

**RESOLUTION NO. 2021-8-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE THREE LAKES  
WATER AND SANITATION DISTRICT ADOPTING AMENDED BYLAWS**

**RECITALS**

WHEREAS, Three Lakes Water and Sanitation District ("District") is a quasi-municipal corporation and special district duly organized and existing under the Constitution and laws of the State of Colorado; and

WHEREAS, C.R.S. § 32-1-1001(1)(m) states that the District's Board of Directors (the "Board") has the power to "adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district"; and

WHEREAS, the District's Bylaws have been updated by the Attorney of the District under the direction of the District Manager to add electronic business processes and clarify existing items based on existing laws, and the District Manager recommends approval of the amended bylaws.

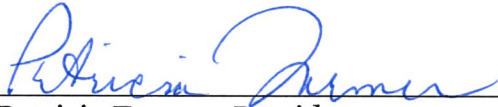
**RESOLUTION**

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THREE LAKES WATER AND SANITATION DISTRICT AS FOLLOWS:

The bylaws presented by the District Manager which have been amended to add electronic business processes and clarify existing items based on existing laws is attached as Exhibit A.

ADOPTED this 9<sup>th</sup> day of August 2021.

THREE LAKES WATER AND SANITATION  
DISTRICT

By:   
Patricia Farmer, President

ATTEST:

  
Scott Huff, Secretary





# **AMENDED AND** **RESTATED** **BYLAWS**

**~~REVISED THRU SEPTEMBER 9, 2019~~**  
**~~BY LAWS OF~~**  
**~~THREE LAKES WATER AND~~**  
**~~SANITATION DISTRICT~~**

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**2021**



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# THREE LAKES WATER AND SANITATION DISTRICT

## BOARD OF DIRECTORS ~~BY-LAWS~~AMENDED AND RESTATED BYLAWS

### 1. AUTHORITY.

Three Lakes Water and Sanitation District (the “District”) is a governmental subdivision of the State of Colorado and a body corporate possessing those powers of a quasi-municipal corporation which are specifically authorized by, and in compliance with, C.R.S. § 32-1-101 and § 32-10-101, *et seq.*

### 2. PURPOSE.

It is hereby declared that the ~~By-Laws~~Bylaws hereinafter set forth will serve a public purpose.

### 3. MISSION OF THE DISTRICT.

The mission of Three Lakes Water and Sanitation District is to provide efficient, reliable, non-disruptive and environmentally sound wastewater treatment service as is practically possible to the community of Grand Lake and the surrounding areas. The District’s goal is to protect the public health, safety, and environment by minimizing adverse effects from the treatment, disposal and transportation of solid waste. The District will use its best efforts to accomplish these goals at a reasonable and efficient cost to its constituents.

### 4. BOARD OF DIRECTORS.

All powers, privileges and duties vested in or imposed upon the District by law shall be exercised and performed by and through the Board of Directors (hereinafter referred to as “Board”) whether set forth specifically or impliedly in these ~~By-Laws~~Bylaws. The Board may delegate to officers and employees of the District any or all administrative and ministerial powers. Without restricting the general powers conferred by these ~~By-Laws~~Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

#### ~~4.1.~~ 4.1 Power to Choose Employees.

           To confer upon the Manager of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may be fair and just and in the best interests of the District.

#### ~~4.2~~

#### 4.2. Designate.

\_\_\_\_\_ To confer upon the Manager of the District the power to determine and designate, except as otherwise provided by law or these ~~By-Laws~~Bylaws, who shall be authorized to make purchases, sign receipts, endorsements, checks, releases and other documents.

#### 4.3. \_\_\_\_\_4.3Prepare Financial Reports.

\_\_\_\_\_ To require the Manager of the District to prepare financial reports, other than the statutory audit, covering each year's fiscal activities; and said reports, if requested, shall be submitted to the Board and made available for inspection by the public, as required by law.

### **5. OFFICE.**

The principal business office of the District shall be located at 1111 County Road 48, aka Golf Course Road. The Board, may from time to time designate another location as in its judgment is necessary to conduct the business of the Board of Directors.

### **6. ~~6.~~MEETINGS.**

#### **6.1. ~~6.1~~Regular Meetings.**

Regular meetings of the Board shall be held on the ~~2<sup>nd</sup>~~second Monday of each month commencing at 6:30 p.m. at the principal business office of the District, unless otherwise noticed and posted.

#### **6.2. ~~6.2~~Meetings Public.**

All meetings of the Board, other than executive sessions and social gatherings, shall be open to the public. Upon the affirmative vote of two-thirds of the quorum then ~~present~~in attendance, the Board may hold an executive session only at any regular or special meeting and solely for the purpose of considering any one of the following matters (except that no formal action by way of adoption of any resolution, rule, regulation or policy position shall occur in executive session):

a. C.R.S. § 24-6-402(4)(a), concerning the purchase, acquisition, lease, transfer or sale of any property interest.

b. C.R.S. § 24-6-402(4)(b), conference with an attorney for the District for the purpose of receiving legal advice on specific legal questions.



c. C.R.S. § 24-6-402(4)(c), matters required to be kept confidential by state or federal law, rules or regulations (specific statute or rule must be cited).

d. C.R.S. § 24-6-402(4)(d), specialized details of security arrangements or investigations.

e. C.R.S. § 24-6-402(4)(e), determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations and instructing negotiators.

f. C.R.S. § 24-6-402(4)(f), personnel matters:

EXCEPTION: If the employee who is the subject of the executive session has requested an open meeting or if the personnel matter involves more than one employee, all of the employees have requested an open meeting.

EXCEPTION: ~~Under new law,~~ Personnel matters do not include discussion of members of the elected governing body nor do they include discussion of general personnel policy.

g. C.R.S. § 24-6-402(4)(g), consideration of any documents protected by the mandatory non-disclosure provisions of the “Colorado Open Records Act.”

The Board shall follow the procedures for executive sessions set out by Colorado law.

### 6.3. ~~6.3~~—Notice of Meetings.

Section 6.1 shall constitute formal notice of regular meetings to Board members and no other notice shall be required to be given to the Board other than the 24-hour agenda notice as required by statute, which shall be provided on the District’s public website or at a designated public place within the boundaries of the District, in the event that the District is unable to post a notice online in exigent or emergency circumstances such as a power outage or an interruption in internet service that prevents the public from accessing the notice online.

### 6.4. ~~6.4~~—Special Meetings.

Special meetings of the Board may be called upon 24 hours’ notice which shall be posted as required by statute, on the District’s public website or at a designated public place within the boundaries of the District, in the event that the District is unable to post a notice online in exigent or emergency circumstances such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, with notice delivered to each Director by mail or e-mail or in-person or via telephone call.

### 6.5. ~~6.5~~—Emergency Meetings or Actions.



When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents or visitors so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, such actions which shall later be ratified by the Board and entered on the minutes at the next meeting of the Board. To the extent practical, the District will make an effort to post notice of any emergency meetings.

#### 6.6. Email Meetings.

Section 24-6-402, C.R.S., requires that certain e-mail correspondence between three (3) Directors (or, when two (2) Directors constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business, shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.

#### 6.7. Physical and Virtual Attendance at Meetings.

Section 24-6-402(1)(b), C.R.S., defines a meeting as "any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication." Pursuant to Section 32-1-903, C.R.S., the District may hold, and Directors may attend, Board meetings in-person or telephonically, electronically, or by other means not requiring a physical location as long as the method or procedure by which members of the public can attend the meeting (such as a conference call number or video conferencing link) is included in the meeting notice.

#### 6.6.6.8. No Informal Action by Directors.

All official business of the Board shall be conducted at regular or special meetings. ~~Matters concerning personnel, litigation and real estate may be addressed after executive sessions of the Board.~~

#### 6.7.6.9. 6.7—Adjournment and Continuance of Meetings.

When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place thereof are announced at the meeting at which the continuance is taken, other than as required by law. At the continued meeting, any business may be transacted which might have been transacted at the original meeting.

### 7. 7.0—CONDUCT OF BUSINESS.

#### 7.1. 7.1—Quorum.

All official business of the Board shall be transacted at a regular or special meeting at which a quorum (~~three~~majority) of the Directors shall be ~~present~~in attendance in person, telephonically or electronically, except as provided in Section 7.2.

7.2. ~~7.2~~—Vote Requirements.

a. Any action of the Board shall require the affirmative vote of a majority of the Directors ~~present~~in attendance and voting; subject to the emergency exception cited in Section 6.5 above.

b. Votes on motions, resolutions and orders shall be taken by the Chairman stating “all in favor say aye” and “all opposed say no” or other similar language at the discretion of the Chairman and which shall indicate the manner of responding to the question.

7.3. ~~7.3~~—Order of Business.

The business of all regular meetings of the Board shall be transacted, as far as practicable, to include the following items:

- a. Call to order.
- b. Excused absence of Board of Director consideration
- c. Acceptance of the Minutes of the previous meeting~~;~~
- d. Matters before the Board
- e. Approval of Consent Agenda Items, or Pulled Consent Agenda Items
- f. Public Comment
- g. Financial Reports: Motion for approval of checklist Acceptance of monthly financial statements~~;~~
- h. Legal Report
- i. Executive Session (if requested)
- j. System Superintendent Report~~;~~
- k. District Manager Report
- l. Adjournment~~;~~

7.4. ~~7.4~~—Motions, Resolutions~~s~~ and Orders.

Actions of the Board necessary for the governing and management of the affairs of the District for execution of the powers vested in the District and for carrying into effect the provisions of Article 1 and 10 of Title 32, C.R.S., as amended, shall be taken by the passage of motions, orders or ~~5~~ resolutions as may be appropriate. All



such formal actions shall require a majority of the quorum ~~present~~in attendance.

~~7.5 — Minute Book. Within a reasonable time after passage, all resolutions, motions, orders, and minutes shall be recorded in a book kept for that purpose and shall be signed by the Secretary of the Board and the District's Secretary.~~

~~7.6 — Roberts Rules of Order (Parliamentary Procedure). Shall be utilized as a guideline for matters coming before the Board; provided, however, that no action, formal or informal, shall be set aside due to any irregularity or non-compliance with Roberts Rules of Order or Parliamentary Procedure. The Chairman shall make all rulings with respect to procedural issues and shall have a vote on each issue coming before the Board.~~

7.5. 8. — Public Conduct at Meetings.

Comments by members of the public shall be made only during the "Public Comment" portion of the meeting and shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board's discretion. Each member of the public wishing to speak may be asked to fill out a form indicating name, address, and agenda item to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws including, without limitation, Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will be an asset to the keeping of peace and the conducting of public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered during a public meeting.

7.6. Minutes.

Within a reasonable time after passage, all votes, resolutions, motions and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose and shall be attested by the Recording Secretary. Such records shall be the official record of Board meetings. Minutes of regular meetings shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion of the Board. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting. Executive sessions shall be electronically recorded on audio tape or other electronic media (unless the executive session is for a conference with an attorney for the District for the purpose of receiving legal advice), and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions, and shall not be open to the public except as required by



law. The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed.

#### 7.7. Electronic Signatures.

In the event the signature(s) of one (1) or more Directors of the Board or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or e-mail signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing District's consent or authorization to bind District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

### **8. DIRECTORS, OFFICERS AND PERSONNEL**

#### **8.1. ~~8.1~~—Director Qualification and Terms.**

Directors shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions with regular elections held in even-numbered years through 2022 and in odd-numbered years beginning in 2023 and conducted in the manner prescribed by C.R.S. §§ 32-1-801, et seq., as amended, Article 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S. Each Director shall sign an oath of office and, at the expense of the District; the District shall furnish a faithful performance individual, schedule, or blanket surety bond in a sum of no less than \$1,000.

#### **8.2. ~~8.2~~—Directors' Performance of Duties.**

A Director of the District shall perform duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner in which the Director reasonably believes is in the best interest of the District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs a, b, and c below; but the Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely are:

a. One or more employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented; and

b. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional knowledge or expert competence; and

c. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the ~~By-laws~~Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

8.3. ~~8.3~~ Oath of Office.

Each member of the Board, before assuming the responsibilities of his office shall take and subscribe to the oath of office as required by state statute.

8.4. ~~8.4~~ Election of Officers.

The Board of Directors shall elect from its ~~Member-~~Membership a Chairman, Vice Chairman, and Secretary/Treasurer. The officers shall be elected by a majority of the Directors voting at the meeting. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the regular biennial election of the Directors held in May of even-numbered years through 2022 and in May of odd-numbered years beginning in 2023 or following creation of a vacancy in an officer position. Each officer so elected shall serve until any of the following occur: the election of the officer's successor, the officer's reelection to that office, or the officer's resignation or removal from the Board. The Board may, from time to time, appoint an acting officer in the absence of any individual officer.

8.5. ~~8.5~~ Absences.

In the event a Director is absent from a meeting, the Board shall enter upon its Minutes whether such absence is excused or unexcused as determined by the Board by motion. If a Director fails to attend three consecutive regular meetings of the Board without such absences being excused, the office shall be deemed vacant pursuant to statute.

8.6. ~~8.6~~ Vacancies.

Any vacancy occurring shall be filled by an affirmative vote of a majority of the remaining Directors as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for directors, and shall serve until the next regular election. The vacancy may be filled with or without advertisements of the vacancy at the discretion of the Board.



8.7. ~~8.7~~ Resignation and Removal.

Directors may be removed from office only by recall provisions prescribed by statute. Any Director may resign at any time by giving written notice to the Chairman and acceptance of such resignation shall not be necessary to make it effective.

8.8. ~~8.8~~ Chairman.

The Chairman of the Board shall preside at all meetings, and shall be the chief executive officer of the District. Except as otherwise authorized, the Chairman shall sign all contracts, notes, deeds, debentures, warrants and other instruments on behalf of the District.

8.9. ~~8.9~~ Vice Chairman.

The Vice Chairman shall perform the duties of Chairman in the absence of the Chairman.

8.10. ~~8.10~~ Secretary/Treasurer:

As Secretary, shall keep or cause to be kept the records of the District shall compose or cause to be composed, a record of the proceedings of the Board in a ~~Minute book~~visual text format that may be transmitted electronically and kept for that purpose which shall be an effective record of the Board; shall perform all duties incident to that office. Shall be custodian of the seal of the District and shall have the power to affix such seal to and attest all contracts and instruments authorized to be executed by the Board. As Treasurer, shall keep or cause to be kept strict and accurate accounts of

all money received by and disbursed for and on behalf of the District in permanent records. Shall file or cause to be filed with the Clerk of the Court at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$5000, conditioned on the faithful performance of the duties of the office of Treasurer.

8.11. ~~8.11~~ Additional Duties.

The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the ~~By-laws~~Bylaws or rules and regulations of the District or by special emergencies, which may later be ratified by the Board.

8.12. ~~8.12~~ Manager.

The Board shall appoint a Manager to serve upon such conditions, including salary, as the Board may establish. The Manager shall have general supervision over the administration of the affairs, employees, and business of the District, and shall be charged with the hiring and discharging of employees and the management of District property,

subject to the District's Personnel Policies. The Manager shall supervise the custody of all funds of the District and the accounts of all District transactions.

8.13. ~~8.13~~ Personnel Selection and Tenure.

The selection of agents, employees, accountants, engineers, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based on political affiliations. The term of engagement or employment of agents shall be at the discretion of the Board. Contracts for professional services of engineers, accountants, special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

~~8.14 Mileage Reimbursement. Effective June 10, 2013 the District will no longer reimburse mileage to Board Members when traveling to and from Board Meetings, except that any Board Member being paid mileage prior to this date shall continue to be reimbursed the standard IRS mileage reimbursement rate until his departure as a Board Member.~~

9. ~~9.~~ **FINANCIAL ADMINISTRATION**

9.1. ~~9.1~~ Fiscal Year.

The fiscal year of the District shall commence on January 1 of each year and end on December 31.

9.2. ~~9.2~~ Budget.

On or before October 15, a proposed budget shall be prepared and submitted to the Board for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement (Budget Message) which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate figures of the budget in such a manner as to show the balanced total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last-completed fiscal year and the current fiscal year. Explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds shall support it. The anticipated income of the District shall be classified according to the nature of receipts.

9.3. ~~9.3~~ Notice of Budget.

Upon receipt of such proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the designated business office; that the Board will consider the adoption of the proposed budget on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption. Notice shall be posted or published in substantial compliance with C.R.S. § 29-1-106.



9.4. ~~9.4~~ Adoption of Budget.

On the day set for consideration of such proposed budget the Board shall review the proposed budget and revise, alter, increase or decrease the items, as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget, either during the budget hearing or at a later date and time to be set by the Board, setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budgeted expenditures with special consideration given to the proposed ad valorem tax levy before tax is levied.

9.5. ~~9.5~~ Levy and Collection of Taxes.

On or before December 15 of each year;  
~~unless an election for an increased operating levy is held~~, the Board shall certify to the Board of County Commissioners of the county in which the District was formed the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such commissioners shall levy such tax upon the assessed valuation of all taxable property within the District.

9.6. ~~9.6~~ Filing of Budget.

On or before January 30 of each year the Board shall cause a certified copy of the budget and budget message to be filed with the Division of Local Government, Department of Local Affairs, and a copy filed with the Board of County Commissioners.

9.7. ~~9.7~~ Appropriation Resolution.

a. At the time of adoption of the budget the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated shall not exceed the amounts established in the adopted budget.

b. The income of the District as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.

c. ~~e.~~ The Board may make an appropriation to a contingency line item to be used in cases of emergency or other unforeseen contingencies.

9.8. ~~9.8~~ No Contract to Exceed Appropriation.

The Board shall have no authority to enter into any contract or otherwise bind or obligate the District to any liability for payment of money for any purposes for which provision is not made in appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year.



Any contract, verbal or written, contrary to the terms of this subsection shall be void *ab initio*, and no District funds shall be expended in payment of such contract except as provided in the following subsection.

9.9. ~~9.9~~ Contingencies.

In cases of emergency caused by a natural disaster, public necessity or some contingency, which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted. Such resolution shall set forth in full the facts concerning the emergency or contingency and shall be included in the minutes of that meeting. If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Department of Local Affairs, State of Colorado; ~~and. Notice of the public hearing to consider the Resolution authorizing additional expenditures~~ shall be published as set forth in ~~compliance with statutory requirements.~~Section 9.3.

9.10. ~~9.10~~ Payment of Contingencies.

If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that mill levy authority of the District is available as specified under C.R.S. § 29-1-112, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue or (c) any other lawful and approved method.

9.11. ~~9.11~~ Annual Audit.

The Board shall cause an annual audit to be made at the end of the fiscal year of all financial affairs of the District through December 31 of such fiscal year. The audit report shall be submitted to the District within six months of the close of such fiscal year. Such audits shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant who has not directly maintained the books, records, or accounts of the District during the audited fiscal year. The auditor shall prepare and certify as to its accuracy an audit report, including a financial statement and short form balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of violations of state law, pursuant to statutory requirements. A copy of the audit report shall be maintained at the District office as a public record for public inspection at all reasonable times. The Secretary/Treasurer shall forward or cause to be forwarded, a copy of the audit report to the State Auditor or other relevant state official pursuant to statutory requirements within 30 days following receipt of the audit.

## 10. CORPORATE SEAL.

The seal of the District, which may be a digital image, shall be a circle containing the name of the District and shall be used on all documents and in such manner as public and private corporations generally use seals.

## 11. CONFLICT OF INTEREST.

### 11.1. ~~11.1~~ Disclosure of Conflict of Interest.

Any Board member's potential conflict of interest shall be disclosed in accordance with Colorado law, particularly Article 18 of Title 24, C.R.S., and §§ 32-1-902(3) and 18-8-308. Any Director who is present in attendance at a meeting at which is discussed any matter in which he has, directly or indirectly, a private pecuniary or property interest shall disclose such interest to the Board. Unless such director has given 72 hours actual advance written notice to the Colorado Secretary of State and to the Board pursuant to the above statutory requirements, such Director shall refrain from advocating for or against the matter and shall disqualify himself from voting on such matter.

~~11.2 Disclosure of Gifts, Property, etc. Any Director receiving any money or loan with a value of \$25 or more, or any gift or property with a value of \$50 or more, or any payment for a speech, appearance or publication, or any tickets to a sporting, recreational, educational, or cultural event with a value of \$50 or more, or the payment of reimbursement for actual and necessary expenses for travel/lodging other than from the District, shall report such money, loan, gift or reimbursement in accordance with the provisions of the Public Official Disclosure Act, C.R.S. § 24-6-203.~~

## 12. COMPENSATION.

Directors may receive compensation for the Director's services up to the limits provided in the Special District Act. ~~Current limits are listed below, but if the Special District Act is amended, the compensation may be increased up to statutory limitations without amending these By-laws~~ No Director shall receive compensation as an employee of the District, except as may be provided by statute.

~~12.1 For directors serving a term of office commencing prior to January 1, 2018, each director may receive as compensation for the director's service a sum not in excess of \$1,600 per annum, payable not to exceed \$100 per meeting attended. (C.R.S. § 32-1-902(3)(a)(I)).~~

~~12.2 For directors serving a term of office commencing on or after January 1, 2018, each director may receive as compensation for the director's service a sum not in excess of \$2,400 per annum, payable not to exceed \$100 per meeting attended. (C.R.S. § 32-1-902(3)(a)(II)).~~

~~12.3~~ Any Director attending a meeting/hearing on behalf of the District, which is not a regular or special meeting of the Board, and of which the Board has



appointed that Director to attend on behalf of the District, shall receive reimbursement, payable at \$100 per diem if meeting is out of the County limits, or \$50.00 per diem if meeting is within County limits, plus payment for mileage at the rate established by the IRS. Educational "classes" are limited to reimbursement of actual costs and mileage.

### **13. INDEMNIFICATION OF DIRECTORS AND EMPLOYEES.**

The District shall defend and hold harmless and indemnify any Director, officer, agent, or employee, against any tort or liability, claim or demand, arising out of any alleged act or omission occurring during the performance of duty, subject to provisions of the District's Indemnification Resolution, the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*, and the Colorado Constitution. Nothing herein is to be construed as a waiver of any immunity or defense provided by law.

### **14. BIDDING AND CONTRACTING PROCEDURES.**

Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$60,000 or more. The District may reject any and all bids. If it appears that the District can perform the work or secure materials for less than the lowest bid, it may proceed to do so pursuant to C.R.S. §§ 32-1-1001(d)(I). Alternatively, the District can authorize issuance of a contract via the Integrated Project Delivery Method pursuant to C.R.S. §§ 32-1-1801, *et seq.* If possible, at least three quotes shall be obtained for work or material or both, involving an expense less than \$60,000.

### **15. RECORDS MANAGEMENT.**

The District shall comply with, and adopt and maintain policies as necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records Law, and various consumer privacy legislation. The District Manager, or his/her designee, is hereby designated as the Official Custodian of Records ("Custodian") pursuant to the Colorado Open Records Act. In the event there is any question as to whether the District is permitted to comply with a Colorado Open Records Act request, the Custodian shall forward such request to the District's legal counsel. Copies of records shall be furnished at a cost of twenty-five cents (\$.25) per standard 8.5-inch by 11-inch black and white page. The charge for providing a copy, printout or photograph of a public record in a format other than a standard page will be assessed at the actual cost of production. Additionally, in those cases where the location or existence of specific documents must be researched and the documents must be retrieved, sorted or reviewed for applicability to the request, and such process requires more than one (1) hour of staff time, the Custodian may charge a research and retrieval fee not to exceed thirty-three dollars and fifty-eight cents (\$33.58) per hour. The Custodian will not impose a charge

for the first (1st) hour of time expended in connection with the research and retrieval of public records. The fees and charges stated in this Section 15 will automatically be increased to the maximum amounts allowed by law without additional Board action.

**16. MODIFICATION OF ~~BY-LAWS~~ BYLAWS.**

These ~~By-laws~~Bylaws may be altered, amended or repealed at any regular meeting or at any special meeting of the Board called for that purpose after an initial presentation of the proposal at a prior regular meeting of the Board.

**~~15.17.~~ SEVERABILITY.**

If any provision of these ~~By-laws~~Bylaws or the application thereof is held invalid, such invalidity shall not affect the provisions or applications of these ~~By-laws~~Bylaws which can be given effect without the invalid provision or application. To this end, the provisions of these ~~By-laws~~Bylaws are deemed severable.

**18. ~~-13-~~ TERMINATION OF PRIOR BYLAWS.**

These Bylaws amend, supersede and replace in their entirety any and all prior Bylaws, and any amendments thereto, previously adopted by the Board.

ADOPTED this       day of       , 2021, by the Board of Directors of the Three Lakes Water and Sanitation District.

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