RULES AND REGULATIONS

OF THE

RAFTER J IMPROVEMENT AND SERVICE DISTRICT

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RULES AND REGULATIONS OF THE RAFTER J IMPROVEMENT AND SERVICE DISTRICT

The Board of Directors of the Rafter J Improvement and Service District adopt the following rules and regulations:

<u>RULE 1</u> <u>DEFINITIONS</u>

1.1 "<u>Assessed Value</u>" means the assessed value of real property, and improvements and personal property thereon, within the District as determined from the last assessment roll of Teton County, Wyoming. $(W.S. \S 18-12-102)^1$

1.2 "<u>Board</u>" means the Board of Directors of the Rafter J Improvement and Service District. (W.S. § 18-12-102)

1.3 "<u>Charge</u>" means fees, tolls, rates, and rentals. (W.S. § 18-12-102)

1.4 "<u>Contested Case</u>" means a proceeding in which legal rights, duties or privileges of a party are required by law to be determined by the Board after an opportunity for hearing. (W.S. § 16-3-101(b)(ii))

1.5 "<u>Director</u>" means a member of the Board of Directors of the Rafter J Improvement and Service District.

1.6 "<u>District</u>" means the Rafter J Improvement and Service District. (W.S. § 18-12-102)

1.7 "<u>Elector</u>" means a person defined as an elector under the Improvement and Service District Act. (W.S. § 18-12-102(a)(vii))

1.8 "<u>Expenses' or "Costs</u>" means all expenses of hearings, bond elections, expenses incurred by members of the board of directors in connection with the performance of their duties, engineering, accounting and legal expenses, costs and expenses incurred in connection with the acquisition, construction, repair, maintenance, replacement, and operation of improvements provided by the District, insurance premiums, salaries of agents and employees of the District, and other expenses incurred by the Board of Directors in carrying out the purposes and powers of the District.

1.9 "<u>Improvement</u>" means and includes buildings, structures, and all facilities of a public nature intended for public use, including but not limited to streets, sidewalks, curbs,

¹ Numbers in parenthetical are references to the Wyoming Statutes Annotated, 1977 Republished Edition, as amended through May of 1998, and are for reference purposes only.

gutters, alleys, and other public ways, parks, recreational facilities, water, sewage, solid waste disposal and other sanitary facilities and systems, and with respect to the foregoing, such additional facilities or improvements as relate or contribute to the full public use and enjoyment thereof. (W.S. § 18-12-102)

1.10 "<u>Landowner" or "Property Owner</u>" means the person holding record fee title to real property or a person obligated to pay general property taxes under a contract to purchase real property. (W.S. § 18-12-102)

1.11 "<u>Party</u>" means each person or agency named or admitted as a party or properly seeking and entitled as of right to be admitted as a party. (W.S. § 16-3-101 (b)(vi))

1.12 "<u>Person</u>" means any individual, partnership, corporation, association, municipality, governmental subdivision or public or private organization of any character other than the Board. (W.S. 16-3-101(b)(vii))

1.13 "<u>Service</u>" means the operation and maintenance of improvements and any other service authorized by the Improvement and Service District Act:

<u>RULE 2</u> CHARGES FOR SERVICES AND ADMINISTRATION

2.1 <u>Charges for Administration Expenses</u>. The Directors shall charge each landowner their pro rata share, in such rate, proportion, or percentage as determined by the Directors, for the costs of administering the District. The expenses of administering the District shall include, but not be limited to, all expenses for professional services, actual and necessary expenses of the Directors and Officers incurred in connection with the performance of their duties, the cost of any liability or other insurance for the District, its officers and employees, and the salaries or wages of any employees of the District.

2.2 <u>Charges for the Use of Improvements and Services</u>. The Directors may establish and collect charges for water, sanitation, and related services, and the use of improvements or services provided by the District, including authority to change the amount or rate thereof, and to pledge the revenues therefrom for the payment of District indebtedness. Users of District improvements or services, other than landowners, may be charged by the Directors for the use of such improvements or services.

2.3 <u>Methods of Collection</u>. Charges for administration and the use of improvements and services shall be collected by methods such as shall be determined by the Directors from time to time. Methods may include all those permitted by law, including but not limited to:

- (a) Collection of charges by the District directly from landowners or users, either monthly, quarterly, semiannually, annually, or on such basis as the Directors shall determine by resolution. (W.S. § 18-12-112 (a)(viii))
- (b) Collection of charges through the County Assessor's Office by assessment(s) for administration expenses and for the use of any improvement to cover the cost of operating and maintaining the improvement, after application to and approval by the County Commissioners. (W.S. § 18-12-1 12(a)(xxi))
- (c) Collection of charges through the County Assessor's Office by tax levy made by the Teton County Commissioners, pursuant to annual assessments determined by the Board and adopted in the District's annual budget according to the procedures set forth in Rules 3 and 4 below.
- (d) Collection of charges through the County Assessor's Office by tax levy made by the Teton County Commissioners, pursuant to special assessment(s), said special assessment(s) to be developed according to the procedures set forth in Rule 5 below. (W.S. § 18-12-116 through 119)(See also Paragraph 5(a) of the Petition for the Formation of the Rafter J Improvement and Service District).
- (e) Collection of charges through the County Assessor's Office by tax levy made by the Teton County Commissioners pursuant to the issuance of bonds to facilitate the performance of services for the benefit of the residents of the District, said bonds to be issued according to the procedure set forth in Rule 7 below. (W.S. § 18-12-120 through 137)

2.4 <u>Tax Liens</u>. Charges to be collected by taxes, together with interest thereon and penalties for default in payment thereof, and all costs of collecting the same, constitute, until paid, a perpetual lien on and against the property taxed, and such lien shall be administered as and on a parity with the tax lien of other general taxes. (W.S. § 18-12-119)

2.5 <u>Delinquencies and Other Liens</u>. Charges to be collected directly by the Directors constitute, until paid, a perpetual lien on and against the property served or benefited, and any such lien may be foreclosed in the same manner as provided by the laws of the state of Wyoming for the foreclosure of mechanics' liens. Before any such lien is foreclosed the district shall hold a hearing thereon after notice thereof by publication and by registered first class mail, postage prepaid, addressed to the last known owner at his² last known address according to the record of the district and the real property assessment roll in Teton County. The delinquent property owner shall also be liable for costs of collection, including interest and a reasonable attorneys' fee.

² Words in the masculine gender include the feminine and neuter genders throughout these rules.

2.6 <u>Discontinuance of Service</u>. Delinquency in the payment of charges constitute grounds for the Directors to discontinue or shut off service after notice thereof by publication and by registered first class mail, postage prepaid, addressed to the last known owner at his last known address according to the record of the district and the real property assessment roll in Teton County.

2.7 <u>Charges for Non-budgeted Services and Administrative Expenses</u>. The Board may charge landowners for the cost of services and expenses in excess of the amount approved in the budget pursuant to Rule 4.2 if the Directors, in their sole discretion, deem it necessary to protect the health and welfare of the residents in the District and the value of their property in the District.

<u>RULE 3</u> IMPROVEMENTS AND ASSESSMENTS GENERALLY

3.1 <u>Payment for Improvements</u>. Improvements may be paid for with funds received or generated by the District as permitted by law, including but not limited to payment by annual assessment as set forth in Rules 3 and 4, payment by special assessment as set forth in Rule 5, and payment by the issuance of bonds as set forth in Rule 6.

3.2 <u>Assessments for Improvements Benefiting Specific Property</u>. When an improvement proposed by the Board will benefit specific property in the District to a greater extent than other property, the improvement may be financed with an assessment against the property specifically benefited upon a frontage, zone, or other equitable basis, in accordance with benefits. (W.S. §18-12-115)

3.3 <u>Determination of Annual Assessments</u>. The Board, as it deems required, shall establish an annual assessment against property in the District based on the amount approved in the budget for improvements, if any, as set forth in Rule 4.2, taking into account the amount of any principal, interest, and reserve funds coming due that year from any outstanding or budgeted bond issues for services and improvements, as well as other anticipated revenues. Additionally, the Board may establish annual assessments for the collection of charges by the County Assessor for administration expenses and for services and the use of improvements, as set forth in Rule 2. The amount of the annual assessments against each property owner shall be forwarded to the Assessor's office by the Treasurer of the District on or before the date when the Teton County Assessor's office requires such information, except for those charges or assessments the Board chooses to collect directly from property owners as permitted by law.

3.4 <u>Collection of Assessments</u>. Assessments for improvements in the District shall be levied and collected by the Teton County Assessor, and payments made monthly to the Treasurer of the District and paid into the depository of the District to the credit of the District. All taxes levied pursuant to these Rules and Regulations and the Improvement and Service District Act, together with interest thereon and penalties for default in payment thereof, and the cost of collecting the same, constitute, until paid, a perpetual lien on and against the property taxed, and such lien shall be administered as and on a parity with the tax lien of other general taxes. (W.S. § 18-12-119)

<u>RULE 4</u> BUDGET FOR IMPROVEMENTS AND SERVICES

4.1 <u>Budget</u>. The total amount of charges and assessments required to be raised for District improvements and services shall be determined at least annually in accordance with the following procedure. The Board of Directors shall prepare a budget covering at least a one-year period, showing in reasonable detail the various functions and matters proposed to be covered by the budget, showing the estimated income and other funds which may be received by the District, and showing the estimated amount of assessments and other taxes or charges required to cover costs and expenses and to provide a reasonable reserve. The budget shall be filed with and shall follow a format acceptable to the director of the state department of audit. (W.S. § 16-4-104(f); 9-1-507(a)(iii))

4.2 <u>Approval of Budget</u>. The Directors shall call a meeting of the property owners and electors in the District within five (5) days of the third Thursday in July, and give at least one (1) week notice by publication in a newspaper of general circulation in Teton County of the time and place thereof and the amount of the proposed budget as compared to the amount of the previous year's budget to all such property owners. The Directors shall furnish a copy of the budget to any property owner, elector, or other affected person in the District upon written request of such property owner, elector, or other affected person. The budget shall be adopted as the budget for the District upon the affirmative vote of a majority of the Directors, unless a majority of the property owners in the District object to the adoption of the budget in writing on or before the date Directors resolve to adopt the budget. (W.S. § 16-4-109(b))

<u>RULE 5</u> <u>SPECIAL ASSESSMENTS FOR IMPROVEMENTS</u>

5.1 <u>Resolution of Intent</u>. The Board may declare by resolution their intent to order improvements to be paid for by special assessment for any improvement not provided for in the annual budget. The resolution shall specify:

- (a) The nature of the improvement proposed;
- (b) The extent of the District to be improved;
- (c) The probable cost per unit of measurement as shown by estimates of a qualified engineer;
- (d) The time in which the cost will be payable; and
- (e) The time when a resolution authorizing improvements will be considered.

5.2 <u>Notice of Resolution</u>. The Board of Directors shall request the Teton County Clerk to give notice, by advertisement once in a newspaper of general circulation in Teton County, to the owners of the property to be assessed, said notice to provide:

- (a) The information set forth in Rule 5.1;
- (b) That maps, estimates, and schedules showing the approximate amounts to be assessed and all resolutions and proceedings are on file and may be seen or examined at the office of the Teton County Clerk or other designated place; and
- (c) That all objections and complaints concerning the proposed improvements by owners of property subject to assessment will be heard and considered by the Board before final action, under the provisions of the Wyoming Administrative Procedure Act.

In addition to the published notice provided for in this rule 5.2, the Directors shall notify all property owners of any proposed special assessment by written notice mailed to each property owner in the District, at their last known address according to the record of the District and the real property assessment roll in Teton County, at least ten (10) days in advance of the hearing date.

5.3 <u>Objections to Special Assessments</u>. All objections and complaints to a proposed special assessment must be submitted in writing to the Secretary of the Board of Directors on or before the date the matter is heard by the Board. The complaints and objections must be signed by the property owner and must state the reason for the complaint or objection. Any complaints or objections not conforming with this rule will not be considered by the Board and will not be deemed an objection to the improvement.

5.4 <u>Defeat of Proposed Special Assessment</u>. If objection to the improvement proposed to be financed by special assessments for the improvement are made by owners or agents representing property subject to thirty (30) percent or more of the projected dollar assessments for the improvement, the proposed improvement may not be considered within one (1) year thereafter.

5.5 <u>Proposals for Special Assessments by Property Owners</u>. Owners of particular property within the District may request that the Directors consider a specific improvement for such property which will be paid for by special assessment, provided that such property owners shall be obligated to pay the total cost of any engineering estimates, surveying, legal costs, or other directly related costs incurred in determining feasibility of the improvement.

5.6 <u>Hearing on the Resolution of Intent to Provide for Special Assessment</u>. The hearing on the resolution of intent to provide for special assessment shall be conducted as follows and pursuant to the provisions of the Wyoming Administrative Procedures Act:

- (a) The hearing before the Board of Directors shall be recorded either stenographically or electronically. The oral proceedings or any part thereof shall be transcribed on request of landowners upon payment of the cost thereof;
- (b) Only landowners subject to assessment will be heard at the hearing; provided, however, that any owner shall have the right to appear by or with counsel, or by or with a duly qualified representative to the satisfaction of the Presiding Officer. Any person appearing in a representative capacity shall be precluded from examining or cross-examining any witness, unless such person shall be an attorney licensed to practice in the State of Wyoming, or non-resident attorney associated with a Wyoming attorney;
- (c) A member of the Board of Directors shall be selected by the Board of Directors to preside at the hearing and shall have the power to:

- (i) Administer oaths and affirmations;
- (ii) Issue subpoenas;
- (iii) Rule upon offers of proof and receipt of relevant evidence;
- (iv) Cause depositions to be taken;
- (v) Regulate the course of the hearing;
- (vi) Hold conferences for settlement or simplification of issues;
- (vii) Dispose of procedural requests or similar matters; and
- (viii) Take any other action authorized by law, consistent with these rules or required to fulfill any of his duties.
- (d) Hearings shall be conducted, as nearly as practicable, in accordance with the following order of procedure:
 - (i) The presiding officer shall announce that the hearing is opened and read the published notice of resolution;
 - (ii) The presiding officer shall then call for written complaints and objections to the improvement to be filed with the Board;
 - (iii) The presiding officer shall then allow those landowners filing written complaints and objections (contestants) to make opening statements;
 - (iv) The presiding officer shall then allow those landowners in favor of the proposed resolution (respondents) to make an opening statement;
 - (v) The evidence of contestants will be heard;
 - (vi) The evidence of the respondents will be heard;
 - (vii) The Board of Directors may call and interrogate witnesses and take official notice of any material fact not appearing in evidence which falls within the traditional matters of judicial notice, or which falls within the District's specialized knowledge, or which

is a part of information, data or material included within the District's files;

- (viii) The contestants may offer rebuttal evidence;
- (ix) The presiding officer, in his discretion, may allow evidence to be offered out of order;
- (x) Closing arguments will be made in the following sequence:

First - Contestant

Second - Respondent

Third - Contestant in Rebuttal

- (xi) The presiding officer may recess the hearing as required and may limit the time for opening statements and closing arguments and the presentation of evidence;
- (xii) After all interested landowners have been offered an opportunity to be heard, the presiding officer shall excuse all witnesses and declare the evidence closed. The evidence of the case may be reopened at a later date, for good cause shown, by order of the examiner upon motion of any party to the proceeding; and
- (xiii) The presiding officer may declare that the matter is taken under advisement by the Board and that the decision of the Board of Directors will be announced at a later date. A written decision of the Board of Directors shall, in any event, be made within ten (10) days after the conclusion of the hearing.
- (e) No testimony will be received from a witness except under oath or affirmation. Oath or affirmation shall be administered by the presiding officer in the form of: "Do you swear (or affirm) to tell the truth, the whole truth, and nothing but the truth in the matter now before the Board, so help you God?", or such other form of oath as the witness deems binding on his conscience. (W.S. § 1-2-101 and 103)

5.7 <u>Notice of Apportionment: Assessment Roll</u>. A copy of the resolution as finally adopted shall be recorded by the county clerk who shall within sixty (60) days after the adoption of the resolution by written notice, mailed or otherwise delivered, notify each owner of property

to be assessed of the amount of the assessment, the purpose for which the levy is made, the tax against each lot or parcel of land, and the date it becomes delinquent. (W.S. § 18-12-118(a)) The county assessor shall prepare a local assessment roll pursuant to law and deliver the same to the county treasurer for collection. (W.S. § 18-12-118(b))

<u>RULE 6</u> <u>HEARINGS GENERALLY</u>

6.1 <u>Contested Case Hearings Generally</u>. In matters of contested cases, as defined by law, hearings shall be conducted according to the provisions of the Wyoming Administrative Procedure Act, the procedures that follow, and as nearly as practicable, according to the procedures set forth above at Rule 5.6 pertaining to Special Assessment Hearings. Pursuant to the Wyoming Administrative Procedure Act, the Board shall, upon application of any party in a contested case, issue a subpoena requiring the appearance of witnesses for the purpose of taking evidence or requiring the production of any books, papers, or other documents relevant or material to the inquiry. (W.S. § 16-3-107(d))

6.2 <u>Informal Disposition of Hearings</u>. Compliance with the Wyoming Administrative Procedure Act may be waived and hearings not in compliance with these rules may be held upon written agreement by all the parties. Informal disposition may be made of any hearing by stipulation of affected parties.

6.3 <u>Petition</u>. Any person who believes they have a right to a contested case hearing before the Board may initiate the process by filing a petition with the Board setting forth:

- (a) A concise statement of the facts on which the petitioner relies;
- (b) A statement in ordinary language setting forth the action or decision desired by the petitioner;
- (c) The name, address, and telephone number of the petitioner and the attorney for the petitioner, if any;
- (d) The signature of the petitioner and attorney for the petitioner, if any;
- (e) The legal authority, if any, known at the time of the filing of the petition, upon which the petitioner relies.

6.4 <u>Docket</u>. When a contested case petition is filed, the Board shall determine whether the matter qualifies as a contested case requiring a hearing under the law. If the matter does not qualify for hearing, the Board shall so notify the petitioner in writing by certified mail. Otherwise, the Board shall assign a docket number to the proceeding and note it on a separate page of a docket together with the date of the filing. The Board shall establish a separate file for each docketed case in which all documents pertaining to the case that are filed with the Board shall be placed and maintained. The Board shall note the nature of each document filed and its filing date on the docket page assigned to the case.

6.5 <u>Board as Petitioner</u>. In any matter in which the Board is required to hold a hearing before an independent hearing officer in which it has the burden of proof, the Board shall be deemed the petitioner for purposes of these rules. Any notices or writing required by law for said hearing shall be deemed satisfied in the form of the Board's petition. Any answer or objection by the other party to the petition of the Board shall be served in writing at least fifteen (15) working days before any scheduled hearing.

6.6 <u>Notice of Hearing</u>. For any contested case hearing which is to be held before the Board, except special assessment hearings, the Board shall cause written notice to be served at least ten (10) days before the date set for hearing according to the provisions of the Wyoming Administrative Procedure Act. (W.S. § 16-3-107(a) & (b)) Service of the petition and notice of hearing may be by certified mail to the last known address of the party involved or by personal service by an adult. All other notices and service of papers shall be made in accordance with Wyoming Rule of Civil Procedure 5.

6.7 <u>Hearing Examiner</u>. Whenever it shall appear, from statements of any party or other sources, including but not limited to applicable Federal or State case law, that a dispute exists wherein a contested case hearing is authorized or required to be held before the Board, the Board, at its option, may delay further proceedings until all factual disputes are heard and recommendations are made by a hearing examiner as provided in this section:

- (a) The hearing examiner shall be the presiding officer at the hearing and shall conduct all proceedings in an impartial manner;
- (b) The hearing examiner shall be a qualified member of the bar of Wyoming;
- (c) The hearing examiner shall make recommended findings of fact and conclusions of law to the Board in writing within twenty (20) days after the conclusion of the hearing;
- (d) The hearing examiner shall be hired by the Board and shall be entitled to reasonable fees for his services and reimbursement for reasonable expenses incurred in connection therewith, but shall not be considered an employee of the Board but rather an independent contractor;

(e) The hearing examiner shall accord the parties the same hearing procedural rights as are available to them in a hearing before the Board as herein set forth.

6.8 <u>Final Decisions and Adverse Orders</u>. A final decision or order adverse to a party shall be made and noticed according to the provisions of the Wyoming Administrative Procedure Act. (W.S. § 16-3-110) The vote of the Board shall be shown in its decision. The decision shall be recorded in the file docketed for the matter.

6.9 <u>Informal Hearings</u>. Matters that do not qualify as contested case proceedings may be heard by the Board at their discretion. Such informal or investigative hearings may be held by the Board without compliance with these rules. A party seeking an informal hearing shall make such a request to the Board through certified mail. Should the Board decide to grant a hearing, the party will be given an opportunity to address the Board at the next regular meeting of the Board, or at a special meeting called by the Board. So far as the orderly conduct of public business permits, any interested person may appear before the Board for the presentation, adjustment, or determination of any issue, request, or controversy in any proceeding or in connection with any District function.

6.10 <u>Severability</u>. If any provision of these rules of practice or the application thereof to any matter is held invalid, the invalidity shall not affect the other provisions or applications of these rules which can be given effect without the invalid provisions or application, and for this purpose the provisions of these rules are severable.

RULE 7 BONDS

7.1 <u>Resolution for Submission of Bond Proposition to Voters</u>. By resolution the Board may submit to the qualified voters of the District, at any election held for that purpose, the proposition of issuing bonds to provide funds for the acquisition, construction, improving or financing of improvements as well as performing services for the benefit of the residents of the District, including any or all expenses incidental thereto or connected therewith. (W.S. § 18-12-121)

- 7.2 <u>Contents of Resolution</u>. The resolution shall:
 - (a) State the purpose for which the bonds are proposed to be issued;
 - (b) State the estimated amount of money to be raised by the bond issue;
 - (c) State the principal amount of the bonds;
 - (d) State the maximum rate of interest on the bonds and whether the interest will be payable annually or semiannually;

- (e) Fix the date, time and place of the election;
- (f) Fix the manner of holding the election;
- (g) State the denomination of each bond, which shall not be less than one thousand dollars (\$1,000.00); and state the maturity of the bonds which shall not exceed twenty-five (25) years from the date of the bond or the date of any series of the bonds. (W.S. § 18-12-121)

7.3 <u>Notice of Bond Election</u>. The Board, through the County Clerk, shall give the property owners not less than thirty (30) nor more than forty (40) days written notice of the bond election by publication in a newspaper of general circulation in Teton County, which notice shall include the following information:

- (a) The question or questions to be submitted including the information set forth in Rule 7.2;
- (b) A statement by the Board of the need for the issuance of the bonds and the purposes for which the proceeds of the bonds shall be devoted;
- (c) The name and a description of the exterior boundaries of the District;
- (d) A general description of the proposed improvement or service to be provided by the District;

(W.S. § 18-12-122(b), 18-12-121(b), 22-21-104)

- 7.4 <u>Election Procedures</u>. The election procedures shall be as follows:
 - (a) The bond election ballot shall specify the name of the District, the total amount of the proposed bond issue, the maximum interest rate payable thereon, the term of years over which the bonds shall be repaid, and a brief description of the improvements to be acquired or constructed and the services to be rendered with the proceeds thereof. The question to be submitted on the ballot after such description shall be as follows:

For Issuance of Bonds Against Issuance of Bonds

- (b) The Directors may divide the District into subdivisions for the purpose of such election or may adopt the election districts or precincts established for general or other elections;
- (c) If the election is not conducted by mail ballot and is not held in conjunction with another election, it shall not be necessary to keep the pools open at any election more than five (5) consecutive hours at any time between the hours of 9:00 a.m. and 7:00 p.m. of the day of the election;
- (d) The returns of any election shall be canvassed and the results thereof declared by the Board within five (5) days following the date of the election at a regular or special meeting; and
- (e) Except as otherwise provided in the Improvement and Service District Act (W.S. § 18-22-122), bond elections shall be called by the Board and held in accordance with these Rules and Regulations and the election procedures set forth in the Political Subdivision Bond Election Law. (W.S. § 22-21-101 through 22-21-112)

7.5 <u>Approval of Bond Proposition</u>. Any bond proposition shall be defeated unless a majority of the ballots cast on the bond question is in favor of the issuance of the bonds. If the majority is opposed to such issuance, the proposal to issue bonds for the same general purpose shall not again be submitted to election within the same calendar year. (W.S. § 22-21-110)

<u>RULE 8</u> LIMITATION ON INDEBTEDNESS WITHOUT APPROVAL OF ELECTORS

No debt in excess of the taxes for the current year shall, in any manner, be created by the District, unless the proposition to create such debt shall have been submitted to a vote of the electors of the District and approved by a majority of the electors. (Art. 16 Section 4, Wyo. Constitution)

<u>RULE 9</u> <u>CONTRACTS FOR PUBLIC IMPROVEMENTS AND SERVICES</u>

9.1 <u>Three Bids for Contracts Over Five Thousand Dollars</u>. The Directors shall solicit and attempt to secure at least three (3) bids for all contracts for any type of public improvement or service, the cost of which exceeds five thousand dollars (\$5,000.00), except contracts for professional services.

9.2 <u>Advertisement of Bids for Contracts for Improvements and Services Exceeding</u> <u>Twenty Thousand Dollars</u>. All contracts for any type of public improvement or service, excluding contracts for professional services, shall be advertised for bid if the cost exceeds twenty thousand dollars (\$20,000.00). The advertisement shall be published on two (2) different occasions, at least seven (7) days apart, in a newspaper having general circulation in the District. The published notice shall state the place, date and time when persons may obtain complete specifications of work to be performed. The right to reject any and all bids is reserved in all bid advertisements. (W.S. § 15-1-113)

9.3 <u>Plans and Specifications</u>. Before advertising for bid any contract required to be advertised, the Directors shall have detailed plans and specifications prepared together with an estimate of the probable cost and a form of the proposed contract. (W.S. § 15-1-113(e))

9.4 <u>Bid Bond</u>. The Directors may require all bidders to accompany each bid with a bid bond with sufficient surety, or a certified check, cashier's check or bank draft upon some reputable bank payable to the District of at least five percent (5%) of the total amount of the bid. The bond, check or bank draft shall be forfeited as liquidated damages, if the bidder, upon the letting of the contract to him, fails to enter into the contract within thirty (30) days after it is presented to him for that purpose or fails to proceed with the performance of the contract. (W.S. § 15-1-113(f))

9.5 <u>Letting Contract</u>. Any contract required to be let for bid shall be let to the lowest bidder who shall be determined qualified and responsible in the sole discretion of the Directors, subject to the preference for Wyoming bidders set forth in Rule 10.6. The Directors may reject all bids submitted if they find that none of them would serve the public interest. Every contract shall be executed by the President of the District, or in his absence or disability another presiding Officer of the District and the Secretary of the District. (W.S. § 15-1-113) Any contract for improvements or services shall require that the contractor hold the District and the Directors harmless and indemnify the District and the Directors against any loss, claim, or damage of any kind resulting from the contractor's performance of work pursuant to the contract.

9.6 <u>Preference for Wyoming Bidders. Workers and Materials</u>. Contracts for services and improvements shall be let to a Wyoming resident making the lowest responsible bid if the Wyoming resident's bid is not more than five percent (5%) higher than that of the lowest responsible nonresident bidder. (W.S. § 16-6-102) For purposes of this Rule 10.6, "resident" means: (1) Any person who has been a bona fide resident of Wyoming for one year prior to bidding upon the contract; (2) a partnership or association, each member of which has been a

bona fide resident of Wyoming for one year or more immediately prior to bidding upon the contract; or (3) a corporation which has been organized under the laws of Wyoming and has been in existence in Wyoming for one year or more immediately prior to bidding upon the contract and which has its principal office and place of business in Wyoming. (W.S. § 16-6-101) Every contract for improvements and services in the District shall contain a provision requiring that Wyoming labor be used, except other laborers may be used when Wyoming laborers are not available for the employment from within Wyoming or are not qualified to perform the work involved. (W.S. § 16-6-203) Contracts for improvements and services shall provide that Wyoming materials and products of equal quality and desirability shall have preference over materials or products produced outside Wyoming. (W.S. § 16-6-104)

9.7 <u>Performance Bond</u>. The successful bidder for all contracts exceeding twenty thousand dollars (\$20,000.00) shall give the District a surety bond for the faithful performance of his contract, or other form of guarantee approved by the District, in a penal sum equal to the amount of his bid. The sureties shall be Wyoming residents who own property in Wyoming amounting in the aggregate to double the amount of the bond upon which they are sureties. Any surety or guaranty company qualified to act as surety or guarantor in the state, upon executing individual bonds, shall be accepted in lieu of the sureties. (W.S. § 15-1-113(d))

9.8 <u>Progress Payments</u>. No progress payment may be made on any contract for improvements exceeding twenty thousand dollars (\$20,000.00) until an engineer, architect or other appropriate person retained by the District has furnished an estimate, together with a certificate, that the amount of work estimated to have been done conforms in all material respects with the requirements of the contract. (W.S. § 15-1-113(e))

9.9 <u>Final Payments</u>. Before any contractor or his representative receives a final payment on any contract required to be advertised for bid, the Directors shall publish in a newspaper of general circulation in the District, at least ten (10) days prior to the final payment, a notice to the effect that the contractor is entitled to final settlement on the contract and that persons having claims for labor and material furnished the contractor shall present them to the District prior to the date specified for payment.

<u>RULE 10</u> <u>AMENDMENTS TO THE RULES AND REGULATIONS</u>

10.1 <u>Amendments</u>. The Directors may amend these Rules and Regulations upon the affirmative vote of two-thirds (2/3) of the Directors; provided, however, that no such amendment, other than amendments having to do with interpretive rules or statements of general policy, shall be effective if two-thirds (2/3) of the property owners or two-thirds (2/3) of the electors object to such amendment in accordance with the procedure set forth in Rule 10.2. Any amendment defeated by the property owners or by the electors as set forth in Rule 10 shall not be reintroduced for consideration by the Directors for a period of one (1) year. No amendment shall be effective if contrary to law.

10.2 <u>Procedure for Adopting Amendments</u>. Prior to the Director's adoption of an amendment to the Rules and Regulations, other than interpretive rules or statements of general policy, the Directors shall give at least forty-five (45) days notice in the manner provided by, and containing the information required under the Wyoming Administrative Procedures Act. (W.S. § 16-3-103(a)(i)) Among other things, the notice shall:

- (a) Include the time when, the place where and the manner in which interested persons may present their view on the intended amendment;
- (b) Afford all interested persons the opportunity to submit their arguments in writing;
- (c) In the case of substantive rules, give an opportunity for an oral hearing if requested by twenty-five (25) or more persons, or by a governmental subdivision, or by an association having not less than twenty-five (25) members.

IN WITNESS WHEREOF, the Directors of the Rafter J Improvement and Service District have adopted these Rules and Regulations effective the <u>20th</u> day of <u>July</u>, 1998.

(Signature on File)				
DIRECTOR	Matthew F. Ostdiek			
(Signature on File)				
DIRECTOR	Robert Sanford			
(Signature on File)				
DIRECTOR	Greg Olson			

CERTIFICATION OF RULES AND REGULATIONS

The undersigned, Secretary of the Rafter J Improvement and Service District, does hereby certify that the attached is a true and correct copy of the Rules and Regulations approved by the Board of Directors of the Rafter J Improvement and Service District on <u>7/20/98</u>.

(Signature on File) Robert Sanford, Secretary