

## **SNOWMASS WATER AND SANITATION DISTRICT BYLAWS**

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**1.1** **Legal Status.** The Snowmass Water and Sanitation District is a quasi-municipal corporation and political subdivision of the State of Colorado and is organized pursuant to Title 32 of the statutes of the State of Colorado. By statutory definition, it is a special district which provides treated water for domestic and other purposes and provides sanitation service for domestic and other public and private purposes.

**1.2** **Directors.** The property, business and affairs of the District shall be managed by the Board which shall be elected and otherwise chosen pursuant to, and shall exercise the powers granted by the laws of the State of Colorado, particularly the Colorado Special District Act, as heretofore and hereafter mentioned. All powers, privileges and duties vested in, or imposed upon the Snowmass Water and Sanitation District (hereinafter referred to as "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 bylaws.

1.2.1 **Director Qualifications and Terms.** The qualifications and term of each Director shall be determined by applicable statutory provisions with elections held in even numbered years. At the expense of the District, each Director shall furnish a faithful performance surety bond. The bond may be a blanket surety bond.

1.2.2 **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.

**1.3** **Offices.** The administrative offices of the District shall be at 177 Clubhouse Drive, Snowmass Village, Colorado, unless otherwise designated by the Board. The Board, by resolution, may from time to time, designate, locate and relocate its administrative and Board meeting locations as, in its judgment, are necessary to conduct the business of the District.

**1.4** **Meetings.** The Board shall meet regularly on the third Wednesday of each month at 8:30 o'clock a.m. in the Administrative Offices of the District, 177 Clubhouse Drive, Snowmass Village, Colorado.

1.4.1 **Meetings to be Public.** All meetings of the Board, other than executive sessions, shall be open to the public. Upon the affirmative vote of two-thirds of the quorum then present, the Board may hold an executive session only at any regular or special meeting and solely for the purpose of considering any 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. the consideration of the purchase, sale, lease, etc. of real and personal property and related matters;
- b. conferences with legal counsel for the purposes of receiving legal advice on a specific legal question;
- c. matters required to be kept confidential by federal or state law;
- d. details of security arrangements or investigations;
- e. determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators;

- f. personnel matters [except if the employee who is the subject of the session has requested an open meeting] and;
- g. consideration of documents protected by mandatory nondisclosure provisions of the Colorado Open Records Act;

1.4.2 Notice of Meetings. Permanent posting of the time and place of such regular meetings shall be posted in at least three public places within the District and in the office of the Clerk and Recorder of Pitkin County. Such permanent postings shall remain posted until a change in the date, time or place of such regular meetings. Individual postings of each meeting, including specific agenda information, where possible, shall be posted at least 24 hours in advance of each meeting at a place to be designated by the Board at its first meeting in January of each year. These bylaws shall constitute formal notice to Board members of such of regular meetings, and no other formal notice shall be required to be given to the Board members other than the permanent and temporary postings as required by law.

1.4.3 Special Meetings. Special meetings of the Board may be called upon three days advance notice, which advance notice shall be posted in three places within the District and at the offices of the Clerk and Recorder of Pitkin County and delivered to each Director. In addition, a notice of such special meeting must be posted twenty four hours in advance at the place annually designated pursuant to paragraph 7.4.2, above.

1.5 **Agenda.** The District Manager shall prepare an agenda for each meeting and provide a copy of the agenda to each member of the Board prior to the meeting and shall post a copy of the agenda at the District's offices.

1.6 **Robert's Rules of Order.** So far as is practical, Robert's Rules of Order shall be followed for matters coming before the Board; provided, however, that no action, formal or informal, shall be set aside due to any irregularity or noncompliance with Roberts Rules of Order. The Chairperson shall make all rulings with respect to procedural issues, and shall have a vote on each issue coming before the Board.

1.7 **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum (i.e., three) of the Directors shall be present, except as provided in Section 1.8. Directors must be physically present for purposes of determining whether a quorum is present.

1.8 **Voting Requirements and Procedures.**

1.8.1 Voting Requirements. Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances materially affecting the affairs of the District or the health, welfare, and safety of District residents and property owners so dictate, then those Directors available at the time may undertake whatever emergency action is considered necessary and may so instruct the District's employees. Ratification of the action so taken shall be entered on the minutes at the next meeting of the Board.

1.8.2 Motions, Resolutions, or Orders. Actions of the Board necessary for the governing and management of the affairs of the District, for the execution of the powers vested in the District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S., as amended, shall be taken by the passage of motions, resolutions, or orders, as may be appropriate. All such formal action shall require the majority vote of the quorum present. Votes on all 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 which shall indicate the manner of responding to the question, at the discretion of the Chairman.

Roll call votes may be taken at the request of any director, or at the direction of the Chairman.

## **1.9 Officers, District Manager and Personnel.**

1.9.1 Officers. The officers of the District shall include a President, Vice President, Secretary and Treasurer. The Board shall elect one of its members as:

- a. Chairman of the Board of Directors and President of the District
- b. Vice Chairman of the Board of Directors and Vice President of the District

The Secretary and Treasurer may be members of the Board. The President and Secretary may not be the same person.

1.9.1.1 Election of Officers. The Board of Directors shall elect from its membership a president who shall also serve as chairman of the board, a vice president, a secretary, and such assistant secretaries and assistant treasurers, who shall be the officers of the Board of Directors and of the District, as the Board may determine. The Board may elect a secretary who is not a member of the Board. The officers shall be elected by a majority of the Directors voting at the meeting in accordance with the voting procedures set forth in Section 1.8. The election of the officers shall be conducted at the first regular meeting of the Board following the regular biennial elections. Each officer so elected shall serve at the pleasure of the Board or for a term of two years, which term shall expire upon the election of the officer's successor or upon the officer's reelection to that office. Voting for the election of officers may be conducted by secret ballot at the discretion of the Board. The regular election of such officers shall be biennially at the first regular meeting of the Board following the biennial election of the Directors in such year. A special election to fill any vacancies in such offices may be held by the Directors at any regular or special meeting. Any officer elected to fill a vacancy shall serve until the next election of officers. In the event of absence or inability of any officer to act, the Board may delegate the powers or duties of such officer to any other officer, Director or person whom it may select.

1.9.1.2 Vacancies. Any vacancy occurring in any office shall be filled for the unexpired term in the same manner as is provided for the election of full-term officers. Vacancies on the Board shall occur as set forth by state statute, including the failure of a director to attend three consecutive meetings without such additional absences being excused by the Board due to illness or injury. Any vacancy of the Board shall be filled by appointment by the remaining Directors as prescribed by statute, with or without advertisements of the vacancy at the discretion of the Board.

1.9.1.3 President and Chairman. The president shall be the chairman of the Board, shall preside at all meetings, and shall be the chief executive officer of the District. The president shall sign all contracts, deeds, notes, warrants and other instruments on behalf of the District, and discharge such other duties as may be required or authorized.

1.9.1.4 Vice President. The vice president shall perform the duties of president and chairman in the absence of the president.

1.9.1.5 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 bylaws or rules and regulations of the District, or by special

exigencies, which may later be ratified by the Board; provided, however, that no director shall be employed by the District in any capacity.

1.9.1.6 Directors' Fees. Board members shall be entitled to the maximum amount of compensation provided by state statute for each meeting attended, not to exceed the annual maximum established by applicable statute.

1.9.1.7 Disclosure of Conflict of Interest. Any Director who is present at a meeting at which is discussed any matter in which that Director has, directly or indirectly, a private pecuniary or property interest shall disclose such interest to the Board. Unless such Director has given prior advance written notice to the Colorado Secretary of State and to the Board, in accordance with all statutory requirements, such Director shall refrain from advocating for or against the matter and shall disqualify himself/herself from voting on such matter. The Board may adopt a separate policy specifically regarding ethical standards and practices for Board members.

1.9.2 Authority of District Manager. The Board hereby delegates to the District Manager all authority necessary and proper for the District Manager to operate the District on a day-to-day basis. The Board shall not actively participate in the day-to-day operations of the District, but shall act in a capacity as a Board of Directors of a corporation, and the District Manager shall act in a capacity of the President of a corporation. The Board may appoint and hire a District Manager to serve for such term and upon such conditions, including salary, as the Board may establish pursuant to contract. 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 non-contract employees. The Manager shall perform those duties as may be assigned by the Board. Job performance will be evaluated by the Board on a periodic basis.

1.9.3 Selection and Tenure of Consultants. The selection of outside consultants including engineers, architects, accountants, special consultants and attorneys shall be made by the Board and shall be based upon the relative qualifications and capabilities of the applicants and shall not be based on political services or affiliations. Agents and consultants shall serve at the pleasure of the Board. Contracts for professional services may be entered into on such terms and conditions as determined by the Board.

1.9.4 Personnel Policies. Annually at the time of the preparation of the budget for the succeeding fiscal year, the Board shall review, and revise where necessary, the personnel policies of the District. A complete edition of the personnel policies of the District shall be provided to each employee upon commencement of employment, and a revised copy, following any revisions, shall be made available to all employees after adoption.

1.9.5 Ethics. The Board and District employees are subject to and shall comply with the provisions of the Statutes of the State of Colorado concerning disclosure of conflicts of interest (C.R.S. 18-8-308) and standards of conduct (C.R.S. 24-18-101 et. seq.), as they presently exist and may hereafter be amended.

## **1.10 Financial Administration.**

1.10.1 Financial Matters. All District bank accounts and investments shall be maintained in the name of the District and shall be authorized investments of a governmental entity in accordance with the laws of the State of Colorado.

1.10.1.1 One Signature Checks. All checks shall require the signature of a Director or the District Manager if the amount of the check is less than \$1,000.00.

1.10.1.2 Two Signature Checks. All checks in an amount greater than or equal to \$1,000.00 shall require the signature of two Directors or the signature of a Director and the District Manager. The District Manager is not authorized to sign warrants or District checks payable to him/her without such warrant or check countersigned by a member of the Board of Directors.

1.10.1.3 Transfer of Funds. The District Manager is authorized to transfer funds within Alpine Bank-Snowmass Village, Bank of Colorado and US Bank to various accounts held in the banks on the District Manager's direction without the necessity of approval of the Board of Directors in advance irrespective of the amount of the transfer.

1.10.1.4 Investments.

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

1.10.3 Budget. On or before October 15 of each year, the Board's designated District Manager shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall set forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the 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. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

1.10.4 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 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 up to and through the public hearing.

1.10.5 Adoption of Budget. On the day set for consideration of such proposed budget, the Board shall review the proposed budget and thereafter 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 thereafter formally adopt the budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budget expenditures.

1.10.6 Filing of Budget. Within 30 days of adoption of the budget, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs.

1.10.7 Appropriating Resolution. At a meeting held no later than December 31 each year, 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.

1.10.8 No Contract to Exceed Appropriation; Contract Authorization.

a. 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 an appropriation resolution, including any legally authorized amendment thereto, in excess of the amount 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 contracts, except as provided in the following subsection.

b. The Board shall approve all contractual obligations of the District. However, the Board may delegate general purchasing authority for routine supplies and expenditures to its employees or officers.

1.10.9 Contingencies. In cases of emergency caused by a natural disaster, public enemy, 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 by a two-thirds vote of the entire membership of the Board, as provided by state statute.

1.10.10 Annual Audit. The Board shall cause an annual audit to be made of all financial affairs of the District through December 31st of the prior fiscal year. A copy of the audit report shall be maintained in the District office as a public record for public inspection at all reasonable times. The treasurer shall forward a copy of the audit report to the State Auditor pursuant to statutory requirements, within thirty days following receipt of the audit.

**1.11 Director Indemnity**. A Director shall be entitled to the following assurance from the District:

1.11.1 Indemnity. To the extent authorized by law, the District shall indemnify and hold a Director harmless from and against any action, suit or proceeding arising by reason of the fact that a Director is, or at the time of the alleged incident which is the basis of such action, suit or proceeding was, a Director of the District.

1.11.2 Condition of Indemnity. A Director wishing to obtain the benefit of Section 1.11.1, shall provide the District Manager written notice of commencement of any action, suit or proceeding involving the Director in a timely manner to allow the District to defend such action, suit or proceeding.

1.11.3 Limitation of Indemnity. The provisions of Section 1.11.1 are intended to be a supplement to the provisions contained in the Colorado Governmental Immunity Act. Section 1.11.1 shall only become effective in the event the provisions of the Governmental Immunity Act do not apply because of a limitation due to the type of action, suit or proceeding; provided that:

- a. the Director if considered to be a Public Employee otherwise would be entitled to obtain the benefits of the Governmental Immunity Act; and
- b. such action, suit or proceeding did not arise because of willful misfeasance, malfeasance, bad faith, gross negligence or reckless disregard of duty by the Director; and
- c. the Director timely complies with all the duties and responsibilities of a Public Employee set forth in the Governmental Immunity Act.

- i. Procedure. The District shall determine the method and procedure to carry out its obligation to a Director set forth in Section 1.11.1, including without limitation the appointment of

legal counsel and the terms of settlement of any action, suit or proceeding against the Director.

**1.12 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 \$25,000.00 or more. The District may reject any and all bids. If it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so. If possible, at least three quotes shall be obtained for work or material, or both, involving an expense less than \$25,000.00. The purchase of equipment, apparatus, and vehicles shall be exempt from these bidding and contracting procedures provided, however, that the Board may adopt specific policies with respect to the purchase of such equipment, apparatus, and vehicles.

1.12.1 Bid Notice. A Notice or Invitation to bid shall be published in a newspaper of general circulation within the District boundaries pursuant to state statute. The Notice will request sealed proposals for the construction to be done, or for the materials needed. The specifics of the contract will be stated; where and when the plans and specifications may be examined; and the time and place the sealed proposals will be opened and publicly read.

1.12.2 Rejection and Award of Bids. The Board retains the right at all times, in its sole discretion, to reject any or all proposals; determine the proposal and subcontractors that will serve the best interests of the District; and determine the proposal and subcontractors which are most responsible to perform the work.

1.12.3 Bid Bond. Bids must be accompanied by an acceptable bidder's bond, or a certified check payable to the District, in an amount equal to 5% of the bid. If within the time designated in the Notice of Award, the Contract is not executed, and, if required, Payment and Performance Bonds and Certificates of Insurance are not provided, the District shall keep the bid bond as liquidated damages, and assess such other damages as the District may determine.

1.12.4 Bonds. Payment and Performance Bonds are required for all construction contracts over \$50,000.00; and shall be discretionary with the Board for contracts which are under that amount.

1.12.5 Retainage. Ten percent of all pay estimates shall be withheld during the construction until 50% of the contract work has been performed; thereafter, no additional sums shall be withheld if satisfactory progress is being made. For any exceeding \$80,000.00, the contractor may deposit acceptable securities in lieu of such retained amounts in accordance with law. (Section 24-91-103, C.R.S.)

**1.13 Powers of the Board of Directors.** Without restricting the general powers conferred by law, it is hereby expressly declared that the Board shall have the following power and duties:

1.13.1 To determine and designate, except as otherwise provided by law or these bylaws, who shall be authorized to make purchases, negotiate for the purchase of real estate, negotiate leases, and sign receipts, endorsements, checks, releases and other documents.

1.13.2 To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations, consistent with statutory powers.

- 1.14 **Modification of Bylaws.** These 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.
- 1.15 **Severability.** If any provision of these Bylaws or the application thereof is held invalid, such invalidity shall not affect the provisions or applications of these Bylaws which can be given effect without the invalid provision or application. To this end, the provisions of these