman of the Board of Directors and shall preside at all meetings of the Board when present. The president may sign, with the secretary or any other proper officer of the District thereunto authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The president shall perform all duties

incidental to the office of president and such other duties as may be prescribed by the Board from time to time.

5.6 Vice-President. In the absence of the president or in the event of his death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform all duties incidental to the office of vice-president and such other duties as may be prescribed by the Board from time to time.

5.6 Secretary. The secretary shall keep, in a well-bound book, a record of all District proceedings, minutes of all meetings, certificates, contracts, bonds given by employees, and all corporate acts, which shall be open to inspection of all owners of real property in the District as well as to all other interested parties, and shall perform all duties incidental to the office of the secretary and such other duties as from time to time may be assigned by the president or by the Board.

5.7 Treasurer. The treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records and shall perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the Board. The treasurer shall file with the clerk of the court, at the expense of the District, a corporate fidelity bond in an amount not less than five thousand dollars (\$5,000), conditioned on the faithful performance of the duties of his office. Consistent with this limitation the Board shall determine the amount of the corporate fidelity bond.

5.8 Bonds, Salaries, and Bonuses. The Board may, from time to time, require of any officer, agent, or employee of the corporation to obtain such bond or security for the faithful performance of his or her duties as it may deem proper, subject to any requirements relating thereto under the Act. The Board shall provide for the salary or compensation or bonuses to be paid officers, agents, and employees who are not members of the Board.

SECTION 6 – ANNUAL BUDGET AND OTHER MATTERS

6.1 Annual Budget. The Board shall adopt an annual budget and shall cause a hearing to be held upon such budget. Notice of the budget hearing meeting shall be posted at least ten (10) full days prior to the date of said meeting in at least one (1) conspicuous place in the District to be determined by the Board, and a copy of the notice shall also be published in a daily or weekly newspaper published within the District, in one (1) issue thereof, during such ten (10) day period. The place, hour and day of such hearing shall be specified in said notice, as well as the place where such budget may be examined prior to such hearing. A full and complete copy of such proposed budget shall be published with and as a part of the publication of such notice of hearing. Such budget shall be available for public inspection. A quorum of the Board shall attend such hearing and explain the proposed budget and hear any and all objections thereto.

6.2 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances.

6.3 Checks and Drafts. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the District shall be signed by such officer or officers,

agent or agents of the District and in such manner as shall from time to time be determined by resolution of the Board.

6.4 Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such banks, trust companies, or other depositories as the Board may select.

6.5 Loans and Indebtedness. No loan or indebtedness shall be contracted on behalf of the District and no evidence of indebtedness shall be issued in the name of the District unless authorized by the Board and incurred consisted with the requirements of the Act.

6.6 Indebtedness Exceeding Annual Income and Revenue. Whenever any Board shall, by resolution, determine that the interest of the District and the public interest or necessity demand the acquisition, construction, installation or completion of any works or other improvements or facilities, or the making of any contract with the United States or other persons or corporations, public or private, municipalities, or governmental subdivisions, to carry out the objects or purposes of the District, requiring the creation of an indebtedness that will exceed the income and revenue provided for the year, the Board shall order the submission of the proposition of issuing such obligations or bonds, or creating other indebtedness to the qualified electors of the District in the manner and as required by Idaho Code sections 42-3222 to 42-42-3225.

6.7 Annual Audit. The Board to cause an independent financial audit to be made of all financial affairs of the District during each year ending November 30, as required in Idaho Code section 67-450B. All expenses necessary to obtain such audit shall be included in the District's annual budget. One (1) copy of each completed audit shall be filed with the legislative services office within nine (9) months after the end of the audit period.

6.8 Procurement of Goods or Services. Except in cases in which the District will receive aid from a governmental agency, procurement of goods or services shall be in accordance with the provisions of Title 67, Chapter 28, Idaho Code.

6.9 District Records. All records maintained by the District are subject to the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code.

SECTION 7 - TAXING AUTHORITY

7.1 Taxing Authority. Pursuant to Idaho Code section 42-3213, the Board is given the power and authority to levy and collect ad valorem taxes on and against all taxable property with the District's Service Area, in addition to the other means by which the District receives revenue.

7.2 Levy and Collection of Taxes. To levy and collect taxes, the Board shall, in each year, determine the amount of money necessary to be raised by taxation, taking into consideration other sources of revenue of the District, and shall fix a rate of levy which, when levied upon every dollar of assessed valuation of taxable property within the District, and with other revenues will raise the amount required by the District annually, to supply funds for paying expenses of organization and the costs of construction, operating and maintaining the works and equipment of the District, and promptly to pay in full, when due, all interest on the principal of bonds and other obligations of the District. The Board shall, on or before the first day of September of each year, certify to the Board of County Commissioners of each county within the District, or having a portion of its territory within the District, the rate so fixed with directions

that at the time and in the manner required by law for levying taxes for county purposes, such Board of County Commissioners shall levy such tax upon the assessed valuation of all taxable property within the District, in addition to such other taxes as may be levied by such Board of County Commissioners at the rate so fixed and determined.

7.3 Additional Levy to Cover Defaults and Deficiencies. In the event of accruing defaults or deficiencies by the District, an additional levy of ad valorem taxes may be made as provided in Idaho Code section 42-3215.

7.4 Liability of Property Included or Excluded. All real property included within, or excluded from, the District's Service Area pursuant to Idaho Code sections 42-3218, 42-3219, 42-3219A, and 42-3219B shall thereafter be subject to the levy of taxes for payment of any indebtedness of the District outstanding at the time of inclusion or exclusion.

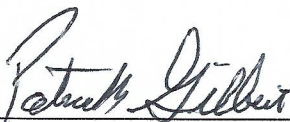
SECTION 8 - AMENDMENT OF BYLAWS

These Bylaws may be altered, amended, or repealed by the Board at any regular or special meeting called for such purpose.

SECTION 9 - SAVINGS CLAUSE

If any provision hereof, or the application thereof to any particular circumstance, is ever held to be invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect, and shall remain applicable to all circumstances to which it may validly apply.

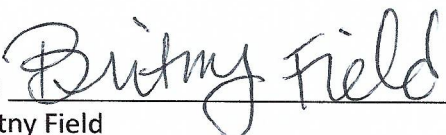
ADOPTED BY THE BOARD OF DIRECTORS OF THE FAIRVIEW WATER DISTRICT ON MARCH 1, 2024.

By: 

Patrick Gilbert

Fairview Water District President and Chairman of the Board

Attest:

By: 

Britny Field

Fairview Water District Secretary