



Southwest Metropolitan Water and Sanitation District Board Member Manual

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

BOARD MEMBER MANUAL

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Board Meetings are held at 8:30 a.m. on the fourth Friday of each month at the District office at 8739 W. Coal Mine Avenue, Littleton, Colorado.

HISTORY

Southwest Metropolitan Water and Sanitation District was organized by decree of the District Court in Jefferson County in 1961. The District was formed to provide water distribution and wastewater collection services to a seven square mile area in western Arapahoe, eastern Jefferson, and northern Douglas Counties. Early developments served by the District included Wolhurst, Herrick-Dale, Kipling Hills, Woodmar Square, and Woodmar Village Subdivisions. Beginning in 1977 the District Board of Directors approved a series of inclusions that expanded District boundaries west of S. Kipling St. to the Dakota Hogback between W. Bowles Ave. and W. Ken Caryl Ave. Today, Southwest Metropolitan's service area includes 11 square miles of land within the area stretching from Santa Fe Dr. to the Dakota Hogback and from W. Bowles Ave. to Highway C-470.

Water Service

Upon formation in 1961, Southwest Metropolitan signed a read and bill water supply agreement with the Denver Water Department. The District also purchased the assets of the Colorado Water and Power Company (CWP) which, at the time, was operating a groundwater well and a water distribution system to serve limited development in the southern portion of the District. Upon acquisition of the CWP water system, the District disconnected the distribution system from the well and connected it to the Denver Water system. The old CWP pipelines remain in service today providing a link between the northern and southern portions of the District.

Southwest Metropolitan's water supply contract was amended in 1982 to allow the District to expand its boundaries without the prior approval of Denver Water. Boundary expansion was contingent upon the District participating in building specified water supply projects with Denver Water. The District agreed to enter into the water development business by signing the Metropolitan Water Development Agreement and South Platte and Colorado River Storage Participation Projects Agreement in 1982. When the initial proposed water project, Two Forks Reservoir, was vetoed by the U.S. Environmental Agency in 1991, the District again amended its water supply agreement with Denver Water. Under the revised agreement, Southwest Metropolitan agreed to limit expansion of its service area in exchange for a commitment from Denver Water to supply all of the water necessary to complete development within the District's boundaries. Denver Water again assumed full responsibility to acquire and develop the water necessary to meet its commitment to the District.

Over the years, Southwest Metropolitan has entered into a number of participation agreements with Denver Water. These agreements required the District to pay for water storage, pumping and transmission facilities in exchange for the use of capacity produced by the facilities. Facilities constructed as a result of the agreements include a 10 million gallon reservoir and 85 million gallon per day pumping station at W. Belleview Ave. and S. Simms St., and a 5 million gallon reservoir and pumping station at Continental Divide Rd. and Chatfield Ave. (Chatfield Reservoir and Pump Station), and a 3.5 million gallon reservoir at W. Bowles Ave. and C-470.

Today, Southwest Metropolitan provides water service to 12,300 residential and commercial accounts through one District owned water pump station and 165 miles of water pipe.

Sewer Service

Upon organization in 1961, Southwest Metropolitan contracted with the City of Littleton for wastewater treatment services. At that time, the City owned a wastewater treatment plant at the northwest corner of W. Belleview Ave. and S. Santa Fe Dr. Southwest Metropolitan extended a 48-inch interceptor sewer pipe from the plant along the South Platte River to the Columbine Country Club area. From there, a 36-inch pipe was extended to the proposed Rio Grande Industrial Park at the southwest corner of present day C-470 and S. Santa Fe Dr. The Industrial Park was later acquired by the federal government for construction of Chatfield Dam and Reservoir. In 1973 Southwest Metropolitan contracted with the Ken Caryl Ranch Water and Sanitation District to jointly construct a sewer main along C-470 from the South Platte River to W. Ute Ave. and S. Kipling St. This sewer, along with the sewer mains previously built by Southwest Metropolitan, enabled the development of Ken Caryl Ranch.

The original sewer interceptor constructed by Southwest Metropolitan collects wastewater from the areas south of W. Bowles Ave. to C-470 and west of S. Santa Fe Dr. to the Dakota Hogback and south of W. Mineral Ave. to C-470 from S. Santa Fe Dr. to S. Broadway St. The District has signed sewer collection agreements with Platte Canyon Water and Sanitation District, Meadowbrook-Fairview Metropolitan District, Ken Caryl Ranch Water and Sanitation District, Columbine Water and Sanitation District, Grant Water and Sanitation District and the City of Littleton.

When the City of Littleton's wastewater treatment plant reached capacity in 1979, the City decided to contract with the City of Englewood to build a joint plant rather than expand its existing facility. The new plant was constructed near the South Platte River and W. Dartmouth Ave. Southwest Metropolitan agreed to continue to contract for treatment services with Littleton and signed a new agreement to help pay for the new treatment plant and a large 54-inch pipeline to transport wastewater from Littleton, Southwest Metropolitan, and surrounding areas to the new plant.

The wastewater treatment contract between Southwest Metropolitan and Littleton provides for the City to bill District residents directly for wastewater treatment services. The City retains all revenue from the sewer billings for operation of the treatment plant.

Organization

Southwest Metropolitan Water and Sanitation District was organized as a quasi-municipal government by Decree of the District Court in Jefferson County in 1961. The District operates in accordance with Colorado laws pertaining to the formation, administration, and governance of special districts. As such, the District is governed by a five member board of directors elected by registered Colorado voters residing, or owning property, within the District.

Following formation of the District, the Board of Directors employed a part time administrator to assist with the acquisition of easements for construction of the sewer interceptors described above. Upon completion of sewer construction, the administrator resigned his position leaving administration in the capable hands of the District's legal, financial, and engineering consultants. In the early 1970's, in response to tremendous growth and the need for full time management and operation of the District's expanding infrastructure, the Board retained a full time manager. Shortly thereafter, the Board considered a proposal from the adjacent Platte Canyon Water and Sanitation District to perform administrative and maintenance services for Southwest Metropolitan. Rather than duplicate the services already being performed by Platte Canyon, the Southwest Metropolitan Board chose to execute an Intergovernmental Agreement (IGA) with Platte Canyon. Since 1977 the two districts have shared personnel and equipment costs with economies of scale accruing to both entities.

The Platte Canyon - Southwest Metropolitan intergovernmental agreement requires the Boards of Directors of the two districts to meet together at least annually to discuss administrative and operational needs and goals as well as to discuss other matters that the directors wish to address. District staff operates under the direction of both Boards. The two Districts jointly financed the construction of the administrative and fleet facility located at 8739 W. Coal Mine Ave. Building expenses and personnel and equipment costs are shared by the Districts based on usage. These cooperative operations have provided significant economies of scale and greatly benefited the taxpayers and citizens of both Districts.

Southwest Metropolitan is now nearing full development. The District is transitioning from a period of explosive growth in the 1970's and 1980's, to a period of moderate growth in the 1990's, to the current period of slow growth characterized by in-fill development of smaller tracts of land surrounded by existing developments. As the District's infrastructure ages, greater emphasis has been placed on managing and maintaining existing facilities in prime working order. In addition, as these facilities age, Southwest Metropolitan has been confronted with the need to rehabilitate and replace older infrastructure to ensure the adequacy and reliability of water and wastewater services to all of its customers.



Supporting Community-Based Government

Board
Member
Manual
A Reference Guide for
Special Districts

This Document Updated May 2012

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President
South Metro Fire Rescue Authority

John McCaulley
Vice-President
Western Eagle County Metropolitan
Recreation District

Jim Kullhem
Treasurer
West Metro Fire Protection District

John B. Warnick
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SDA Publications

SDA Model Personnel Guidelines
Incorporates state/federal statutes pertaining to personnel issues and provides special district representatives with ideas and sample language for use in adopting or modifying employment policies. Word document allows you to personalize for your district.

SDA Membership Directory
Full listing of all SDA Member Districts, managers, Board members and SDA Associate Members and services.

SDA Board Member Manual
A general survey and reference of statutory responsibilities for board members of special districts.

SDA Laws Notebook
Contains major statutory provisions pertinent to special districts, including full text of the TABOR Amendment and a user friendly index with Case Citations; revisions published annually.

Special District Board Member Manual

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This Manual is intended to be a general survey of statutory responsibilities for members of the Board of Directors of a Colorado Special District. This Manual is neither designed nor intended to be a legal analysis of the subjects contained herein. The passage of time, new court decisions, and future legislation will cause portions of this manual to become outdated. Further, the answer to any particular legal question turns heavily on all of the facts specific to the issue. The reader is strongly encouraged to seek the advice and assistance of legal counsel experienced in Special District matters as to any legal issues that arise.

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Chapter I Board Membership

A. Qualifications:

To qualify as a Director of a special district, a person must be an “eligible elector” which is defined as a **registered voter** of Colorado **and either:**

1. **A resident** of the District for not less than 30 days, or
2. **The owner (or the spouse of the owner) of taxable real or personal property** situated in the District.

For the purposes of #2 above, a mobile or manufactured home qualifies as “real property,” and a person who is under contract to purchase taxable property and is obligated to pay the taxes prior to closing shall be considered an “owner.” *§32-1-103(5), Colorado Revised Statutes (“C.R.S.”).*

Director qualifications must be met at the time of the execution of the self-nomination form or letter or at the time of appointment by the Board of Directors, if filling a vacancy, and must be maintained in order to remain qualified as a Director.

Property that is owned by a legal entity such as a corporation, LLC, partnership, or Trust does not qualify a person as an eligible elector on the basis of property ownership.

B. Taking Office:

1. Oath:

Each Director, within 30 days after election or appointment, shall take an oath of faithful performance. *§32-1-901(1), C.R.S.* The oath must be administered by a qualified official (Board chairman, notary public, clerk of the court, or clerk and recorder) and filed with the clerk of the district court that issued the District’s organizational decree, the county clerk and recorder for the counties in which the District is situated, and the Division of Local Government. *§24-12-103 and §32-1-901(1), C.R.S.; Article XII, Section 9 of the Colo. Constitution.*

2. Bond:

Along with the oath, an individual, schedule or blanket surety bond of not less than \$1,000 must be filed for each director with the clerk of the court and the Division of Local Government, conditioned upon the faithful performance of his/her duties as director. *§32-1-901(2), C.R.S.*

The Treasurer must file with the clerk of the court a corporate fidelity bond of not less than \$5,000. *§32-1-902(2), C.R.S.* The bond(s) shall be in amounts determined by the Board, and at the expense of the District. It is common for a District to obtain and file a single blanket position schedule bond, setting forth the required amounts for each of the positions of director and the amount for the position of treasurer. The surety bond and fidelity bond requirements are satisfied if the District buys crime coverage from the Colorado Special Districts Property and Liability Pool.

3. Commencement of Term:

A director’s regular term of office commences at the next meeting of the Board following the date of the organizational or regular election and upon administration of the oath and posting the bond, but no later than 30 days following the survey of returns of election or date of regular election if the election has been cancelled. *§1-1-202, C.R.S.*

C. Vacancies:

A Director’s office shall be deemed vacant upon the occurrence of any one of the following *§32-1-905(1), C.R.S.:*

1. Failure to meet the qualifications of Director;
2. Failure to satisfy the oath and bond requirements;
3. Written resignation;
4. Failure to remain qualified for the office;
5. Conviction of a felony;
6. Removal from office or voidance of election by court (subject to appeal);
7. Failure to attend three consecutive regular

Board meetings, unless approval of absence is entered in the minutes, or absence is excused by temporary mental or physical disability or illness; or

8. Death.

Any vacancy shall be filled by appointment by the remaining Directors. If the Board fails to fill the vacancy within 60 days, the Board of County Commissioners may make the appointment. The Director appointed to fill a vacancy shall serve until the next regular election, at which time the vacancy shall be filled by election for the remainder, if any, of the originally vacated term. [§32-1-905\(2\)\(a\), C.R.S.](#)

Typically, there is no legal requirement to post or publish notice of a vacancy prior to the District Board appointing someone to fill it. However, prior to conveying title to taxable property in the name of another or entering into a contract to purchase or sell taxable property for the purpose of qualifying such person as an eligible elector in order to fill a vacancy, notice of such vacancy must be published and ten days must pass after the publication of such notice during which no otherwise qualified eligible elector files a letter of interest in filling such position with the board. [§32-1-808\(2\)\(a\)\(I\), C.R.S.](#)

D. Term Limits:

Directors are limited to two consecutive terms of office, unless the voters of the District lengthen, shorten or eliminate that limitation. [Article XVIII, Section 11, Colorado Constitution](#). Term limits apply only to elected four-year terms, not to interim terms that arise by appointment to fill a vacancy or to elected two-year terms created due to a vacancy. [Attorney General Opinion No. 2000-2 \(February 9, 2000\)](#).

The term-limited elected official cannot run again for election to the same body by moving to a new director district, redistricting, or a change in the at-large or specific district nature of the seat currently occupied. [Attorney General Opinion No. 2000-5 \(July 10, 2000\)](#). Also see [Attorney General Opinion No. 2005-4 \(August 16, 2005\)](#).

E. Filings and Postings:

Directors are responsible for ensuring that mandatory filings are made and actions are taken. The following schedule includes the primary statutory filings required:

Filings and Posting Schedule

ACTION	OFFICE	DEADLINE
A current, accurate map of the District boundaries §32-1-306, C.R.S.	Division of Local Government, County Clerk & Recorder and County Assessor of each county in which the District is situate	January 1
Notice to Electors §32-1-809, C.R.S.	All eligible electors, Clerk & Recorder of each county in which the District is located, and the Division of Local Government	No more than 60 days prior to and not later than January 15
Name of Chairman of the Board, the contact person, telephone number and business address of the District §32-1-104(2), C.R.S.	Board of County Commissioners, County Assessor, County Treasurer, County Clerk and Recorder, governing body of any municipality in which District is located, Division of Local Government	January 15
Report of gifts, honoraria, or other benefits in connection with Director's public service §24-6-203(2), C.R.S.	Secretary of State (*Note: This Gift Report will no longer be required for special districts beginning with the October 15, 2012 Report.)	January 15, April 15, July 15 and October 15
Resolution designating where the District's agenda notice posting place shall be §24-6-402(2)(c), C.R.S.	None	First Board of Directors meeting of each year
Post Notices of meetings of a quorum of the Board: 1. Regular meetings §32-1-903(2), C.R.S. 2. Special meetings §32-1-903(2), C.R.S. 3. All meetings (Includes agenda items) §24-6-402(2)(c), C.R.S.	County Clerk and Recorder of each county where the District is located, three public locations within District boundaries County Clerk and Recorder of each county where the District is located, three public locations within District boundaries At designated posting location	72 hours prior to meetings throughout the year. We recommend once at the beginning of each year. 72 hours prior to any special meeting. 24 hours prior to all Board meetings at the designated location, pursuant to above resolution.
Certified copy of adopted budget §29-1-113(1), C.R.S.	Division of Local Government	No later than January 30 (enact Resolution adopting budget by December 15, if certifying mill levy, or December 31, if not levying property taxes)
Updated information list of all contracts in effect with other political subdivisions, including parties, nature of contract and expiration date §29-1-205, C.R.S.	Division of Local Government	February 1
Report of outstanding non-rated public securities as of the end of the fiscal year §11-58-105, C.R.S.	Division of Local Government.	March 1

Filings and Posting Schedule

Application for audit exemption (if applicable) §29-1-604, C.R.S. and §29-1-606(7), C.R.S.	State Auditor If the District has authorized but unissued general obligation debt as of the end of the fiscal year, send copy to Board of County Commissioners for each county in which District is located or governing body of municipality that approved the Service Plan	March 31
Audit report §29-1-606, C.R.S.	State Auditor If the District has authorized but unissued general obligation debt as of the end of the fiscal year, send copy to Board of County Commissioners for each county in which District is located or governing body of municipality that approved the Service Plan	30 days after report is received, but not later than July 30
Certificate of Election results §1-11-103, C.R.S.	Division of Local Government	Within 30 days after election day
Certification of ballot issue election to incur general obligation indebtedness §32-1-1101.5(1), C.R.S.	Board of County Commissioners for each county in which District is located or governing body of municipality that approved the Service Plan, and the Division of Securities	Within 45 days after election day, by certified mail
Annual Report §32-1-207(3)(c), C.R.S.	Board of County Commissioners, any municipality in which District is located, Division of Local Government, State Auditor, and County Clerk and Recorder	Upon request of Board of County Commissioners or Municipality
Certification of mill levy §39-5-128(1), C.R.S.	Board of County Commissioners	December 15
Resolution Adopting Budget and Appropriating Sums of Money §29-1-108(2), C.R.S.	None required, but recommend filing with Division of Local Government	Adopt prior to Certification of mill levy (December 15), or prior to December 31 if not levying property taxes.
Transparency Notice § 32-1-809, C.R.S.	County Clerk and Recorder, Division of Local Government, and must be available for public inspection at the District's principal business office. In addition, it must be (a) mailed to each household; (b) included prominently in a newsletter, billing statement, or other informational mailing sent to eligible electors; (c) posted on the District's website if the Division of Local Government's website has a link to the District's website; (d) posted on the SDA website (SDA members only); or (e) for Districts with less than 1,000 eligible electors wholly located within a county with a population of less than 30,000, posted in at least 3 public places within the District's limits and in the Clerk and Recorder's office. The notices shall remain posted until the Tuesday succeeding the first Monday of the following May.	Between November 16 and January 15 (no more than 60 days prior to and not later than January 15 of each year)

F. Fiduciary Obligations:

1. General:

A Director has a general, common-law fiduciary obligation to the District. *§24-18-109, C.R.S.* This obligation does not extend to each individual resident of the District, but rather to the District itself. As a fiduciary, the Director has the duty to exercise the utmost good faith, business sense and astuteness on behalf of the District. A Director is prohibited from taking personal advantage of a situation to benefit himself or prejudice the District.

2. Confidential Information:

Directors will likely become privy to confidential information about the District. When a District seeks legal counsel, the communications between the lawyer and the District are confidential and are protected by the attorney-client privilege. *The Colorado Rules of Professional Conduct, Rule 1.6 and §13-90-107(1)(b), C.R.S.* Discussions regarding specific legal questions in executive session are “privileged.” *Id.* and *Patricia C. Tisdale and Erin M. Smith, The Maverick Council Member: Protecting Privileged Attorney-Client Communications from Disclosure, 23 COLO. LAW. 63, 63 (1994).*

The attorney-client privilege protects the content of communications with the District’s attorney from disclosure in court. This is an important protection for the District. Be careful, though, because the privilege can be lost by disclosing the confidential communications to a third party. Once the privilege is lost, the content of the communications is no longer considered confidential, and it can be used against the District in future lawsuits.

Keep in mind that the District holds the attorney-client privilege, not the individual Board members. *The Colorado Rules of Professional Conduct, Rule 1.13.* Therefore, only the District as a whole can waive the attorney-client privilege by an intentional, official act, such as adoption of a resolution. An inadvertent or unauthorized disclosure of confidential information by one Director does not constitute a waiver of the privilege, meaning the “leaked” information cannot be used against the District in court. Still, it can still be extremely damaging to the District if Directors discuss confidential information with people who are not on the Board, even it seems harmless to you.

You can protect the District’s confidential information by not discussing District affairs with anyone outside of Directors and the District’s attorney.

G. Compensation:

1. Limitations:

Directors may receive compensation not in excess of \$1,600 per annum, payable not to exceed \$100 per meeting attended. *§32-1-902(3)(a), C.R.S.* Any “perks” received by a Director may be considered compensation and subject to the limitations, unless they are in exchange for value actually received or are considered to be a valid expense otherwise subject to reimbursement.

No Director shall receive any compensation as an employee of the special district. *§32-1-902(3)(b), C.R.S.*

2. Reimbursement

Reimbursement of actual expenses for Directors shall not be considered compensation. *§32-1-902(3)(b), C.R.S.* Actual expenses may include mileage and out-of-pocket expenses incurred in service as a Director.

3. Gifts:

The law regarding quarterly reports of gifts, honoraria, or other benefits received in connection with a Director’s public service was changed in the 2012 legislative session. Special district directors must still file a gift report with the Colorado Secretary of State by July 15, 2012, if applicable, however quarterly gift reports will no longer be required for special district directors beginning October 15, 2012. *§24-6-203(2), C.R.S.*; also see Filings and Postings Schedule.

Although most attorneys do not believe it applies to special districts, Amendment 41 adopted in 2006 places further prohibitions on gifts with value exceeding \$53 (adjusted) given to county and municipal officials, employees of local governments and their immediate family members. This gift ban is unrelated to any official action, and is without regard to any intent to corrupt or influence. *Art. XXIX, Sect. 3, Colorado Constitution.*

For a discussion of the rules surrounding gifts to Directors and conflicts of interest, see Chapter VII - Conflict of Interest.

H. Bylaws, Rules and Regulations, and Policies:

The Board of Directors may adopt bylaws which would govern other aspects of Board membership, and Rules and Regulations not in conflict with state law.

[*§32-1-1001\(1\)\(m\), C.R.S.*](#) Bylaws have been found to be helpful in maintaining order and providing a framework for the Board's actions. Rules and Regulations are important to adopt as laws for the operation of the District.

The courts enforce adopted Rules and Regulations, and yield to the judgment and discretion of the District's Board of Directors in matters of interpretation and application. *Bennett Bear Creek Farm Water and Sanitation District v. City and County of Denver, 928 P.2d 1254 (Colo. 1997)*. A court will not imply rules and regulations if they have not been formally adopted by the governing body.

Policies and procedures (usually for staff purposes) on personnel matters, handling of District money, investments, authorization to make contracts, etc., are also important for the efficient operation of the District.

I. Recall:

Any Director who has held office for at least six months may be subject to recall. [*§32-1-906, C.R.S.*](#) and [*§1-12-102\(1\), C.R.S.*](#)

In order to recall a Director, a petition signed by the lesser of 300 or 40% of eligible electors must be filed asserting the grounds for recall, and a recall election must be held. [*§§32-1-906, -907 C.R.S.*](#)

The election of a successor shall be held at the same time as the recall election. [*§1-12-118\(1\), C.R.S.*](#)

J. Inactive Status for Certain Districts:

A district that is in a predevelopment stage, has no business or commercial ventures or facilities in its boundaries, has not issued any general obligation or revenue debt, has not imposed a mill levy for collection, anticipates no revenue and has no planned expenditures, and has no operation or maintenance responsibility for any facilities may enter into "inactive status," during which time the District is relieved from compliance with certain statutory obligations and filings, such as boundary maps, annual notice to electors, noticing and conducting regular and special board

meetings, budgeting procedures, filing list of intergovernmental contracts and agreements, annual audits or applications for exemption, and property valuation and assessment and mill levy certification procedures.

A period of inactive status is commenced by the Board adopting a resolution of inactive status and filing (by December 15) a notice of inactive status with certain prescribed entities. Permitted activities during this "time-out" period are conducting elections and undertaking the procedures necessary to implement a return to active status.

The District must come into compliance with all the legal requirements from which it has been exempt in order to return to active status. [*§32-1-104\(3\)-\(5\), C.R.S.*](#)

Chapter II Board Meetings

A. Calling the Meeting:

1. Designation of Time and Place:

The Board must designate and post the time and place for all Board meetings. *§32-1-903(1)-(2), C.R.S.* The Board must adopt a resolution at the first regular meeting of each year designating the posting place of the 24-hour agenda notice. *§24-6-402(2)(c), C.R.S.* We recommend that such resolution be adopted at the first meeting of each year, regardless of whether it is a special or regular meeting.

All special and regular Board meetings must be at locations within the District boundaries, or within the boundaries of any county or counties in which the District is located, or, if outside the county, at a location not greater than 20 miles from the District boundaries, unless i) the Board adopts a resolution stating the reason for holding the meeting at an alternate location and the date, time and place of the meeting; and ii) the proposed change of location appears on the meeting agenda for the meeting at which the resolution is considered. *§32-1-903(1), C.R.S.*

2. Notice to Directors:

All Directors must be notified of any regular or special meeting of the Board. *§32-1-903(1), C.R.S.*

3. Notice to Public:

a. 72-hour Notice:

Notice of the time and place of designated regular or special meetings shall be posted in at least three public places within the boundaries of the District and in the office of the county clerk and recorder of each county in which the District is located, at least 72 hours prior to said meeting. *§32-1-903(2), C.R.S.* Special notice must be included in the 72-hour notice posting of the decision to undertake any of the following acts. *§32-1-903(3), C.R.S.:*

- i. making a final determination to issue or refund general obligation indebtedness;
- ii. consolidating the District;

iii. dissolving the District;

iv. filing a plan for adjustment of debt under federal bankruptcy law;

v. entering a private contract with a Director; or

vi. not making a scheduled bond payment.

b. 24-hour Notice:

In addition to the 72-hour notice requirement, notice of all meetings of a quorum of the Board at which any public business is discussed must be posted at a designated public location within the District no less than 24 hours prior to said meeting. The 24-hour posted notice must include specific agenda information when possible. *§24-6-402(2)(c), C.R.S.*

c. Requested Notice:

The District must keep a list of all persons requesting notice of all meetings or of meetings when certain specified policies will be discussed, and provide reasonable advance notice to such persons. Once a person has requested individualized notice, they are to be included on the list for two years. What constitutes “reasonable” notice is left to the discretion of the District. Inadvertent failure to provide notice to a listed person will not invalidate the meeting or actions taken at such meeting. *§24-6-402(7), C.R.S.*

B. Open to the Public:

All meetings of a quorum, or three or more members (whichever is fewer), of the Board of Directors at which public business is discussed or formal Board action may be taken must be open to the public. *§24-6-402(2)(b), C.R.S.* Open meeting requirements do not apply to chance meetings or social gatherings at which discussion of public business is not the central purpose.

Open meeting requirements apply to formal meetings of the Board and study sessions. Such requirements do not apply to staff meetings where a quorum of the Board is not present.

Open meetings must be open to all members of the public, including reporters, attorneys and any other representatives.

The use of recording devices at open meetings is neither prohibited nor required by the Colorado statutes. Many attorneys believe that the Board must allow for video and audio recording of its meetings, but may prescribe rules for the use of recording devices, such as specifying the location where recorders must be positioned and restricting recordings which interrupt or interfere with the conduct of the meeting.

C. Rules of Procedure:

The Board may adopt standard rules of procedure to govern how Board meetings are conducted. Such rules provide desirable order and efficiency, and may be included within the District Bylaws.

D. Voting:

A quorum (more than one-half of the number of directors serving on the Board, of the Board must be present before the District may take any official act or vote. A majority of the quorum in attendance is required to pass a measure. [§32-1-103\(16\), C.R.S.](#) and [§32-1-903\(2\), C.R.S.](#)

A Director is required to devote his/her personal attention to matters of the District. Such attention requires a Director's own individual vote; proxy voting is not permissible.

The Chairman/President can make motions and can vote.

E. Attendance:

A Director is required to attend Board meetings. Attendance may be made via telephone conference. As long as the director is able to hear and be heard, telephonic attendance satisfies the attendance requirement. Any absences should be noted and excused (where appropriate) in the minutes of the meeting.

Failure to attend three consecutive regular meetings will result in the mandatory removal of the Director, unless approval of absence is entered in the minutes, or absence is excused by temporary mental or physical disability or illness. [§32-1-905\(1\)\(g\), C.R.S.](#)

F. Minutes:

The Secretary of the Board must keep accurate

minutes of all Board meetings. [§32-1-902\(1\), C.R.S.](#)

The minutes shall be kept in a visual text format that may be transmitted electronically and shall be open to public inspection upon request. [§§32-1-902\(1\), 24-6-402\(2\)\(d\)\(II\), C.R.S.](#)

G. Executive Sessions:

An executive or "closed" session may only be called at a regular or special meeting of the Board (not at a study session) by an affirmative vote of two-thirds of the quorum present. [§24-6-402\(4\), C.R.S.](#)

Executive sessions should be noted on the agenda for all meetings whenever possible.

The Chairman of the Board must announce, and the minutes reflect, one of the following topics of discussion for a valid executive session:

1. Purchase, acquisition, lease, transfer or sale of any property interest;
2. Conferences with the District's attorney regarding legal advice on specific legal questions; *(Note, the mere presence or participation of an attorney is not sufficient to satisfy this requirement.)*
3. Confidential matters pursuant to State or Federal law;
4. Security arrangements or investigations;
5. Negotiations;
6. Personnel matters, except 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 must request an open meeting;
7. Items concerning mandatory nondisclosure; or
8. Discussion of individual students where public disclosure would adversely affect the person.

If the topic of executive session is confidential due to State or Federal law, a specific citation to the applicable law must be announced. *§24-6-402(4)(c), C.R.S.*

Discussions that occur in an executive session shall be electronically recorded, including the specific citation to the Colorado Revised Statutes that authorizes the Board to meet in an executive session and the actual contents of the discussion during the session. *§24-6-402(2)(d.5)(II)(A), C.R.S.*

Executive session discussions between the Board and the District's attorney regarding specific legal questions are confidential and protected by attorney-client privilege. Therefore, they need not be recorded, electronically or otherwise. If they are not recorded, the attorney must attest that the portion of the discussion not recorded constituted privileged attorney-client communications, either by stating so on the tape or providing a signed statement which will be added to the minutes. *§24-6-402(2)(d.5)(II)(B), C.R.S. and The Colorado Rules of Professional Conduct, Rule 1.6.*

No formal action (vote) may be taken while in executive session. *§24-6-402(4), C.R.S.*

The District must retain the record of any executive session for at least 90 days. *§24-6-402(2)(d.5)(II)(E), C.R.S.*

H. Resolutions and Motions:

Official action of the Board may be taken through the adoption of a resolution, or by a motion duly made and passed by a majority vote of the Directors present at the meeting.

Chapter III Elections

Note: The Uniform Election Code (Articles 1 to 13 of Title 1, C.R.S.) (“Election Code”) applies to special district elections and should be read in conjunction with Part 8, Article 1 of Title 32, C.R.S. The following is an overview of the election requirements. **The Legislature amends the Election Code regularly - check the Election Code for statutory changes enacted after the publication of this Manual.**

A. Coordinated Elections:

1. Applicability:

A coordinated election is when more than one political subdivision with overlapping boundaries or the same electors holds an election on the same day and the county clerk and recorder is the coordinated election official. All November elections in which eligible electors are the same or boundaries overlap shall be coordinated elections, unless the election is to be conducted as an independent mail ballot election. [§§1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

Regular elections, special elections, and court-ordered elections conducted other than in November may be conducted as coordinated elections if (i) there is an overlap of electors or boundaries, (ii) the County Clerk and Recorder is the Coordinated Election Official, and (iii) the County, District, and other jurisdictions agree. [§§1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

2. Intergovernmental Agreement:

At least 70 days prior to the November coordinated election, the District must enter into an Intergovernmental Agreement with the County Clerk and Recorder for the conduct of the election and/or mailing of the notice required by Article X, Section 20 of the Colorado Constitution (“TABOR Notice”).

The Agreement shall include, but not be limited to the following:

- a. an allocation of responsibilities between the District and the County Clerk and Recorder; and

- b. A provision for the sharing of expenses based upon “actual cost.” [§1-7-116\(2\), C.R.S.](#)

B. Regular Elections:

Special districts must hold regular elections on the first Tuesday after the first Monday in May in even-numbered years for the purpose of electing Directors to the Board and, as applicable, for the submission of other ballot issues or questions. [§32-1-103\(17\), C.R.S.](#)

C. Special Elections:

Special elections may be held on the first Tuesday after the first Monday of February, May, October or December, in November of even-numbered years, or on the first Tuesday in November of odd-numbered years. Under circumstances of impossibility or impracticability, a court may order a special election to be conducted on a different election date. [§32-1-103\(21\), C.R.S.](#)

D. TABOR Elections:

A TABOR ballot issue election must be conducted as either a coordinated election or as a mail ballot election. [§32-1-805\(2\), C.R.S.](#) TABOR elections can only be conducted at the regular election date, the general election date, or the first Tuesday in November of odd-numbered years. [Article X, Section 20\(3\)\(a\), Colo. Const.](#)

E. Mail Ballot Elections:

The District may conduct an election by mail ballot after first obtaining approval from the Secretary of State of a written plan on conducting a mail ballot election. The written plan must be filed with the Secretary of State at least 55 days prior to the election. [§§1-7.5-101, et seq., C.R.S.](#)

F. Designated and Coordinated Election Officials:

For all November coordinated elections, the County Clerk and Recorder shall be the coordinated election official responsible for complying with notice and other statutory requirements, unless the Intergovernmental Agreement specifies otherwise. [§§1-1-104\(6.5\), 1-1-111\(3\), 1-7-116, C.R.S.](#)

The District Board shall appoint a Designated Election Official to conduct non-coordinated elections and assist in the conduct of coordinated elections. The Designated Election Official does not have to be the District Secretary. *§§1-1-111(2), 32-1-804(2), C.R.S.*

G. Election Notices:

1. TABOR Notices:

TABOR requires the mailing of a notice for ballot issue elections. The TABOR Notice shall be sent as a package where the boundaries of political subdivisions, including all special districts with ballot issues, overlap. The TABOR Notice must be addressed to “All Registered Voters” and mailed to each address of one or more active registered electors of the District at least 30 days prior to the election. *Article X, §20(3)(b), Colo. Const.*

The District must provide the County Clerk and Recorder with all necessary TABOR Notice information at least 42 days prior to a November coordinated election. *§1-7-904, C.R.S.* The County Clerk and Recorder shall have the responsibility of mailing the TABOR Notice package to each address where any active District elector resides within such County, if the election is being conducted in November. The Designated Election Official shall mail such notice to addresses of active District electors who do not reside in the County. *§1-7-906, C.R.S.*

The Designated Election Officials of special districts with overlapping boundaries that will be submitting ballot issues at the regular election shall confer at least 40 days prior to the election regarding the preparation and mailing of the TABOR Notice as a package. Such special districts must enter into an intergovernmental agreement for the preparation and mailing of the TABOR Notice. *§§1-7-905(2) and 1-7-906(3), C.R.S.*

2. Notice by Publication and Posting:

Notice of the specific election information, including the date and time of election, hours during which the polls will be open, address of the walk-in location and hours during which the walk-in location will be open for mail ballot elections, and for polling place elections, the complete ballot content and address of the location for application and return of mail-in (absentee) ballots and the hours during which the office will be open must be published in a newspaper of general circulation within the District

boundaries at least 10 days prior to the date of a polling place election and no later than 20 days prior to a mail ballot election. *§§1-5-205(1), 1-7.5-107(2.5), C.R.S.*

A copy of the notice must be posted in the office of the Designated Election Official at least 10 days prior to and until 2 days after the election, and mailed to the County Clerk and Recorder. *§1-5-205(1.3), (2), C.R.S.*

A District submitting a ballot issue concerning the creation of debt or other financial obligation shall post notice on the District’s website or, if the District does not maintain a website, at the District’s chief administrative office, no later than 20 days before the election. *§1-7-908(1)(a), C.R.S.*

3. Notice by Mail:

A voter information card may be mailed no later than 15 days prior to the date of election to each household where one or more active eligible electors reside. If it is a ballot issue election, the information to be included in this notice may be included in the TABOR Notice. *§1-5-206(2)(a), C.R.S.*

H. Conduct of Elections and Procedures:

For coordinated elections, the responsibility for the conduct and procedures of all elections shall be determined pursuant to the Intergovernmental Agreement with the County Clerk and Recorder. *§§1-1-111(3), 1-7-116, C.R.S.*

The District’s Designated Election Official should be aware of the following general requirements:

1. Election Resolution:

The election process is initiated by Board adoption of an Election Resolution. Depending on whether the election is a regular biennial election, a November election, or a special election, the election resolution may address the following, as applicable: the election of members to the Board of Directors; polling place or mail ballot format; the location(s) of the polling place(s); any ballot issues/questions to be presented; whether the election will be conducted as a coordinated election with the County; and the appointment of the Designated Election Official.

2. Call for Nominations:

Not less than 75 days or more than 90 days prior to

the regular election, a Call for Nominations must be published one time. The notice must set forth the director offices to be voted upon at the election, where a self-nomination and acceptance form may be obtained, the deadline for filing such form, and information on obtaining a mail-in ballot. [§32-1-804.1, C.R.S.](#)

3. Candidates:

A self-nomination and acceptance form signed by the candidate and one other registered voter of the District must be filed with the Designated Election Official no less than 67 days prior to the regular election. [§32-1-804.3\(1\), C.R.S.](#)

An affidavit of intent to be a write-in candidate must be filed with the Designated Election Official by the close of business on the 64th day prior to the date of election. [§1-4-1101\(1\) and §1-4-1102\(2\), C.R.S.](#)

The Designated Election Official shall provide copies of the self-nomination and acceptance forms and any affidavits of intent to be a write-in candidate to the Colorado Secretary of State no later than the date established for certification of the District's ballot. [Rule 8.1, Secretary of State Rules Concerning Campaign and Political Finance.](#)

4. Polling Places:

The Designated Election Official, with the approval of the Board, shall establish one or more polling places not less than 25 days prior to any non-coordinated election. [§1-5-102\(1\), C.R.S.](#) If there are no appropriate polling place locations within the District, a polling place may be designated outside of the District in a location that is convenient for the eligible electors of the District. [Rule 5.2, Secretary of State Election Rules.](#)

The polling place shall be in a public location whenever possible, but a private location may be used only when no appropriate public location is available. [§1-5-105\(3\), C.R.S.](#)

No later than 90 days prior to a November coordinated election, the County Clerk and Recorder shall designate polling places. [§1-5-102.5, C.R.S.](#)

A polling place sign must be posted at each polling place at least 12 days prior to the date of election. [§1-5-106, C.R.S.](#)

Polls shall be open continuously from 7:00 a.m. until 7:00 p.m. on the date of the election. [§1-7-101, C.R.S.](#)

5. Judges:

The Designated Election Official shall appoint Election Judges no later than 45 days prior to the date of election. [§1-6-105\(1.5\), C.R.S.](#)

For polling place elections, the Designated Election Official shall appoint no less than two (2) Election Judges to serve at each polling place of the District. [§1-6-111\(4\), C.R.S.](#)

For mail ballot elections, the Designated Election Official may appoint an appropriate number of Election Judges to receive the ballots after they are mailed, to handle "walk-in" balloting, check voter registrations, inspect, verify and duplicate ballots when necessary, and count the ballots and certify results. [Rule 12.2.1, Secretary of State Election Rules.](#)

The Board must determine the amount of compensation to be paid to the Election Judges for their services, which amount shall be not less than \$5. [§1-6-115\(1\), C.R.S.](#)

6. Property Owner and Voter Lists:

The Designated Election Official shall order the voter registration and property owners lists no later than 40 days prior to the day of election. The Designated Election Official may order initial voter registration and property owners lists to be received 30 days prior to the day of election, with a supplementary list provided 20 days prior, or complete lists provided 20 days prior to the day of election. [§§1-5-303\(1\), 1-5-304, and 1-7.5-107\(2\)\(a\) and \(b\), C.R.S.](#)

7. Permanent Mail-in Voting for Certain Metropolitan Districts:

At least 60 days prior to an election (polling place format) to be conducted by a Metropolitan District, the Designated Election Official for the Metropolitan District shall request the County Clerk in each county in which the Metropolitan District is located to provide the Designated Election Official with a list of the names and addresses of the registered electors residing within the Metropolitan District who have requested permanent mail-in voter status. Along with the request, the Designated Election Official shall certify that the Metropolitan District has provided the County Clerk

and Recorder with a current, accurate map of the District's boundaries. Within 10 days of receiving the list of registered electors, the Designated Election Official shall notify the County Clerk of any problems with the list.

In a Metropolitan District election with fewer than 10,000 electors, the Designated Election Official shall mail a mail-in ballot to each elector on the list. In a Metropolitan District election with more than 10,000 electors, the district board may choose to send ballots to all electors on the list or only to those electors who have either voted in at least one of the District's two most recent elections, or who have asked the District for a mail-in ballot. *§§32-1-805(5)(a),(b), (b.5) and (b.7) C.R.S.*

8. Watchers:

Each candidate for office and proponents and opponents of a ballot issue or ballot question are entitled to appoint one person to act as a watcher in every polling place in which they are a candidate or in which the issue or question is on the ballot. The names of persons appointed to serve as watchers shall be certified to the Designated Election Official on forms provided by the Designated Election Official. Watchers must be eligible electors of the District. *§§1-7-107 and 1-7-108, C.R.S.*

9. Ballots and Voting Machines:

The Board may authorize the use of voting machines. *§1-5-603, C.R.S.*

The Designated Election Official must have available the printed ballots at least 30 days prior to the election. *§1-5-406, C.R.S.*

The Designated Election Official shall prepare and deliver to the polling places sufficient equipment and ballots prior to 8:00 p.m. on the Monday before the election. *§1-5-410, C.R.S.*

The Designated Election Official shall issue mail-in ballots upon written request, and shall keep a record of: (i) name of each applicant; (ii) address to which the ballot is to be sent; (iii) date of receipt of application; (iv) date mail-in ballot was sent; (v) date of return of mail-in ballot; and (vi) stub number of ballot sent. *§§1-8-107 and 1-8-108, C.R.S.* The request for a mail-in ballot may be made in writing or by fax, using the application form furnished by the Designated Election Official or in the form of a letter that includes the

applicant's printed name, signature, residence address, date of birth and whether the applicant wishes to be designated as a permanent mail-in voter pursuant to *§1-8-104.5, C.R.S.* The application must be filed with the Designated Election Official no later than the close of business on the Friday preceding the election, except that if the applicant desires to receive the mail-in ballot by mail, the application must be filed by the close of business on the 7th day before the election. *§1-8-104, C.R.S.*

Mail-in ballots, sealed in return envelopes, shall be returned to the Designated Election Official no later than 7:00 p.m. on the day of election. *§1-8-113, C.R.S.*

10. Eligible Electors:

Any person desiring to vote at any election shall be required to sign a self-affirmation that he/she is an eligible elector of the District. *§32-1-806(2), C.R.S.*

An eligible elector for a special district election is a person who is **registered to vote** in the State of Colorado **and is either:**

- a. **A resident** within the special district boundaries or area to be included within the special district boundaries at least thirty (30) days prior to Election Day; **or**
- b. **The owner (or the spouse of the owner) of taxable real or personal property** situated within the special district boundaries or area to be included within the special district boundaries. *§32-1-103(5)(a) and (b), C.R.S.*

A person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the special district or area to be included within the special district boundaries is considered an owner for the purposes of 10.b. above.

The property owner must be a natural person, not a corporation, trust, partnership, etc.

11. Transferring Property to Qualify Someone as an Eligible Elector:

No person shall take or place taxable property in the name of another or enter into a contract to purchase or sell

taxable property for the purpose of attempting to qualify such person as an eligible elector at any special district election, or to fill a vacancy on a Board, or to become a candidate for director in a special district election except under the following circumstances:

- a. A vacancy exists on the Board and no eligible elector files a letter of interest in filling such position within ten (10) days after publication of a notice of such vacancy; or
- b. There are more than ten (10) eligible electors in a special district organizational election and, on or after the second day before the deadline for filing the self-nomination and acceptance forms, there are less candidates than the number of director offices to be voted upon at such election; or
- c. There are less than eleven (11) eligible electors as of any date before a special district organizational election; or
- d. In a regular election, on or after the day after the deadline for filing self-nomination and acceptance forms, there are fewer candidates than the number of director offices to be voted upon at such regular election. [*§32-1-808\(2\)\(a\), C.R.S.*](#)

12. Provisional Ballots:

A provisional ballot may be cast by an elector who:

- a. Appears at a polling place to vote and does not show identification.
- b. Does not provide a copy of his/her identification with a voted mail or mail-in ballot if required because such elector is a first-time voter who registered to vote by mail and did not provide identification with such registration application; then the mailed in ballot shall be considered provisional.
- c. Applied for a mail-in ballot, which was

either spoiled, not received or otherwise did not cast such mail-in ballot, and appeared at a polling place location desiring to vote.

- d. Requests to vote and whose right to vote was challenged, but the elector refused to answer the questions asked or refused to sign the challenge form or take the oath as required by law.

Except for mailed in ballots, an elector casting a provisional ballot shall complete and sign a provisional ballot affidavit and seal the voted ballot in a provisional ballot envelope. No elector shall be denied the right to cast a provisional ballot in any election.

The Designated Election Official shall attempt to verify that an elector who cast a provisional ballot is eligible to vote. If the elector signs the provisional ballot affidavit, the ballot shall be counted if the Designated Election Official determined the elector was eligible to vote in the election. If the elector's eligibility cannot be verified, the ballot shall not be counted. Provisional ballots must be kept separate from all other ballots and counted separately. If 25 or more provisional ballots are cast and counted, the results of such count shall be reported separately. If fewer than 25 provisional ballots are cast and counted, the results shall be included in the results of voting by mail-in ballot. Votes cast by provisional ballot shall not be included in any unofficial results reported, only as part of the official canvass.

13. Ballot Certification:

No later than 60 days prior to an election, the Designated Election Official must certify the content of the ballot. For coordinated November elections, the certification must be delivered to the County Clerk and Recorder of each County that has territory in the District. [*§1-5-203\(3\)\(a\), C.R.S.*](#)

For a regular election, the ballot shall include the names of each candidate who filed a valid self-nomination and acceptance form. The order of the names on the ballot shall be determined by lot drawing. Each candidate shall be notified of the time and place of the lot drawing. [*§1-5-406, C.R.S.*](#)

14. Election Returns and Canvass Board:

For polling place elections, upon the close of the

polls on election day (unless Counting Judges have been appointed, then as soon as 8:00 a.m. on election day), the Election Judges shall count the votes cast and prepare an abstract of the election results, which shall be immediately posted at each polling place until 48 hours after the election. For mail ballot elections, counting of the mail ballots may begin 15 days prior to the election. The Election Judges shall also issue a certification of election results and submit it to the Designated Election Official. *§§1-7-305, 1-7-601, 1-7-602, 1-7-701 and 1-7.5-107.5, C.R.S.*

At least 15 days prior to an election that is not a coordinated election, the Designated Election Official shall appoint at least one Board member and at least one eligible elector who is not a Board member to assist the Designated Election Official in canvassing the votes. For coordinated elections, the Canvass Board shall be appointed in accordance with the Intergovernmental Agreement between the governing bodies holding the election. Within seventeen (17) days after the election, the Canvass Board must meet to canvass the votes and issue the Official Abstract of Votes Cast. Each member of the Canvass Board, except District Board members, shall receive a minimum fee of \$15 for each day that person is acting in the capacity of a member of the Canvass Board. Each member of the Canvass Board shall first take an oath. *§§1-10-201, 1-10-203(1), C.R.S.*

The Designated Election Official shall notify the candidates of their election to office. The results of the election shall be certified to the Division of Local Government within 30 days after the election; along with the certification, the District shall also provide the business address and telephone number of the District, and the name of a contact person. *§§1-11-103 and §32-1-104(1), C.R.S.*

For debt authorization elections, the election results must be certified within 45 days after the election to the Board of County Commissioners of each county in which the District is located or to the governing body of the municipality that approved the Service Plan, and to the Division of Securities. *§32-1-1101.5(1), C.R.S.*

The Board shall preserve all sealed ballots, election materials and records for a period of at least 25 months after the election or until the time has expired for which the records are needed for any contest proceeding, whichever is later. *§1-7-802, C.R.S.*

15. Cancellation:

If the only matter before the electors is the election of Directors and if at the close of business on the 63rd day prior to the date of the regular election, there are not more candidates than offices to be filled, including candidates filing affidavits of intent, the election may be cancelled by the Designated Election Official if so instructed by resolution of the Board. The Designated Election Official shall declare the candidates elected to the Board. Notice of the cancellation must be published one time prior to the election and posted at each polling place of the District and in the offices of the County Clerk and Recorder for each county in which the District is located, and in the office of the Designated Election Official. A copy of the notice shall be filed with the Division of Local Government. The candidates must be notified that the election was cancelled and that they were elected by acclamation. *§1-5-208, C.R.S.*

If the only matter before the electors is the consideration of ballot issue(s) or ballot question(s), the Board may cancel the election no later than 25 days prior to a coordinated November election or at any time prior to any other election. Notice of the cancellation must be published and posted as indicated above. *§§1-5-208(2) and (6), C.R.S.* No election may be cancelled in part. *§1-5-208(4), C.R.S.*

16. Directors Take Office:

The Designated Election Official shall notify the candidates of their election to office. After the oath of office and any required bond are filed with the District Court having jurisdiction over the special district, the Division of Local Government, and the County Clerk and Recorder, the Designated Election Official shall make a formal certificate of election for each person who was elected and shall deliver the certificate to that person. *§1-11-103(1) and 32-1-901, C.R.S., and Article XII, §9, Colo. Const.*

The term of office of each newly elected person shall commence at the next meeting of the Board following the election, but no later than 30 days following the survey of returns and upon the signing of an oath and posting of a bond.

If the election was cancelled, the term of office of the persons declared elected shall commence at the next meeting of the Board following the date of the election, but no later than 30 days following the date of the election and upon the signing of an oath and posting of a bond. *§1-1-202, C.R.S.*

I. Election Calendar:

DATE	SUMMARY
To initiate election process	Adopt Election Resolution.
100 days prior	Notify County Clerk and Recorder (“CCR”) of participation in November coordinated election.
90-75 days prior to regular election	Publish Call for Nominations one time.
70 days prior	Enter into Intergovernmental Agreement with CCR for November coordinated election.
67 days prior to regular election	File self-nomination and acceptance forms with Designated Election Official (“DEO”).
64 days prior to regular election	File affidavit of intent to be a write-in candidate with DEO.
63 days prior, by close of business	Regular election may be cancelled if there are no more candidates than positions to be filled, and there are no ballot issues or ballot questions.
60 days prior	<p>Certify ballot content. Such certification shall be to the CCR for November coordinated elections.</p> <p>Designated Election Official of regular election files copies of self-nomination and acceptance forms and affidavits of intent to be a write-in candidate with Secretary of State.</p> <p>Metropolitan Districts request CCR to provide list of registered electors residing in the District who have requested permanent mail-in voter status.</p>
55 days prior	Notify the Secretary of State if a mail ballot election is going to be conducted. The notification shall include a proposed plan for conducting the mail ballot election.
Friday before 45 th day prior	Deadline for acceptance of written comments for or against a TABOR ballot issue.
45 days prior	<p>Appoint Election Judges, certify list of Election Judges and mail acceptance form to each person appointed.</p> <p>Earliest date to conduct election judge training.</p>
42 days prior	For November coordinated election, the DEO shall deliver the District’s TABOR Notice to the CCR.
40 days prior	<p>For elections not conducted in November, overlapping districts conducting a ballot issue election shall confer regarding the preparation of the TABOR Notice and enter into an agreement for the preparation and mailing of the TABOR Notice to the addresses of all registered electors in the overlapping area.</p> <p>The DEO shall order the voter registration and property owners lists.</p> <p>The Secretary of State shall approve or disapprove the written plan for the conduct of a mail ballot election.</p>
30 days prior	<p>Mail TABOR Notice to address of each active registered elector of District.</p> <p>CCR shall certify and deliver an initial voter registration list.</p> <p>The County Assessor shall certify and deliver an initial list of all recorded owners of taxable real and personal property within the District.</p> <p>The DEO shall have printed ballots available.</p>
29 days prior	Deadline to register to vote.
25 days prior	Establish polling places (for other than November coordinated elections).
22 days prior	Begin mailing to each active eligible elector a mail ballot package. Mail ballots shall also be made available at the DEO’s office for eligible electors.
20 days prior	For mail ballot elections, publish Notice of Election one time. Also post a copy of the Notice in a conspicuous place in the DEO’s office until two days after the election. Mail copy of Notice of Election to the CCR in

Election Calendar

	<p>each county in which the District is located.</p> <p>The CCR shall certify supplemental or complete voter registration list.</p> <p>The County Assessor shall certify supplemental or complete property owners list.</p> <p>For debt obligation elections, post notice of additional financial information on District's website or in chief administrative office of the District if the District has no website.</p>
18 days prior	Deadline for mailing mail ballot packages.
15 days prior	<p>If appropriate, mail voter information card to electors concerning the election.</p> <p>Appoint Canvass Board.</p>
12 days prior	Post notice of polling place.
10 days prior	For polling place elections, publish notice of election one time. Post a copy of the notice in a conspicuous place in the DEO's office until two days after the election. Mail a copy of the notice of the election to the CCR of each county in which the District is located.
7 days prior	<p>Deadline for filing application for mail-in ballot if ballot is to be mailed to elector.</p> <p>Deadline for requesting replacement mail ballot if ballot is to be mailed.</p>
Friday preceding the election	Deadline for filing applications for mail-in ballot if the ballot is not to be mailed to elector.
1 day prior	DEO shall give Election Judge the registration records and all necessary election supplies, including ballots.
Election Day	<p>Counting judges may begin counting at 8:00 a.m.</p> <p>As soon as the polls close, Receiving Judges may proceed to count the ballots. Judges shall not adjourn until the counting is completed.</p> <p>The Election Judges shall post the results of the election in a conspicuous place, which can be seen from the outside of the polling place immediately upon completion of the counting, and for at least 48 hours.</p>
No later than 17 days after election	<p>For elections not coordinated with the County, the Canvass Board shall meet, survey the returns, and issue the Official Abstract of Votes Cast.</p> <p>For November coordinated elections, County Canvass Board shall finalize election results.</p>
No later than 30 days after election	<p>Certify election results to the Division of Local Government.</p> <p>Newly elected directors take oath of office.</p>
No later than 45 days after	If a debt authorization election was conducted, file election results with the Board of County Commissioners or the municipality that approved the Service Plan and with the Division of Securities.

J. Campaigning:

Under the Fair Campaign Practices Act *Article 45 of Title 1, C.R.S.*, Districts may not make contributions or contributions in kind to campaigns involving the nomination, retention, or election of any person to any public office, or to urge electors to vote in favor of or against any issue before the electorate.

A Board member may expend not more than \$50 of District funds on letters, telephone calls, or other activities incident to making statements or answering questions concerning the issue.

Districts may, however, expend public monies or make contributions in kind to dispense fair and balanced information on any issue of official concern before the electorate. This information must be factual, must include arguments both for and against the proposal, and cannot contain a conclusion or opinion in favor of or against any issue addressed.

The Board is permitted to adopt a resolution of advocacy on any ballot issue or referred measure, and report the adoption of the resolution by customary means other than paid advertising.

The statutes do not prohibit a public employee or Board member from working on a campaign or speaking out on an issue on his or her own time, or spending his or her own funds to urge electors to vote in favor of or against any issue before the electorate.

The statutes also restrict the activities of campaign committees and require the filing of certain reports.

Chapter IV Service Plans

A. Conformance:

The District must conform, so far as practicable, to its adopted Service Plan. *§32-1-207(1), C.R.S.* (For Districts formed prior to 1965, a Statement of Purpose substitutes for a Service Plan. *§32-1-208, C.R.S.*). The Colorado Court of Appeals has determined that provisions of a service plan stating that certain facilities “will” be built obligate the District to build those facilities, unless the District can demonstrate that compliance with the service plan is no longer “practicable.” *Plains Metropolitan District v. Ken-Caryl Ranch Metropolitan District, 250 P.3d 697 (Colo. App. 2010)(cert. denied).*

Note

Notice of a proposed District activity, published one time in a newspaper of general circulation, restricts certain injunctive actions which may be brought against the District for material departures from the Service Plan, unless such action is brought within 45 days after publication of such notice. Such notice shall also be filed with the District Court and Board of County Commissioners or governing body of the municipality which approved the Service Plan. *§32-1-207(3)(b), C.R.S.*

B. Amendment and Modification:

The Service Plan may, from time to time, be amended to conform with changed circumstances or conditions of the District.

Material modifications of the Service Plan may be made only by petition to, and approval by, the Board of County Commissioners or governing body of the municipality that approved the original Service Plan, in substantially the same manner as is provided for the approval of the original Service Plan, except that the processing fee shall not exceed \$250. *§32-1-207(2), C.R.S.*

The following is a partial list of what may constitute a “material modification.” *§32-1-207(2), C.R.S.*:

1. any addition to the types of services provided;
2. a decrease in the level of services;

3. a decrease in the financial ability of the district to discharge indebtedness;
4. a decrease in the need for organized service in the area; or
5. an inclusion of property into a new county or city, if so determined by the Board of County Commissioners or governing body of the municipality.

C. Transfer of Authority to Annexing Municipality:

If a District originally approved by a Board of County Commissioners becomes wholly contained within a municipality, the District may petition the municipality to accept designation as the approving authority of the District. If the municipality adopts a resolution of approval, all powers and authority shall be transferred from the Board of County Commissioners to the governing body of the municipality. *§32-1-204.7, C.R.S.*

Chapter V Financial Matters

A. Fees, Rates, Tolls, and Charges:

The Board has the power to fix, and from time to time increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the District. *§32-1-1001(1)(j), C.R.S.* However, fees and charges must be justified either through internal evaluation of the District's costs for providing such services, programs or facilities, or through the determination of an outside consultant hired by the District that the fees are reasonable. *Nollan v. California Coastal Commission, 483 U.S. 825 (1987); Dolan v. City of Tigard, 512 U.S. 687 (1994).* Additional restrictions exist on what fees can be charged by fire protection districts. *§32-1-1002(1)(e), C.R.S.*

In some instances, a charge for the availability of water or sewer service may be implemented. "Availability of service" fees involve some complex legal issues. *§32-1-1006(1)(h), C.R.S.*

For further discussion regarding penalties and disconnection, see *Collection of Delinquencies and Assessment of Penalties* in Section C below.

Any land development charges imposed as a condition of approval (i.e., tap fees) must be deposited in an interest-bearing account which clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. Land development charges, average annual interest rate on each account, and total amount disbursed from each account must also be posted on the district's web site, if any, at least once annually. *§29-1-803, C.R.S.*

B. Mill Levy:

The Board shall fix a rate of levy of taxes, and shall certify that rate to the Board of County Commissioners by no later than December 15 of each year. *§32-1-1201, C.R.S.*

Annual increases in general operating tax revenue are limited by both Article X, Section 20 of the Colorado Constitution ("TABOR") and the 5.5% statutory limitation, *§29-1-301, C.R.S.*, unless a greater increase is approved at an election or, in some cases, by the Division of Local Government.

The Board may assess a different water or sewer mill levy (or water or sewer service charge) against different properties within the District as long as the basis for differentiation is according to facilities or services furnished and is uniform among property owners similarly situated. Such differentiation must be established to avoid violation of the Constitutional provision of equal taxation.

§32-1-1006(1)(b), C.R.S.

C. Collection of Delinquencies and Assessment of Penalties:

All unpaid fees, rates, tolls, penalties and charges constitute a perpetual lien against the property served. *§32-1-1001(1)(j), C.R.S.* Such lien is entitled to priority over other encumbrances such as prior recorded deeds of trust (but not tax liens). *Wasson v. Hogenson, 583 P.2d 914 (Colo. 1978); North Washington Water and Sanitation District v. Majestic Savings and Loan Association, 594 P.2d 599 (Colo. 1979).*

A penalty may be assessed against all delinquencies in payment, together with the assessment of interest not to exceed one percent per month. Service may be discontinued against any property whose owner is delinquent in the payment of fees or charges. *§§31-35-402(1)(f) and 32-1-1006(1)(d), C.R.S.*

Prior to disconnecting service, due process requires that certain procedures be followed, including notice and an opportunity for a hearing before a designated employee or the Board. *Memphis Light, Gas and Water Division v. Craft, 436 U.S. 1 (1978).* The notice must be in writing and provided to the property owner and the property address (if different from the owner's address) prior to disconnecting service and must state the amount of the delinquency, the date of shut off, and that the customer has the right to a hearing to protest the threatened termination of service. If the customer then requests a hearing, directions to the hearing location must be provided.

For water, sewer, or water and sewer services only, in addition to disconnection of service (after proper notice) or foreclosure, the District may certify delinquent accounts to the County Treasurer for collection along with taxes. Such accounts may then be collected by the County, and the proceeds distributed to the District. *§32-1-1101(1)(e), C.R.S.*

Districts are allowed to add delinquency charges to delinquent fees and assessments, but the amounts are limited

by statute. The limitations are spelled out in the Local Government Delinquency Charges statute. *§§29-1-1101, et seq., C.R.S.*

Small claims courts may also provide an alternative and cost effective means by which to collect delinquent accounts.

D. Budget:

A District must adopt an annual budget prior to certifying the District's mill levy. *§§29-1-103(1) and 29-1-108(2), C.R.S.* Adoption of the budget must be considered at a public hearing. *§29-1-108(1), C.R.S.*

The Board must designate a qualified person who shall prepare the budget and submit it to the Board on or before October 15 of each year. *§29-1-105, C.R.S.* The County Assessor shall certify the district's assessed valuation by August 25 of each year. *§39-5-128(1), C.R.S.* Any changes to assessed valuation must be provided by the County Assessor by December 10 of each year. *§39-1-111(5), C.R.S.*

Upon receipt of the proposed budget, the Board shall publish notice of the following one time in a newspaper of general circulation: (i) the date, time and place of a budget hearing; (ii) that the budget is open for public inspection and location where budget can be reviewed; and (iii) that interested parties may file objections any time prior to final adoption. *§29-1-106(1), C.R.S.* If the District's proposed budget is \$50,000 or less, however, such notice shall be posted in three public places within the District in lieu of publication. *§29-1-106(3), C.R.S.*

A certified copy of the adopted budget and budget message must be filed with the Division of Local Government no later than 30 days following the beginning of the fiscal year of the budget (i.e., no later than January 30). *§29-1-113, C.R.S.*

Analyses of the following components (both short and long term) will be useful in preparation of the District's budget under TABOR: growth calculation, spending, revenues, emergency reserves and refunds.

E. Appropriation:

Before the mill levy is certified, the District must adopt a resolution adopting the budget and making appropriations for the budget year. The amounts appropriated shall not exceed the budgeted expenditures. *§29-1-108(2), C.R.S.* Any action or expenditure made beyond the appropriated sum is considered invalid and void. *§29-1-110, C.R.S.* However, the amount of appropriated funds may be supplemented or adjusted during the year by adoption at a public hearing of a Resolution amending the budget. If the adjusted budget exceeds \$50,000, notice of the public hearing must be published one time; otherwise, notice must be posted in three public places within the District boundaries. A certified copy of the adopted Resolution must be filed with the Division of Local Government. *§29-1-109(c), C.R.S.*

F. Donations or Gifts by Districts:

Local governments are not permitted to make any donation or grant to, or in aid of, a private individual or entity without receiving value in return. However, "value" is a relative term and can be determined many ways. For example, donating a round of golf to a charity for its silent auction can have marketing and public relations value for a District. *Art. XI, Sect. 2, Colo. Const.*

G. Public Funds:

1. Investments:

A District may invest public funds in an authorized investment vehicle. *§§24-75-601, et seq., C.R.S.*, subject to rating categories and maturity dates. Types of available investments include:

- a. United States Treasury obligations;
- b. certain United States Agency obligations;
- c. repurchase agreements collateralized by appropriate United States Treasury or Agency obligations; and
- d. Colorado local government investment pools.

Refer to *§§24-75-601, et. seq., C.R.S.* for other legal investments.

2. Public Deposit Protection Act (“PDPA”):

The PDPA [§§11-10.5-101, et seq., C.R.S.](#) requires that deposits of public funds in banks or savings and loan associations may only be made in “eligible public depositories” which have been designated by the State. [§11-10.5-111\(1\), C.R.S.](#)

The “official custodian” (whoever has authority or control of public funds) must do the following:

- a. inform the depository that District funds are subject to the PDPA;
- b. maintain documents or other verification necessary to identify the public funds which are subject to the PDPA; and
- c. apply to the State for an assignment of an account number for all accounts established with an eligible public depository.

It is a misdemeanor for an official custodian or bank official to violate the provisions of the PDPA. [§§ 11-10.5-111\(4\)\(b\) and 11-10.5-111\(4\)\(c\), C.R.S.](#)

H. TABOR:

TABOR imposes tax, debt, revenue and spending limitations. All increases in taxes and other revenue subject to the spending limit are limited to a “growth and inflation factor,” unless otherwise approved by District voters. TABOR applies to special districts, but “Enterprises” are excluded from some TABOR provisions (See CHAPTER XV).

I. Subdistricts and Special Improvement Districts (“SIDs”):

Subdistricts and SIDs are special financing tools for financing public improvements that benefit a specific area of the district. Although they operate similarly, a subdistrict is organized as a separate governmental unit, while a SID exists only as a geographic area within which improvements are constructed and cannot operate as an independent governmental entity separate from the special district. [§ 32-1-1101\(1\)\(f\)\(I\), C.R.S.; § 32-1-1101.7, C.R.S.](#)

Subdistricts may impose an additional levy on the properties within the subdistrict to pay for the acquisition, operation and maintenance of services, facilities and

programs within the subdistrict and to pay for subdistrict debt or other financial obligations. Voter approval is required for the subdistrict’s tax rate, any general obligation debt or multi-year financial obligation. [§32-1-1101\(1.5\)\(d\), C.R.S.](#)

A SID may impose assessments on properties within the SID, but such assessments must be equitable based on the benefit received by the properties, such as based on the frontage, area or zone of the property benefitting from the improvement. [§32-1-1101.7\(2\), C.R.S.](#) Costs of improvements within a SID are often financed through special assessment bonds issued by the special district on behalf of the SID. These bonds must be approved by the majority of the eligible electors, which are either the electors of the district or the electors of the SID, as determined by the district’s Board. [§32-1-1101.7\(3\)\(g\), C.R.S.](#)

J. Sales Tax for Road and Transportation Purposes:

A metropolitan district with street improvement, safety protection, or transportation powers in its service plan may impose a sales tax for transportation projects, with voter approval, and so long as the district’s territory does not overlap any municipality. A metropolitan district with these powers may also join as a participant in Regional Transportation Authorities, along with cities and counties, for regional transportation projects. [§32-1-1106, C.R.S.](#)

Chapter VI Boundary Issues

A. Inclusion:

1. Petition for Inclusion:

The inclusion process (sometimes erroneously referred to as “annexation”) is initiated by a petition for inclusion which may be brought by one of the following three means. *§32-1-401, C.R.S.*:

- a. The fee owner(s) of 100% of any real property capable of being served by the District may file with the District Board a petition for inclusion of that property. *§32-1-401(1), C.R.S.*
- b. A petition for inclusion may be filed by the lesser of 20% or 200 of the taxpaying electors within a specified area. *§32-1-401(2)(a)(I), C.R.S.* (This alternative is seldom used since the statutes now provide that the Board may initiate the process.)
- c. The Board of Directors may adopt a resolution proposing the inclusion of a specific area. *§32-1-401(2)(a)(II), C.R.S.* This is the most common method of initiating inclusion of an area with many property owners. No single tract or parcel constituting more than 50% of the total area to be included may be included without the consent of the owner of that parcel.

2. Public Hearing:

The Board shall hear the petition or resolution at a public meeting after publication of notice of the hearing and, in the case of inclusion by election as discussed below, mailing of notice to all property owners. *§§32-1-401(1)(b) and 32-1-401(2)(b), C.R.S.*

3. Decision of Board:

The Board shall grant or deny the petition, or adopt the resolution, in whole or in part, and with or without conditions. *§§32-1-401(1)(c) and 32-1-401(2)(c), C.R.S.*

The Board shall not grant the petition if a municipality or county has submitted a written objection to the inclusion and can provide the property with adequate service within a reasonable time and on a comparable basis. *§§32-1-401(1)(c) and 32-1-401(2)(c), C.R.S.*

If the petition is granted, the Board shall make an order to that effect and file the same with the clerk of the district court requesting issuance of a final order of inclusion. *§32-1-401(1)(c), C.R.S.*

4. Election:

If the petition was submitted by the lesser of 20% or 200 of the taxpaying electors, or initiated by the Board, upon granting of the petition or finally adopting the Board resolution, the Board shall make an order to that effect and file it with the court. The court shall direct that the question of inclusion be submitted to the eligible electors of the area to be included. Any election shall be held within the area sought to be included. *§32-1-401(2)(d), C.R.S.*

The timing of an inclusion election may be restricted by TABOR.

5. *Note to Fire Protection Districts:*

The owner of taxable personal property (i.e., leasehold interests in improvements and major equipment) that is situated on real property which has been excluded from a fire protection district may petition to have the personal property included in the fire district by following a series of steps including filing a petition, a public meeting after published notice, approval of the petition, an order made by the board, and a court order. *§32-1-401.5, C.R.S.*

B. Exclusion:

1. Petition for Exclusion:

Except in the cases of fire protection districts or exclusions involving a municipality (both discussed below), the exclusion (erroneously also referred to as “de-annexation”) process can only be initiated by a petition for exclusion submitted by the fee owner(s) of 100% of any real property in the District. *§32-1-501(1), C.R.S.* The petition is to be accompanied by a deposit of money sufficient to pay all costs of the exclusion proceedings. *§32-1-501(1), C.R.S.*

2. Public Hearing:

The Board shall hear the petition for exclusion at a public meeting after publication of notice of the hearing. *§32-1-501(2), C.R.S.*

3. Decision of Board:

The Board shall order the petition granted or denied after consideration of the following factors:

- a. The best interests of the property seeking exclusion, the District, and the County;
- b. The relative cost/benefit analysis to the property;
- c. District's ability to provide service to all property within the District, including the property to be excluded;
- d. Cost for which the District is able to provide service compared to that of other entities in the surrounding area;
- e. Effect that denying the petition would have on employment and other economic conditions within the District and surrounding area;
- f. Economic impact on the District, the region and the State if the petition is denied or granted;
- g. Whether an economically feasible alternative service is available; and
- h. Additional cost to be levied on non-excluded property if the petition is granted. *§32-1-501(3), C.R.S.*

A public election is not required or allowed; the determination is to be made by the Board. *§32-1-501(4)(a), C.R.S.* The Board shall file with the court a certified copy of the Board Order excluding the property, and the court will then enter an Order of Exclusion based upon the decision of the Board. *§32-1-501(4)(b), C.R.S.* A denial of any petition for exclusion by the Board may be appealed to the Board of County Commissioners. *§32-1-501(5)(b), C.R.S.* The Board of County Commissioners shall consider all the factors set

forth above and make its determination based on the record developed at the hearing before the District Board. The decision of the Board of County Commissioners may be appealed to the court, which shall consider all the factors set forth above in rendering a decision based on a review of the record. *§32-1-501(5)(c), C.R.S.*

4. Exclusions Involving a Municipality:

A municipality wherein territory within a District is located, a District with territory within a municipality, or 50% of property fee owners in an area of any municipality in which territory within a District is located may petition the court for exclusion from the District. *§32-1-502(1), C.R.S.* In the case of unilateral exclusion by a municipality, the District may be entitled to compensation.

Exclusion of property within the boundaries of a municipality can be a complicated and involved process.

5. Exclusions from a Fire Protection District (and Inclusion into Another):

A fire protection district may alter its boundaries through exclusion of a specific area if the area will be provided with the same service by another fire district and that district has agreed by resolution to include the property. In some cases, an election must first be held within such area. *§32-1-501(1.5), C.R.S.*

6. Outstanding Indebtedness:

Property that is excluded from the District remains subject to any existing bonded indebtedness. *§32-1-503, C.R.S.* The court Order of Exclusion must state the amount of the existing indebtedness and the date such indebtedness is scheduled to be retired. *§32-1-501(4)(d), C.R.S.*

7. *Note to Health Service Districts:*

The foregoing discussion of the exclusion process does not apply to health service districts in the same manner.

C. Consolidation:

1. Consolidation Resolution:

If a District wishes to consolidate in its entirety or only specific services with another District, the Board shall adopt a consolidation resolution which sets forth the

following:

- a. That each of the consolidating districts may be operated effectively and economically as a consolidated district;
- b. That the public health, safety, prosperity, and general welfare of the inhabitants of the District initiating the consolidation will be better served by the consolidation;
- c. Proposed name of the consolidated district;
- d. The Districts and services of those districts to be consolidated;
- e. Whether the consolidated district will have a five- or seven-member board;
- f. Any conditions attached to consolidation; and
- g. The time limit within which the included districts must approve the consolidation resolution, which must be no later than six months after the date of such resolution. [*§32-1-602\(2\)\(a\), C.R.S.*](#)

2. Concurring or Rejecting Resolution:

The Districts subject to the proposed consolidation each shall file a concurring or rejecting resolution with the initiating District. [*§§32-1-602\(2\)\(b\) and 32-1-602\(2\)\(c\), C.R.S.*](#)

3. Submission to Board of County Commissioners and District Court:

The initiating resolution, together with all concurring resolutions, shall be filed with the Board of County Commissioners and the district court. Usually, very detailed pre-consolidation agreements are executed, and Service Plan amendments may be necessary.

4. Hearing:

The District Court shall hold a hearing not less than 30 days nor more than 40 days after the resolutions are filed with the Court. Notice of the filing of the resolutions and the hearing shall be published and written notice shall be

provided to any municipality entitled. Any eligible elector, fee owner of real property, or county or municipality having territory within any special districts involved in the proposed consolidation may file a petition objecting to the consolidation. The Court shall determine whether, in the general public interest, the property subject to objection should be excluded or included in the proposed consolidated district. [*§32-1-602\(2\)\(d\), C.R.S.*](#)

If the consolidating resolution and concurring resolutions were properly filed, and the consolidating districts have proceeded in accordance with statute, the Court will order an election. [*§32-1-602\(2\)\(e\), C.R.S.*](#)

5. Election:

An election will be conducted within each consolidating District. The election shall be held at the next regular or special election date. Notice of the consolidation election must be published within each consolidating District. The electors must approve not only the question of consolidation but also any financial obligation to be assumed as a result of the consolidation. [*§32-1-602\(2\)\(e\), C.R.S.*](#)

6. Procedure after Consolidation Election:

Upon approval of the consolidation by a majority of the eligible electors voting in each consolidating District's election, the members of the Board of each consolidating District shall constitute the organizational Board of the Consolidated District. [*§32-1-603\(1\), C.R.S.*](#)

Within six months after the date of the consolidation election, the organizational Board shall:

- i. Determine the persons who shall serve on the first Board of Directors of the Consolidated District from those persons elected to the Boards of the Consolidating Districts, and determine each of their terms of office;
- ii. If the Board is to have seven Directors, divide the Consolidated District into seven Director Districts and determine the Director who shall represent each Director District; and
- iii. Determine the amount of the bond for each Director and Treasurer.

§32-1-603(2), C.R.S.

After the organizational Board has made such determinations, a petition stating the name of the consolidated District, name and address of each member of the first Board and term thereof, amount of the surety bond (together with copies of the bond) and a description of the director districts, if any, shall be filed with the Court. *§32-1-603(3), C.R.S.*

Upon filing the petition, the Court shall issue an Order creating the Consolidated District, which shall be recorded with the County Clerk and Recorder in each county wherein the Consolidated District is organized. Copies of the recorded Order shall be filed with the County Assessor and Division of Local Government. *§32-1-603(4), C.R.S.*

D. Intergovernmental Agreements:

See also Chapter XII, Intergovernmental Agreements, regarding the creation of Water Authorities, Recreation Authorities and Fire Authorities.

E. Service Outside District Boundaries:

Districts which desire to extend water or sanitation services into a county that has not approved the district's service plan may, depending on the circumstances, need to seek approval from that county's board of county commissioners. *§32-1-207(2), C.R.S.*

Chapter VII Conflict of Interest

A. Disclosure Required:

Any Director shall disqualify himself/herself from voting on any issue in which he/she has a conflict of interest, unless such Director has disclosed the conflict of interest as required by law to the Secretary of State and to the Board, [§32-1-902\(3\)\(b\), C.R.S.](#), and then only to vote if his/her participation is necessary to obtain a quorum or otherwise enable the Board to act. [§24-18-109\(3\)\(b\), C.R.S.](#)

If the Director does not vote, he/she shall also refrain from attempting to influence the decisions of other members of the Board in voting on the matter. [§24-18-109\(3\)\(a\), C.R.S.](#)

A Director is guilty of failing to disclose a conflict of interest if he exercises any substantial discretionary function in connection with a government contract, without having given 72 hours' actual advance written notice to the Secretary of State and to the District Board of the existence of a known potential conflicting interest. [§18-8-308\(1\), C.R.S.](#) Failure to disclose a conflict of interest is a class 2 misdemeanor. [§18-8-308\(3\), C.R.S.](#)

B. Proscribed Acts Constituting a Conflict of Interest:

A potential conflict of interest exists when the Director is an executive officer, or owns or controls directly or indirectly a substantial interest in any nongovernmental entity participating in the transaction. [§18-8-308\(2\), C.R.S.](#)

A District Board member, as a local government official (elected or appointed), or a District employee, shall not:

1. Disclose or use confidential information acquired in the course of his/her official duties in order to further his/her personal financial interests.
2. Accept gifts of substantial value or of substantial economic benefit tantamount to a gift of substantial value, which would tend to improperly influence a "reasonable person" in his/her public position to depart

from the faithful and impartial discharge of his/her public duties or which he/she knows or which a reasonable person in his/her position should know under the circumstances is primarily for the purpose of rewarding him/her for official action he/she has taken.

3. Engage in a substantial financial transaction for his/her private business purposes with a person whom he/she inspects or supervises in the course of his/her official duties.
4. Perform an official act directly and substantially affecting to its economic benefit, a business or other undertaking in which he/she either has a substantial financial interest or is engaged as counsel, consultant, representative or agent.
5. Be interested in any contract made in his/her official capacity or by any body, agency, or board of which he/she is a member or employee.
6. Be a purchaser at any sale or vendor at any purchase made by him/her in his/her official capacity. [§§24-18-104, 24-18-109, 24-18-201 and 24-18-202, C.R.S.](#)

The following exceptions exist which are not considered to be conflicts of interest:

1. A Director holding a minority interest in a corporation contracting with the District is not considered "interested" in such contract. [§24-18-201\(1\)\(a\), C.R.S.](#);
2. Contracts in which the Director has disclosed a personal interest and has not voted thereon; and
3. A Director may vote, notwithstanding any other prohibition, if participation is necessary to obtain a quorum or otherwise enable the Board to act, and if the Director complies with voluntary disclosure procedures. [§24-18-109\(3\)\(b\), C.R.S.](#)

Note All of these exceptions must be very carefully scrutinized for legal compliance purposes. Perhaps no area offers greater potential exposure to liability than the area of conflicts of interest. Before a Director takes any action which may involve a potential conflict of interest, all legal implications as well as the policy implications and appearance of impropriety should be considered.

C. Guides to Conduct Regarding Ethical Principles:

The following principles are intended as guides to conduct; they do not constitute violations of the public trust or employment in local government unless circumstances would otherwise so indicate:

1. A local government official or employee should not acquire or hold an interest in any business or undertaking which he/she has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the local government agency over which he/she has substantive authority.
2. A local government official or employee should not, within six (6) months following the termination of his/her office or employment, obtain employment in which he/she will take direct advantage, unavailable to others, of matters with which he/she was directly involved during his/her term of employment.
3. A local government official or employee should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he/she has a substantial financial interest in a competing firm or undertaking. *§24-18-105(4), C.R.S.*

D. Conflicts Involving Developer Districts:

A director who owns undeveloped land constituting at least twenty percent of the District's territory must disclose such ownership by giving 72 hours advance written notice to the Secretary of State and the Board before each meeting of the Board, and such disclosure must be entered in the

minutes. "Undeveloped land" means real property which has not been subdivided or on which no improvements have been constructed, excluding dedicated parks, recreation areas or open spaces. *§32-1-902(4), C.R.S.*

No contract for work or material including a contract for services, regardless of amount, may be entered into between a District and a Board member or a person owning twenty-five percent or more of the territory within the District unless notice for bids is published and the Board member or owner submits the lowest responsible and responsive bid. *§32-1-1001(1)(d)(II), C.R.S.*

E. Effect of Existence of Potential Conflict of Interest:

Failing to disclose a potential conflict of interest is a criminal misdemeanor and could result in prosecution.

Any contract, vote or other official act in which a Director had a potential conflict, not cured by disclosure, may result in the avoidance of the act or contract being void.

Chapter VIII

Audits

A. Mandatory Financial Audit:

Unless the District is exempt, the Board shall cause to be made an annual audit of the financial statements of the District as of the end of each fiscal year, or more frequently if determined by the Board. *§29-1-603, C.R.S.*

The audit report must be submitted to the Board by the auditor by June 30, and filed with the State Auditor within 30 days after the report is received by the District. *§29-1-606, C.R.S.* (See: Filings Schedule in Chapter I of this Manual). If the District has authorized but unissued general obligation debt as of the end of the fiscal year, send a copy of the audit report or a copy of its application for exemption from audit to the Board of County Commissioners for each county in which the District is located, or to the governing body of any municipality that approved the Service Plan.

If required, a request for extension of time to file the audit may be filed with the State Auditor no later than seven (7) months following the end of the fiscal year (July 31st). The amount of time requested shall not exceed 60 days. *§29-1-606(4), C.R.S.*

B. Exemption from Audit:

If neither the District's revenues nor expenditures exceed \$500,000 for the fiscal year, an audit exemption may be sought. To obtain an audit exemption, the District must file an application with the State Auditor within three (3) months of the close of the fiscal year (by March 31st).

For Districts with neither revenues nor expenditures exceeding \$100,000, the application must be prepared by a person skilled in governmental accounting. For Districts with revenues or expenditures of at least \$100,000 but not more than \$500,000, the application must be prepared by an independent accountant with knowledge of governmental accounting. *§29-1-604, C.R.S.*

C. Optional Performance Audits:

In addition to the mandatory financial audit, the Board may determine to prepare additional internal audits in order to more efficiently and effectively perform its duties. Such optional audits may include the following:

1. Investment and Purchasing Procedures:

Such an audit could include a compliance checklist regarding authorized investments, as well as a brief outline of the duties and responsibilities of each Board member and District staff member for investment, purchasing and other handling of District money.

2. Legal Audit:

This should be prepared in concert with the District's legal counsel in order to assure that the District is achieving various mandatory and desirable legal actions.

3. Liability Audit:

A liability audit is often provided by the insurance company, it can locate safety and other liability exposures within the District.

4. Management, Operations and Maintenance Audits:

These audits review procedures for monitoring the effectiveness and efficiency of the tasks performed by the District.

Chapter IX Liability Issues

A. Potential Sources of Liability:

1. State Tort Actions:

“Torts” are actions (other than in contract) such as negligence, trespass, and conversion, involving damage to person or property. These actions are covered by the Colorado Governmental Immunity Act. (See below.)

2. Federal Actions:

These actions are beyond the scope of the Colorado Governmental Immunity Act, although an argument does exist that the Act could offer protection from federal claims brought in the State courts.

The most common federal actions are in the areas of deprivation of constitutional or statutory rights (Section 1983 cases), antitrust, securities violations, labor and wage actions, and environmental cases.

3. Contract:

Contract claims are not protected by the Colorado Governmental Immunity Act. *§§24-10-105 and 106, C.R.S.* Public officials, however, are generally not personally liable for the contracts of the governmental entity.

4. Criminal:

The Colorado Governmental Immunity Act offers no protection from criminal actions. Common potential areas of criminal exposure include the following:

- a. entering into a prohibited transaction;
- b. failing to disclose conflicts of interest;
- c. misuse of official information;
- d. malfeasance; and
- e. issuing a false certificate or document.
(§18-8-406, C.R.S.)

You may want to consider purchasing crime coverage from the Colorado Special Districts Property and Liability Pool, which covers certain damages and defense costs resulting from a lawsuit for a Director’s alleged wrongful acts while acting in his or her official capacity.

B. Colorado Governmental Immunity Act:

The Colorado Governmental Immunity Act limits the circumstances under which a public entity or public employee may be liable in state tort actions.

The Act creates immunity for all tortious actions committed by a governmental entity or its employees, except the following:

1. The operation of a public hospital, correctional facility, or jail;
2. The operation of a publicly owned motor vehicle, except emergency vehicles;
3. A dangerous condition of a public building;
4. A dangerous condition of a public highway, road, street or sidewalk;
5. A dangerous condition of any public facility located in any park or recreation area or any public water, gas, sanitation, electrical, power or swimming facility; and
6. The operation and maintenance by a public entity of any public water, gas, sanitation, electrical, power or swimming facility.
§24-10-106(1), C.R.S.

Even for those actions where liability may attach, liability is limited by the Act to \$150,000 for injury to one person in any single occurrence, and \$600,000 for injury to multiple persons in a single occurrence, except that no person shall recover in excess of \$150,000. *§24-10-114, C.R.S.*

The Act also imposes procedural requirements when filing a claim against the District, its Directors or employees. If those procedures are not followed, a claim may be dismissed. The Act also requires each district to designate an official, or an office, as its official agent to be served with legal notice of intent to file a claim against the District under the Act. *§24-10-109, C.R.S.*

C. Indemnification Resolution:

A special district has certain duties to indemnify its directors and employees. That indemnification is codified in the Colorado Governmental Immunity Act. *§24-10-110, C.R.S.*

An Indemnification Resolution can indemnify District Directors and employees beyond the protections of the Act. Federal, contract and punitive acts may all be indemnified.

A well-drafted Indemnification Resolution should be upheld by the courts.

D. Releases and Waivers:

Releases and waivers may be used to limit potential liability against the District, its Directors and employees, and also third parties in applicable situations.

For a release or waiver to be valid, there must be an express, knowledgeable assent to such release or waiver. The District must exercise great caution regarding the validity or adequacy of the release or waiver.

A parent may, on behalf of his/her child under the age of eighteen, release or waive the child's prospective claim for negligence, except claims for willful, wanton, reckless or grossly negligent acts or omissions. *§13-22-107(3)-(4), C.R.S.*

E. Insurance:

Insurance is a primary and essential means of protecting the District, its directors and employees. The primary types of insurance are liability, property, workers' compensation, crime coverage, and errors and omissions.

The following methods of insurance could be considered:

1. Standard Insurance Company:

A qualified insurance person who understands governmental liability should be contacted.

2. Self-Insurance:

The Governmental Immunity Act permits a special district to adopt a policy of self-insurance. *§24-10-115(2)(a),*

C.R.S. The Act imposes procedural requirements, and compliance is mandatory. The fund established for the purposes of self-insurance shall be kept separate from all other District funds, and may only be used to pay operating expenses of the fund and claims made against the District. *§24-10-115(3), C.R.S.*

3. Insurance Pool:

An insurance pool can be a cost efficient means by which to obtain insurance coverage. The Special District Association of Colorado offers such an insurance pool.

F. Constitutional Issues:

When operating in the public realm, a sensitivity to Constitutional issues must be maintained. All Constitutional issues should be discussed with a qualified attorney. Potential areas of Constitutional issues most commonly include the First Amendment rights of free speech, freedom of religion and assembly, Fourteenth Amendment rights of Equal Protection, Fifth and Fourteenth Amendment rights of Due Process, and issues involving the "taking" of private property.

Chapter X Debt

A. Authorization:

A special district is expressly authorized by statute to borrow money and incur indebtedness. [§32-1-1001\(1\)\(e\), C.R.S.](#)

B. Types of Debt:

1. General Obligations:

The full faith and credit of the District, including the general taxing and further borrowing powers, are used to secure the debt.

2. Revenue Obligations:

Specifically identified revenues (not taxes) of the District are used as the source of debt repayment. The bonds may not be paid unless the revenue is available; furthermore, a higher risk will likely result in a corresponding higher interest rate.

3. Enterprise Obligations:

The District may issue revenue bonds through an enterprise. In most cases, the District may create an enterprise if it has bonding capacity and receives less than ten percent (10%) of its annual revenue in grants from Colorado state and local governments combined. Unlike general obligation and revenue debt, enterprise revenue bonds do not require an election [Art. X, Sect. 20, Colo. Const.](#)

4. Refunding Obligations:

Refunding bonds are used to restructure the payment of an existing debt obligation. Refunding obligations may sometimes be combined with new debt obligations.

5. Lease/Purchase:

A lease-purchase agreement provides that portions of lease payments are applied to the ultimate purchase of certain property. These obligations are dependent upon the District appropriating money each year, and are often secured by the item being purchased. Districts with lease-purchase obligations must comply with audit law reporting

requirements. Properly structured lease-purchase agreements have been held by the Courts to be valid under TABOR. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow, 890 P.2d 199 (Colo. App. 1994).* Certificates of Participation (COPS) are a variation of the lease-purchase arrangement.

6. Tax Anticipation Note:

A tax anticipation note is a short-term obligation payable from the receipt of pending tax payments.

7. Bond Anticipation Note:

A bond anticipation note is a short-term obligation issued in anticipation of redemption through the issuance of long-term bonds.

8. Other:

There are other financing options occasionally used, but they generally fit into some variation or combination of the above categories.

C. Bankruptcy Protection:

For those Districts experiencing financial distress, bankruptcy protection may be available under Chapter 9 of the United States Bankruptcy Code.

D. Special Requirements:

State statute and TABOR impose certain obligations upon Districts. These include:

1. Conducting a debt authorization election for general obligation or revenue debt. [Art. X, Sect. 20, Colo. Const.](#)
2. Posting of a special three-day notice when issuing or refunding general obligation debt (or consolidating, dissolving, making a contract with a director, filing for bankruptcy, or not making a bond payment). [§32-1-903\(3\), C.R.S.](#)
3. Compliance with Colorado Securities Commission filing and approval requirements.

4. For Districts with authorized but unissued general obligation debt approved before July 1, 1995, the results of the election at which such approval was given and a statement of the principal amount of debt must be certified and sent by registered mail to the board of county commissioners or the governing body of the municipality no later than 30 days before issuing any new general obligation debt.
§32-1-1101.5(1), C.R.S.
5. File results of a debt authorization election with the Board of County Commissioners or municipality that approved the Service Plan, and with the Division of Securities, within 45 days after the election. *§32-1-1101.5(1), C.R.S.*
6. File a report of outstanding unrated securities with the Division of Local Government by March 1 of each year.
§11-58-105, C.R.S.
7. In every fifth calendar year after general obligation debt was approved, the board of county commissioners or governing body of municipalities may require a quinquennial finding of reasonable diligence.
§32-1-1101.5 (1.5), C.R.S.
8. The district's audit report must include the amount of any authorized, but unissued, general obligation debt as well as current or anticipated plans to issue such debt.
§29-1-605, C.R.S.

Chapter XI Public Records

A. Public Right of Access:

Colorado statutes have established as public policy that all public records should be open for inspection by any person at reasonable times, except as provided by law.

§24-72-201, C.R.S.

“Public records” is broadly defined so as to include most documentation maintained by the District and the correspondence of elected officials, including email.

§24-72-202(6), C.R.S.

The “official custodian” (the District officer or employee responsible for the maintenance, care and keeping of public records) may establish rules regarding the inspection procedures for such records. *§24-72-203(1)(a), C.R.S.* Such rules are advisable to maintain a manageable order regarding records and inspection.

The person requesting inspection is entitled to copies or printouts of the District’s public records. A fee not to exceed twenty-five cents per standard page, unless actual costs exceed that amount, may be assessed. *§24-72-205(5)(a), C.R.S.* If the copying or printout is generated from a computer output other than word processing, the cost of building and maintaining that information system may be offset by charging a reasonable allocation to the person requesting the record. *§24-72-205(4), C.R.S.* A reasonable research and retrieval fee may be charged. *Black v. Southwestern Water Conservation District, 74 P.3d 462 (Colo. App. 2003).* A charge of \$20/hour has been found to be acceptable, but higher charges may be reasonable.

B. Denial of Access:

Statute permits the District official custodian to deny public access and disallow inspection of the following documents or under the following circumstances:

1. If inspection would be contrary to any State statute;
2. If inspection would be contrary to any Federal statute or regulation;
3. If inspection is prohibited by rules

promulgated by the Supreme Court or by the order of any court;

4. Examinations for employment (except as made available for inspection by the party in interest);
5. Records submitted for applicants or candidates for employment, other than those submitted by applicants or candidates who are finalists for chief executive officer positions (if there are three or fewer applicants or candidates for a chief executive officer position who possess the minimum qualifications, they are all finalists and access to their submitted records may not be denied).
6. Real estate appraisals, until the subject property has been transferred;
7. Electronic mail addresses provided by a person to the District;
8. Specialized details of security arrangements or investigations and records of expenditures on security arrangements;
9. Medical, mental health, sociological, and scholastic achievement data (except as made available for inspection by the party in interest);
10. Personnel files (except as made available for inspection by the party in interest and the District official or employee who has direct supervisory capacity);
11. Trade secrets, privileged information, and confidential information or data;
12. Library records disclosing the identity of a user;
13. Names, addresses, telephone numbers and personal financial information of past or present users of public utilities, public facilities, or recreational or cultural services;

14. Election records of any person; or
15. Where disclosure or public access would do substantial injury to public interest.
§24-72-204(6)(a), C.R.S.

The determination of whether a document falls within an enumerated exception can be a difficult task. If denial of access is based upon injury to the public interest, the District may apply to the court for an order permitting the District to restrict disclosure. *§24-72-204(6)(a), C.R.S.*

Any person denied access may request a written statement of the grounds for denial, *§24-72-204(4), C.R.S.*, which statement shall be furnished forthwith and cite the law or regulation under which access is denied. Such person may also apply to the court for an order compelling inspection. *§24-72-204(5), C.R.S.*

C. Violations:

Willful or knowing violation of the public right of access is a criminal misdemeanor, punishable by a maximum \$100 fine and 90 days imprisonment in the county jail. *§24-72-206, C.R.S.*

If a person denied access successfully obtains a court order compelling inspection, the District shall be ordered to pay court costs and reasonable attorney fees in an amount determined by the court. *§24-72-204(5), C.R.S.*

Chapter XII Contracting

A. Construction Contracts:

1. Publication and Bid Requirements:

Statutes require that an invitation to bid must be published one time in a newspaper of general circulation within the District boundaries for all construction contracts for work or materials or both of at least \$60,000. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may do so. *§32-1-1001(1)(d)(I), C.R.S.*

It is recommended that an invitation for bids package be issued which includes a project description, all contractual terms and conditions, specifications, forms of bonds to be supplied, and other documents.

2. Integrated Project Delivery (“IPD”) a/k/a “Design/Build”:

Any special district may, as an alternative to *§32-1-1001(1)(d)(I), C.R.S.*, award an IPD Contract to a single participating entity for the design, construction, alteration, operation, repair, improvement, demolition, maintenance, or financing, or any combination of these services, for a public project upon a determination that IPD represents a timely or cost effective alternative to a conventional bidding process for the public project. *§32-1-1804, C.R.S.* An IPD Contract is awarded based on a Prequalification and/or a Request for Proposals (“RFP”) process. Sections 32-1-1805 and 32-1-1806, C.R.S., require publication of notice. The District may accept the Proposal that represents the best value to the District. “Best value” does not necessarily mean the low bid. Performance of an IPD Contract by the participating entity shall be in compliance with all laws applicable to public projects.

3. Bonds and Retainage:

It is recommended that the District require a Bid Bond (usually in the amount of five percent of the bid amount) to avoid withdrawal of low bids. Bid Bonds are not, however, required by law.

The law does require every contractor awarded a contract for more than \$50,000 to execute a Penal (Payment)

Bond, as well as a Performance Bond in the amount of at least one-half of the contract amount. *§§38-26-105 and 106, C.R.S.* Although not required by statute, a Maintenance Bond guaranteeing the warranty provision of the contract (usually one year) is also recommended and is usually able to be included into a single PERFORMANCE, PAYMENT AND WARRANTY BOND.

If a construction contract exceeding \$150,000 is awarded, the District may withhold payment for up to five percent (5%) of the value of the entire project. The retainage may be held until the contract is completed satisfactorily and final payment procedures are followed. *§24-91-103(1)(a), C.R.S.*

4. Appropriations Clause:

The District may not contract for a public works project in an amount in excess of the amount appropriated by the District for the project. All construction contracts must contain clauses stating that the amount of money appropriated is equal to or in excess of the contract amount and, prior to issuing a change order, the District must appropriate funds to cover the costs of the additional work and such funds must be available for expenditure. *§24-91-103.6, C.R.S.*

5. Final Payment and Claims:

If the amount of the contract awarded exceeds \$50,000, the District shall, not later than ten days before the final settlement is made, publish a notice thereof at least twice in a newspaper of general circulation in any county where the work was contracted for or performed. The date of final settlement should be more than ten days after the second publication. Thereafter, if no claims are made, payment in full to the contractor may be made on the settlement date.

At any time up to and including the time of final settlement for the work contracted to be done, any person that has furnished labor, materials, sustenance or supplies used or consumed by a contractor or subcontractor, whose claim has not been paid, may file with the District a verified statement of the amount due on account of the claim. Upon the filing of any such claim, the District shall withhold from all payments to said contractor sufficient funds to insure payment of said claim until the claim is withdrawn, paid, or 90 days have passed. *§38-26-107(2), C.R.S.*

If, within 90 days from the date of settlement, the claimant has not filed a lawsuit to enforce such claim, the

funds withheld which are not the subject of suit shall be paid over to the contractor. *§38-26-107(3), C.R.S.* If a lawsuit is commenced, the District may be able to interplead the claims (deposit the money with the court) to avoid becoming embroiled in litigation.

The District must make the final payment in accordance with the above procedures within 60 days after the contract is completed satisfactorily and finally accepted by the District. *§24-91-103(1)(b), C.R.S.*

B. Other Contracts:

1. Publication/Bid Process:

No contract for work or material including a contract for services, regardless of the amount, shall be entered into between the District and a Board member or between the District and the owner of 25% or more of the territory within the District unless an invitation to bid is published and such Board member or owner submits the lowest responsible and responsive bid. *§32-1-1001(1)(d)(II), C.R.S.*

Other contracts for the purchase of vehicles, equipment, non-construction materials, real and other personal property, leases, advisory and professional services are not subject to statutory publication or bidding requirements, although some comparative review is advisable.

2. Service Contracts/Illegal Aliens:

All contracts and contract renewals for the procurement of services must include certain certifications from the contractor set forth at *§8-17.5-102, C.R.S.*, regarding illegal aliens.

3. Contract Drafting or Review:

Someone in the District (not necessarily always your attorney) should review each contract and should usually have suggested changes, since contracts are normally tendered by the vendor and therefore slanted to their favor unless changes are requested. Assigning an experienced, capable person to review each contract will pay off over time.

C. Intergovernmental Agreements:

Districts may enter into agreements with other special districts or other governmental entities for almost any

lawful purpose. Such arrangements are becoming much more prevalent as the benefits and economies of scale have fostered a new era of intergovernmental cooperation.

1. General Intergovernmental Cooperation:

Colorado local governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the parties. Such contracts must set forth the purposes, powers, rights, obligations, and responsibilities of the contracting parties. *§29-1-203(1)-(2), C.R.S.* Examples are the joint purchase of equipment, construction of jointly owned fire stations, jointly owned water and sewage treatment facilities, the provision of management, bookkeeping, billing and maintenance services, joint training facilities and programs, joint ownership of hazardous materials handling equipment, etc.

Intergovernmental agreements are very common. A list of all intergovernmental agreements that includes the names of the parties, the nature of the contract and the expiration date of the contract must be filed with the Division of Local Government by February 1 of each year. *§29-1-205, C.R.S.*

2. Creating a Separate Legal Entity:

Another common arrangement is the establishment of separate legal entities to provide for the joint exercise or operation of a function, service, or facility, as allowed pursuant to various provisions of Title 29, C.R.S. Regional Water Authorities, Recreation Authorities, and Fire Authorities provide services on a regional basis when consolidation of the special districts is not practically or politically acceptable, or when the service provided is a special regional addition to the underlying services still provided by the contracting entities.

3. Mutual Aid Agreements:

Special provisions apply to a form of intergovernmental agreement most commonly utilized by Districts providing fire protection and ambulance services. Liability associated with such agreements to mutually aid each other is governed by statute and usually attaches to the entity requesting the emergency aid, unless superseded by the agreement.

Chapter XIII Personnel Matters

A. Legislation:

The areas of labor, employment and personnel issues are heavily regulated by the State and Federal governments. The Acts of which a District should be aware include, but are not limited to:

1. The Federal Fair Labor Standards Act (“FLSA”) regulating minimum wage, overtime pay, equal pay, record keeping and child labor standards.
2. The Federal Occupational Safety and Health Act (“OSHA”) which regulates dangerous conditions in the workplace.
3. The Federal Americans with Disabilities Act (“ADA”) which prohibits discrimination in employment and in the provision of public services and accommodations based on a person’s disability.
4. The Federal Age Discrimination in Employment Act (“ADEA”) which prohibits discrimination based on age in employment practices against persons over age 40.
5. Title VII of the Federal Civil Rights Act, which prohibits discrimination in employment, based on race or color, religion, sex, pregnancy, national origin, or opposition to discriminatory practices.
6. Section 1981 of the Federal Civil Rights Act which prohibits discrimination based on race or lineage.
7. Section 1983 of the Federal Civil Rights Act which prohibits any person, under the color of statute, ordinance or regulation from depriving another person of the privileges and immunities of the United States Constitution and laws.
8. The Federal Equal Pay Act which prohibits wage discrimination on the basis of sex for jobs performed under similar working conditions.
9. The Consolidated Omnibus Budget Reconciliation Act (“COBRA”) which generally requires employers to give departing employees the opportunity to continue their health insurance coverage for 18 months at the employee’s cost.
10. The Federal Family and Medical Leave Act of 1993 (“FMLA”), which imposes certain affirmative acts regarding employee leave on all employers, including public entities employing 50 or more persons.
11. The Uniformed Services Employment and Reemployment Rights Act (“USERRA”), which provides employees who are called up for, or volunteer for, active military service with special employee benefits.
12. The USA PATRIOT Act of 2001, which removed previous legal barriers to the federal government conducting wiretapping surveillance of telephone lines and accessing stored voice and email messages.
13. The Colorado Health Care Coverage Act (Title 10, Article 16, C.R.S.), which is the State counterpart to COBRA, giving extended health insurance coverage of 180 days to terminated employees.
14. The Colorado Civil Rights Act (Title 24, Article 34, Parts 3 through 8, C.R.S.) prohibiting discrimination based on disability, race, creed, color, sex, age, marital status, national origin, sexual orientation, or ancestry in employment, housing, public accommodations and advertising.
15. The Colorado Youth Employment Opportunity Act of 1971 (Title 8, Article 12, C.R.S.) providing child labor standards.

16. Colorado laws regarding wages and hours (Title 8, Articles 4 through 6, and 13, C.R.S.).
17. The Workers' Compensation Act of Colorado (Title 8, Articles 40 to 47, C.R.S.) which regulates disability and medical benefits of injured workers.
18. The Colorado Employment Security Act (Title 8, Articles 70 to 82, C.R.S.) which provides for unemployment benefits.

B. Personnel Policy Manuals:

A personnel policy manual can provide the District with a useful tool in dealing with reoccurring employment issues. Whether a specific policy is appropriate for a given District depends upon the size of the District, the District's existing policies and procedures, and the decisions made by the Board members. In smaller Districts, some subjects addressed in these policies may be dealt with informally or not at all. In larger Districts, the need for uniform treatment of a larger group of, and the dissemination of correct information to, all employees may dictate a more comprehensive selection of policies. Because personnel policy manuals have in some cases been construed by the Courts as constituting part of an employee's employment contract, they must be carefully drafted.

Typical personnel policy manuals include the following subjects:

1. Working conditions, including work week and hours, attendance, safety, and work environment.
2. Compensation and benefits.
3. Leave policies.
4. Employment, promotion and evaluation practices.
5. Layoffs.
6. Rules of conduct.
7. Discipline.

8. Grievances.
9. Employee records.
10. Separation from employment.
11. Specific policies of concern to the District, including drug testing.

The Special District Association has published a Model Personnel Guidelines which Districts may consult in developing their own personnel policy manuals.

C. Drug and Alcohol Testing:

The Federal Highway Administration adopted regulations requiring mandatory drug and alcohol testing for employed drivers with commercial driver's licenses. Drivers of firefighting equipment are exempt. Other organizations employing employees not governed by the FHA requirements may also adopt internal drug and alcohol policies. Qualified legal counsel or consultants should be contacted in formulating such testing policies.

Due to the Colorado Constitutional amendment authorizing the use of medical marijuana with a registry identification card, policies should be carefully drafted with recognition of this as an area of evolving legal consideration.

D. Federal and State Posting Requirements:

Both Federal and State law require the posting of certain informational posters at a prominent location in the District's business office. Failure to make the requisite postings could subject the District to significant financial penalties. The following postings must be made:

1. Federal Equal Employment Opportunity (EEOC);
 2. Federal Minimum Wage (Dept. of Labor);
 3. Family and Medical Leave Act (Dept. of Labor);
 4. State Fair Employment (Dept. of Labor); and
 5. State Minimum Wage (Dept. of Labor).
- * The Federal Occupational Safety and Health Act

(OSHA) does not currently apply to local governments, although OSHA standards may constitute reasonable guidelines.

E. Volunteers:

Volunteers present unique considerations for a District with respect to compensation, insurance, personnel policies, liability, releases and indemnification.

F. TABOR:

Most employees in Colorado are not employed under contracts. If, however, a contract is entered into with an employee, a multi-year employment contract may constitute a “multiple fiscal year financial obligation” subject to the limitations of TABOR.

Chapter XIV

Property Issues

The range, number and combination of property issues is vast. The following is merely an outline of potential property issues which a District may confront:

A. Acquisition Issues:

1. Title Insurance and Title Documents:

While not required in all instances, the purchase of adequate title insurance is usually recommended for the District’s protection in acquisitions of real property. Further, a complete review of the effect of Title Documents (existing deeds of trust, easements, leases, covenants, restrictions, etc.) must be made.

2. Payoff of Taxes:

As a governmental entity, a District is exempt from paying property taxes. There are a variety of means to effectuate this exemption, including an initial payoff of all outstanding taxes upon acquiring the real property, based on the previous year’s rate of levy and the current assessed valuation.

3. Financing:

A District has various means of financing an acquisition of real property which are available to both public and private entities. Lease-purchase agreements and revenue bonds are commonly used for financing.

4. Environmental Audits:

While not required, an environmental audit is strongly recommended before the purchase or sale of any real property. Potential environmental liability can be quite expansive and potentially burdensome. A regulatory compliance oriented review of historical operations on the property is a valuable tool in limiting present and future environmental liability.

B. Condemnation/Eminent Domain:

The District has the power of eminent domain to utilize if the District is unable to negotiate and effectuate the purchase of a needed parcel of real property. *Art. II, Sect. 15,*

Prior to a District condemning property, it must show that there is public need and necessity for the acquisition of land, and that there has been a failure of good faith negotiations with the landowner. *§38-1-102, C.R.S.*

An appraisal is required at District expense if the property to be condemned has an estimated value of at least \$5,000. *§38-1-121, C.R.S.*

Park and recreation districts are restricted in condemnation powers to the taking of property for purposes of television relay and translator facilities, easements and rights-of-way for access to park and recreational facilities operated by the park and recreation district and only where no other access to such facilities exists or can be acquired. *§32-1-1005(c), C.R.S.*

Fair compensation, which is neither too little nor too great, must be given for the condemned property. *§§38-1-101 and 38-1-114, C.R.S.*

Water rights are not subject to condemnation by Districts. *§32-1-1006(1)(f), C.R.S.*

C. Easements, Leases and Other Property Interests:

Easements may be acquired by gift, purchase, condemnation, prescription or acquiescence. In addition to the common rights-of-way and utility easements, various unique forms of easements exist, such as conservation easements wherein property can be preserved in a natural, scenic or open condition. Conservation easements or other use restrictions may be used as a vehicle to preserve the open space or wildlife conditions of property. A District may enter into leases, but may be limited by annual appropriation restrictions previously discussed.

Life estates are often retained by sellers, allowing the District to obtain full use only upon death of the seller. Licenses are sometimes used, which grant a property right that is severely limited by use or time.

D. Encroachment onto Public Property:

Prescriptive rights cannot be acquired against a governmental entity. If a landowner encroaches upon District property, no property interest will be acquired which is

adverse to the District regardless of the duration of the encroachment.

E. Relationship to County and Municipal Powers:

The District is subject to the regulatory controls of the county or municipality within which the District lies. The following are the primary areas of county or municipal control:

1. Zoning:

The District is subject to the applicable zoning plan. However, local governments, including special districts, have long been authorized to follow a separate procedure known as “location and extent” when seeking county or municipal approval of the District’s construction of a new facility. The review of a location and extent application is limited to approval or disapproval, but disapproval by the county or municipality can be overruled by the District’s Board of Directors. *§§ 30-28-110(1) and 31-23-209, C.R.S.* A County, at least, may not use its zoning authority to frustrate the efforts of the District to carry out its statutory duties. The Colorado Supreme Court has affirmed that a District’s override authority applies equally to the Planned Unit Development Act and that the District is not required to seek a modification to the County’s PUD designation prior to applying for location and extent review for the construction of a new fire station. *Board of County Commissioners v. Hygiene Fire Protection District, 221 P.3d 1063 (Colo. 2009).*

2. Subdivisions:

The District is subject to the applicable subdivision regulations. The District may be exempt from some Subdivision requirements pursuant to *§30-28-101(10)(c)(II), C.R.S.*, allowing local governments to acquire property less than 35 acres in size without first subdividing the acquisition if the local government has the power to exercise eminent domain. Some county attorneys believe that provision requires districts to begin a condemnation action in order to avail themselves of the exemption; but that is not what the statute says.

3. Building Codes and Permits:

The District is subject to the requirements imposed by a county or municipality relating to building codes and permits.

Chapter XV TABOR

A. Introduction:

The Taxpayer's Bill Of Rights ("TABOR"), which amended the Colorado Constitution by the addition of Article X, Section 20, has a tremendous impact on all Colorado local governments, including special districts. The interpretation and application of TABOR remains uncertain in many respects and continues to evolve through legislative and judicial interpretations. The General Assembly has attempted to clarify some of the confusion by adopting several laws interpreting the terms and provisions of TABOR. The Colorado Supreme Court has also attempted to resolve certain issues by delivering an opinion to interrogatories propounded by the General Assembly. The Colorado Court of Appeals and Colorado Supreme Court have determined certain TABOR issues. The validity of the TABOR related legislation, as well as other interpretive issues, will only be conclusively determined by future decisions of the Colorado appellate courts. Neither this Chapter nor any other reference within this Manual is intended to be a comprehensive legal analysis of TABOR. You are strongly encouraged to seek the assistance of qualified counsel regarding legal issues related to TABOR.

B. Financial Limitations:

1. Mill Levies:

TABOR requires voter approval to:

- a. Increase mill levies above the current mill levy, except in certain instances for debt service on general obligation bonds, pension payments and final court judgments. A Supreme Court decision has held that an election is not required to increase mill levies in order to make payments on outstanding debt that was approved by electors prior to the passage of TABOR.
- b. Increase District tax revenue over revenue collected in the prior year by more than the allowable rate of growth (rate of inflation + annual local growth). The Supreme Court has validated a ballot

question that exempts future revenue from TABOR limitations under the proper circumstances. *City of Aurora v. Acosta*, 892 P.2d 264 (Colo. 1995).

2. Spending:

TABOR prohibits the District from increasing its spending from the prior year by more than inflation plus local growth, unless exempted by the voter approval of a proper ballot question. This fiscal year spending limitation is indirectly a revenue limitation because of refund requirements. Fiscal year spending does not include refunds in the current or next fiscal year, gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards and property sales.

Unless waived by voter approval, the statutory limitation imposed by §29-1-301, C.R.S. providing that operational mill levy revenue may not be increased more than 5½% annually (with certain adjustments) will still apply (i.e. in instances when inflation is greater than 5½%, property tax revenues for operations may still only be increased by 5½%).

3. Debt:

TABOR requires advance voter approval to create new District debt or financial obligations that extend beyond the current fiscal year, including general obligation and revenue bonds.

Voter approval is not required for refinancing debt at a lower interest rate, obligations with adequate present cash reserves pledged irrevocably and held for payments in future fiscal years, and qualifying lease-purchase agreements.

C. Election Requirements:

The dates on which ballot issue elections may be held are limited by TABOR to the state general election, biennial regular District election, or on the first Tuesday in November of odd-numbered years.

The Court of Appeals has held that TABOR's election provisions apply only to fiscal matters of tax, spending or revenue. Non-fiscal ballot questions are not subject to the date or notice provisions of TABOR.

All comments for and against a TABOR ballot issue

shall be received by the Designated Election Official on or before the Friday before the 45th day prior to the election. The Designated Election Official shall compile a summary of all comments received and, for regular biennial District elections, ensure mailing of the summary and other required information (TABOR Notice) to all active registered voters at least 30 days before the election. For November (coordinated) elections, the TABOR Notice shall be delivered to the County Clerk and Recorder 42 days prior to the election, and the County Clerk and Recorder shall mail the TABOR Notice. Only comments addressing a specific ballot issue received from eligible electors may be summarized.

D. Multiple Fiscal Year Financial Obligations:

TABOR prohibits incurring multiple fiscal year financial obligations without voter approval, which greatly impacts the existing and future contractual relationships of the District. Interpreted conservatively, all multi-year contracts (including employment contracts) requiring the expenditure of District funds would require voter approval unless adequate cash reserves have been pledged and held to pay the obligation.

The Court of Appeals has determined that entering into a properly structured lease/purchase agreement without voter approval or adequate cash reserves does not violate TABOR. *Board of County Commissioners of Boulder County v. Dougherty, Dawkins, Strand & Bigelow*, 890 P.2d 199 (Colo. App. 1994). A clause making the lease/purchase obligation dependent on annual appropriations will, in many cases, prevent a TABOR violation.

E. Enterprise Exemption:

An “Enterprise” is expressly excluded from TABOR requirements.

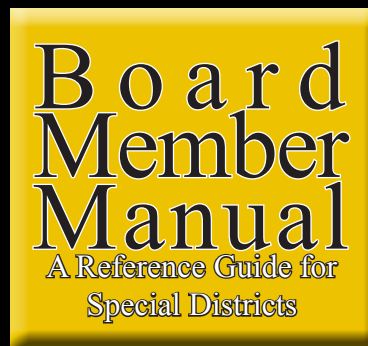
An “Enterprise” is defined as:

1. A government-owned business;
2. Authorized to issue its own revenue bonds; and
3. Receiving less than 10 percent of annual revenue in grants from all Colorado state and local governments combined.

Water service activities, including the water and/or wastewater service of a special district, are considered “Water Activity Enterprises” under §37-45.1-102(4), C.R.S.

There are Colorado appellate court case law decisions on the subject of Enterprises. The Courts applied the three-part test set forth above. The Colorado Supreme Court found that the E-470 Highway Authority was not an Enterprise because it had the power to tax (although the power was not being exercised) and, therefore, was not exempt from the TABOR limitations. *Nicholl v. E-470 Public Highway Authority*, 896 P.2d 859 (Colo. 1995).

In ruling upon interrogatories promulgated by the State, the Supreme Court found that the Great Outdoors Colorado Trust Fund Board was not an Enterprise, because it did not have the authority to issue its own revenue bonds. *Submission of Interrogatories on Senate Bill 93-74*, 852 P.2d 1 (Colo. 1993).



The SDA Board Member Manual is published by the Special District Association of Colorado in cooperation with the law firm of Collins Cockrel & Cole, P.C.

**For more information please contact the Special District Association of Colorado
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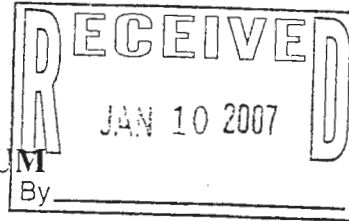
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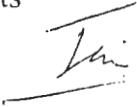
DIRECT E-MAIL
tflynn@cccfirm.com



MEMORANDUM

January 8, 2007

TO: Special District Clients

FROM: Timothy J. Flynn 

RE: **Reporting and Disclosure of Gifts, Honoraria and Other Benefits**

There exists a statute that requires elected public officials to file the attached report on or before the **15th of January, April, July and October** with the Clerk and Recorder of the County in which the District Court having jurisdiction over the special district is located, in the event you receive gifts, honoraria or other benefits during the period since the last report. This statutory requirement does not apply to Special District Directors whose annual compensation is less than \$1,200. The likelihood of Special District Directors receiving compensation in excess of \$1,200 per year has been increased with the passage of Senate Bill 2005-12, which authorizes certain Special District Directors to receive as compensation for their services \$100 per meeting attended, not to exceed \$1,600 per year. If, as a result of this change, you anticipate receiving \$1,200 or more per year as compensation for serving on the Board of Directors, the attached report must be filed.

Section 24-6-203(3), C.R.S. denotes the items which need to be reported:

1. Any money, including but not limited to a loan, pledge, or advance of money or the guarantee of a loan of money, **with a value of \$25 or more;**
2. Any gift of any item of real or personal property, other than money, **with a value of \$50 or more;**
3. Any loan of any item of real or personal property, other than money, **with a value of \$50 or more;**

4. Any payment for a speech, appearance, or publication;

5. Tickets to sporting, recreational, educational, or cultural events with a value of \$50 or more for any single event, or a series of tickets to sporting events of a specific team scheduled during a season, or a series of tickets to cultural events of a specific performing company or organization with a total value of \$100 or more;

6. Payment of or reimbursement for actual and necessary expenditures for travel and lodging for attendance at a convention or other meeting at which the elected official is scheduled to participate, unless the payment of or reimbursement for such expenditures is made from public funds, or from the funds of any association of public officials or public entities whose membership includes the elected official or the municipality; or

7. Any gift of a meal to a fund-raising event of a political party.

Such report does not need to include any contribution or contribution in kind that has already been reported pursuant to the Fair Campaign Practices Act; any nonpecuniary award publicly presented in recognition of public service; or payment of salary.

Please let us know if you have any questions.

/pr
Enclosure

Colorado Secretary of State
Elections Division
1700 Broadway, Ste. 270
Denver, CO 80290
Ph: (303) 894-2200 x 3
Fax: (303) 869-4861

Below Space for Office Use Only



**DISCLOSURE BY PUBLIC OFFICEHOLDER
REPORT OF GIFTS, HONORARIA AND OTHER BENEFITS**

(C.R.S. 24-6-203)

(Due on or before January 15, April 15, July 15, and October 15 for the period since the last report.)

Name of Officeholder: _____

Mailing Address (include city, state, and zip): _____

Official Title: _____

Name of Person From Whom the Gift, Honoraria or Other Benefit Was Received

Amount or Value: \$ _____ Date Received: _____

Description: _____

Name of Person From Whom the Gift, Honoraria or Other Benefit Was Received

Amount or Value: \$ _____ Date Received: _____

Description: _____

Name of Person From Whom the Gift, Honoraria or Other Benefit Was Received

Amount or Value: \$ _____ Date Received: _____

Description: _____

Signature of Officeholder

Date

Does Amendment 41 Apply to Special Districts?

Amendment 41, dubbed
"Ethics in Government,"
was adopted at the
November 7, 2006
General Election.

Since then, many districts
have called SDA asking
whether it applies to them.

Based on the analysis
set forth here, we believe
the answer is "No."

Gift Ban

Section 3 of Amendment 41 prohibits a
"public officer, member of the general assem-
bly, local government official, or government
employee" (collectively, "Covered Persons")
from:

1. accepting or receiving any money, forbearance, or forgiveness of indebtedness from any person without giving adequate consideration; or
2. soliciting, accepting or receiving (either directly or indirectly through his or her spouse or dependent child) from any person any gift or other thing of value having a value or cost greater than \$50 (adjusted for inflation every four years) in any calendar year without giving adequate consideration.

Exceptions from the above-described prohibitions are made for certain gifts, for example, legal campaign contributions, unsolicited items of trivial value (a pen, calendar, plant, note pad, etc.), unsolicited tokens of appreciation (a plaque or trophy), gifts given by a family member or personal friend on a special occasion, and the cost of admission or food/drink at a reception or meeting at which the Covered Person is scheduled to speak or answer questions.

The possible application of these prohibitions could be very broad, and some

people have questioned whether the gift ban might prohibit the children of Covered Persons (e.g., government employees such as police officers) from accepting scholarship awards, etc.

Lobbyist Provisions

Amendment 41 also prohibits professional (paid) lobbyists from giving any gift or thing of value, of any kind or nature, to a Covered Person or a member of his or her family and from knowingly paying for any meal or beverage to be consumed by a Covered Person, whether in the course of business or in connection with a personal or social event. This provision of the Amendment, if applicable to special districts, would prohibit SDA's Executive Director from buying a cup of coffee for a member of your district's board or staff.

Cooling-off Period

Some state legislators choose to become lobbyists after they leave public office. Under Amendment 41, no member of the general assembly or statewide elected officeholder may become a paid lobbyist at the state level for a period of two years after leaving office. The Amendment also provides that similar restrictions on other Covered Persons may be established by law.

> PAGE 8

Special District Association

Employee Benefit Plans

- Medical
- Dental
- Group Life
- Long Term Disability
- Short Term Disability

presented by:

The Urman Company

For More Information Contact:

Mr. Frank Urman

The Urman Company

5660 Greenwood Plaza Blvd.,
Suite 330

Greenwood Village, Colorado 80111

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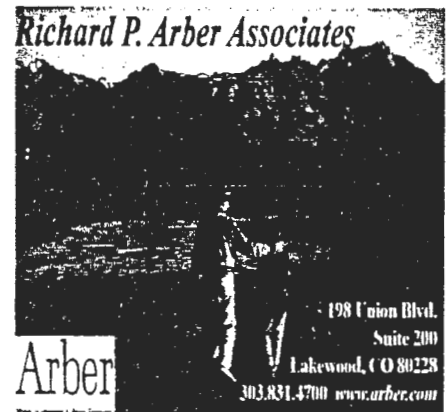
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Gifts and Contracts: Ethics Basics for Special Districts

Even without the constraints of Amendment 41 (see companion article "Does Amendment 41 Apply to Special Districts?" on page 7), the state statutory Code of Ethics¹ (the "Ethics Code") restricts the actions of special district directors and employees. Unlike Amendment 41, the Ethics Code specifically includes special districts in its definition of "local government." Undeniably, special district directors fall within the defined term "local government official," which includes an elected or appointed official of a local government, and the defined term "employee" means any temporary or permanent employee of any local government.

The Ethics Code provides that holding public office or employment is a public trust and creates a fiduciary duty for district board members and employees, alike, to carry out their duties for the benefit of the people. The Ethics Code recognizes that conflicts may arise between the public duty of such a citizen and his or her private interest. Some actions are conflicts per se while other actions may or may not pose such conflicts depending on the surrounding circumstances. To that end, the Ethics Code includes both "Rules of Conduct," the strict Do's and Don't's of public life, and "Ethical Principles" which are intended to serve as guides to conduct. Failing to follow an Ethical Principle does not constitute a violation, as such, of the public trust.

¹ See title 24, article 18, part 1, C.R.S.

Prohibited Actions (a/k/a Rules of Conduct)

As a local government official or employee, you must not:

- a) disclose or use confidential information acquired in the course of your official duties in order to further substantially your personal financial interests;
- b) accept a gift of substantial value or a substantial economic benefit (a loan at a below-market rate of interest, or compensation at an above-market rate) which would tend to improperly influence a reasonable person in your position to depart from the faithful and impartial discharge of his or her public duties or which you know (or reasonably should know) is primarily for the purpose of rewarding you for official action you have taken;
- c) engage in a substantial financial transaction for your private business purpose with a person that you supervise or inspect in the course of your official duties; or
- d) perform an official act directly and substantially affecting to its economic benefit a business in which you have a substantial financial interest or are engaged as counsel, consultant, representative, or agent.

Proof beyond a reasonable doubt² that you have committed one of these acts constitutes a breach of your fiduciary duty and the public trust.

² The same standard of proof as that used in criminal prosecutions.

The "Ethics Code"
applies to the actions of
special district directors
and employees.

Exceptions to the Rules

Certain gifts are excepted from the rule³ and are thereby "allowed," including:

- Occasional nonpecuniary gifts, insignificant in value.
- Items of perishable or nonpermanent value, including, but not limited to, meals, lodging, travel expenses, or tickets to sporting, educational, cultural or recreational events.
- An opportunity to participate in a social function or meeting which is not extraordinary when viewed in the light of your position.

In addition, it is ok to accept or receive a benefit as an indirect consequence of transacting the district's business.

Ethical Principles

The following items are guides to conduct for local government officials and employees:

- You should not acquire or hold an interest in any business which may be directly and substantially benefited

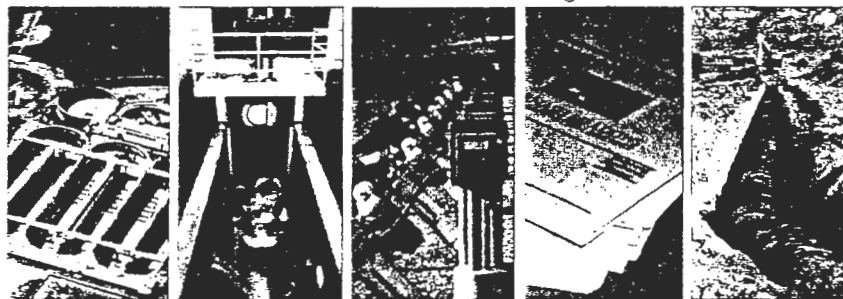
³ See section 24-18-104(3), C.R.S.

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Ethics for Special Districts

Continued from page 15.

(economically speaking) by your official action.

- You should wait six months after leaving office before taking employment which will take direct advantage, unavailable to others, of matters with which you were directly involved during your public service.
- You should not perform an official act which will cause a direct and substantial economic detriment to a business which competes with a business in which you have a substantial financial interest.

Contracts

Has your district ever faced the question of whether you may enter into a contract which is somehow connected to a district board member?

State law⁴ provides that (i) local government officials or employees shall not be interested in any contract made by them in their official capacity and (ii) a former employee may not, within six months after leaving public employment, contract or be employed by an employer who contracts with any local government involving matters with which the employee was directly involved during his employment.⁵ The statute then explains that holding a minority interest in a corporation does not qualify as "being

interested in" a contract, and that certain contract arrangements are not prohibited.

For example, the law does not prohibit contracts with "interested" district board members or employees if:

- a) because of geographic restrictions, the district could not otherwise reasonably afford itself of the subject of the contract. For example, if the additional cost to the district is greater than 10% of the contract with the interested party or if the services must be performed within a limited time period and no other contractor can meet the deadline;
- b) the interested party follows the disclosure rules outlined below; or
- c) the interested party is the winner in a competitive bidding process or auction.

Contracts made in violation of these provisions are voidable at the request of any contract party except the interested local government official or employee.

Disclosure

A board member who has a personal or private interest in any matter proposed or pending before the board must take the following steps:⁶

- Disclose such interest to the board;
- Do not vote (unless your vote is necessary to establish a quorum or otherwise

enable the board to act and you comply with the voluntary disclosure procedures discussed below); and

- Do not attempt to influence the vote of fellow board members

Section 24-18-110, C.R.S. sets forth certain voluntary disclosure procedures which, if followed, will constitute an affirmative defense to any civil or criminal action or any other sanction. Most importantly, the voluntary disclosure must be made before acting in a manner which may impinge on your fiduciary duty. To avail yourself of this safe harbor, you must disclose in writing to the Secretary of State (i) the nature of your private interest, including, the amount of any financial interest, (ii) the purpose and duration of any services rendered, (iii) any compensation received for the services, and (iv) any other information necessary to describe your interest. Then, at the time of performing the official act (e.g., voting), you are to state for the record the fact and summary nature of the interest disclosed. Your voluntary disclosure statement will be accessible by the public.

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⁴ See title 24, article 18, part 2 re Proscribed Acts Related to Contracts and Claims.

⁵ See section 24-18-201(1), C.R.S.

⁶ See sections 24-18-109(3) and 24-18-110, C.R.S.

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Additional Disclosure Under the Colorado Sunshine Law

District directors should also be aware of the additional reporting requirements included in the Public Official Disclosure Law.⁷ This law provides that every incumbent in or candidate elected to "public office" who receives, in connection with his or her public service, (i) any money (including loans, advances or guarantees) in an amount of \$25 or more; (ii) any gift of any item of real or personal property, other than money, valued at \$50 or more; or (iii) any loan of real or personal property valued at \$50 or more (explained as the cost saved by the public officer by not borrowing, leasing or purchasing comparable property from a source available to the general public) must file a quarterly report⁸ containing, at a minimum, the name of the person from whom the item was received, the amount or value, and the date of receipt.⁹

⁷ Part 2 of article 6, title 24, C.R.S.

⁸ Reports are due on or before January 15, April 15, July 15 and October 15 of each year.

⁹ Section 24-6-203, C.R.S.

"Public office," as used in this statute, does not include "any elective office within a special district for which the annual compensation is less than \$1,200." Therefore, any director in a district which has authorized annual director compensation of \$1,200 or more should be careful to comply with these reporting requirements. Special district directors should file their reports with the county clerk and recorder for the county in which the district court having jurisdiction over the special district is located.

The reporting requirements also cover tickets to sporting, recreational, educational or cultural events, payments for a speech, appearance or publication, payment or reimbursement of travel and lodging expenses to attend a convention at which the public officer is scheduled to participate (except if the payment or reimbursement is made from public funds, so no worry if your district paid for you to attend the SDA Annual Conference!), and meals at a fund-raising event of a political party.

Reports do not need to be filed for items of perishable or nonpermanent value, includ-

ing but not limited to meals, a nonpecuniary award publicly presented by an organization in recognition of public service, payment of salary from employment, or contributions or contributions in kind reported pursuant to the Fair Campaign Practices Act.¹⁰ Any person who provides you with any item required to be reported under this statute must also furnish you with a written statement of the dollar value of the item.¹¹


The "Smell" Test

The rules of ethics and integrity in government are not always clear-cut and precise. Some actions may not violate the letter of the law, but may still lead to public implications that will cause real public relations problems for your district with your constituents. Always consider how your conduct might appear when it shows up on the 10:00 news or on the front page of the newspaper.


¹⁰ The reporting requirements discussed in this article do not take the place of the disclosure mandated in connection with moneys received or spent in connection with being a candidate for a special district election. See Colorado Constitution Article XXVIII, section 2(2) and Section 1-45-108, C.R.S.

¹¹ See section 24-6-203(5), C.R.S.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 6 COLORADO SUNSHINE LAW/PART 2 PUBLIC OFFICIAL DISCLOSURE LAW/24-6-201. Declaration of policy.

24-6-201. Declaration of policy.

In order to continue the public confidence in the integrity of government officials and to promote trust of the people in the objectivity of their public servants, this open disclosure law is adopted.

Source: Initiated 72. L. 73: p. 1660, § 1. C.R.S. 1963: § 3-37-201.

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Document 2 of 3**Source:**

Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 6 COLORADO SUNSHINE LAW/PART 2 PUBLIC OFFICIAL DISCLOSURE LAW/24-6-202. Disclosure - contents - filing - false or incomplete filing - penalty.

24-6-202. Disclosure - contents - filing - false or incomplete filing - penalty.

(1) Not more than thirty days after their election, reelection, appointment, or retention in office, written disclosure, in such form as the secretary of state shall prescribe, stating the interests named in subsection (2) of this section shall be made to and filed with the secretary of state of Colorado by:

- (a) Each member of the general assembly;
- (b) The governor, lieutenant governor, secretary of state, attorney general, and state treasurer;
- (c) Each justice or judge of a court of record;
- (d) Each district attorney;
- (e) Each member of the state board of education;
- (f) Each member of the board of regents of the university of Colorado;
- (g) Each member of the public utilities commission.
- (h) Repealed.

(1.5) The provisions of subsection (1) of this section apply to any person who is serving in any position noted in said subsection (1) on July 1, 1979.

(2) Disclosure shall include:

- (a) The names of any source or sources of any income, including capital gains, whether or not taxable, of the person making disclosure, his spouse, and minor children residing with him;

(b) The name of each business, insurance policy, or trust in which he, his spouse, or minor children residing with him has a financial interest in excess of five thousand dollars;

(c) The legal description of any interest in real property, including an option to buy, in the state in which the person making disclosure, his spouse, or minor children residing with him have any interest, direct or indirect, the market value of which is in excess of five thousand dollars;

(d) The identity, by name, of all offices, directorships, and fiduciary relationships held by the person making disclosure, his spouse, and minor children residing with him;

(e) The identity, by name, of any person, firm, or organization for whom compensated lobbying is done by any person associated with the person making disclosure if the benefits of such compensation are or may be shared by the person making disclosure, directly or indirectly;

(f) The name of each creditor to whom the person making disclosure, his spouse, or minor children owe money in excess of one thousand dollars and the interest rate;

(g) A list of businesses with which the person making disclosure or his spouse are associated that do business with or are regulated by the state and the nature of such business or regulation;

(h) Such additional information as the person making disclosure might desire.

(3) Any disclosure statement shall be amended no more than thirty days after any termination or acquisition of interests as to which disclosure is required.

(4) Any person required by this section to file a disclosure statement shall, on or before January 10 of each calendar year, file an amended statement with the secretary of state or notify the secretary of state in writing that he has had no change of condition since the previous filing of a disclosure statement.

(5) Each disclosure statement, amended statement, or notification that no amendment is required shall be public information, available to any person upon request during normal working hours.

(6) Any person subject to the provisions of this section may elect to file with the secretary of state annually a copy of his federal income tax return and any separate federal income tax return filed by his spouse or minor children residing with him together with a certified statement of any investments held by him, his spouse, or minor children residing with him which are not reflected by the income tax returns in lieu of complying with the provisions of subsections (1) to (4) of this section, which tax return and any statement filed under the provisions of this subsection (6) shall be public information.

(7) Any person who willfully files a false or incomplete disclosure statement, amendment, or notice that no amendment is required, or who willfully files a false or incomplete copy of any federal income tax return or a false or incomplete certified statement of investments, or who willfully fails to make any filing required by this section is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than one thousand dollars nor more than five thousand dollars.

Source: Initiated 72. L. 73: p. 1660, § 1. **C.R.S. 1963:** § 3-37-202. **L. 79:** IP(1), (4), and (6) amended and (1)(b), (1)(d), (1)(e), (1)(f), (1)(g), and (1)(h) added, pp. 851, 852, §§ 1, 2, effective July 1. **L. 85:** (1)(a) amended and (1)(h) repealed, pp. 382, 381, §§ 6, 1, effective April 17.

Document 1 of 21**Source:**

Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS

PART 1 CODE OF ETHICS

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-101. Legislative declaration.

24-18-101. Legislative declaration.

The general assembly recognizes the importance of the participation of the citizens of this state in all levels of government in the state. The general assembly further recognizes that, when citizens of this state obtain public office, conflicts may arise between the public duty of such a citizen and his or her private interest. The general assembly hereby declares that the prescription of some standards of conduct common to those citizens involved with government is beneficial to all residents of the state. The provisions of this part 1 recognize that some actions are conflicts per se between public duty and private interest while other actions may or may not pose such conflicts depending upon the surrounding circumstances.

Source: L. 88: Entire article added, p. 899, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-102. Definitions.

24-18-102. Definitions.

As used in this part 1, unless the context otherwise requires:

(1) "Business" means any corporation, limited liability company, partnership, sole proprietorship, trust or foundation, or other individual or organization carrying on a business, whether or not operated for profit.

(2) "Compensation" means any money, thing of value, or economic benefit conferred on or received by any person in return for services rendered or to be rendered by himself or another.

(3) "Employee" means any temporary or permanent employee of a state agency or any local government, except a member of the general assembly and an employee under contract to the state.

(4) "Financial interest" means a substantial interest held by an individual which is:

(a) An ownership interest in a business;

(b) A creditor interest in an insolvent business;

(c) An employment or a prospective employment for which negotiations have begun;

(d) An ownership interest in real or personal property;

(e) A loan or any other debtor interest; or

(f) A directorship or officership in a business.

(5) "Local government" means the government of any county, city and county, city, town, special district, or school district.

(6) "Local government official" means an elected or appointed official of a local government but does not include an employee of a local government.

(7) "Official act" or "official action" means any vote, decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority.

(8) "Public officer" means any elected officer, the head of a principal department of the executive branch, and any other state officer. "Public officer" does not include a member of the general assembly, a member of the judiciary, any local government official, or any member of a board, commission, council, or committee who receives no compensation other than a per diem allowance or necessary and reasonable expenses.

(9) "State agency" means the state; the general assembly and its committees; every executive department, board, commission, committee, bureau, and office; every state institution of higher education, whether established by the state constitution or by law, and every governing board thereof; and every independent commission and other political subdivision of the state government except the courts.

Source: L. 88: Entire article added, p. 899, § 1, effective July 1. L. 90: (1) amended, p. 447, § 10, effective April 18. L. 91: (8) amended, p. 837, § 1, effective March 29.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-103. Public trust - breach of fiduciary duty.

24-18-103. Public trust - breach of fiduciary duty.

(1) The holding of public office or employment is a public trust, created by the confidence which the electorate poses in the integrity of public officers, members of the general assembly, local government officials, and employees. A public officer, member of the general assembly, local government official, or employee shall carry out his duties for the benefit of the people of the state.

(2) A public officer, member of the general assembly, local government official, or employee whose conduct departs from his fiduciary duty is liable to the people of the state as a trustee of property and shall suffer such other liabilities as a private fiduciary would suffer for abuse of his trust. The district attorney of the district where the trust is violated may bring appropriate judicial proceedings on behalf of the people. Any moneys collected in such actions shall be paid to the general fund of the state or local government. Judicial proceedings pursuant to this section shall be in addition to any criminal action which may be brought against such public officer, member of the general assembly, local government official, or employee.

Source: L. 88: Entire article added, p. 900, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-104. Rules of conduct for all public officers, members of the general assembly, local government officials, and employees.

24-18-104. Rules of conduct for all public officers, members of the general assembly, local government officials, and employees.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty and the public trust. A public officer, a member of the general assembly, a local government official, or an employee shall not:

(a) Disclose or use confidential information acquired in the course of his official duties in order to further substantially his personal financial interests; or

(b) Accept a gift of substantial value or a substantial economic benefit tantamount to a gift of substantial value:

(I) Which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties; or

(II) Which he knows or which a reasonable person in his position should know under the circumstances is primarily for the purpose of rewarding him for official action he has taken.

(2) An economic benefit tantamount to a gift of substantial value includes without limitation a loan at a rate of interest substantially lower than the commercial rate then currently prevalent for similar loans and compensation received for private services rendered at a rate substantially exceeding the fair market value of such services.

(3) The following shall not be considered gifts of substantial value or gifts of substantial economic benefit tantamount to gifts of substantial value for purposes of this section:

(a) Campaign contributions and contributions in kind reported as required by section 1-45-108, C.R.S.;

(b) An occasional nonpecuniary gift, insignificant in value;

(c) A nonpecuniary award publicly presented by a nonprofit organization in recognition of public service;

(d) Payment of or reimbursement for actual and necessary expenditures for travel and subsistence for attendance at a convention or other meeting at which such public officer, member of the general assembly, local government official, or employee is scheduled to participate;

(e) Reimbursement for or acceptance of an opportunity to participate in a social function or meeting which is offered to such public officer, member of the general assembly, local government official, or employee which is not extraordinary when viewed in light of the position held by such public officer, member of the general assembly, local government official, or employee;

(f) Items of perishable or nonpermanent value, including, but not limited to, meals, lodging, travel expenses, or tickets to sporting, recreational, educational, or cultural events;

(g) Payment for speeches, appearances, or publications reported pursuant to section 24-6-203;

(h) Payment of salary from employment, including other government employment, in addition to that earned from being a member of the general assembly or by reason of service in other public office.

(4) The provisions of this section are distinct from and in addition to the reporting requirements of section 1-45-108, C.R.S., and section 24-6-203, and do not relieve an incumbent in or elected candidate to public office from reporting an item described in subsection (3) of this section, if such reporting provisions apply.

Source: L. 88: p. 901, § 1. L. 92: (3)(g) and (3)(h) amended, p. 874, § 103, effective January 1, 1993. L. 94: (3) amended and (4) added, p. 1827, § 4, effective January 1, 1995.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-105. Ethical principles for public officers, local government officials, and employees.

24-18-105. Ethical principles for public officers, local government officials, and employees.

(1) The principles in this section are intended as guides to conduct and do not constitute violations as such of the public trust of office or employment in state or local government.

(2) A public officer, a local government official, or an employee should not acquire or hold an interest in any business or undertaking which he has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by an agency over which he has substantive authority.

(3) A public officer, a local government official, or an employee should not, within six months following the termination of his office or employment, obtain employment in which he will take direct advantage, unavailable to others, of matters with which he was directly involved during his term of employment. These matters include rules, other than rules of general application, which he actively helped to formulate and applications, claims, or contested cases in the consideration of which he was an active participant.

(4) A public officer, a local government official, or an employee should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he has a substantial financial interest in a competing firm or undertaking.

Source: L. 88: Entire article added, p. 902, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-106. Rules of conduct for members of the general assembly.

24-18-106. Rules of conduct for members of the general assembly.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the member of the general assembly committing the act has breached his fiduciary duty and the public trust. A member of the general assembly shall not accept a fee, a contingent fee, or any other compensation, except his official compensation provided by statute, for promoting or opposing the passage of legislation.

(2) It shall not be a breach of fiduciary duty and the public trust for a member of the general assembly to:

(a) Use state facilities or equipment to communicate or correspond with a member's constituents, family members, or business associates; or

(b) Accept or receive a benefit as an indirect consequence of transacting state business.

(3) Notwithstanding any other provision of law, no member of the general assembly shall lobby, solicit lobbying business or contracts, or otherwise establish a lobbying business or practice respecting issues before the general assembly prior to the expiration of his or her term. Where the member tenders his or her resignation prior to the expiration of his or her term, the requirements of this subsection (3) shall apply up through the date of the member's resignation from office.

Source: L. 88: Entire article added, p. 902, § 1, effective July 1. **L. 2003:** (3) added, p. 1230, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-107. Ethical principles for members of the general assembly.

24-18-107. Ethical principles for members of the general assembly.

(1) The principles in this section are intended only as guides to a member of the general assembly in determining whether or not his conduct is ethical.

(2) A member of the general assembly who has a personal or private interest in any measure or bill proposed or pending before the general assembly shall disclose the fact to the house of which he is a member and shall not vote thereon. In deciding whether or not he has such an interest, a member shall consider, among other things, the following:

- (a) Whether the interest impedes his independence of judgment;
- (b) The effect of his participation on public confidence in the integrity of the general assembly; and
- (c) Whether his participation is likely to have any significant effect on the disposition of the matter.

(3) An interest situation does not arise from legislation affecting the entire membership of a class.

(4) If a member of the general assembly elects to disclose the interest, he shall do so as provided in the rules of the house of representatives or the senate, but in no case shall failure to disclose constitute a breach of the public trust of legislative office.

Source: L. 88: Entire article added, p. 902, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-108. Rules of conduct for public officers and state employees.

24-18-108. Rules of conduct for public officers and state employees.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty.

(2) A public officer or a state employee shall not:

(a) Engage in a substantial financial transaction for his private business purposes with a person whom he inspects, regulates, or supervises in the course of his official duties;

(b) Assist any person for a fee or other compensation in obtaining any contract, claim, license, or other economic benefit from his agency;

(c) Assist any person for a contingent fee in obtaining any contract, claim, license, or other economic benefit from any state agency; or

(d) Perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.

(3) A head of a principal department or a member of a quasi-judicial or rule-making agency may perform an official act notwithstanding paragraph (d) of subsection (2) of this section if his participation is necessary to the administration of a statute and if he complies with the voluntary disclosure procedures under section 24-18-110.

(4) Repealed.

Source: L. 88: Entire article added, p. 903, § 1, effective July 1. **L. 91:** (4) repealed, p. 837, § 2, effective March 29.

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Source:

Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-108.5. Rules of conduct for members of boards and commissions.

24-18-108.5. Rules of conduct for members of boards and commissions.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty.

(2) A member of a board, commission, council, or committee who receives no compensation other than a per diem allowance or necessary and reasonable expenses shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which such member has a direct or substantial financial interest.

Source: L. 91: Entire section added, p. 837, § 3, effective March 29.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-109. Rules of conduct for local government officials and employees.

24-18-109. Rules of conduct for local government officials and employees.

(1) Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty and the public trust.

(2) A local government official or local government employee shall not:

(a) Engage in a substantial financial transaction for his private business purposes with a person whom he inspects or supervises in the course of his official duties; or

(b) Perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.

(3) (a) A member of the governing body of a local government who has a personal or private interest in any matter proposed or pending before the governing body shall disclose such interest to the governing body and shall not vote thereon and shall refrain from attempting to influence the decisions of the other members of the governing body in voting on the matter.

(b) A member of the governing body of a local government may vote notwithstanding paragraph (a) of this subsection (3) if his participation is necessary to obtain a quorum or otherwise enable the body to act and if he

complies with the voluntary disclosure procedures under section 24-18-110.

(4) It shall not be a breach of fiduciary duty and the public trust for a local government official or local government employee to:

(a) Use local government facilities or equipment to communicate or correspond with a member's constituents, family members, or business associates; or

(b) Accept or receive a benefit as an indirect consequence of transacting local government business.

Source: L. 88: Entire article added, p. 903, § 1, effective July 1.

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Source:

Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-110. Voluntary disclosure.

24-18-110. Voluntary disclosure.

A member of a board, commission, council, or committee who receives no compensation other than a per diem allowance or necessary and reasonable expenses, a member of the general assembly, a public officer, a local government official, or an employee may, prior to acting in a manner which may impinge on his fiduciary duty and public trust, disclose the nature of his private interest. Members of the general assembly shall make disclosure as provided in the rules of the house of representatives and the senate, and all others shall make the disclosure in writing to the secretary of state, listing the amount of his financial interest, if any, the purpose and duration of his services rendered, if any, and the compensation received for the services or such other information as is necessary to describe his interest. If he then performs the official act involved, he shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act. Such disclosure shall constitute an affirmative defense to any civil or criminal action or any other sanction.

Source: L. 88: Entire article added, p. 904, § 1, effective July 1. **L. 91:** Entire section amended, p. 838, § 4, effective March 29.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-111. Powers of the secretary of state.

24-18-111. Powers of the secretary of state.

(1) The secretary of state may:

(a) Issue advisory opinions to persons subject to the provisions of this article concerning issues relating to the

requesting person's conduct and the provisions of this article with such deletions as are necessary to protect the identity of the requesting party or the party about whom the opinion is written;

(b) Keep and permit reasonable public access to voluntary disclosure statements;

(c) Make rules for the conduct of his affairs under this part 1.

(2) Any advisory opinion issued by the secretary of state shall take priority over any comment issued by the board of ethics for the executive branch pursuant to section ~~24-18-112~~ or any opinion issued by the board of ethics for the general assembly pursuant to section ~~24-18-113~~ if the comment or the opinion covers the same circumstances and the same issues as covered by the opinion of the secretary of state and if the comment or the opinion reached a separate conclusion from that reached by the opinion of the secretary of state.

Source: L. 88: Entire article added, p. 904, § 1, effective July 1.

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Source:

Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 1 CODE OF ETHICS/24-18-112. Board of ethics for the executive branch - created - duties.

24-18-112. Board of ethics for the executive branch - created - duties.

(1) There is hereby created a board of ethics for the executive branch of state government in the office of the governor. The board shall consist of five members to be appointed by and serve at the pleasure of the governor.

(2) The board of ethics for the executive branch shall:

(a) Comment, when requested by the governor, on each proposed gubernatorial appointment, including the heads of the principal departments and the senior members of the governor's office based upon the provisions of this article;

(b) Upon written request of the governor, review complaints of any violation of the provisions of this article by a member of the executive branch of state government;

(c) Make written recommendations to the governor concerning his requests; and

(d) Review appeals brought before the board of ethics pursuant to section 24-30-1003 (4).

Source: L. 88: Entire article added, p. 905, § 1, effective July 1. **L. 94:** (2) amended, p. 1249, § 2, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART

<http://198.187.128.12/mbPrint/6b11565f.htm>

1/12/2007

1 CODE OF ETHICS/24-18-113. Board of ethics for the general assembly - created - duties.

24-18-113. Board of ethics for the general assembly - created - duties.

(1) There is hereby created a board of ethics for the general assembly. The board shall consist of four legislative members. One member shall be appointed by and serve at the pleasure of the majority leader of the house of representatives; one member shall be appointed by and serve at the pleasure of the majority leader of the senate; one member shall be appointed by and serve at the pleasure of the minority leader of the house of representatives; and one member shall be appointed by and serve at the pleasure of the minority leader of the senate.

(2) The board of ethics for the general assembly shall, upon written request of a member of the general assembly, issue advisory opinions concerning issues relating to the requesting member's conduct and the provisions of this article.

Source: L. 88: Entire article added, p. 905, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS

PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS/24-18-201. Interests in contracts.

24-18-201. Interests in contracts.

(1) Members of the general assembly, public officers, local government officials, or employees shall not be interested in any contract made by them in their official capacity or by any body, agency, or board of which they are members or employees. A former employee may not, within six months following the termination of his employment, contract or be employed by an employer who contracts with a state agency or any local government involving matters with which he was directly involved during his employment. For purposes of this section, the term:

(a) "Be interested in" does not include holding a minority interest in a corporation.

(b) "Contract" does not include:

(I) Contracts awarded to the lowest responsible bidder based on competitive bidding procedures;

(II) Merchandise sold to the highest bidder at public auctions;

(III) Investments or deposits in financial institutions which are in the business of loaning or receiving moneys;

(IV) A contract with an interested party if, because of geographic restrictions, a local government could not otherwise reasonably afford itself of the subject of the contract. It shall be presumed that a local government could not otherwise reasonably afford itself of the subject of a contract if the additional cost to the local government is greater than ten percent of a contract with an interested party or if the contract is for services that must be performed within a limited time period and no other contractor can provide those services within that time period.

(V) A contract with respect to which any member of the general assembly, public officer, local government official, or employee has disclosed a personal interest and has not voted thereon or with respect to which any member of the governing body of a local government has voted thereon in accordance with section 24-18-109 (3) (b) or 31-4-404 (3), C.R.S. Any such disclosure shall be made: To the governing body, for local government officials and employees; in accordance with the rules of the house of representatives and the senate, for members of the general assembly; and to the secretary of state, for all others.

Source: L. 88: Entire article added, p. 905, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS/24-18-202. Interest in sales or purchases.

24-18-202. Interest in sales or purchases.

Public officers and local government officials shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity.

Source: L. 88: Entire article added, p. 906, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS/24-18-203. Voidable contracts.

24-18-203. Voidable contracts.

Every contract made in violation of any of the provisions of section 24-18-201 or 24-18-202 shall be voidable at the instance of any party to the contract except the officer interested therein.

Source: L. 88: Entire article added, p. 906, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS/24-18-204. Dealings in warrants and other claims prohibited.

24-18-204. Dealings in warrants and other claims prohibited.

State officers, county officers, city and county officers, city officers, and town officers, as well as all other local government officials, and their deputies and clerks, are prohibited from purchasing or selling or in any manner receiving to their own use or benefit or to the use or benefit of any person or persons whatever any state, county, city and county, city, or town warrants, scrip, orders, demands, claims, or other evidences of indebtedness against the state or any county, city and county, city, or town thereof except evidences of indebtedness issued to or held by them for services rendered as such officer, deputy, or clerk, and evidences of the funded indebtedness of such state, county, city and county, city, or town.

Source: L. 88: Entire article added, p. 906, § 1, effective July 1.

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Colorado Statutes/TITLE 24 GOVERNMENT - STATE/ADMINISTRATION/ARTICLE 18 STANDARDS OF CONDUCT/PART 2 PROSCRIBED ACTS RELATED TO CONTRACTS AND CLAIMS/24-18-205. Settlements to be withheld on affidavit.

24-18-205. Settlements to be withheld on affidavit.

(1) Every officer charged with the disbursement of public moneys who is informed by affidavit establishing probable cause that any officer whose account is about to be settled, audited, or paid by him has violated any of the provisions of this part 2 shall suspend such settlement or payment and cause such officer to be prosecuted for such violation by the district attorney of the appropriate jurisdiction.

(2) If there is judgment for the defendant upon such prosecution, the proper officer may proceed to settle, audit, or pay such account as if no such affidavit had been filed.

Source: L. 88: Entire article added, p. 906, § 1, effective July 1.

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POLICIES

**SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT**

Fats, Oils, and Grease (FOG) Policy

(adopted September 17, 2010)

Fats, Oils, and Grease (FOG) Policy

1.0 Purpose

The purpose of this policy is to minimize the loading of animal/vegetable fats, oils, and grease (FOG) entering Southwest Metropolitan Water and Sanitation District's (District) wastewater collection system and the Littleton/Englewood Wastewater Treatment Plant (L/E WWTP). FOG can contribute to sewer blockages, causing sanitary sewer overflows and backups, and can interfere with equipment at the wastewater treatment plant.

2.0 Scope and Applicability

2.1 Scope

This policy encompasses the entire service area of the District including those areas located outside of the District's legal boundaries, but which discharge wastewater into the District's wastewater collection system by agreement.

2.2 Applicability

2.2.2 Nondomestic Users

This policy applies to any nondomestic user in the District's service area where preparation, manufacturing, or processing of food occurs including but not limited to restaurants, cafes, fast food outlets, pizza outlets, delicatessens, sandwich shops, coffee shops, schools, nursing homes, and other facilities that prepare, service, or otherwise make foodstuff available for consumption. These users shall install and maintain a gravity grease interceptor (GGI) as directed by the District.

2.2.3 Domestic Users

This policy does not apply to domestic users. However, the best management practices (BMPs) set forth in this policy are recommended for domestic users to assist in keeping the collection system and private sewer lines flowing freely.

3.0 Definitions and Acronyms

3.1 Definitions

Best Management Practices - Schedules of activities, prohibitions or practices, maintenance procedures, and other management practices; it also includes treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

Control Authority – Southwest Metropolitan Water and Sanitation District, the Cities of Littleton and Englewood or their designee, including the Division.

District – Southwest Metropolitan Water and Sanitation District

Division – The Industrial Pretreatment Division of the Littleton/Englewood Wastewater Treatment Plant.

Domestic User – Any private residential user that discharges wastes derived from ordinary living processes excluding any commercial or industrial wastes.

Fats, Oils, and Grease (FOG) – Nonpetroleum fats, oils, and grease derived from animal or plant sources.

Grease Interceptor or Gravity Grease Interceptor (GGI) – A plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept non-petroleum fats, oils, and greases (FOG) from a wastewater discharge and is identified by volume, thirty (30) minute retention time, baffle(s), not less than two (2) compartments, a total volume of not less than three hundred (300) gallons, and gravity separation. Gravity grease interceptors are generally installed outside.

Grease Trap or Hydromechanical Grease Interceptor (HGI) – A plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept non-petroleum FOG from a wastewater discharge and is identified by flow rate, and separation and retention efficiency, listed as Types A - D below. The design incorporates air entrainment, hydromechanical separation, interior baffling, and/or barriers in combination or separately, and one of the following:

Type A External flow control, with air intake (vent): directly connected

Type B External flow control, without air intake (vent): directly connected

Type C Without external flow control, directly connected

Type D Without external flow control, indirectly connected

HGIs are generally installed inside. HGIs are not permitted in lieu of GGIs.

Inactive GGI – An existing GGI that is no longer in use

Nondomestic User – Any user that does not meet the criteria for categorization as a domestic user shall be considered a nondomestic user

Notice of Violation (NOV) – Notice given to a user who is in violation of this policy.

Publicly Owned Treatment Works (POTW) – A publicly owned treatment works includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of sewage and any conveyances, which convey wastewater to a treatment plant.

User – Any person who contributes, causes, or permits the contribution of wastewater into

the POTW

Waste Grease Bin (WGB) – Any receptacle used to store used FOG collected from fryers, grills, and other similar devices

3.2 Acronyms

BMP – best management practices

FOG – fats, oils, and greases

GGI – gravity grease interceptor

HGI – hydromechanical grease interceptor

L/E WWTP – Littleton/Englewood Wastewater Treatment Plant

POTW – Public Owned Treatment Works

NOV – notice of violation

WGB –waste grease bin

4.0 Roles and Responsibilities

4.1 District

The District is responsible for implementing this policy. Duties include but are not limited to reviewing building plans, inspecting applicable users for compliance, and enforcing policy requirements.

4.2 Division

The Division has oversight authority over the District’s adoption and implementation of this policy.

4.3 Contractors

Contractors may be delegated by the District to perform the roles and responsibilities of the District.

4.4 Users

Users, to which this policy applies, as identified in Section 2.2, shall comply with all requirements listed in Section 5.0. The user shall permit inspections by the District with or without notice for the purpose of determining applicability and/or compliance with this policy.

5.0 Requirements

This section describes the requirements for all applicable users. Prior to purchasing a business or signing a lease for an existing retail space, it is recommended the user contact the District with questions about their requirements. This can help users avoid costly mistakes or oversights.

5.1 Plan Reviews

The user and owner of the property, business, or industry or an authorized representative of the user must contact the District for the purpose of obtaining a plan review. The plan review shall determine the need, size, location, and other requirements of the GGI required to control discharges. Written approval from the District must be obtained prior to installation of the GGI. The review of such plans and operating procedures shall in no way relieve the user from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the District in accordance with this Policy and the Engineering Standards of the District.

Plans are required to be submitted for approval prior to any of the following:

- Sale or transfer of ownership of the business,
- Change in the trade name under which the business is operated,
- Change in the nature of the services provided that affect the potential to discharge FOG, and/or
- Remodeling of the facility that may result in an increase in flow or FOG loading or that otherwise requires the facility to submit plans or specifications for approval through a building or zoning department, or any other formal approval process of a city, county, or other jurisdiction.

All plans submitted to the District must show the location of the GGI, include dimensions of the GGI and plumbing, show connections to all plumbing fixtures, include the sizing calculation in accordance with Section 5.3.2, and include documentation of manufacturer ratings for flow from plumbing fixtures if used in the sizing calculations.

5.2 Hydromechanical Grease Interceptor (HGI)

Grease traps or hydromechanical grease interceptors (HGIs) shall not be permitted in lieu of GGIs to comply with the requirements of this policy.

5.3 GGI Criteria

5.3.1 GGI Plumbing and Structural Requirements

All sinks, floor drains, floor sinks, mop sinks, disposals, dishwashers and other plumbing fixtures in kitchens, bars, bussing stations, and other food service areas into which wastewater containing FOG may be introduced must be connected to the GGI. Water closets, urinals, and other plumbing fixtures conveying human waste shall not drain into or through the GGI.

Each business establishment for which a GGI is required shall have a GGI serving only that establishment. Common or shared GGIs are not permitted. The District may grant a variance for a common or shared GGI if it is pre-existing and if the

resulting discharge does not exceed the 200 mg/L for oil and grease as required by the City of Littleton Municipal Code.

All GGIs and associated plumbing shall be installed by a licensed plumber or contractor. All GGIs must have two compartments separated by a baffle wall. The primary compartment shall have a volume equal to two thirds of the total capacity, and the secondary compartment shall have a volume equal to one third of the total capacity. Each compartment shall be accessible by a traffic rated manhole above the inlet and outlet piping with a minimum diameter of 24 inches. Manhole covers may not be locked, or otherwise fastened in place such that access is restricted.

All plumbing shall be compatible with food service wastewater, such as PVC. A sampling-T with a removable cap shall be placed at the outlet end of the GGI to allow sampling of effluent. The top of the sampling-T shall be no more than one foot below grade. In order to maximize retention time in the primary chamber, the bottom of the inlet piping shall extend down 25% of the total water depth. The bottom of the outlet piping must extend down within 12 inches of the base of the GGI. Flow from the primary to secondary compartment shall be through a 90° elbow bend, or similar device equivalent in cross sectional area to the inlet piping into the GGI, and shall extend down in the primary compartment of the GGI with a height above the base between 9 and 12 inches. Support brackets are required for inlet and outlet piping. Clean outs and venting shall be PVC pipes. Vents shall be independent of any other building venting system and shall be in accordance with local building codes. Refer to Exhibit 1 for a diagram of a GGI.

5.3.2 GGI Sizing

The sizing of the interceptor shall be determined by the District using Tables 1 and 2. If the GGI is being sized for a vacant shell building, Table 3 shall be used to determine the GGI size.

If the sizing calculations determine that a grease interceptor is less than 350 gallons the District may allow the user not to install a GGI upon initial review of plans. This will be determined based on a review of the user's operations. If no GGI is to be installed based on the fixtures present and the District's review of operations, the user shall connect all plumbing fixtures listed in Section 5.3.1 to a sanitary sewer line separate from the domestic sanitary sewer line. This separate sanitary sewer line shall have a cleanout located outside of the building to allow the District access for sampling. The District may determine through sampling that the user's discharge exceeds the City's limit for oil and grease of 200 mg/L. If this is the case, the user shall install an appropriately sized GGI. The separate sanitary sewer line is to allow easier installation of a GGI should one be required based on the amount of oil and grease present in the discharge. This line may be combined with the domestic sanitary sewer at a point after this cleanout. The user shall be charged for any fees associated with sampling.

Table 1: GGI Sizing Based on Fixture Flow

Fixture Type	Quantity	Fixture Surge Flow Rate (gpm)	Averaging Multiplier	Flow (gpm) = Quantity x Fixture Surge Flow Rate
Hand Sink		5	.25	
Bar Hand Sink		5	.25	
Single/Prep Compartment Sink		20	.25	
Double Compartment Sink		25	.25	
Triple Compartment Sink		30	.25	
Mop Sink		5	.25	
Wok Range (1-5 Wok Stations)		15	.25	
Wok Range (5+ Wok Stations)		20	.25	
Dishwasher (0-30 gallons)		15	.25	
Dishwasher (30-50 gallons)		25	.25	
Dishwasher (50-100 gallons)		40	.25	
Floor Drains		N/A ₁	----	N/A ₁
Other ₂			.25	
Total Flow (gpm)				
Loading Factor Coffee Shop - 0.5 Other Users ₃ = 1.0				
GGI Size (gallons) = Total Flow x Loading Factor x Retention Time				
GGI Inlet Pipe Size₄				
Maximum GGI Size (gallons)₅				

Notes:

- 1 Floor drains must be counted and connected to the GGI, but due to the frequency of their typical use, their surge flow rate is not included in the calculation.
- 2 The surge flow rate for plumbing fixtures not listed shall be based on manufacturer rating or drain pipe size in Table 2. If a fixture type is listed and the listed standard surge flow rate is larger than that provided by a manufacturer, the lower surge flow rate may be used. Documentation of and manufacturer rating used in the calculation shall be provided during the plan review.
- 3 The District may apply a loading factor other than 1.0 for users if special circumstances warrant.
- 4 Enter the maximum GGI size based on the inlet pipe size from Table 3.
- 5 If the calculated GGI size is greater than the maximum GGI size, the maximum GGI size shall be used.

Table 2: Surge Flow Rates Based on Fixture Discharge Pipe Size

Fixture Discharge Pipe Size (inches)	Surge Flow Rate (gpm)
1.25	7.5
1.5	15
2.0	22
2.5	30
3.0	37.5
4.0	45

Table 3: GGI Sizing for Unfinished Building Shells and Maximum GGI Size

GGI Inlet Pipe Size (inches)	GGI Size (gallons)
2	500
3	1,000
4	2,000
5	3,500
6	5,000

Common or shared GGIs are not permitted unless a variance is granted. Any common or shared GGIs must be sized appropriately for each individual restaurant and the sizes must be added together to obtain the final GGI size. Common or shared GGIs may be reevaluated for proper sizing and capacity as facilities change business operations, practices, or owners or tenants.

5.3.3 GGI Location

Each GGI shall be so installed and connected that it shall be at all times easily accessible for inspection, cleaning, pumping, and maintenance. Each GGI manhole cover shall be readily accessible and safely removable for servicing and maintaining the GGI in good working condition. The use of ladders, the removal of bulky equipment, or any other circumstances that impedes safe access in order to service or inspect GGIs shall constitute a violation of accessibility. GGIs are not permitted to be located in parking spaces or drive-thrus. GGIs shall not be installed in any part of a building where food is handled. Location of all GGIs shall be shown on the approved building plan.

5.3.4 GGI Maintenance

GGIs shall be maintained, at the expense of the user, by regularly scheduled cleaning so that they will properly operate as intended to efficiently intercept the FOG from the user's wastewater and prevent the discharge of said materials into

the City's wastewater collection system. A GGI shall be serviced at a minimum of every 90 days or more frequently as needed to ensure that the total depth of FOG and settled solids does not exceed twenty five percent (25%) of the GGI's total capacity or the capacity of an individual compartment. The District may allow a less frequent pumping schedule if the user can demonstrate the GGI does not need to be pumped every 90 days. All users are required to structurally maintain all components of their GGI(s) as per the design requirements in accordance with Section 5.2.1 of this document.

Maintenance of GGI shall be done in a workman like manner only by a business or professional normally engaged in the servicing of such plumbing fixtures. Partial removal of contents (i.e., removal of grease layer, oil layer or sludge layer) is not allowed. Contents removed from GGIs shall be hauled offsite and disposed of properly. Under no circumstances shall GGI contents be reintroduced to the sanitary sewer system. The user must take reasonable steps to assure that all waste is properly disposed of at a facility in accordance with federal, state and local regulations (i.e. through a certification by the hauler included on the waste manifest or trip ticket for each load.)

All records, receipts, and manifests of GGI maintenance, removal of GGI contents and of offsite hauling of FOG waste shall remain onsite and accessible for review by the District for a minimum of three (3) years. The District may require a user that falls under the provisions of this policy to submit copies of all records, receipts, and manifests of GGI and/or WGB maintenance, removal of GGI and/or WGB contents and of offsite hauling of FOG waste.

In the event a GGI is not properly maintained by the user, the District may authorize such maintenance work to be performed on behalf of the user. The costs of such maintenance shall be billed directly to the user and shall become part of the charges due and owing to the City and shall constitute a lien against the property until paid in full.

Biological treatment of enzyme treatment shall not be a substitute for the servicing of the GGI. Use of enzymes or any other products to emulsify FOG is prohibited.

5.3.5 GGI Closure

The District may determine that a GGI is no longer necessary. This may occur when the wastewater flow through the interceptor is significantly lower due to changes in kitchen practices. A lack of flow through the GGI often causes the GGI to become septic producing noxious sulfide gases, serious odor problems, and other potential health and safety hazards. Abandoned GGIs shall be closed by:

- Complete removal of GGI contents (oil, grease, solids, water, etc.), generally performed by a grease interceptor service company,
- Installing of a direct pipe connection from the inlet to the outlet,
- Filling of the empty GGI with an appropriate fill material such as sand, and

- Securing the opening(s) to the interceptor (e.g. cement, etc.)

Inspections of closure activities may be required by the District.

5.3.6 Facilities with Existing GGIs

Some facilities may have a GGI in place. An existing GGI may be undersized for a user according to the sizing requirements of Section 5.3.2. The District may approve a new user or a user who is required to submit plans for review under Section 5.1 to use the existing GGI if the District determines it can adequately protect the sanitary sewer from FOG. The existing GGI must have two chambers and be retrofitted to meet the requirements of Section 5.3.1.

5.4 Best Management Practices (BMPs)

The purpose of BMPs is to minimize the discharge of FOG into the District's sanitary sewer system. The following BMPs shall be implemented by nondomestic users to whom this policy applies. This includes employee training and kitchen practices that are essential in minimizing FOG discharges:

- Installation of drain screens. Drain screens shall be installed on all drainage pipes in food preparation areas. This includes kitchen sinks, floor drains and mop sinks. Drain screens shall be cleaned as needed.
- Segregation and collection of waste cooking oil and grease. All waste cooking oil and grease shall be collected and stored properly in waste grease bins (WGBs) or similar devices. Such WGBs shall be maintained to ensure that they do not leak and are weather tight. WGBs shall be pumped before they are 90% full by a licensed waste hauler or an approved recycler to dispose of waste cooking oil.
- Disposal of food waste. Food wastes shall be disposed of directly into the trash or garbage and not in the drain.
- Employee training. Employee training shall be provided as part of the normal orientation process and annually thereafter including, at a minimum, the following subjects:
 - How to scrape excess food into the garbage and "dry wipe" pots, pans, dishware and work areas before washing to remove grease,
 - The location, use, and disposal of absorption products to clean any spills under fryer baskets and other locations where grease may be spilled or dripped,
 - How to properly dispose of grease or oils from cooking equipment into a grease receptacle without spilling,
 - The need for and cleaning of drain screens, and
 - Proper cleanup techniques of cleaning product or other chemical spills, if safe to do so.

Training shall be documented and employee signatures retained indicating each employee's attendance and understanding of the practices reviewed. Training records shall be made available for review at any reasonable time by the District.

- Kitchen signage. Signs shall be posted above all sinks prohibiting the discharge of oil, grease, and food waste down the drains.

5.5 Spill Prevention

All users are required to have measures in place to control unwanted discharge to the sanitary sewer. Chemicals, cooking oils, and other liquid products must be stored away from drains or within a containment to reduce the potential for spills reaching the sanitary sewer and/or storm drainage system.

5.6 Variances

A variance as to the requirements of this policy for existing users may be granted by the District for good cause. The user has the burden of proof of demonstrating through data and other information why a variance should be granted. In no case shall a variance result in a violation of any requirement or effluent limit specified in the City of Littleton Municipal Code. The granting of any variance shall be at the discretion of the District and requires the approval of the Division.

If a variance is granted, the user shall institute BMPs and other mitigation measures as determined by the District.

6.0 Enforcement

The District has the authority to enforce the requirements specified herein. Upon inspection of a user's GGI and/or BMPs, the user will be given a copy of the inspection form. The inspection form will contain the inspection results and will indicate the deadline for any corrections if necessary.

Deadlines for violations are as follows:

- GGI repairs must be completed within 15 calendar days;
- GGI or WGB pumping must be completed within five calendar days;
- Missing drains screens and WGBs must be replaced within ten calendar days;
- Spills or leaks around WGBs shall be cleaned up within 24 hours;
- Missing kitchen signage must be immediately replaced; and
- Violations involving improper employee BMP adherence shall require retraining of the employee and documentation of such training to be post marked or hand delivered to the District within five calendar days.

If a user fails to make the corrections within the allotted timeframe a fine may be levied as an initial enforcement action. If noncompliance continues after a fine has been levied, the enforcement authority will escalate enforcement actions that could include both civil and criminal actions and discontinuance of wastewater service.

7.0 References

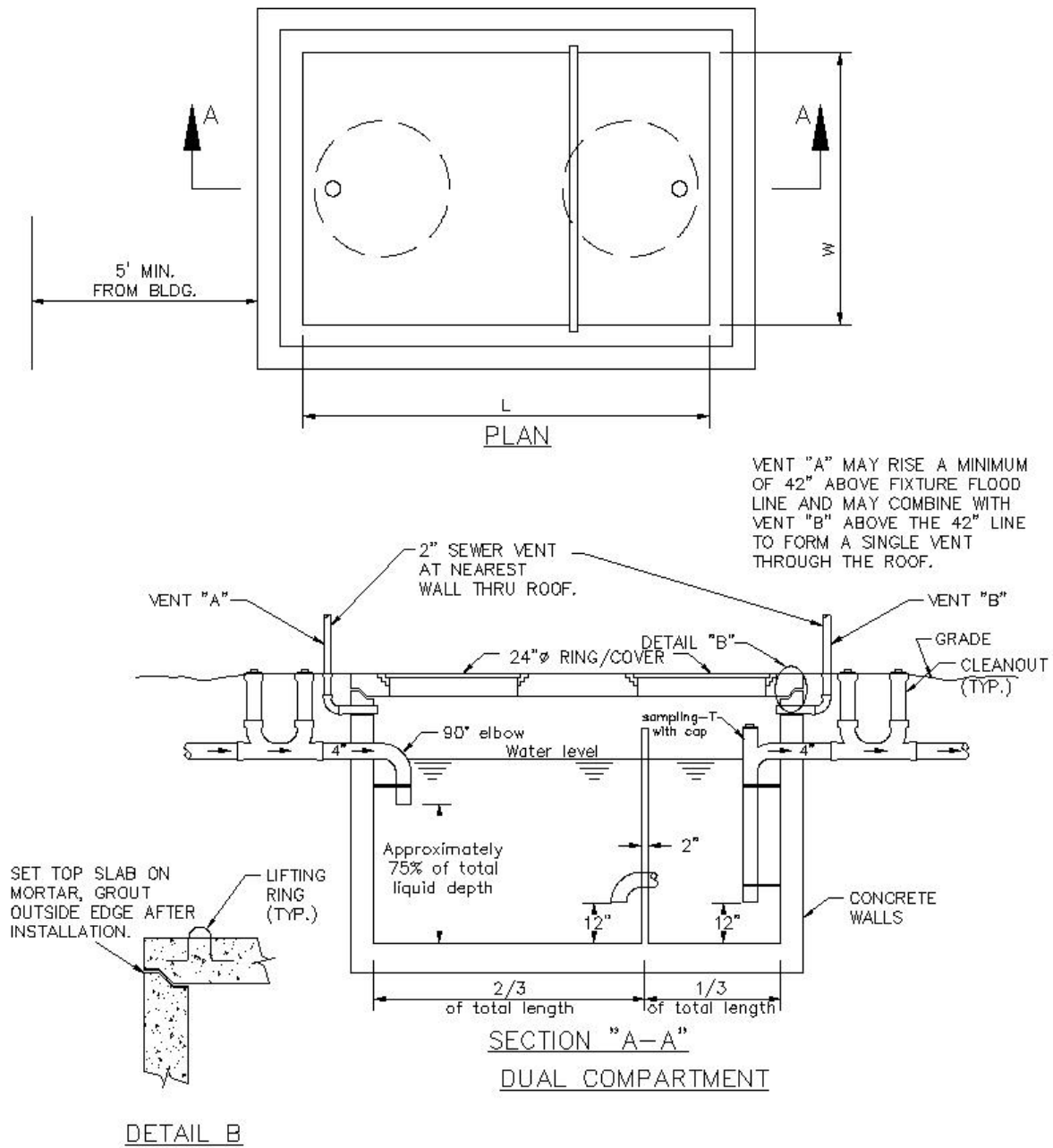
Englewood Municipal Code: Title 12, Chapter 2, Section 5

Littleton Municipal Code: Title 7, Chapter 5, Section 25

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Revised: 4/11/2014

EXHIBIT 1

HIGH RATE – DUAL COMPARTMENT



**SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT**

Petroleum, Oil, Grease and Sand (POGS) Policy
(adopted September 17, 2010)

1.0 Purpose

The purpose of this policy is to minimize the loading of petroleum oil, grease, and sand (POGS) entering Southwest Metropolitan Water and Sanitation District's (District) wastewater collection system and the Littleton/Englewood Wastewater Treatment Plant (L/E WWTP). POGS can contribute to pass-through of pollutants into the South Platte River and municipal sewage sludge and a volatile atmosphere within the District's collection system. Additionally, sand can cause sewer blockages in low flow lines and damage pumping equipment.

2.0 Scope and Applicability

2.1 Scope

This policy encompasses the entire service area of Southwest Metropolitan Water and Sanitation District including those areas that are located outside the District's legal boundaries but discharge wastewater into the District's wastewater collection system by agreement and/or permit.

2.2 Applicability

2.2.2 Non-domestic Users

This policy applies to any non-domestic user in the District's service area that has the potential to discharge wastes containing sand, grit, and/or petroleum by-products into the wastewater system. Examples of such facilities include but are not limited to: automobile or recreational vehicle service stations, fleet maintenance stations, mechanical repair shops, car or truck washes, machine shops, garden nurseries, warehouses, and parking garages. These users shall install and maintain a sand/oil interceptor (SOI) as directed by the District. Users with an elevator pit must either install a SOI or implement one of the other options outlined in Section 5.5.

2.2.3 Domestic Users

This policy does not apply to domestic users. However, the best management practices (BMPs), set forth in this policy, are recommended for domestic users to assist in preventing pollutants from entering the collection system.

3.0 Definitions and Acronyms

3.1 Definitions

Best Management Practices - Schedules of activities, prohibitions or practices, maintenance procedures, and other management practices; it also includes treatment

requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

Control Authority – Southwest Metropolitan Water and Sanitation District, the Cities of Littleton and Englewood or their designee, including the Division.

District – Southwest Metropolitan Water and Sanitation District.

Division – The Industrial Pretreatment Division of the Littleton/Englewood Wastewater Treatment Plant.

Domestic User – Any private residential user that discharges wastes derived from ordinary living processes excluding any commercial or industrial wastes.

Inactive SOI – An existing SOI that is no longer in use

Non-domestic User – Any user that does not meet the criteria for categorization as a domestic user shall be considered a non-domestic user

Notice of Violation (NOV) – Notice given to a user who in violation of this policy

Publicly Owned Treatment Works (POTW) – A publicly owned treatment works includes any devices or systems used in the collection, storage, treatment, recycling, and reclamation of sewage and any conveyances, which convey wastewater to a treatment plant.

Petroleum Oil, Grease, and Sand (POGS) – Any hydrocarbon or petroleum product including oils and greases, and/or sand, grit, gravel or any other aggregate.

Sand/Oil Interceptor (SOI) – A plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept POGS from a wastewater discharge and is identified by volume, baffle(s), not less than two (2) compartments, a total volume of not less than five-hundred (500) gallons, and gravity separation. Sand/oil interceptors are generally installed outside.

User – Any person who contributes, causes, or permits the contribution of wastewater into the POTW

3.2 Acronyms

BMP – Best Management Practices

L/E WWTP – Littleton/Englewood Wastewater Treatment Plant

POTW – public owned treatment works

NOV – notice of violation

POGS – petroleum oil, grease, and sand

SOI – sand/oil interceptor

4.0 Roles and Responsibilities

4.1 District

The District is responsible for implementing this policy. Duties include but are not limited to reviewing building plans, inspecting applicable users for compliance, and enforcing policy requirements. The District may delegate these responsibilities to outside contractors who represent the District.

4.2 Division

The Division has oversight authority over the District's adoption and implementation of this policy.

4.3 Contractors

Contractors may be delegated to perform the roles and responsibilities of the District.

4.4 Users

Users to whom this policy applies, as identified in Section 2.2, shall comply with all requirements listed in Section 5.0. The user shall permit inspections by the District with or without notice for the purpose of determining applicability and/or compliance with this policy.

5.0 Requirements

This section describes the requirements for all applicable users. Prior to purchasing a business or signing a lease for an existing retail or other type of space, it is recommended the user contact the District with questions about their requirements. This can help users avoid costly mistakes or oversights.

5.1 Plan Reviews

The user and owner of the property, business, or industry or an authorized representative of the user must contact the District for the purpose of obtaining a plan review. The plan review shall determine the need, size, location, and other requirements of the SOI required to control discharges. Written approval from the District must be obtained prior to installation of the SOI. The review of such plans and operating procedures shall in no way relieve the user from the responsibility of modifying such facilities as necessary to produce a discharge acceptable to the District in accordance with this Policy and the Engineering Standards of the District.

Plans are required to be submitted for approval prior to any of the following:

- Sale or transfer of ownership of the business,
- Change in the trade name under which the business is operated,
- Change in the nature of the services provided that affect the potential to discharge POGS, and/or
- Remodeling of the facility that may result in an increase in flow or POGS loading or that otherwise requires the facility to submit plans or specifications for approval through a building or zoning department, or any other formal approval process of a city, county, or other jurisdiction.

All plans submitted to the District must show the location of the SOI, include dimensions of the SOI and plumbing, show connections to all plumbing fixtures, and include the sizing calculation in accordance with Section 5.2.2.

5.2 SOI Criteria

5.2.1 SOI Plumbing and Structural Requirements

All drains from shop areas, storage areas, washing areas, auto storage areas, and/or potential spill areas shall be connected to a SOI. If an oil or chemical storage room is too small for all oil and chemicals to be kept at least 25 feet from any floor drain, no floor drain shall be placed in that room. Fixtures to be connected include, but are not limited to, floor drains, hand sinks, and wash areas located in areas where sand and petroleum-based liquid waste materials may enter the collection system.

Each business establishment for which a SOI is required shall have a SOI serving only that establishment. Common or shared SOIs are not permitted. The District may grant a variance for a common or shared SOI if it is pre-existing and if the resulting discharge does not exceed 200 mg/L for oil and grease.

All SOIs and associated plumbing shall be installed by a licensed plumber or contractor. All SOIs must have two compartments separated by a baffle wall. The primary compartment shall have a volume equal to two-thirds of the total capacity, and the secondary compartment shall have a volume equal to one-third of the total capacity. Each compartment shall be accessible by a traffic rated manhole above the inlet and outlet piping with a minimum diameter of 24 inches. Manhole covers may not be locked, or otherwise fastened in place, such that access is restricted.

All plumbing shall be compatible with wastewater containing POGS, such as PVC. A sampling-T with a removable cap shall be placed at the outlet end of the SOI to allow sampling of effluent. The top of the sampling-T shall be no more than one foot below grade. In order to maximize retention time in the primary chamber, the bottom of the inlet piping shall extend down no less than 50% of the total water depth. The bottom of the outlet piping must extend down within 12

inches of the base of the SOI. Flow from the primary to secondary compartment shall be through a baffle pass-through (hole) or over the top of the baffle. The baffle pass-through or top of the baffle shall be no more than 5 inches below water line. If a pass-through is used, the cross sectional area shall be at least equivalent to the cross sectional area of the inlet piping into the SOI. Support brackets are required for inlet and outlet piping. Clean outs and venting shall be PVC pipes. Vents shall be independent of any other building venting system and shall be in accordance with local building codes. Refer to Exhibit 1 for a diagram of a SOI.

Car washes with individual wash bays shall have a catch basin located directly below the drain of each bay. The catch basin(s) shall be connected to the SOI.

5.2.2 SOI Sizing

The minimum capacity of a SOI is 500 gallons. The formula for SOI capacity is:

$$\frac{\text{Process floor space (ft}^2\text{)}}{\text{Use factor from Table 1}} \times 7.48 \text{ gallons} = \text{Capacity of SOI}$$

Table 1: Use Categories

Use Factor	Use Categories ₁
3 square feet	Truck wash Heavy equipment wash Commercial automatic car wash
6 square feet	Commercial car wash (hand held spray)
8 square feet	Auxiliary wash bay
15 square feet	Automotive service garage Machine shop
100 square feet	Storage area/warehouse
1,000 square feet	Parking garage ₂

Notes:

1. If your use category is not listed, contact the District for sizing calculations.
2. Do not include the top level of the parking garage if it is exposed to storm events. Runoff from this level shall be drained to the storm water system.

Common or shared SOIs are not permitted unless a variance is granted. Any common or shared SOIs must be sized appropriately for each individual user and the sizes must be added together to obtain the final SOI size. Common or shared SOIs may be reevaluated for proper sizing and capacity as facilities change business operations, practices, or owners or tenants.

5.2.3 SOI Location

Each SOI shall be so installed and connected that it shall be at all times easily accessible for inspection, cleaning, pumping, and maintenance. Each SOI manhole cover shall be readily accessible and safely removable for servicing and maintaining the SOI in good working condition. The use of ladders, the removal of bulky equipment, or any other circumstances that impedes safe access in order to service or inspect SOIs shall constitute a violation of accessibility. SOIs are not permitted to be located in parking spaces or driveways with heavy traffic. The location of all SOIs shall be shown on the approved building plan.

5.2.4 SOI Maintenance

SOIs shall be maintained, at the expense of the user, by regularly scheduled cleaning so that they will properly operate as intended to efficiently intercept POGS from the user's wastewater and prevent the discharge of said materials into the City's wastewater collection system.

A SOI shall be serviced at a minimum of every 90 days for truck washes, heavy equipment washes, and commercial car washes. A SOI shall be serviced at a minimum once per year for all other users. The SOI may be required to be serviced more frequently as needed to ensure the total accumulation of solids, debris, and oil does not exceed 40% of either the total capacity of the SOI or 40% of the capacity of any one chamber. All users are required to structurally maintain all components of their SOI as per the design requirements in Section 5.2.1 of this document.

Maintenance of SOI shall be done in a workman-like manner only by a business or professional normally engaged in the servicing of such plumbing fixtures. Partial removal of contents is not allowed. Contents removed from SOIs shall be hauled off-site and disposed of properly. Under no circumstances shall the SOI's contents be reintroduced to the sanitary sewer system. The user must take reasonable steps to assure that all waste is properly disposed of at a facility in accordance with federal, state and local regulations (i.e. through a certification by the hauler included on the waste manifest or trip ticket for each load.)

All records, receipts, and manifests of SOI maintenance, removal of SOI contents, and off-site hauling of POGS waste shall remain on-site and accessible for review by the District for a minimum of three (3) years. The District may require a user that falls under the provisions of this policy to submit copies of all records, receipts, and manifests of SOI maintenance, removal of SOI contents, and off-site hauling of POGS waste.

In the event a SOI is not properly maintained by the user, the District may authorize such maintenance work to be performed on behalf of the user. The costs of such maintenance shall be billed directly to the user. Failure to pay said charges may result in discontinuance of service.

Biological treatment or enzyme treatment shall not be a substitute for the servicing of the SOI at the frequency determined by the District. Use of enzymes to bypass the SOI is prohibited.

5.2.5 SOI Closure

The District may determine that a SOI is no longer necessary. Abandoned SOIs shall be closed by:

- Complete removal of SOI contents generally performed by a authorized service company,
- Installing of a direct pipe connection from the inlet to the outlet or capping the inlet and outlet pipe,
- Filling of the empty SOI with an appropriate fill material such as sand, and
- Securing the opening(s) to the interceptor (e.g. cement, etc.)

Inspections of closure activities may be required by the District.

5.2.6 Facilities with Existing SOIs

Some facilities may have a SOI in place. An existing SOI may be undersized for a user according to the sizing requirements of Section 5.2.2. The District may approve a new user or a user who is required to submit plans for review under Section 5.1 to use the existing SOI if the District determines it can adequately protect the sanitary sewer from POGS. The existing SOI must have two chambers and be retrofitted to meet the requirements of Section 5.2.1.

5.3 Best Management Practices (BMPs)

The purpose of BMPs is to minimize the discharge of POGS into the sanitary sewer system. The following BMPs shall be implemented by non-domestic users to whom this policy applies:

- **Installation of mesh screens.** Facilities with the potential to discharge debris greater than 1/2" in any dimension shall install a mesh screen or similar device to prevent such debris from entering the SOI.
- **Storage and disposal of wastes and raw materials.** SOIs shall not be used as a means for disposal of spent or spilled chemicals, automotive or other commercial/industrial fluids, sludge, or other substances. All spent or spilled chemicals, automotive or other commercial/industrial fluids, sludge, oils, or other substances shall be collected and stored properly in appropriate containers. Such containers shall be maintained to ensure that they do not leak. Raw materials and wastes shall be stored 1) at a minimum of 25 feet from any floor drain or building access to outside or 2) within adequate secondary containment. Any wastes shall be disposed of in accordance with all Federal, State, and local laws.

- **Employee training.** Employee training shall be provided as part of the normal orientation process and annually thereafter including, at a minimum, the following subjects:
 - How to sweep floors prior to floor wash down to ensure there is no excessive oil or sand entering the sanitary sewer,
 - The location, use, and disposal of absorption products to clean any spills (Washing spills into drains is prohibited.), and
 - How to properly dispose of oils and other wastes into designated containers without spilling.

Training shall be documented and employee signatures retained indicating each employee's attendance and understanding of the practices reviewed. Training records shall be made available for review at any reasonable time by the District.

- **Signage.** Signs shall be posted above all sinks and similar devices prohibiting the discharge of oil and other chemical waste down the drains.

5.4 Spill Prevention

All users are required to have measures in place to control unwanted discharge to the sanitary sewer. Chemicals, petroleum-based liquids, and other liquid products must be stored 1) at least 25 feet away from drains or building access to outside or 2) within adequate secondary containment to reduce the potential of spills reaching the sanitary sewer and/or storm sewer system.

5.5 Elevator Pits

New users with elevator pits shall not have drains in those elevator pits connected directly to the sanitary sewer. Sump pumps may be installed in elevator pits. The requirement for a sump pump to be installed is to be determined by the building engineer, architect, or equivalent and/or as required by the local building authority.

In the event it is determined that a sump pump shall be installed, there are three options to manage the discharge of accumulated wastewater from the sump:

- If a SOI is already required in the facility (e.g., a parking garage, maintenance garage, or warehouse where floor drains are present), then the sump pump outlet may be plumbed through the SOI. A SOI may not be installed for the sole purpose of draining the elevator pit, because not enough wastewater will pass through the SOI to allow it to function as designed.
- If a sump pump is to be plumbed to the sanitary sewer and a SOI is not required based on other infrastructure, an oil detector shall be installed which will shut-off the flow of wastewater and sound an alarm in the event oil is detected in the wastewater. In

the event the oil detector shuts off wastewater flow and the alarm sounds, the wastewater in the elevator pit shall be handled as discussed below.

- If the sump pump is not to be plumbed directly to the sanitary sewer, it may be plumbed to a holding reservoir. The size and structure of the holding reservoir is to be determined by the building engineer, architect, or equivalent and/or as required by the local building authority. Wastewater in the holding reservoir shall be handled as discussed below.

Wastewater may be continuously discharged to the sanitary sewer via a sump pump if the required oil detector described above is installed and maintained in working order. Below are approved options for handling wastewater in elevator pits where the oil detector alarm has been activated, wastewater accumulated at the bottom of a sump where there is no pump and no discharge, or wastewater in a holding reservoir:

- If the wastewater is to be discharged to the sanitary sewer, oil on the top of the water must be skimmed off or absorbed using oil absorbent pads or equivalent and disposed of by an appropriate waste hauler. Following removal of the oil, if the wastewater is in an elevator pit, the remaining wastewater may be discharged to the sanitary sewer via the sump pump. If the wastewater is in a holding reservoir or at the bottom of a sump where there is no pump and no discharge, the wastewater may then be discharged to the sanitary sewer via appropriate means (i.e. hose, bucket transport, etc.).
- Wastewater in either the elevator pit or holding reservoir may be containerized and hauled off-site by an appropriate waste hauler.
- If the volume of wastewater that accumulates in the bottom of a sump where there is no pump and no discharge or in a holding reservoir is limited and does not require discharge to the sanitary sewer or off-site disposal, the wastewater may be allowed to evaporate.

5.6 Variances

A variance as to the requirements of this policy for existing users may be granted by the District for good cause. The user has the burden of proof of demonstrating through data and other information why a variance should be granted. In no case shall a variance result in a violation of any requirement or effluent limit specified in City of Littleton Municipal Code. The granting of any variance shall be at the discretion of the District and requires the approval of the Division.

If a variance is granted, the user shall institute BMPs and other mitigation measures, as determined by the District.

6.0 Enforcement

The District has the authority to enforce the requirements specified herein. Upon inspection of a user's SOI and/or BMPs, the user will be given a copy of the inspection form. The inspection form will contain the inspection results and will indicate the deadline for any corrections if necessary.

Deadlines for violations are as follows:

- SOI repairs must be completed within 15 calendar days;
- SOI pumping must be completed within five calendar days;
- Spills or leaks shall be cleaned-up within 24 hours;
- Mesh screens must be replaced within ten calendar days;
- Missing signage must be immediately replaced; and
- Violations involving improper employee BMP adherence shall require retraining of the employee and documentation of such training to be post marked, hand delivered, email, or faxed to the District within five calendar days.

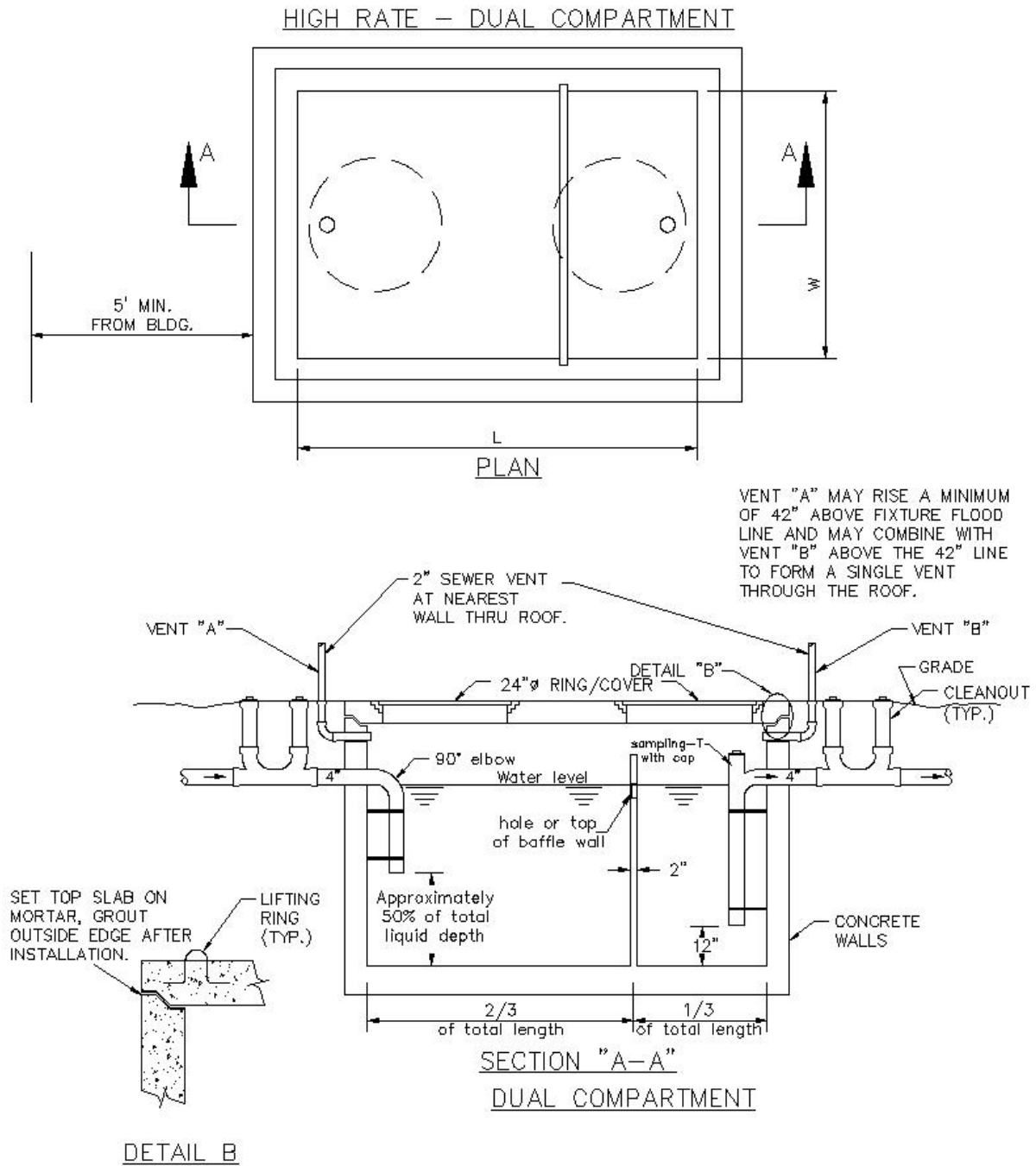
If a user fails to make the corrections within the allotted timeframe a fine may be levied as an initial enforcement action. If noncompliance continues after a fine has been levied, the enforcement authority will escalate enforcement actions that could include both civil and criminal actions and discontinuance of service.

7.0 References

Englewood Municipal Code: Title 12, Chapter 2, Section 5

Littleton Municipal Code: Title 7, Chapter 5, Section 25

EXHIBIT 1



Southwest Metropolitan Water and Sanitation District

Investment Policy

(Adopted by the Southwest Metropolitan Water and Sanitation District Board of Directors
on November 21, 2003, Revised December 20, 2013)

I. POLICY

It is the policy of the Southwest Metropolitan Water and Sanitation District to invest public funds in a manner which will provide preservation of capital, meet the daily liquidity needs of the District, diversify the District's investments, conform to all cited state statutes governing the investment of public funds, and generate market rates of return. Funds of the District will be invested in accordance with this policy and CRS Section 24-75-601 as amended. This policy applies to investing the financial assets of all District funds, including the Government Fund, the Water and Sewer Activity Enterprise Fund and any future fund that may be established, unless specifically exempted from the provisions of this policy. This investment policy supercedes prior investment policies, or parts thereof.

II. SCOPE

This investment policy governs all investment activities of the Southwest Metropolitan Water and Sanitation District. The policy applies to all funds of the District including any new funds that may be created unless specifically exempted from the policy. All investment activities shall be performed in accordance with the investment policy.

III. OBJECTIVES

The objectives of the District's investment program in order of their priority are:

- A. Legality. All investments shall be made in accordance with CRS 24-75-601, CRS 32-4-544, CRS 32-1-1101(5), and any other Colorado Revised Statutes that may now, or in the future, address the investment of public funds.
- B. Safety. All investments shall be made so as to ensure the preservation of capital and minimize credit risk and interest rate risk.
 - 1. Credit Risk is the risk of loss due to a failure of a security issuer or banker. To minimize credit risk the District shall:

- Limit investments to those designated under the authorized investment section herein and to those investments having a credit rating at least equal to that specified in CRS 24-75-601.
 - Pre-qualifying financial institutions, broker/dealers, and intermediaries with which the District does business.
 - Diversifying the investment portfolio to minimize potential losses.
2. Interest Rate Risk is the risk that market value of securities will fall due to changes in market interest rates. To minimize interest rate risk the District shall:
- Structure the investment portfolio so that investments mature in a manner to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.
 - Investing operating funds in shorter term instruments.
- C. Liquidity. The investment portfolio shall remain sufficiently liquid to meet all operating and capital expenditure requirements that may be reasonably anticipated. The portfolio shall be structured so that investments mature concurrent with cash needs to meet anticipated demands. Furthermore, the portfolio shall consist largely of investments with active secondary or resale markets.
- D. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above.

IV. DELEGATION OF AUTHORITY

Authority to manage the investment portfolio of the Southwest Metropolitan Water and Sanitation District is granted by the Board of Directors to the District Treasurer. The District Treasurer with the approval of the Board of Directors shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures shall include a list of employees and/or agents who are authorized to purchase, sell, and wire securities or funds; procedures for safekeeping of securities; delivery versus payment requirements; investment accounting requirements; and wire transfer agreement requirements. No person may engage in an investment transaction except as provided under the terms of this policy adopted by the Board of Directors and procedures established by the District Treasurer and approved by the Board of Directors.

V. PRUDENCE

The standard of prudence to be used in managing the District's investment program shall be that of the "prudent person standard" and it shall be applied in the context of managing the overall portfolio. Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in management of their own investment affairs, not for speculation, but for investment, considering the safety of their capital as well as the probable income to be derived from such investments.

Authorized investment officials acting in accordance with the investment policy, written procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion to the Board of Directors and appropriate action is taken to control adverse developments.

Notwithstanding any other provision contained herein to the contrary, no authorized investment official shall be liable for an error of judgment or mistake of law or for any loss suffered by the District in connection with the investment of District funds, except a loss resulting from willful misfeasance, bad faith, gross negligence, or a willful and wanton disregard of an authorized investment official's obligations and duties under this Policy.

To the extent permitted by law, the District shall indemnify, defend and hold harmless each authorized investment official from and against any and all claims, causes of action, demands, and liability of whatsoever kind or nature that an investment official sustains or incurs as a result of or in connection with the investment of District funds; provided, the investment official has acted in good faith and in compliance with the standards established by this Investment Policy and by law for the investment of public funds.

The District shall obtain and retain in force public officials liability and commercial crime insurance policies in amounts to be determined by the District Board of Directors.

VI. ETHICS AND CONFLICTS OF INTEREST

District officers and employees and authorized agents involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which should impair their ability to make impartial investment decisions. Officials, employees, and agents shall disclose to the Board of Directors any personal financial interests that may be related to the investment portfolio.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

A. Authorized Security Dealers (Broker/Dealers)

The District shall maintain a list of broker/dealers and financial institutions which are approved for investment purposes, and securities shall be purchased only from those authorized firms. To be designated as an authorized firm a security dealer must meet the following criteria:

1. Be designated as a Primary Dealer by the Market Reports Division of the Federal Reserve Bank.
2. Be a member of the National Association of Securities Dealers.
3. Be licensed to do business in the State of Colorado.
4. Have an office in the Denver metropolitan area.
5. Provide audited financial statements for the latest three years.
6. Complete a dealer questionnaire supplied by the District.
7. Execute a securities services agreement with the District.

VIII. INVESTMENT PARAMETERS

A. Portfolio Matching of Assets and Liabilities

To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. Investment maturities shall not exceed the limits specified under the investment profiles listed below and no maturity shall exceed ten (10) years.

B. Diversification

The District's investment portfolio shall be diversified to eliminate risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification of investments shall be reviewed periodically by the Board of Directors.

C. Sale of Investments Prior to Maturity

In general, security investments made by the District are to be held to maturity. However, investments may be sold prior to their maturity date if the District

Treasurer determines that it is the best interest of the District to do so. Sales prior to maturity may also be made for financial management purposes.

Sale of securities that would result in a loss of principle must be approved by the Board of Directors prior to the sale.

IX. AUTHORIZED AND SUITABLE INVESTMENTS

All investments for the District shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 11-47-1101, et seq., Savings and Loan Association Public Deposit Protection Act.; CRS 24-75-610, et seq., Funds – Legal Investments for Governmental Units; CRS 24-75-603, et seq., Depositories; and CRS 24-75-701 and 702, et seq., Local Governments – Local Government Pooling. Any revisions or extensions of the Colorado Revised Statutes will be assumed to be a part of this investment policy immediately upon enactment.

The current categories of securities and specific limitations for the Southwest Metropolitan Water and Sanitation District are described below. With respect to portfolio composition, the District Treasurer is authorized to divert from the stated percentage limitations by a maximum of ten percent (10%). The total amount of investments with maturing terms in excess of 5 years is limited to a maximum of 25% of the District's investment portfolio.

A. U.S. Government Securities

1. Authority to Purchase

The District Treasurer may invest in direct obligations of the U.S. Government including:

- Treasury Bills
- Treasury Notes
- Treasury Bonds

2. Portfolio Composition

The investment portfolio may be comprised of one hundred percent (100%) direct government obligations.

3. Maturity Limitations

The maximum length of time to maturity for any direct investment in U.S. Government obligations is ten (10) years.

B. U.S. Government Agency Securities

1. Authority to Purchase

The District Treasurer may invest in obligations in which the principal and interest are backed by the full faith and credit of the U.S. Government and issued through U.S. government agencies. Such securities include:

- Government National Mortgage Association (GNMA)

2. Portfolio Composition

No more than thirty percent (30%) of the investment portfolio may be invested in U.S. government agency securities. In addition to the foregoing limitation, the total of all investments in U.S. Government Agency Securities and U.S. Government Instrumentalities shall not exceed fifty percent (50%) of the District's investment portfolio.

3. Maturity Limitations

The maximum stated maturity for an investment in a U.S. government agency security is ten (10) years from the date of purchase.

C. U.S. Government Instrumentalities

1. Authority to Purchase

The District Treasurer is authorized to invest in U.S. Government Instrumentalities including debentures, discount notes, and callable bonds. These securities include obligations of:

- Federal National Mortgage Association (FNMA)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its District Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC)
- Federal Home Loan Mortgage Corporation participation certificates

2. Portfolio Composition

A maximum of forty-five percent (45%) of the investment portfolio may be invested in federal instrumentalities. A maximum of twenty percent (20%) of the portfolio may be invested in any one issuer. In addition to the foregoing limitation, the total of all investments in U.S. Government Agency Securities and U.S. Government Instrumentalities shall not exceed fifty percent (50%) of the District's investment portfolio.

3. Maturity Limitations

The maximum length to maturity for an investment in any U.S. Government Instrumentality is ten (10) years.

D. Interest Bearing Time Certificates of Deposits

1. Authority to Purchase

The District Treasurer may invest in interest bearing time certificates of deposit or savings accounts in state or federal banks and state or federal savings and loan associations which meet the following criteria:

- a. The institution is a member of the Federal Deposit Insurance Corporation.
- b. The institution is designated as an eligible public depository pursuant to CRS 11-10.5-105.
- c. The institution shall provide collateral for all funds in excess of those funds insured by the Federal Deposit Insurance Corporation pursuant to CRS 11-10.5-106 through CRS 11-10.5-112.

2. Portfolio Composition

A maximum of fifty percent (50%) of the District's investment portfolio may be invested in certificates of deposit and savings accounts.

- a. Individual certificates of deposit and total investment in certificates of deposit at any single institution, including all branches of one institution, shall be limited to a maximum of \$100,000 or the current level of FDIC insurance. Said limitation may be exceeded by \$150,000 for those individual institutions that have received a green, three star rating and are designated a "Blue Ribbon Bank" by Veribanc, Inc. in its most recent quarterly Colorado bank and thrift institution rating report. However, the amount of District deposits exceeding the current level of FDIC insurance coverage, at any given time, shall be limited to a maximum of \$600,000.
- b. The amount of certificates of deposit that may be obtained through the Certificate of Deposit Account Registry Service (CDARS) may not exceed 10% of the District's investment portfolio.

3. Maturity Limitations

The maximum length to maturity for an investment in a certificate of deposit is ten (10) years.

E. Local Government Investment Pools (LGIPs)

1. Authority to Purchase

The District Treasurer may invest in local government investment pools organized and operated in compliance with CRS 24-75-701 with prior Board of Directors approval of each LGIP.

2. Portfolio Composition
A maximum of twenty-five percent (25%) of the District's investment portfolio may be invested in LGIPs.
3. Maturity Limitations
Maturity limitations for the LGIP must be in compliance with Federal Securities Regulation 2A-7.

F. Money Market Mutual Funds

1. Authority to Purchase
The District Treasurer may invest in no-load fixed income money market mutual funds authorized under CRS 25-75-601.1(k) with prior approval of each fund by the Board of Directors.
2. Portfolio Composition
A maximum of twenty-five percent (25%) of the District's investment portfolio may be invested in approved fixed income money market mutual funds.

X. INTERNAL CONTROLS

The District Treasurer with the approval of the Board of Directors shall establish and maintain investment procedures and an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. The internal control structure shall be subject to annual review by an external auditor.

Internal controls and investment procedures shall include but not necessarily be limited to the following:

A. Delivery Versus Payment

All securities purchased or sold will be transferred when possible only under the delivery versus payment method to ensure that funds or securities are not released until all criteria relating to a specific transaction are met. Securities will be held within the District's Treasury Direct Account or by a third party custodian as evidenced by safekeeping receipts.

B. Third-Party Safekeeping and Custodial Agreements

1. The District Treasurer shall maintain a list of commercial banks that are authorized to provide depository, custodial, and other banking services for the District. To be eligible a bank must meet the following criteria:
 - Be a member of the Federal Deposit Insurance Corporation

- Must qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 and as evidenced by a certificate issued by the State Banking Board
 - Must be covered by the Public Deposit Protection Act.
 - Must execute a safekeeping agreement with the District.
2. Investment securities purchased for the District will be delivered by either book entry or physical delivery and held in the District's Treasury Direct Account at the Federal Reserve Bank or in third party safekeeping by a Federal Reserve member financial institution approved as a District custodial bank. The District shall approve one or more financial institutions to provide safekeeping and custodial services for the District. The Board of Directors shall execute a written Safekeeping Agreement with each custodial bank prior to using the banks safekeeping services.
 3. It is the intent of the District that purchased securities be perfected in the name of the District.
 4. All book entry securities owned by the District shall be evidenced by a safekeeping receipt or the equivalent, issued to the District by the custodian bank stating that the securities are held in the Federal Reserve system in a "customer account/1030" or in a "trust account/1050" for the custodian bank which names the District as "customer".
 5. All non-bank entry (physical delivery) securities shall be held by the custodian bank's correspondent bank in New York or the bank's account with the Deposit Trust Corporation (DTC) and the custodian bank shall issue a safekeeping receipt or the equivalent to the District evidencing that the securities are held by the correspondent bank or the DTC for the District.

C. Other Investment Procedures and Internal Controls

Investment procedures and internal controls shall include, but not be limited to:

- separation of functions including transaction authority.
- delegation of authority to staff members and investment advisors.
- written confirmation of telephone, fax, or electronic transactions.
- guidelines for purchasing and selling securities with broker/dealers.

XI. REPORTING

An investment report shall be submitted to the Board of Directors on a monthly basis. An investment transaction report shall include a list of all investments that have matured and a list of all investments purchased during the month. The list shall contain at least the following information:

- Date security purchased
- Date security matures
- Principal amount invested
- Face interest rate of security
- Amount paid for security
- Amount of interest paid or received
- Effective yield of investment

In addition to the transaction report, a summary monthly report of all District investments shall be prepared. This report shall include the following information:

- Name of institution or type of investment
- Date investment was purchased
- Date investment matures
- Effective yield
- Principal amount of investment
- Balance of investment at month end

The market value of the District's investment portfolio shall be calculated annually.

Southwest Metropolitan Water and Sanitation District

Investment Procedures and Internal Controls

The District Treasurer, or an agent designated by the District Treasurer, is authorized to invest available District funds in accordance with the District's Investment Policy revised and approved by the Board of Directors on December 18, 2009, and in accordance with these procedures and internal controls.

I. Processing Receipt of Funds

All cash and checks received by Southwest Metropolitan shall be processed in the following manner:

- A. Each check received shall be immediately restrictively endorsed "For Deposit Only for the Southwest Metropolitan Water and Sanitation District" and shall be logged into the cash receipts journal. All checks received and endorsed by the District's receptionist will be submitted to the Financial Administrator prior to the close of each business day.
- B. In general, the District discourages payment of cash (currency) for District obligations. However, if payment is received in cash, the payment shall be received by the District's receptionist who shall prepare a written receipt using the pre-numbered, three part cash receipt book. One copy of the receipt with the cash received shall be submitted to the Financial Administrator by the end of the day on which funds are received, one copy shall be retained in the cash receipt book, and one copy attached to the cash receipt journal. The payment shall be logged in the cash receipt journal (Exhibit A).
- C. A deposit into the District's checking account shall be made by the financial administrator by mail or in person at least weekly, or whenever currency has been received, or whenever the total amount of funds to be deposited equals or exceeds \$5,000.
- D. The Financial Administrator shall record each receipt and deposit transaction in the General Ledger and Bank Reconciliation modules of MAS 90, the District's accounting software. The checking account register shall be reconciled at least monthly by a District employee other than the Financial Administrator. Reconciliation of the checking account is performed in the Bank Reconciliation module within MAS 90. The District manager shall approve the reconciliation report each month.

- E. The secretary/receptionist shall maintain a monthly cash receipt journal to record the receipt of all funds (Exhibit A). The journal shall be given to the Financial Administrator at the end of each month for reconciliation to total deposits for the month.

II. Checking Account/Investment Account Transfer Procedures and Determination of Available Funds for Investment

- A. All funds deposited into the District's checking account at Wells Fargo Bank that exceed the amount of outstanding checks shall be transferred into the District's investment account at ColoTrust within one business day.

When the determination has been made to invest available funds in the investment account, the appropriate amount of funds shall be transferred to the checking account before wiring the funds to the investment institution according to the procedures outlined under Section IV. Wire transfers between the District's checking account and investment account at ColoTrust have been established as repetitive transfers as described under Section IV D.

1. When funds are electronically transferred from/to the District's checking account to/from the investment account at ColoTrust, the Financial Administrator shall print the wire transfer confirmation detailing the transaction. Wire transfers may be initiated via the telephone as a backup procedure to electronic transfers when circumstances prevent accomplishing wire transfers online. Such transfers require the Financial Administrator to prepare a Funds Transfer Request form (Exhibit B) to provide documentation of the initiated transaction.
 2. Confirmation of the wire transaction shall be received by the District from ColoTrust via email for all transfers. Such confirmation is sent to the District Manager's attention and then forwarded to the Financial Administrator. After reviewing for accuracy, the corresponding confirmations received are attached to the initial confirmation printed/prepared by the Financial Administrator and used to post the transaction to the general ledger.
- B. The Financial Administrator shall maintain a cash flow projection report identifying short term and long term cash needs. The amount of cash available in the investment account at ColoTrust shall be monitored and, when in excess of needs as identified in the cash flow report, the Financial Administrator shall notify the District Treasurer that funds are available for investment. Excess funds shall then be invested in accordance with the District's Investment Policy and these procedures. In general, funds shall be invested whenever the balance in the investment account at ColoTrust exceeds \$100,000 plus short term cash flow requirements.

III. Invest Bid Procedures

- A. When a determination has been made that funds are available for investment, the Financial Administrator shall obtain comparable interest rate yield quotes for a range of maturities from eligible banks and/or savings and loans, CDARS, authorized broker/dealers of U.S. Government securities, agencies, and instrumentalities, and authorized local government investment pools.

Rate quotes for purchase of securities shall be obtained from at least two broker/dealers to provide competitive bids.

Rate quotes shall be solicited only from authorized institutions as specified in the District's Investment Policy.

- B. The Financial Administrator shall list all rate quotes and maturities on a standard investment bid worksheet (Exhibit C) and present the worksheet to the District Treasurer.
- C. The Financial Administrator shall obtain verbal approval from the District Treasurer for each investment. In the absence of the District Treasurer and with prior authorization for an investment, the Financial Administrator shall decide on an appropriate rate and maturity and proceed to complete the transaction as designated herein.
- D. The Financial Administrator shall complete the transaction by wire transfer as described in Section IV – Wire Transfer Procedures. Should the rate quote change before the transaction is completed, the Financial Administrator is authorized to complete the transaction subject to the new quote being the best available rate for the specified maturity ranges reviewed by the District Treasurer.
- E. The Financial Administrator shall fax or e-mail a copy of the safekeeping receipt and trade ticket (broker verification of investment transaction) to the District Treasurer for verification purposes.

IV. Wire Transfer Procedures

- A. All investment transactions requiring District funds to be transferred by wire shall be routed through the District's checking account at Wells Fargo Bank or the District's investment account at Colorado Local Government Liquid Asset Trust (ColoTrust). Funds shall not be wired directly from any other institution holding invested District funds to another institution where funds are being placed for investment.

- B. The District's Board of Directors shall designate the individuals authorized to initiate wire transfers. The following individuals are hereby designated to initiate wire transfers.

- Vanessa Shipley, Financial Administrator
- Scott Morse, Assistant Manager

No other parties are authorized to initiate wire transfers of District funds.

- C. All wire transfers of District funds from the District's checking account shall require confirmation by an individual authorized by the Board of Directors to verify such wire transfers, except when the wire transfer has been established as a repetitive wire transfer between specified District accounts. The following individuals are authorized by the Board of Directors to confirm the wire transfer of funds from the District checking account:

- Charles Hause, Director
- Ken Bradford, Director
- K. C. Ensor, Director
- Anthony Dursey, President of the Board of Directors
- Patrick Fitzgerald, District Manager

- D. The Board of Directors shall provide written wire transfer instructions or enter into a Wire Transfer Agreement with Wells Fargo Bank, ColoTrust, and all authorized custody agents stipulating the terms and conditions for processing wire transfers including a list of those individuals authorized to initiate and confirm the wire transfers. The Agreement shall state that no funds are to be wired until confirmation is verified by an authorized party, unless the transfer is a repetitive wire transfer authorized in writing by the District manager or a District Director.

- E. When placing investments or purchasing securities, written instructions shall be given that funds are to be transferred from the investing or holding institution only to the District's checking account at Wells Fargo Bank.

1. For investments in No-Load Money Market Mutual Funds (MMMFs) and Local Government Investment Pools (LGIPs), agreements establishing the District's account shall stipulate that funds transferred from the account are only to be wired to the District's checking account at Wells Fargo Bank or the District's trust account at UMB Bank. The agreement shall reference the wire transfer routing number and account number.

2. Safekeeping Agreements with third party safekeeping agents shall stipulate that funds transferred from the account are only to be wired to the District's checking account at Wells Fargo Bank or the District's investment account at Colorado Local Government Liquid Asset Trust (ColoTrust). The agreement shall reference the appropriate wire transfer routing number and account number.
3. The District's Treasury Direct Account with the Federal Reserve Bank shall contain instructions that, upon maturity of treasury securities, all funds are to be automatically wired to the District's checking account at Wells Fargo Bank.

V. Purchase and Redemption of Certificates of Deposit

- A. Transfer of funds for purchase or redemption of certificates of deposit shall be routed to/from the District's checking account at Wells Fargo Bank. All wire transfer agreements and instructions shall specify that funds are only to be transferred to the District's checking account and shall identify the necessary routing and account numbers for said account.
- B. Purchasing Certificates of Deposit
 1. Certificates of deposit shall only be purchased from banks and savings and loans meeting the criteria specified in Section IX paragraph D of the District's Investment Policy. The Financial Administrator shall confirm that institutions meet said criteria prior to obtaining quotes for purchase of certificates of deposit.
 2. Upon review of competitive investment yields as specified in Section III – Investment Bid Procedures, if a decision is made to purchase a certificate of deposit, the Financial Administrator shall coordinate a wire transfer of funds from the District's checking account at Wells Fargo Bank to the receiving institution ensuring that the wire transfer is approved by the confirming party as specified in the Wire Funds Transfer section of these procedures.
 3. The Financial Administrator shall obtain verbal or written notification from the receiving institution that funds have been received and an account established in the District's name. If verbal confirmation is received, the information shall be recorded on the Investment and Wire Worksheet (Exhibit D) prepared for the investment transaction.

4. Upon verification that the funds have been received by the receiving institution, the Financial Administrator shall mail a copy of the standard letter (Exhibit E) to the receiving institution.
5. The Financial Administrator shall complete the Investment and Wire Worksheet form (Exhibit D) and post the transaction to the general ledger.
6. Certificates of deposit are to be held for safekeeping at the institution receiving and holding District funds. The Financial Administrator shall obtain a safekeeping receipt from the receiving entity verifying that the certificate is held by the institution in the District's name.

If the certificate of deposit is held in book entry, the Financial Administrator shall obtain a safekeeping receipt indicating that the funds are held in the District's name.

The Financial Administrator shall confirm the correct interest rate, maturity date and all other pertinent information on the safekeeping receipt.

7. The Financial Administrator shall prepare a file for the investment transaction which shall include:
 - The Investment Bid Sheet (Exhibit C)
 - The Investment and Wire Worksheet (Exhibit D)
 - The certificate of deposit safekeeping receipt
 - A copy of the letter detailing purchase (Exhibit E)
 - A copy of the Colorado Certificate of Public Depository
 - A copy of the Board executed signature card
 - A copy of the Board executed resolution establishing the account

C. Renewing or Redeeming Certificates of Deposit

1. Upon maturity of a certificate of deposit, the Financial Administrator in consultation with the District Treasurer shall determine whether the funds need to be redeemed to meet cash flow requirements.

2. If funds are to be redeemed, the Financial Administrator shall notify the applicable institution and request that funds be wired at maturity to the District's checking account pursuant to the agreement entered into when the certificate was acquired. If the funds are available for reinvestment, upon maturity the Financial Administrator shall obtain investment quotes (bids) as specified in Section III – Investment Bid Procedures above.
3. If, after reviewing the investment bids, a decision is made to renew the certificate of deposit, the Financial Administrator shall obtain the necessary documents from the holding institution to extend the certificate at the agreed upon rate and maturity. At a minimum the Financial Administrator shall obtain written confirmation identifying the interest rate and maturity date for the renewed certificate.
4. If, after reviewing the investment bids, the funds are to be reinvested in an alternative investment, the Financial Administrator shall instruct the holding institution that the certificate is being redeemed upon maturity and funds are to be wired to the District's checking account in accordance with instructions provided when the certificate was purchased. Funds are not to be wired directly from a holding institution to another institution or broker/dealer for purchase of another investment.

D. Purchasing and Redeeming Certificates of Deposit through the Certificate of Deposit Account Registry Service (CDARS).

1. Upon review of competitive investment yields as specified in Section III – Investment Bid Procedures, if a decision is made to purchase a certificate of deposit through CDARS, the Financial Administrator shall coordinate a wire transfer of funds from the District's checking account at Wells Fargo Bank to Millennium Bank no later than 4:30P.M. ET, on Monday of the placement week. A list of insured institutions participating in the CDARS program, in which the District does not wish to place funds must be maintained, updated, and submitted to Millennium Bank prior to new placements. Such insured institutions include banks located in Colorado in which the District already has deposits.
2. On the scheduled "Order Date", specified by Promontory Interfinancial Network, LLC (Promontory), Millennium Bank will submit a request for placement of funds through CDARS.
3. At 3:00 p.m. ET, on the "Order Allocation Date", which is the day following the "Order Date", Millennium Bank will make available a list of banks with deposit amounts at which funds are proposed to be placed. At the discretion of the Financial Administrator, this listing may be requested and reviewed by the Financial Administrator to determine that all proposed depositories are

acceptable institutions. The Financial Administrator must then notify Millennium Bank by 4:00 p.m. ET on the “Order Allocation Date” of any banks on the listing in which the District does not wish to place funds. The certificates of deposit for funds placed through CDARS will be issued on the day following the “Order Allocation Date” which is referred to as the “Settlement Date”.

4. The Financial Administrator will verify receipt of written confirmation of the issuance of the certificates of deposit as well as receipt of monthly statements reflecting the District ownership of the certificates of deposit and accrued interest to date.
5. Funds are placed in increments of less than the current standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC protection. The Financial Administrator should be aware of the schedule of temporary changes to the FDIC insurance maximum levels in order to ensure that funds will be fully protected until maturity.
6. The certificates of deposit will not be automatically renewed or rolled over and interest will not continue to accrue after the maturity date. Upon maturity, the principal and unpaid accrued interest will be redeemed. The Financial Administrator shall verify that funds are wired to the District’s checking account at Wells Fargo Bank. Maturing funds must be resubmitted as a new placement through CDARS.

VI. Purchase of U.S. Government Securities, Agencies, and Instrumentalities

- A. Transfer of funds for purchase or redemption of U.S. Government securities, agencies, and instrumentalities shall be routed to/from the District’s checking account at Wells Fargo Bank. All wire transfer agreements and instructions shall specify that funds are only to be transferred to the checking account and shall identify the necessary routing and account numbers for said account.
- B. Purchasing U.S. Government securities, agencies, and instrumentalities
 1. Bids for purchase of U.S. Government securities, agencies, and instrumentalities must be obtained from a minimum of two broker/dealers as specified in Section III – Investment Bid Procedures.
 2. Upon review of competitive investment yields as described in Section III – Investment Bid Procedures, if a decision is made to invest funds in a U.S. Government security, agency, or instrumentality, the Financial Administrator shall initiate a wire transfer of funds from the District’s checking account at Wells Fargo Bank to either the broker/dealer or a third

party safekeeping agent as specified below. All wire transfers shall be accomplished in accordance with Section IV - Wire Transfer Procedures of these procedures.

- a. If the U.S. Government security is to be held in the District's Treasury Direct Account at the Federal Reserve Bank, funds shall be wired to the broker/dealer with instructions to deliver the security being purchased to the District's Treasury Direct Account. The Financial Administrator shall ensure that the wire transfer is an authorized repetitive wire transfer or is approved by the confirming party as specified in Section IV - Wire Transfer Procedures. Only direct U.S. Government securities may be held at the District's Treasury Direct Account.
- b. If the U.S. Government security, agency, or instrumentality is to be held by a third party safekeeping agent, funds shall be wired to the District's trust account at the safekeeping institution with instructions to conduct the deliver versus payment transaction. The Financial Administrator shall ensure that the wire transfer is an authorized repetitive wire transfer or is approved by the confirming party as specified in Section IV - Wire Transfer Procedures.

By written agreement the District may allow the safekeeping agent to transfer funds from the District's trust account into an interest bearing account at an approved money market mutual fund or ColoTrust. District funds held in said money market account or ColoTrust may only be transferred to the District's trust account, the District's separate account at ColoTrust or the District's checking account at Wells Fargo Bank.

3. The Financial Administrator shall obtain verbal or written confirmation from the receiving institution (broker/dealer or safekeeping agent) that funds have been received and the security has been deposited in the District's Treasury Direct Account or is being held in the District's account at the safekeeping institution. If verbal confirmation is received, the documentation information shall be recorded on the Investment and Wire Worksheet (Exhibit D) prepared for the investment transaction.
4. The District's Treasury Direct Account contains instructions that upon maturity of securities, funds are to be wired directly to the District's checking account at Wells Fargo Bank. The District's Custody Agreement with UMB Bank contains instructions that upon maturity of securities, funds are to be swept into an interest bearing account at a money market mutual fund or a ColoTrust account as designated by the District.

5. The Financial Administrator shall complete all information on the Investment and Wire Worksheet (Exhibit D) and post the transaction to the general ledger.
6. The Financial Administrator shall fax or e-mail a copy of the trade ticket (broker verification of investment transaction) and completed Investment and Wire worksheet to the District Treasurer for verification purposes.
7. The Financial Administrator shall verify that a written wire transfer confirmation is received from Wells Fargo Bank within five (5) days of completing the transfer.
8. The Financial Administrator shall prepare a file for the investment transaction which will include:
 - The Investment Bid Sheet (Exhibit C)
 - The Investment and Wire Worksheet (Exhibit D)
 - Verification from the broker/dealer (U.S. Government securities) or the safekeeping agent (U.S. Government agencies and instrumentalities) of receipt of the security.
 - Wire transfer confirmations
9. Upon maturity, the Financial Administrator shall verify that funds are wired to the District's checking account at Wells Fargo Bank.

VII. Investment of Funds in Local Government Investment Pools (LGIPs) and No-Load Money Market Mutual Funds (MMMFs)

- A. District funds may be invested in LGIPs and MMMFs that have been specifically approved for investment by the District Board of Directors.
- B. Transfer of funds for investment in or redemption from LGIPs and MMMFs shall be routed to/from the District's checking account at Wells Fargo Bank or the District's trust account at Bank of Cherry Creek. All wire transfer agreements and instructions shall specify that funds are only to be transferred to the checking account and shall identify the necessary routing and account numbers for said account.
- C. Investing in LGIPs and MMMFs
 1. Upon review of competitive investment yields as described in Section III –

Investment Bid Procedures, if a decision is made to invest funds in a LGIP or MMMF the Financial Administrator shall initiate a wire transfer of funds from the District's checking account at Wells Fargo Bank to the LGIP or MMMF in accordance with the wire transfer procedures herein.

2. The Financial Administrator shall obtain verbal or written confirmation from the receiving LGIP or MMMF that funds have been received and deposited in the District's account. If verbal confirmation is received, the documentation information shall be recorded on the Investment and Wire Worksheet (Exhibit d) prepared for the investment transaction.
3. The Financial Administrator shall complete all information on the Investment and Wire Worksheet (Exhibit D) and post the transaction to the cash journal and the general ledger.
4. The Financial Administrator shall fax or e-mail a copy of the completed Investment and Wire worksheet or other documentation of the investment to the District Treasurer for verification purposes.
5. The Financial Administrator shall verify that a written wire transfer confirmation is received from Wells Fargo Bank within five (5) days of completing the transfer.
6. The Financial Administrator shall prepare a file for the investment transaction which will include:
 - The Investment Bid Sheet (Exhibit C)
 - The Investment and Wire Worksheet (Exhibit D)
 - Verification from the LGIP or MMMF of receipt and investment of District funds.
 - Wire transfer confirmations

VIII. Reporting and Record Keeping

- A. A detailed Investment Transaction Report (Exhibit F) shall be prepared by the Financial Administrator on a monthly basis in accordance with the procedures attached hereto as Exhibit H. Said Report shall be submitted for approval of the Board of Directors at the first meeting following report preparation.
- B. A detailed report listing all District investments (Exhibit G) shall be prepared by

the Financial Administrator on a monthly basis in accordance with the procedures attached hereto as Exhibit H. The report shall be submitted to the Board of Directors with the monthly financial statements for informational purposes.

- C. The Financial Administrator shall maintain detailed records of all investment transactions and such records shall be subject to annual audit by an external auditor retained by the Board of Directors. The audit shall include a review and evaluation of these investment procedures and internal controls.

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Revised: March 23, 2010*

PURCHASING MANUAL

**SOUTHWEST METROPOLITAN WATER &
SANITATION DISTRICT**

(adopted July 23, 2010)

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SECTION 1 STATEMENT OF POLICY

POLICY STATEMENT

It is the policy of Southwest Metropolitan Water and Sanitation District to establish and maintain centralized purchasing in order to encourage efficient, competitive, economical, and timely acquisition of materials, supplies, equipment and services as well as to provide for proper and effective regulatory control. This purchasing manual shall establish the policies, procedures, authorities, and responsibilities needed to carry out the purchasing function.

PURPOSE OF MANUAL

This manual is intended to provide policies, procedures, and guidelines necessary for the conduct of purchasing activities for Southwest Metropolitan Water and Sanitation District.

The provisions of this manual have been designed to:

1. Comply with Colorado Revised Statutes
2. Provide a modern comprehensive, centralized purchasing program encompassing accepted principals and practices.
3. Encourage maximum competition on the basis of fair and equal opportunity to those interested and qualified to sell to the District.
4. Develop an objective procurement program which will insure equality to the Seller as well as achieving maximum value for the tax dollar.
5. Provide a uniform procedure for the procurement of materials, supplies, equipment, and services

AUTHORITY AND RESPONSIBILITY

The Southwest Metropolitan Water and Sanitation District Purchasing Agent is hereby delegated the authority to supervise the purchasing policies and practices described herein. The Purchasing Agent shall perform all duties required by the District and shall have the powers and duties for centralized control of the purchasing of supplies, materials, equipment, and services, the inventory of District assets, and the disposal of surplus property.

It is the responsibility of the Purchasing Agent in the discharge of these duties, with the assistance of other departments and individuals, to establish reliable, reputable sources of supply, foster competition, and provide good procurement practices consistent with the accomplishment of its mission. The Purchasing Agent shall conduct all operations and duties with the highest level of business ethics. While establishing and maintaining satisfactory supplier relationships, the Purchasing Agent will advise all suppliers that the District will not accept or tolerate the giving of entertainment, loans, gifts, or special consideration to any District personnel, except as provided in Section 1(4).

Compliance with the provisions of this manual is mandatory unless waived by the Board. Any provision which adversely affect the performance of services shall be immediately called to the attention of the District Manager.

It shall be deemed a violation of this manual for any employee or agent purchasing materials or services on behalf of the Southwest Metropolitan Water and Sanitation District to:

1. Knowingly exaggerate requirements or deny the existence of a requirement to avoid doing business with a particular supplier.
2. Knowingly underestimate requirements or deny the existence of a requirement to avoid doing business with a particular supplier.
3. Knowingly misrepresent competitors' prices, quality or services to obtain concessions.
4. Conflicts of Interest

Participation in Purchasing Transactions

District employees and agents having official responsibility for purchasing transactions shall not participate in the transaction when:

1. The employee or agent has an ownership or financial interest with a bidder, supplier or contractor.
2. The employee or any member of the employee's or agent's immediate family (spouse, children, parents, brothers or sisters) or any other person living in the same household of the employee or agent holds a position with a bidder, supplier or contractor such as an officer, director, trustee, partner or the like, or is employed or involved in a capacity involving personal and substantial participation in the purchase transaction.
3. The employee or agent or any member of the employee's or agent's immediate family has a financial interest arising from the purchase transaction.
4. The employee or agent or any member of the employee's or agent's immediate family is negotiating, or has an arrangement concerning prospective employment with a bidder, supplier or contractor.

Solicitation or Acceptance of Gifts

District employees and agents having official responsibility for purchasing transactions shall not solicit, demand, accept, or agree to accept from a bidder, supplier, contractor or subcontractor any payment, loan subscription, advance,

deposit of money, services or anything of more than nominal or minimal value, present or promised. Promotional materials such as pens, calendars, etc., and courtesy gifts such as business meals and event tickets that do not influence a purchasing decision and that are valued at less than \$100 may be accepted. The cumulative value of meals, gifts, or promotional items received from any single supplier or contractor shall not exceed \$100 in any 12-month period. Acceptance of meals, gifts and promotional items shall be reported in writing to the District Manager.

5. Reporting of Violations

Violations of District purchasing policy and procedures should be reported to the District Manager or the President of the District. Complaints will be kept as confidential as practicable. The District prohibits retaliation against an employee for filing a complaint or notice of violation, or for assisting in the investigation of a notice of violation.

SECTION 2 PURCHASING ORGANIZATION

POLICY

It is the policy of the District to grant authority, assign duties and responsibilities, and establish financial and accounting controls for purchasing functions by adopting the purchasing organization as set forth herein.

AUTHORITY

The Purchasing Agent is under the control and direction of the District Manager. The direct responsibility for carrying out the policies and procedures defined in this manual is assigned to the Purchasing Agent who shall be appointed by the District Manager.

DUTIES & RESPONSIBILITIES OF PURCHASING AGENT

The Purchasing Agent shall have the following duties and responsibilities:

A. PURCHASING DUTIES AND RESPONSIBILITIES

1. Procure all requested materials, supplies, equipment, and services at the lowest prices and highest quality necessary to attain the function or service requested.
2. Obtain as full and open competition as possible for all purchases and services.
3. Review developments in the field of purchasing, prices, market conditions, and new products.
4. Prepare and maintain a Vendor database.
5. When advantageous to the District, explore the possibilities of volume purchases.
6. Ensure delivery of correct materials/supplies in proper quantities at appropriate time and place.
7. Recommend amendments or additions to the rules and regulations covered in this manual whenever necessary.
8. Ensure that Vendors fulfill all terms and conditions of contracts and purchase orders, negotiating said terms and conditions when required.

9. Secure and maintain all appropriate tax exemptions for purchases made by the Purchasing Agent.
10. Prescribe, maintain, and revise all forms necessary to the purchasing function.
11. Be responsible for all aspects of the purchasing function.

B. INVENTORY DUTIES AND RESPONSIBILITIES

1. Establish procedures pertaining to inventory of materials, supplies, and equipment.
2. Prescribe, maintain, and revise all forms necessary for inventory control and disposal.
3. Ensure the proper management of District inventories and disposal procedures.
4. Supervise an annual asset inventory.
5. Supervise the disposal of surplus District property.

C. RECEIVING AND RETURN OF MATERIAL, SUPPLIES, AND EQUIPMENT AND SERVICES

1. Prepare and disseminate procedures for receiving and return of goods.

SECTION 3 VENDOR/SUPPLIER RELATIONSHIPS

POLICY

It is the policy of the District to establish and maintain a relationship of mutual confidence and satisfaction between the District and its suppliers and contractors.

GENERAL INFORMATION

It is the responsibility of the Purchasing Agent to establish and maintain a relationship of mutual confidence and satisfaction between the District and its suppliers. It is, therefore, necessary that the Purchasing Agent be aware of all transactions conducted between the District and suppliers. District departments should not be burdened with visits with suppliers and with routine purchasing functions, except for the normal initial research necessary for technical purchases, or where demonstrations of supplies, materials, or equipment lends itself to resolving a procurement decision. Efficiency in vendor relationships will be enhanced by observing the following procedures:

1. All vendors will be received promptly and courteously.
2. To the greatest extent possible, all vendors will be received by the Purchasing Agent rather than the department head.
3. The Purchasing Agent will inform or forward to department heads useful information received in the form of catalogs, advertising, etc.
4. To the greatest extent possible, all correspondence with suppliers shall be processed by the Purchasing Agent. When necessary for departments to correspond with vendors on technical matters or securing pricing information the department head will provide a copy of the correspondences to the Purchasing Agent.

VENDOR QUALIFICATIONS

All vendors desiring to sell to the District must qualify themselves by completing a Vendor Request Form (Exhibit 1). The information must include name and address of business, type of business, and list of products or services in which they regularly deal. A list of qualified vendors will be maintained by the Purchasing Agent for use in obtaining bids or quotes.

The Purchasing Agent shall require all vendors which are not incorporated to submit a complete W-9 form prior to placing an order for any material, supplies, equipment or services. One copy of the W-9 form shall be transmitted to accounting and the original shall be retained in the Approved Vendor file.

SECTION 4 REQUISITIONS

POLICY

The purchase requisition is the basic document authorized for procurements and, as such, it is the only authority for issuance of a purchase order.

PURPOSE

The purpose of a purchase requisition is to inform the Purchasing Agent of the needs of the requisitioning party and correctly identify the requirements.

GENERAL INFORMATION

All purchases must be approved in accordance with this purchasing policy prior to commitment of District funds.

Purchase requisitions must be prepared far enough in advance to allow the Purchasing Agent sufficient time to acquire approvals, research vendors, solicit bids, and allow for delivery of goods and services.

It is the responsibility of the user (party requisitioning goods and services) to monitor expenditures, balances, and budget appropriations.

For fixed assets (items costing in excess of \$1,000 with a useable life greater than one year) user department will only be authorized to purchase items specifically identified on the list of capital items shown on the adopted budget or those items approved for purchase in accordance with the approval requirements of this section.

PROCEDURE

User departments requiring goods or services must prepare a Purchase Requisition (Exhibit 2) and submit it to the Purchasing Agent. The Purchase Requisition must contain the following information:

1. Date of requisition
2. Date materials or services are required
3. Quantity required
4. Units (each, case, box, etc.)
5. Unit price
6. Extended price (units times unit price)
7. Price (total price for all items requisitioned)

8. Specifications – if required
9. Suggested vendors

APPROVALS

Requisitions for supplies, materials, equipment, and services shall receive the following written approvals prior to preparation and issuance of a purchase order.

-- Any one item amount up to \$1,000

1. Department Head (employee of Platte Canyon Water and Sanitation District)
2. Purchasing Agent

-- Any one item amount between \$1,000 and \$25,000

1. Department Head (employee of Platte Canyon Water and Sanitation District)
2. Purchasing Agent
3. District Manager

-- Any one item amount greater than \$25,000

1. Department Head (employee of Platte Canyon Water and Sanitation District)
2. Purchasing Agent
3. District Manager
4. District Board of Directors

BIDDING REQUIREMENTS

1. Amounts up to \$1,000, excluding emergency purchases as defined below under Emergency Purchases.

Purchasing Agent shall purchase supplies, materials, equipment, and services from District approved vendors.

2. Amounts between \$1,000 and \$10,000, excluding emergency purchases as defined below under Emergency Purchases:

Purchasing Agent shall solicit at least three bids in accordance with the informal bidding requirement specified in Section 7 of this manual.

3. Amounts over \$10,000, excluding emergency purchases as defined below under Emergency Purchases:

Purchasing Agent shall solicit formal bids in accordance with formal bidding requirements specified in Section 7 of this manual.

Purchases made from the Colorado State Purchasing Price Agreements will meet the District's bidding requirements.

ROUTING

The (white) copy of the Purchase Requisition shall be returned to the user department after it has been signed by the Purchasing Agent. The remaining copy shall remain with the Purchasing Agent.

Where Secondary approvals are required the Purchasing Agent shall submit the Purchase Requisition to the approving party for review.

Upon completion of review by the secondary approving party, the Purchase Requisition will be returned to the Purchasing Agent. The Purchase Requisition may either be approved, rejected, or suspended pending additional information. If approved the Purchasing Agent shall solicit bids, (if necessary), complete a Purchase Order, and acquire the requisitioned goods or services. If rejected, the Purchasing Agent shall return the Purchase Requisition to the user department. If additional information is requested, the Purchasing Agent shall work with the User Department to provide the necessary information and re-submit the Requisition.

EMERGENCY PURCHASES

If possible, emergency purchases should be avoided and the standard purchasing procedures adhered to. However, when legitimate emergency purchases are required the following procedure must be followed:

If the emergency occurs during normal business hours, the Purchasing Agent will be contacted for guidance on the appropriate actions needed.

If the emergency occurs during non-business hours, the only purchases allowed are those related to maintenance of District buildings, maintenance of District vehicles, and maintenance of District facilities. Approved or contracted vendors should be used if at all possible.

The individual authorizing the emergency purchase shall inform the Purchasing Agent as soon as practical. A Purchase Requisition shall be filed so a Purchase Order can be prepared, even though the purchase has already been made.

SECTION 5 PURCHASE ORDERS

POLICY

Purchase orders are legal instruments and shall only be issued for requisitions which have been properly authorized in accordance with the Purchase Requisitions Policy.

PURPOSE

A purchase order is the vendor's authority to deliver and charge for goods or services specified in the purchase order. It represents the District's commitment to purchase the goods or services in accordance with the terms specified in the purchase order.

A purchase order also serves as a source of information to the accounting department and the individual receiving the goods or services. It serves as a confirmation of a purchase for the requisitioning department. Finally, it serves as a tool for the purchasing department to expedite and track the delivery of goods and services.

GENERAL INFORMATION

The Purchasing Agent is responsible for the centralized purchasing program. All purchase orders will be controlled and issued by the Purchasing Agent or in his absence the District Manager.

Purchase orders will be prepared so they are clear and concise in order to prevent unnecessary misunderstandings with vendors.

Purchase Orders are legally binding documents when signed by a Purchasing Official. They do not require the signature of the District Board of Directors.

If the original Purchase Order amount is insufficient to cover the final invoice, the user department must initiate a purchase request to increase the Purchase Order to cover the balance. The requesting department must ensure that adequate funds are available for the increase.

It is the user departments responsibility to ensure timely follow-up concerning delivery of goods and services. The Purchasing Agent will however, at the request of the user department assist with correcting delinquent deliveries.

ROUTING

Upon receipt of all required approvals, the Purchasing Agent shall issue a Purchase Order from the Purchase Requisition. Purchase Orders are generated electronically via the District's accounting software, "MAS90". An original can be printed for the vendor, if needed.

RECEIVING ORDERS

Upon receipt of materials, the Purchase Order must be matched against the materials received and a receiving report initiated in accordance with the receiving procedure described in this manual.

SECTION 6 BLANKET (OPEN END) PURCHASE ORDERS

POLICY

The policy, purpose, and general information for regular purchase orders specified in Section 5 shall also apply to Blanket Purchase Orders.

GENERAL INFORMATION

The procurement of small miscellaneous materials and supplies and those materials and supplies used on a repetitive basis and exemplifying minimal unit cost may be acquired by use of a blanket purchase order. Blanket Purchase Orders may also be used for contracts requiring monthly payments to vendors.

Blanket Purchase Orders will be issued for a specified period of time and for a maximum total dollar amount. Renewal may be initiated when the total dollar amount is expended or the time limit expires.

PROCEDURES

Blanket purchase orders will be in accordance with the following procedures.

1. Blanket Purchase Orders will be initiated from a Purchase Requisition from user departments just as regular Purchase Orders.

Blanket Purchase Orders may be issued for a maximum period of 12 months. The minimum period shall be one month.

All Blanket Purchase Orders expire at the end of the fiscal year (December 31) and payments will be applied to Purchase Orders only for items received prior to year end. New Blanket Purchase Orders must be issued to start a new year.

2. No capital equipment or facilities may be purchased on a Blanket Purchase Order.
3. No single item exceeding \$250 may be purchased on a Blanket Purchase Order. The expenditures on a Blanket Purchase Order may not exceed the original designated amount unless an increase is prepared utilizing a Purchase Request.

To increase the maximum amount of the Blanket Purchase Order, the requesting department must prepare a Purchase Request referencing the open Purchase Order number. The amount and reasons for the increase should be stated on the Purchase Request.

4. The Blanket Purchase Order will specify a maximum total amount, time period, authorized purchasers, and any other special instructions required.
5. Receipts for all purchases made on a Blanket Purchase Order must be provided to the Purchasing Agent and accounting department within one day of purchase.

SECTION 7 BIDDING REQUIREMENTS

POLICY

It is the policy of the District to obtain materials, supplies, equipment, and services at the lowest cost possible without sacrificing quality or quantity by utilization of approved competitive bidding requirements and procedures.

PURPOSE

The purpose of the bidding requirements is to ensure that materials, supplies, equipment, and services are obtained at the lowest possible cost, thus ensuring the most efficient expenditure of public funds.

GENERAL INFORMATION

The bidding process shall be carried out under the direction and supervision of the Purchasing Agent. The Purchasing Agent shall continually seek to foster competition and obtain new sources of supply.

The Purchasing Agent and the requesting department shall be responsible for preparation, advertisement (when required) and evaluation of bids and proposals. The Purchasing Agent will provide the format and general conditions and the requesting department will provide technical knowledge and specifications.

Bidding shall be open and unrestricted; however, the District will not be obligated to solicit bids from every supplier for every requirement.

Bids and quotations shall be based on established standards and specifications whenever possible.

Expenditures totaling between \$1,000 and \$10,000 shall be bid in accordance with the informal bid requirements described below.

Expenditure exceeding \$10,000 shall be bid in accordance with the formal bid requirements described below.

INFORMAL BIDS

Expenditures for procurement of supplies, materials, equipment and services having an estimated value of more than \$1,000 but less than \$10,000 may be made on the open market by the Purchasing Agent without newspaper advertising, and without observing the procedure described in the formal bid section of this manual.

All open market purchases shall, whenever possible, be based on three or more quotations and shall be awarded to the lowest qualified bidder.

- Telephone bids shall be properly documented on the purchase request form by the purchasing agent. Written proposals should be attached to the purchase request form.
- All informal bid prices shall remain confidential until an award is made. After the award is made all information regarding the bid shall be open for public inspection.
- Recent competitive bid prices (within the past 90 days) may be used to avoid duplication of effort.
- "Sole Source" items are permissible if emergency conditions exist or if the item is obtainable from only one source in Colorado, or the product is clearly superior to perform a function or patents limit the sources available.

The purchasing agent shall negotiate for percentage discounts on those items that do not lend themselves to bidding under this section.

Formal bid procedures may be used for purchases under \$10,000 when in the best interest of Southwest Metropolitan or when the purchase of like items, each costing under \$10,000, are grouped and the aggregate purchase exceeds \$10,000.

FORMAL BIDS

All purchases for products or services estimated to be in excess of \$10,000 will require sealed bids. Invitations to submit sealed bids will be mailed to vendors on the qualified vendor list and will be advertised in accordance with the requirements listed below. The purchasing agent will consider all new and known sources of supply and will make an effort to solicit as many proposals as possible and encourage competition.

The District Manager shall have authority to waive formal bid requirements for water and sewer infrastructure construction, repair and rehabilitation projects that are not expected to exceed \$60,000. Projects for which formal bid requirements are waived shall be bid in accordance with the informal bid requirements specified in this section.

ADVERTISING REQUIREMENT

Advertisement shall mean at least one public advertisement in the legal section of a newspaper in general circulation within the District boundaries.

The advertisement shall include, but not necessarily be limited to the following:

1. General description and quantity of commodity or service.
2. Location where bid documents may be obtained.
3. Cost of bid documents (if any).
4. Amount of bid bond (if required).
5. Location of pre-bid conference (if any)
6. Date, time, and place of bid opening.
7. Reserve right to reject any or all bids, and waive formalities or informalities.
8. Reserve right to accept proposal deemed to be most advantageous to the best interests of the District.

The District manager shall be authorized to waive advertisement requirements for expenditures estimated to be less than \$25,000.

Sealed bid invitations shall include, but not be limited to the following:

1. Invitational cover letter stating the need; location to obtain bid documents; cost of bid documents (if any); amount of bid bond (if required); location of pre-bid conference (if any); and date, time, and place of bid opening.
2. Reserve the right to:
 - Waive formalities or informalities
 - Reject any and all bids
 - Accept the proposal deemed to be in the best interest of Southwest Metropolitan Water and Sanitation District.
3. General conditions
4. Minimum specifications
5. Proposal form
6. Evaluation criteria (if applicable)

Specifications shall be written to encourage competition. However, closed specifications and “sole source” purchases will be allowed with a product or usage dictates such procedure. User departments will prepare specifications and submit them to the purchasing agent with the standard Purchase Request.

At the time bids are received by the Purchasing Agent they shall be stamped with the date and filed unopened until the scheduled time of bid opening.

All formal bids shall be submitted sealed and properly identified and shall be publicly opened at the time and place identified in the invitation to bid. Bidders are invited, but not required to attend the bid opening. The following procedure will be observed at public bid openings.

- The opening will be at the time and place designated in the invitation to bid.
- The names of all bidders and their representatives will be noted.
- A final opportunity to submit bids before the bid opening and prior to expiration of the scheduled opening time will be offered.
- The names of those who bid will be announced, and inquiry made as to whether any submitted bids have been omitted.
- As the bids are opened, details will be read and copied on an abstract form.

In case of an obvious unintentional error, the bidder may be given an opportunity to explain the error and may request that the bid be withdrawn. Such bids may, with the approval of the Purchasing Agent, be rejected. Bids requiring a bid bond will not be rejected.

The Purchasing Agent may recommend to the District manager and/or the Board of Directors the rejection of any or all bids when the District’s best interest will be served.

Information concerning bidders, amounts of bids, and the basis for awards is a matter of open records and will be available to interested parties upon request.

Tabulation of bid results will be mailed to all bidders who submitted a bid.

COLORADO STATE PURCHASING PRICE AGREEMENTS PROGRAM

The District qualifies to make purchases under the Colorado State Purchasing Price Agreements program. The purchasing agent at his discretion can use this program if it provides an efficient, competitive, economical, and timely acquisition of materials, supplies, equipment and services. Any purchases made under this program will constitute meeting the bidding requirements set forth in this section.

SECTION 8 RECEIVING

POLICY

Each department head employed by Platte Canyon Water & Sanitation District shall be responsible for documenting receipt of all equipment, supplies, materials and services purchased for Southwest Metropolitan Water and Sanitation District in accordance with these requirements and procedures.

GENERAL INFORMATION

One individual in each department shall be designated to have responsibility for receiving and accounting for the receipt of all material, supplies, equipment, and services. In the event of illness, vacations, or termination another person shall be designated as the individual in charge of receipts for that department.

Receipt of all materials, supplies, equipment, and services shall be documented on a standard receiving form or by use of the District's computer accounting software (MAS 90). Said documentation must be processed in accordance with the procedures listed below.

Payments can be made to vendors for partial deliveries if accepted by the receiving department.

PROCEDURES

To determine compliance with Purchase Order requirements the Purchasing Division may inspect, or supervise the inspection of all supplies, materials, equipment and services.

Each department head shall be responsible for receiving and properly documenting receipt of all materials, supplies, equipment and services for their department.

All equipment, materials, supplies and services shall be accounted for by a separate receiving document. A Receiving Report (Exhibit 3) shall be completed as follows:

- Purchase Order Number – Record the Purchase Order number against which the materials were ordered.
- Ordered From – Indicate the name of the firm which sent the materials if different from the firm from which they were ordered.
- Received From – Indicated the name of the firm which sent the materials if different from the firm from which they were ordered.

- Name of Carrier – Record the name of the carrier which delivered the materials. Indicate freight bill number, packing list number, and other pertinent information.
- Delivered To – Record disposition of material, i.e.: stock, job site location, etc.
- Items – Service Received – List the items or services received.
- Exceptions Noted – The packing list is the source of information for determining reportable exceptions. On the Receiving Report identify the following:
 1. Overages – Record any overages the vendor may have shipped.
 2. Shortages – Record all shortages of materials between those shown on the packing list and those actually received.
 3. Damage – Record nature and extent of all damage to received items. Check “none” box if all items are received in good condition.
- Signature – The Receiving Report must be dated and contain the name of the employee completing the report. Receiving Reports should be prepared immediately upon receipt of goods and forwarded to Accounting and Purchasing on a daily basis. Packing lists and prepaid freight bills, shall be submitted to Purchasing with a copy of the Receiving Report. Invoices should be submitted directly to Accounting with a copy of the Receiving Report.
- A separate Receiving Report must be issued for each partial shipment that is received against a Purchase Order. This provision applies to receipt of items on Blanket Purchase Orders.
- Copies of the Receiving Report are to be distributed as follows:
 1. Original (white),– Receiving Department
 2. Second Copy (yellow), with packing lists, invoices and other receiving Documents – Purchasing
 3. Third Copy (pink), with invoices - Accounting

SECTION 9 RECEIVING AND RECORDING OF DEPRECIABLE ASSETS

POLICY

Those items of a tangible nature which have a usable life of one year or greater and have a value of \$1,000 or more are designated depreciable assets.

VALUATION OF DEPRECIABLE ASSETS

The value of all depreciable assets shall include original cost, shipping costs, and installation costs less any discounts.

IDENTIFICATION NUMBERS

Depreciable assets shall be permanently labeled or affixed with permanent tags identifying the District name and asset number.

RECEIVING REPORTS

A Receiving Report must be completed for receipt of all depreciable assets in accordance with the procedure described in Section 8, Receiving. In lieu of a hard copy receiving report, receipt of goods may be documented by transmitting a computer generated MAS 90 receipt of goods report to the financial administrator.

The authorized financial administrator (hereinafter financial administrator) shall assign an asset number and complete a Depreciable Asset Inventory Control Sheet (Exhibit 4) for each asset. A copy of the purchase order, invoice, and receiving report (if applicable) shall be attached to the Depreciable Asset Inventory Control Sheet and given to the purchasing agent.

The purchasing agent shall attach a photograph of the asset to the Depreciable Asset Inventory Control Sheet. Each asset shall be permanently labeled or tagged with the District name and asset number. A separate file containing the Depreciable Asset Inventory Control Sheet, or copy of the purchase order, and invoice shall be created for each asset of the District.

INVOICE PROCESSING

All invoices shall be submitted directly to the financial administrator for processing.

The financial administrator will match invoices to purchase orders and receiving reports. If the quantities and pricing agree and all documents have been properly completed, the invoice will be processed for payment.

If quantities and/or prices do not agree, the financial administrator shall contact the Purchasing Agent to resolve discrepancies before submittal for payment.

Invoices shall be paid on a timely basis for all materials, supplies, equipment and services. The receiving departments shall expedite authorization for payment by forwarding receiving documents to the financial administrator in accordance with the receiving procedure described in Section 8.

All invoices shall be submitted to the financial administrator for processing.

Checks for payment of all invoices totaling less than \$2,500 require one signature and shall be submitted to the District Manager with the invoice, purchase order, and a copy of the receiving form for approval and signature. Checks for payment of invoices totaling \$2,500 or more shall require two signatures and shall be submitted to the District Manager and Board of Directors for approval and signature. For submittal of year end 1099 tax forms, the financial administrator shall record name, address, and social security number for all non-incorporated parties to whom payments are made.

Any invoice received from a vendor which reflects a purchase which does not comply with District policy will be disallowed for payment.

The District may utilize the Automatic Clearing House (ACH) payment system to process payments to certain authorized vendors for routine accounts payable. The Board of Directors shall designate all vendors authorized for ACH processing. Payments to these authorized vendors may exceed \$2,500.

SECTION 10 EXPENSE REIMBURSEMENT POLICY

POLICY

It is the policy of the District to reimburse employees of the Plate Canyon Water and Sanitation District for legitimate, necessary out-of-pocket expenses made for the benefit of the Southwest Metropolitan Water and Sanitation District.

GENERAL INFORMATION

The expense reimbursement policy shall not be used to avoid other purchasing procedures explained in this manual. Only preauthorized expenses will be considered for reimbursement except for legitimate emergency circumstances.

All requests for reimbursement of out-of-pocket expenses incurred for legitimate business reasons shall require submittal of an electronic expense sheet in accordance with the following procedures. No individual expense shall exceed \$100.00 except in emergency situation.

PROCEDURES

Reimbursement for out-of-pocket expenses is initiated by submittal of an electronic expense sheet to the Purchasing Agent via the Plate Canyon Water and Sanitation District's Webtimesheet software. A copy of the expense sheet must be accompanied by all receipts and documentation of prior authorization before it can be processed.

The Purchasing Agent shall review the submittal and, upon approval, deliver a printed copy along with all receipts to Accounting for preparation of a check.

Accounting shall pay the claimant in a timely manner.

SECTION 11 DISPOSAL OF SURPLUS PROPERTY

POLICY

It is the policy of the District to encourage employee training when it benefits the employee's performance and career goals.

GENERAL INFORMATION

All departments shall report all surplus materials, supplies, and equipment to the purchasing agent. The Purchasing Agent shall receive the approval of the District Manager prior to disposal or sale of any surplus materials, supplies, or equipment.

Estimated sales in amounts of \$1,000 or more, shall be formally advertised and sealed bids accepted for purchase of the items. Sale by public auction may be used in lieu of sealed bids. Joint auctions with other governmental agencies are encouraged.

Minimum bid amounts shall be established by the purchasing agent.

Advertisements and bills of sale shall state that all sales are final and purchases are made on an "as is – where is basis". The District makes no representation about condition or merchantability of the sale items.

Estimated sales in amounts less than \$1,000 shall be made by informal procedures intended to achieve maximum benefit to the District. Sealed bids and auction shall be used to the maximum extent possible.

PROCEDURE

Platte Canyon Water and Sanitation District department heads shall notify the purchasing Agent of any surplus supplies, materials, and equipment proposed for disposal or sale.

For depreciable assets of the District, the purchasing agent shall complete the declaration of surplus material section of the Depreciable Asset Inventory Control Sheet (Exhibit 4) and submit it to the District Manager for approval. The declaration of surplus shall reference the proposed method of sale, estimated value of the asset, proposed advertisement text, and any other pertinent information shall be submitted with the Depreciable Asset Inventory Control Sheet.

For items that are not depreciable assets, the purchasing agent shall complete a Declaration of Surplus form (Exhibit 7) and submit it to the District manager for approval.

Upon sale of the item(s), payment and all supporting sale documents including a detailed description of the item(s) sold shall be filed in accordance with District filing and archiving procedures and schedules.

EXHIBIT 1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ACKNOWLEDGMENT OF RECEIPT

I, the undersigned employee of the Platte Canyon Water and Sanitation District, hereby acknowledge that I have received a copy of the Southwest Metropolitan Water and Sanitation District's Purchasing Manual and understand that it is my responsibility to become familiar with its contents including any future revisions and referenced materials. I further understand that this manual supersedes all previous editions, that it is the property of the District, and will be returned upon termination.

If I have any questions regarding this Manual or other District policies, I understand I am encouraged to discuss them with my supervisor and/or the District Manager.

Signature

Date

Revision

Date

**SOUTHWEST METROPOLITAN
VENDOR REQUEST FORM**

Date: _____

Company Name: _____

Telephone #: _____ Fax #: _____

Address: _____

City: _____ State: _____ Zip: _____

Billing Address (if different): _____

City: _____ State: _____ Zip: _____

Sales Representative _____

Discount/Payment Terms _____

List product or service code & description

<u>Code</u>	<u>Description</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Comments: _____

What kind of data best describes your company?

_____ Individual	_____ Tax Exempt
_____ Sole Proprietorship	_____ Other (describe)
_____ Partnership	_____
_____ Corporation	_____

FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER: _____

EXHIBIT 3**SOUTHWEST METROPOLITAN
PURCHASE REQUISITION****REQUISITION NO.**

NAME		DATE	<u>FOR PURCHASE DEPARTMENT ONLY</u>		
		DATE REQUESTED BY:			
<u>SUGGESTED VENDORS</u> COMPANY _____ REP _____ PHONE# _____ COMPANY _____ REP _____ PHONE# _____			VENDOR CODE _____ PRICE _____ VENDOR _____ TERMS _____ VENDOR CODE _____ PRICE _____ VENDOR _____ TERMS _____ VENDOR CODE _____ PRICE _____ VENDOR _____ TERMS _____		
<u>QTY</u>	<u>UNIT</u>	<u>DESCRIPTION OF ITEM</u>	REASON	UNIT PRICE	TOTAL
<u>NOTICE OF CONFIRMATION</u>			Agent Approval _____ Manager Approval _____		
P.O. NUMBER _____ VENDOR _____ REPRES. _____ PHONE # _____ DATE _____					

**SOUTHWEST METROPOLITAN
RECEIVING REPORT**

P.O. NUMBER _____ BLANKET P.O.: Y N

ORDERED FROM _____

ORDERED BY _____

NAME OF CARRIER _____

ITEM DESCRIPTION	# OF UNITS	TOTAL QTY RECEIVED	FOR: (UNIT ID)

RETURNED ITEMS NOT TO BE PAID FROM INVOICE

BACKORDERED ITEMS

Signature of Receiver _____ Date _____

* NOTE: Attach receipt for purchasing, invoice for accounting

White --

Yellow -- Purchasing

Pink -- Accounting

DEPRECIABLE ASSET INVENTORY CONTROL SHEET

EXHIBIT 5

Asset Class: _____

Asset No.: _____

Asset Serial No.(s): _____

Asset Description: _____

Date Acquired: _____

Cost of Asset: _____

Purchase Order No.: _____

Depreciation Life: _____

Declaration of Surplus

Date: _____

Estimated value of asset: _____

Proposed method of disposal: _____

Department head: _____

Purchasing agent: _____

District manager: _____

Date of Disposal: _____

Method of Disposal: _____

Was Asset Fully Depreciated: _____ Yes or _____ No

If not:

Accumulated Depreciation: _____

Undepreciated Value: _____

Purchaser:

Name: _____

Address: _____

Telephone No.: _____

Amount Paid: _____

ATTACH PICTURE OF ASSET TO THIS FORM

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
Declaration of Surplus Property

Date: _____

Description of property: _____

Estimated Value: _____

Proposed method of disposal: _____

Signatures

Department Head _____

Purchasing Agent _____

District Manager _____

RESOLUTIONS

RESOLUTION 2005-11-4

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION ESTABLISHING A LICENSE PREPARATION AND
PROCESSING FEE**

WHEREAS, the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") is charged with the responsibility for the management, control and supervision of all business and affairs of the District, pursuant to § 32-1-1001(1)(h), C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Board is authorized to fix and from time to time increase or decrease rates, fees, tolls, penalties and charges for services, programs and/or facilities furnished by the District; and

WHEREAS, the District is also authorized pursuant to State statute to acquire real property and interests therein including, but not limited to, any and all easements and rights of way needed for the operation and maintenance of the District's water distribution and wastewater collection systems; and

WHEREAS, from time to time, third parties request permission to either encroach upon or across with other utilities or structures District-owned easements and other real property interests; and

WHEREAS, the District incurs legal, engineering and administrative costs in reviewing and processing these requests; and

WHEREAS, prior to and during the 2006 budgetary process, it was determined that the District should implement a license preparation and processing fee to recover the cost and expense incurred by the District in processing license agreement requests; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, Arapahoe and Jefferson Counties, Colorado:

1. License Review and Processing Fee. Effective January 1, 2006, there is hereby established a District License Review and Processing Fee of \$1,000, which fee shall be collected by the District in advance and as a condition to processing any request to cross or otherwise encroach upon any District easement or other real property interest.

2. Supplemental License Review and Processing Fee. From time to time, a license request will be received that entails unique circumstances that require more legal, engineering and administrative expense to process than is generally the case. In recognition of such unusual circumstances, the Board hereby authorizes the Manager to assess a Supplemental License Review and Processing Fee when the Manager in the reasonable exercise of his discretion, determines circumstances warrant such a fee; provided, however, that in no event shall said Supplemental License Review Fee exceed \$750.

3. Public Health and Safety. The Board hereby determines and finds that the adoption of this Resolution is necessary for and promotes the public health, welfare and safety of the District and its inhabitants.

4. Repeal of Prior Resolutions. Any and all prior Resolutions that are in conflict or inconsistent with this Resolution are hereby repealed to the extent of such conflict during consistency.

ADOPTED this 18th day of November, 2005, by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, Arapahoe, Douglas and Jefferson Counties, Colorado.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: [Signature]
Anthony M. Dursey, President

ATTEST:

[Signature]
George E. Hamblin, Secretary

RESOLUTION NO. 2006-2-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

A RESOLUTION AUTHORIZING AN INCREASE IN DIRECTORS FEES

WHEREAS, the Southwest Metropolitan Water and Sanitation District ("District") operates pursuant to the Special District Act, § 32-1-101, C.R.S., et. seq. ("Act"), within Arapahoe, Jefferson and Douglas Counties, Colorado; and

WHEREAS, Part 9 of the Act, and in particular, § 32-1-902(3)(a), C.R.S., was recently amended to increase Director compensation so that a special district director may receive as compensation, a sum not to exceed \$1,600 per calendar year, payable at a rate not to exceed \$100 per meeting attended; and

WHEREAS, the legislation increasing special district director compensation became effective as of July 1, 2005 for those director terms of office that commence on or after said effective date; and

WHEREAS, the first special district directors to have terms of office commencing after July 1, 2005 will be those directors who are either deemed elected or are who elected during 2006; and

WHEREAS, all special district directors whose terms of office commenced prior to July 1, 2005 may continue to receive during such term of office as compensation for their director services, a sum not to exceed \$1,200 per calendar year, payable at a rate not to exceed \$75 per meeting attended; and

WHEREAS, the Board of Directors of the Southwest Metropolitan Water and Sanitation District desires that Director compensation increase to the maximum extent allowed by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District as follows:

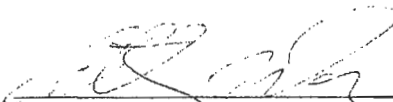
Section 1. The Board of Directors of the Southwest Metropolitan Water and Sanitation District hereby declares that the compensation of each and every member of the District's Board of Directors shall increase to the maximum extent allowed by law from time to time.

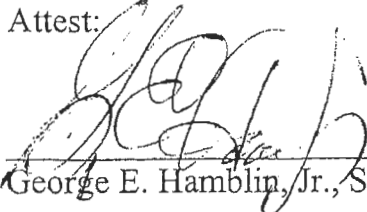
Section 2. Pursuant to the provisions of § 32-1-902(3)(a), C.R.S., as amended, each Directors whose term of office commences on or after July 1, 2005 (i.e., Directors either elected or deemed elected during 2006) shall receive \$100 per meeting attended, up to a maximum of \$1,600 per calendar year.

Section 3. Each District Director serving a term of office that commenced before July 1, 2005 shall, during such term of office, continue to be compensated at the current statutory maximum of \$75 per meeting attended, not to exceed \$1,200 per calendar year.

ADOPTED this 24th day of February 2006.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: 
Anthony M. Dursey, President

Attest: 
George E. Hamblin, Jr., Secretary

RESOLUTION 2011-2-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
ARAPAHOE, JEFFERSON, AND DOUGLAS COUNTIES, COLORADO

**A RESOLUTION ADOPTING THE COLORADO SPECIAL DISTRICT RECORDS
RETENTION SCHEDULE.**

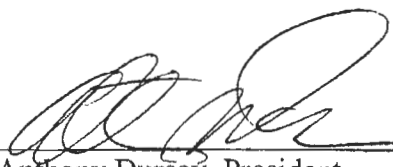
Whereas, the Southwest Metropolitan Water and Sanitation District recognizes a need for a comprehensive records retention schedule for the district's non-permanent records and the retention of those records that have long-term administrative, fiscal and historical value; and

Whereas, the Colorado State Archives has developed a state-wide record retention schedule in cooperation with the Colorado Special Districts Association, the Colorado Attorney General's Office and the State Auditor's Office for special districts to use follow; and

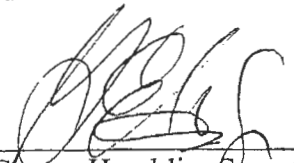
Now, therefore, be it resolved by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, that it hereby adopts the 2008 Colorado Special District Records Retention Schedule and all subsequent revisions, and authorizes the District Secretary to Submit the request to be used as legal authority for the destruction and preservation of district records to the Colorado State Archives on behalf of the district.

Adopted by the Board of Directors of Southwest Metropolitan Water and Sanitation District this 25th Day of February 2011.

SOUTHWEST METROPOLITAN WATER AND
SANITATION DISTRICT

By: 
Anthony Dursey, President

ATTEST:


George Hamblin, Secretary

RESOLUTION NO. 2012-1-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT AND DESIGNATING THE LOCATION FOR POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE WITH THE OPEN MEETINGS LAW AND SPECIAL DISTRICT ACT

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson, Colorado notice of the time, place and location of the District's regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT OF ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO AS FOLLOWS:

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2012 on the fourth Friday of each month at 8:30 a.m. at the District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123, or at such other location as may from time to time be designated by the Board; except that for the months of November and December 2012 the Board will meet on the third Friday of the month (i.e. November 16, 2012 and December 21, 2012).

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. The District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 is hereby designated as the location for posting notice of District Board of Directors meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2012 shall be posted in the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

- (a) The District office, 8739 West Coal Mine Avenue, Littleton, Colorado 80123; and
- (b) Lilly Gulch Recreation Center located at 6147 S. Holland Wy., Littleton, CO 80123; and
- (c) Ridge Recreation Center located at 6613 S. Ward St., Littleton, CO 80127.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

APPROVED AND ADOPTED on the 27th day of January, 2012.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: _____

Anthony M. Dursey, President

Attest: _____

George E. Hamblin, Jr., Secretary

RESOLUTION NO. 2012-1-2

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION CALLING FOR THE DISTRICT'S
MAY 8, 2012 REGULAR BOARD OF DIRECTORS ELECTION TO BE
CONDUCTED AS A POLLING PLACE ELECTION AND APPOINTING A
DESIGNATED ELECTION OFFICIAL**

WHEREAS, the terms of office of Directors Kenton C. Ensor, Jr. and Charles Hause shall expire after their successors are elected at the regular special district election to be held on May 8, 2012 ("Election") and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code"), the Election must be conducted to elect two Directors to serve for a term of four (4) years.

NOW, THEREFORE, be it resolved by the Board of Directors of the Southwest Metropolitan Water and Sanitation District in the Counties of Arapahoe, Douglas and Jefferson, State of Colorado that:

Section 1. The regular election of the eligible electors of District shall be held on May 8, 2012, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Act, the Code, and other applicable laws. At that time, two Directors will be elected to each serve a four-year term of office.

Section 2. There shall be one election precinct for the convenience of the eligible electors of the District, the boundaries of which shall be identical to the boundaries of the District, and there shall be one polling place at the following location(s):

Southwest Metropolitan Water and
Sanitation District Office
8739 West Coal Mine Avenue
Littleton, Colorado 80123

located in the County of Jefferson, State of Colorado. The polling place located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 shall also be the polling place for disabled electors and for eligible electors not residing within the District. If the Designated Election Official deems it to be more expedient for the convenience of the

eligible electors of the District (who are also eligible electors in other special districts with overlapping boundaries which are conducting elections on the Election day), the Election may be held jointly with such special districts in accordance with coordinated election procedures as set forth in an agreement between all participating special districts. In such event, the election precincts and polling places shall be as set forth in such agreement. The Designated Election Official is authorized to execute such agreement on behalf of the District, which agreement shall include provisions for the allocation of responsibilities for the conduct and reasonable sharing of costs of the coordinated Election.

Section 3. The Board of Directors hereby designates Patrick J. Fitzgerald, the District's Manager, 8739 W. Coal Mine Avenue, Littleton, Colorado 80123, telephone number (303) 979-2333, Ext. 104, as the Designated Election Official for the District, and he is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, the Code, or other applicable laws. The Election shall be conducted in accordance with the Act, the Code, and other applicable laws. Among other matters, the Designated Election Official shall publish the Call for Nominations, appoint Election Judges as necessary, appoint the Canvass Board, arrange for the required Notices of Election (either by mail or publication), and printing of ballots, and direct that all other appropriate actions be accomplished.

Section 4. Applications for mail-in ballots may be filed with the Designated Election Official at the District office, located at 8739 W. Coal Mine Avenue, Littleton, Colorado 80123, no later than the close of business on the 7th day prior to the election (Tuesday, May 1, 2012), if the mail-in ballot is to be mailed to the elector, or until the close of business on the Friday immediately preceding the election (Friday, May 4, 2012), if the mail-in ballot will not be mailed to the elector.

Section 5. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no later than the close of business on Friday, March 2, 2012.

Section 6. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 6, 2012, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than March 5, 2012, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

Section 7. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the

remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

Section 8. Any and all actions previously taken by the Designated Election Official or the Secretary of the Board of Directors or any other persons acting on their behalf pursuant to the Act, the Code or other applicable laws, are hereby ratified and confirmed.

Section 9. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

Section 10. Any and all actions previously taken with the respect to the District's 2012 regular Election by the Designated Election Official, or the Secretary of the Board of Directors, or any other person acting on behalf of the District pursuant to the Act, the Code, or other applicable laws are hereby ratified and confirmed.

Section 11. The provisions of this Resolution shall take effect immediately.

ADOPTED AND APPROVED this 27th day of January, 2012.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: _____

Anthony M. Dursey, President

Attest: _____

George E. Hamblin, Jr., Secretary

RESOLUTION 2012-11-1

A RESOLUTION TO ADOPT A BUDGET FOR SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, DOUGLAS, AND ARAPAHOE COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2013 AND ENDING ON DECEMBER 31, 2013.

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has appointed Patrick Fitzgerald, District Manager, to prepare and submit a proposed budget to said governing body at the proper time, and;

WHEREAS, a proposed budget reflecting anticipated revenue and expenses for Southwest Metropolitan Water and Sanitation District, Jefferson, Arapahoe and Douglas Counties, Colorado, for the calendar year beginning January 1, 2013, and ending December 31, 2013, was presented to the Board of Directors on or before October 15, 2012, for its consideration, and;

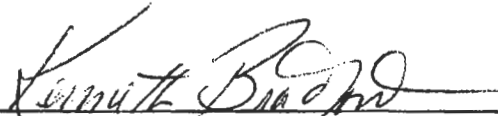
WHEREAS, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Southwest Metropolitan Water and Sanitation District; and further, the proposed budget has been available for inspection at the District's office located at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

WHEREAS, a copy of the proposed budget for Southwest Metropolitan Water and Sanitation District for calendar year 2013 is attached hereto and made a part hereof, and;

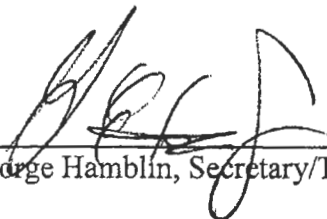
WHEREAS, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Southwest Metropolitan Water and Sanitation District for the calendar year beginning January 1, 2013, and ending December 31, 2013.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT THIS 16th DAY OF NOVEMBER, 2012.


Kenneth Bradford, Vice President

ATTEST:


George Hamblin, Secretary/Treasurer

RESOLUTION 2012-11-2

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY
IN THE AMOUNTS AND FOR THE PURPOSES
AS SET FORTH BELOW FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
FOR THE 2013 BUDGET YEAR**

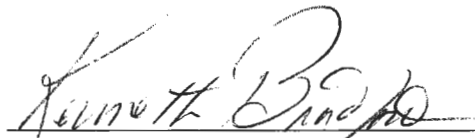
WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for the District for the budget year 2013 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

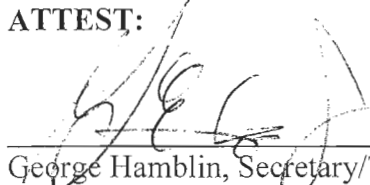
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below for the operations and expenditures of the Southwest Metropolitan Water and Sanitation District,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES, COLORADO that SEVEN MILLION TWO HUNDRED SEVENTY-SEVEN THOUSAND SEVEN HUNDRED SIXTY-EIGHT AND NO/100 DOLLARS (\$7,277,768.00) is hereby appropriated for expenditure during calendar year 2013:

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 16th DAY OF NOVEMBER, 2012.


Kenneth Bradford, Vice President

ATTEST:


George Hamblin, Secretary/Treasurer

RESOLUTION 2012-11-3

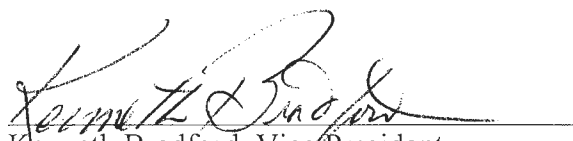
**A RESOLUTION
CERTIFYING A ZERO MILL PROPERTY TAX LEVY
FOR TAX YEAR 2012 FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for 2013 in accordance with the Colorado Local Government Budget Law, and;

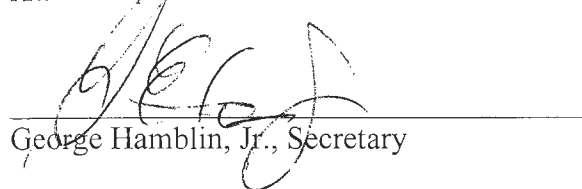
WHEREAS, the approved budget for 2013 provides for sufficient revenue without certification of a property tax mill levy upon taxable property within the Southwest Metropolitan Water and Sanitation District,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO that for tax year 2012 (budget year 2013) there is hereby certified a zero (0) mill property tax levy upon all property located within Southwest Metropolitan Water and Sanitation District.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 16th DAY OF NOVEMBER, 2012.


Kenneth Bradford, Vice President

ATTEST:


George Hamblin, Jr., Secretary

RESOLUTION NO. 2013-1-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE
REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE SOUTHWEST
METROPOLITAN WATER AND SANITATION DISTRICT AND DESIGNATING THE
LOCATION FOR POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE
WITH THE OPEN MEETINGS LAW AND SPECIAL DISTRICT ACT**

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson, Colorado notice of the time, place and location of the District's regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT OF
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO AS FOLLOWS:**

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2013 on the fourth Friday of each month at 8:30 a.m. at the District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123, or at such other location as may from time to time be designated by the Board.

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose

for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. The District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 is hereby designated as the location for posting notice of District Board of Directors meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2013 shall be posted in the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

- (a) The District office, 8739 West Coal Mine Avenue, Littleton, Colorado 80123; and
- (b) Lilly Gulch Recreation Center located at 6147 S. Holland Wy., Littleton, CO 80123; and
- (c) Ridge Recreation Center located at 6613 S. Ward St., Littleton, CO 80127.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

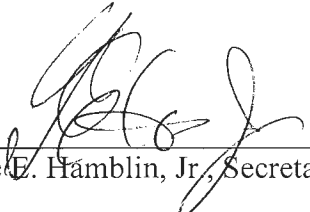
APPROVED AND ADOPTED on the 25th day of January, 2013.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: 

Anthony M. Dursey, President

Attest:


George E. Hamblin, Jr., Secretary

RESOLUTION NO. 2013-6-2

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION CONSENTING TO THE ORGANIZATION OF THE RESERVE
AT THE MEADOWS METROPOLITAN DISTRICT**

WHEREAS, Section 32-1-107(2), C.R.S., provides that no special district may be organized wholly or partly within an existing special district providing the same services; and

WHEREAS, Section 32-1-107(3)(b)(IV), C.R.S., provides that an overlapping special district may be authorized to provide the same service as the existing special district if, among other requirements, the Board of Directors of the existing special district consents to the overlapping special district providing the same service; and

WHEREAS, the territory set forth on Exhibit A (as attached hereto and incorporated herein by this reference) (the "Property") is located within the boundaries of the Southwest Metropolitan Water and Sanitation District ("Southwest"); and

WHEREAS, the Property constitutes the proposed boundaries of the Reserve at the Meadows Metropolitan District ("Metro District"); and

WHEREAS, the boundaries of the Metro District and Southwest overlap; and

WHEREAS, Southwest provides water and sanitation services to areas within and without its boundaries; and

WHEREAS, the proponents of the proposed Metro District desire to include within its Service Plan the power to finance, construct and/or acquire certain potable water and sanitary sewer facilities to be constructed both within and without the Property, which facilities shall thereafter be dedicated and conveyed to Southwest for future operation, maintenance, repair and replacement; and

WHEREAS, upon conveyance of said water and sanitary sewer facilities and final acceptance thereof by Southwest, the Metro District shall not be empowered to provide water and/or sanitation services and facilities to the Property, which services and facilities shall be provided by Southwest; and

WHEREAS, the proponents of the Metro District have requested the consent of Southwest to the overlap so that the Metro District may provide for the financing, acquisition and/or construction of certain potable water and sanitary sewer facilities as more particularly described in its Service Plan; and

WHEREAS, on the terms and conditions set forth below, Southwest is willing to consent to the Metro District's limited overlapping powers as more particularly described herein and in the Metro District's Service Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District that:

Section 1. Pursuant to Section 32-1-107(3)(b)(IV), C.R.S., Southwest hereby consents to the Metro District having authority to provide for the acquisition and construction of certain potable water and sanitary sewer facilities, as more particularly described in the Metro District's Service Plan, which facilities shall ultimately be owned, operated and maintained by Southwest upon completion and final acceptance thereof by Southwest.

Section 2. The consent herein contained is granted upon the express condition that the following be added as an additional paragraph at the end of Section V of the Service Plan:

In addition to any other limitation contained herein the District's potable water and sanitary sewer service authority and power shall be subject to the following limitations:

(a) Under no circumstance shall the District operate, maintain, repair or replace any potable water, transmission, or distribution facility or any sanitary sewer collection facility from and after the date the potable water and sanitary sewer facilities contemplated in this Service Plan are conveyed to and finally accepted by Southwest subject to whatever continuing warranty obligations may exist with respect to said facilities conveyance to Southwest;

(b) The District shall not provide, finance, construct, acquire, operate, maintain, repair or replace any sanitary sewer or water facilities or related improvements that duplicate or in any way interfere with any improvements, facilities or services that the Southwest Metropolitan Water and Sanitation District provides or may hereafter provide;

(c) The District shall not interfere with the ability of Southwest to implement or enforce its rules, regulations or policies, engineering standards and specifications, including but not limited to Southwest's Rules

and Regulations that provide for termination or shut off of water or sanitary sewer service in the event of any nonpayment of any bill or violation of any Southwest rule or regulation. In the event of a conflict between Southwest's rules, regulations, polities, engineering standards and specifications and those of the District, Southwest's shall control;

(d) The organization of the District shall not in any way interfere with or otherwise adversely affect the imposition or collection of any Southwest rate, fee, toll, charge or property tax, including specifically any rates, fees, tolls, charges, or taxes that are imposed within the area of Southwest overlapped by the District. Further, any lien that the Southwest Metropolitan Water and Sanitation District has or may have in the future for any reason, including but not limited to nonpayment of rates, fees, tolls, or charges shall have priority over any lien imposed by the District;

(e) At such time as all potable water and sanitary sewer improvements contemplated by this Service Plan have been completed, transferred to and finally accepted by Southwest, the District's potable water service authority and sanitary sewer service authority shall terminate and be of no further force and effect;

(f) District shall not provide written notice to Jefferson County pursuant to Sections 32-1-207(2) and 32-1-207(3)(b), C.R.S., without concurrently providing a copy of such notice to Southwest;

(g) Failure of the District to comply with any of the limitations set forth in this subparagraph shall be deemed a material modification of the Service Plan. All potable water and sanitary sewer facilities and improvement together with all easements and rights of way therefor that are to be transferred and conveyed to Southwest shall be so transferred and conveyed in full compliance with all Southwest requirements, including but not limited to Southwest's process for conditional and final acceptance. All easements shall be in a form acceptable to Southwest;

(h) Nothing herein contained shall relieve the developer of any of its obligations and duties owed to Southwest under any agreement developer has entered into with Southwest, including but not limited to any agreement and application for extension of water and/or sanitary sewer mains; and

(g) As long as the District possesses water and sewer service authority it shall not expand or otherwise include additional property within its territorial boundaries without Southwest's prior written consent.

Section 3. The consent herein granted is further expressly contingent upon the Metro District and Southwest entering into an intergovernmental agreement in the form attached hereto as Exhibit B and incorporated herein by this reference prior to the Metro District issuing any bonds or incurring any debt.

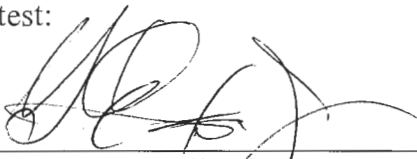
EXECUTED this 26th day of ~~June~~^{July}, 2013.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: 

Anthony M. Dursey, President

Attest:



George E. Hamblin, Jr.,
Secretary/Treasurer

EXHIBIT A

Legal Description of District

RESERVE AT THE MEADOWS METRO DISTRICT

SOUTH PARCEL

A PARCEL OF LAND SITUATED IN THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 5 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO. SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 20, A 3 1/2" ALUMINUM CAP LS #17508 FOUND IN PLACE, WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 20, A FOUND 2 1/2" ALUMINUM CAP LS #17488, BEARS N88°49'50"W A DISTANCE OF 2653.51', THE BASIS OF BEARINGS; THENCE N88°49'50"W ALONG THE SOUTHERLY LINE OF SAID SECTION 20 A DISTANCE OF 100.00' TO THE WESTERLY RIGHT-OF-WAY OF SOUTH SIMMS STREET AS RECORDED IN RECEPTION NUMBER F1468544 OF THE JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE, THE POINT OF BEGINNING;

THENCE N88°49'50"W ALONG SAID SOUTHERLY LINE OF SECTION 20 A DISTANCE OF 65.71 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A DISTANCE OF 252.71 FEET, HAVING A RADIUS OF 294.50 FEET AND A CENTRAL ANGLE OF 49°45'53" (CHORD BEARS N49°45'53"W, 245.03 FEET); THENCE N74°20'51"W A DISTANCE OF 145.84 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A DISTANCE OF 34.36 FEET, HAVING A RADIUS OF 154.50 FEET AND A CENTRAL ANGLE OF 12°44'37" (CHORD BEARS N67°58'33"W, 34.29 FEET); THENCE S28°23'46"W A DISTANCE OF 41.00 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A DISTANCE OF 168.74 FEET, A RADIUS OF 195.50 FEET AND A CENTRAL ANGLE OF 49°27'07" (CHORD BEARS N36°52'40"W, 163.55 FEET); THENCE N12°09'07"W A DISTANCE OF 101.29 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A DISTANCE OF 22.64 FEET, A RADIUS OF 15.00 FEET AND A CENTRAL ANGLE OF 86°28'44" (CHORD BEARS N55°23'29"W, 20.55 FEET) TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF SOUTH WARD STREET; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING 6 COURSES

1. N81°22'09"E A DISTANCE OF 311.47 FEET;
2. ALONG THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 68.92 FEET, HAVING A RADIUS OF 381.50 FEET, AND A CENTRAL ANGLE OF 10°21'05" (CHORD BEARS N86°32'42"E, 68.83 FEET);
3. S88°16'45"E A DISTANCE OF 218.01 FEET;
4. S01°41'59"W A DISTANCE OF 10.00 FEET;
5. S88°16'45"E A DISTANCE OF 8.00 FEET;
6. ALONG THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 47.11 FEET, HAVING A RADIUS OF 30.00 FEET, AND A CENTRAL ANGLE OF 89°58'44" (CHORD BEARS S43°17'23"E, 42.42 FEET) TO A POINT ALONG THE WESTERLY RIGHT OF WAY OF SOUTH SIMMS STREET;

THENCE S01°41'59"W ALONG THE WESTERLY RIGHT OF WAY OF S. SIMMS STREET A DISTANCE OF 421.46 FEET;

THENCE N88°49'50"W A DISTANCE OF 37.99 FEET TO THE POINT OF BEGINNING.
SAID PARCEL CONTAINS 4.399 ACRES MORE OR LESS.

Project Number: 12001
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2N Civil, LLC

PO Box 630042
Littleton, CO 80163-0042
Phone 303-925-0544 Fax 303-925-0547
www.2NCivil.com

**DISTRICT BOUNDARY
RESERVE AT THE MEADOWS**
METRO DISTRICT

Drawn By: EPT
Checked By: RCE
Revisions: 1 COUNTY REDLINES 6-1-13
5-8-2013 Page 1 OF 3



NORTH PARCEL

TOGETHER WITH A PARCEL OF LAND SITUATED IN THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 5 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 20, A 3 1/2" ALUMINUM CAP LS #17508 FOUND IN PLACE, THENCE N88°49'50"W ALONG THE SOUTHERLY LINE OF SAID SECTION 20 A DISTANCE OF 100.00' TO THE WESTERLY RIGHT-OF-WAY OF SOUTH SIMMS STREET AS RECORDED IN RECEPTION NUMBER F1468544 OF THE JEFFERSON COUNTY CLERK AND RECORDER'S OFFICE, THENCE N01°41'59"E ALONG A VACATED PORTION OF SAID WESTERLY RIGHT-OF-WAY A DISTANCE OF 498.81 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SOUTH WARD STREET, THE POINT OF BEGINNING; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING 6 COURSES:

1. N88°16'45"W A DISTANCE OF 218.01 FEET;
2. ALONG THE ARC OF A CURVE TO THE LEFT A DISTANCE OF 75.61 FEET, HAVING A RADIUS OF 418.50 FEET, AND A CENTRAL ANGLE OF 10°21'07" (CHORD BEARS S86°32'42"W, 75.51 FEET);
3. S81°22'09"W A DISTANCE OF 337.10 FEET;
4. ALONG THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 417.75 FEET, HAVING A RADIUS OF 381.50 FEET, AND A CENTRAL ANGLE OF 62°44'24" (CHORD BEARS N67°15'37"W, 397.19 FEET);
5. N35°53'24"W A DISTANCE OF 175.97 FEET;
6. ALONG THE ARC OF A CURVE TO THE LEFT A DISTANCE OF 235.83 FEET, HAVING A RADIUS OF 418.50 FEET, AND A CENTRAL ANGLE OF 32°17'15" (CHORD BEARS N52°02'00"W, 232.73 FEET);

THENCE LEAVING SAID RIGHT OF WAY N21°49'22"E A DISTANCE OF 199.63 FEET;
THENCE N83°33'45"E A DISTANCE OF 168.82 FEET;
THENCE S78°44'47"E A DISTANCE OF 421.90 FEET;
THENCE N80°48'14"E A DISTANCE OF 322.71 FEET;
THENCE S82°19'18"E A DISTANCE OF 204.79 FEET;
THENCE S73°13'14"E A DISTANCE OF 149.56 FEET;
THENCE S88°18'01"E A DISTANCE OF 23.71 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY OF SOUTH SIMMS STREET, THENCE ALONG SAID WESTERLY RIGHT OF WAY THE FOLLOWING 6 COURSES:

1. S01°41'59"W A DISTANCE OF 155.20 FEET;
2. N78°01'01"W A DISTANCE OF 12.20 FEET;
3. S01°41'59"W A DISTANCE OF 306.61 FEET;
4. ALONG THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 47.13 FEET, HAVING A RADIUS OF 30.00 FEET, AND A CENTRAL ANGLE OF 90°01'16" (CHORD BEARS S46°42'37"W, 42.43 FEET);
5. N88°16'45"W A DISTANCE OF 7.98 FEET;
6. S01°41'59"W A DISTANCE OF 5.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 15.051 ACRES MORE OF LESS.

TOTAL OF THE TWO OVERALL CAMPUS PARCELS CONTAIN 19.450 ACRES MORE OR LESS.

Project Number: 12001

2N Civil, LLC

PO Box 630042
Littleton, CO 80163-0042
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www.2NCivil.com

**DISTRICT BOUNDARY
RESERVE AT THE MEADOWS**
METRO DISTRICT

Drawn By: EPT
Checked By: RCE
Revisions: 1 COUNTY REDLINES 6-1-13
5-8-2013 Page 2 OF 3



EXHIBIT B

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2013 by and between the Southwest Metropolitan Water and Sanitation District, a quasi-municipal corporation and political subdivision of the State of Colorado, ("Southwest") and the Reserve at the Meadows Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, ("Metro District"), collectively referred to herein as the "Parties".

RECITALS

WHEREAS, the Metro District was organized to provide those services and to exercise powers as more particularly set forth in the Metro District's Service Plan dated _____ as approved by Jefferson County on _____ by Resolution _____ (the "Service Plan"); and

WHEREAS, the Service Plan makes reference to and requires the execution of an Intergovernmental Agreement between Southwest and the Metro District; and

WHEREAS, Southwest and the Metro District have determined it to be in the best interest of their respective taxpayers, residents and property owners to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. **Application of Southwest Rules and Regulations.** The Metro District hereby acknowledges that the property within its boundaries shall be subject to all of the rules, regulations, procedures, requirements, engineering standards, and specifications of Southwest, including without limitation, all rules, regulations, engineering standards and specifications relating to the provision of water and sanitary sewer service and the construction of water and sanitary sewer facilities. In the event of a conflict between Southwest's rules, regulations, policies, requirements, engineering standards and specifications, and those of the Metro District, Southwest's shall control.

2. **Nature of Metro District.** As regards potable water and sanitary sewer service authority, the Metro District hereby agrees and acknowledges that it is organized for the limited purpose of financing, acquiring, and constructing certain potable water and sanitary sewer facilities for ultimate dedication and conveyance to Southwest. Except for the limited period of time between completion of construction and final acceptance by

Southwest, the Metro District is not intended to have the authority to operate, maintain, repair or replace any potable water or sanitary sewer facilities. Nor is the Metro District intended to construct, finance or acquire any potable water or sanitary sewer facilities outside its boundaries except as specifically necessary to serve the needs of the Metro District community.

3. **Termination of Authority.** The Metro District's power and authority to finance, construct and/or acquire potable water and sanitary sewer service facilities shall automatically terminate at such time as the Metro District has dedicated and conveyed to Southwest the potable water and sanitary sewer facilities contemplated by this Service Plan and the same have been finally accepted by Southwest. Nothing herein contained, however, shall preclude or prevent Southwest from enforcing any rights Southwest has against the Metro District under any application and agreement for extension of mains or any other agreement entered into between Southwest and the Metro District.

4. **Priority of Rules and Regulations.** The Metro District hereby agrees that the rules, regulations, policies, procedures, engineering standards and specifications of Southwest pertaining to the provision of potable water and sanitary sewer service and facilities shall supersede and have priority over those, if any, of the Metro District. Further, in the event of a conflict between the rules, regulations, policies, procedures, requirements, standards and specifications of Southwest and those of the Metro District, Southwest shall control.

5. **Rates and Charges.** The Metro District shall not in any way interfere with or otherwise preclude or prevent Southwest from enforcing and collecting any rate, fee, toll, charge or property tax, including but not limited to any rates, fees, tolls, charges or taxes that are imposed within the area of Southwest overlapped by the Metro District. Any lien that Southwest has for any reason, including but not limited to, non-payment of rates, fees, tolls or charges shall have priority over any lien imposed by the Metro District.

6. **Inclusion of Territory.** As long as the Metro District possesses potable water and sanitary sewer service authority, even of the limited nature specified herein, it agrees that it shall not expand or otherwise include additional property within its boundaries without Southwest's prior written consent.

7. **Service Plan.** The Metro District hereby agrees to comply with and/or perform, as appropriate, the provisions of subparagraphs (a) through (i) as set forth in Section V of the Metro District's Service Plan, which subparagraphs are hereby incorporated into this Agreement by this reference.

8. **Amendment.** This Agreement may be amended, modified, changed or terminated in whole or in part only by a written Agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

9. **Enforcement.** The Parties agree that this Agreement may be enforced in law or in equity for specific performance, injunction or other appropriate relief including damages, as may be available according to the laws and statutes of the State of Colorado.

10. **Third Party Beneficiaries.** Except as otherwise stated herein, this Agreement is intended to describe the responsibilities and rights of and between the named parties and is not intended to and shall not be deemed to confer any rights upon any person or entity not named as a Party.

11. **Assignability.** Other than as specifically provided for in this Agreement, neither Southwest nor the Metro District shall assign their rights or delegate their duties hereunder without the prior written consent of the other Party.

12. **Successors and Assigns.** Subject to paragraph 10 above, this Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By: _____
Anthony M. Dursey, President

Attest:

George E. Hamblin, Jr.,
Secretary/Treasurer

RESERVE AT THE MEADOWS
METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary

RESOLUTION 2013-11-1

A RESOLUTION TO ADOPT A BUDGET FOR SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, DOUGLAS, AND ARAPAHOE COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2014 AND ENDING ON DECEMBER 31, 2014.

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has appointed Patrick Fitzgerald, District Manager, to prepare and submit a proposed budget to said governing body at the proper time, and;

WHEREAS, a proposed budget reflecting anticipated revenue and expenses for Southwest Metropolitan Water and Sanitation District, Jefferson, Arapahoe and Douglas Counties, Colorado, for the calendar year beginning January 1, 2014, and ending December 31, 2014, was presented to the Board of Directors on or before October 15, 2013, for its consideration, and;

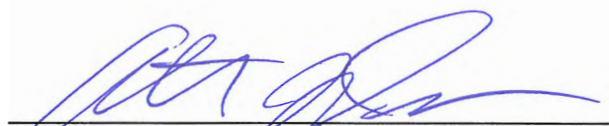
WHEREAS, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Southwest Metropolitan Water and Sanitation District; and further, the proposed budget has been available for inspection at the District's office located at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

WHEREAS, a copy of the proposed budget for Southwest Metropolitan Water and Sanitation District for calendar year 2014 is attached hereto and made a part hereof, and;

WHEREAS, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

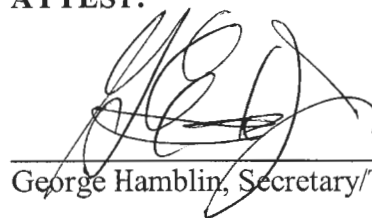
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Southwest Metropolitan Water and Sanitation District for the calendar year beginning January 1, 2014, and ending December 31, 2014.

**ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT THIS 22nd DAY OF NOVEMBER, 2013.**



Anthony Dursey, President

ATTEST:



George Hamblin, Secretary/Treasurer

RESOLUTION 2013-11-2

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY
IN THE AMOUNTS AND FOR THE PURPOSES
AS SET FORTH BELOW FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
FOR THE 2014 BUDGET YEAR**

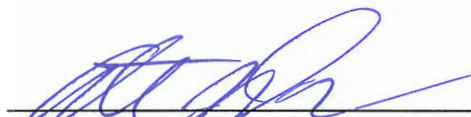
WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for the District for the budget year 2014 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below for the operations and expenditures of the Southwest Metropolitan Water and Sanitation District,

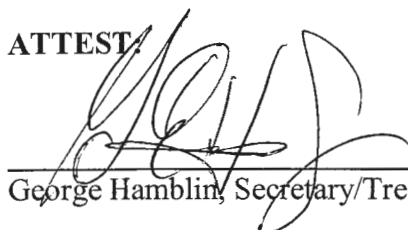
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES, COLORADO that THREE MILLION EIGHT HUNDRED EIGHTY-SEVEN THOUSAND SEVEN HUNDRED SEVENY-EIGHT AND NO/100 DOLLARS (\$3,887,778.00) is hereby appropriated for expenditure during calendar year 2014:

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 22nd DAY OF NOVEMBER, 2013.



Anthony Dursey, President

ATTEST



George Hamblin, Secretary/Treasurer

RESOLUTION 2013-11-3

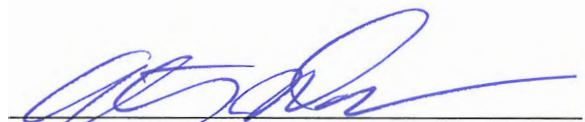
**A RESOLUTION
CERTIFYING A ZERO MILL PROPERTY TAX LEVY
FOR TAX YEAR 2013 FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for 2014 in accordance with the Colorado Local Government Budget Law, and;

WHEREAS, the approved budget for 2014 provides for sufficient revenue without certification of a property tax mill levy upon taxable property within the Southwest Metropolitan Water and Sanitation District,

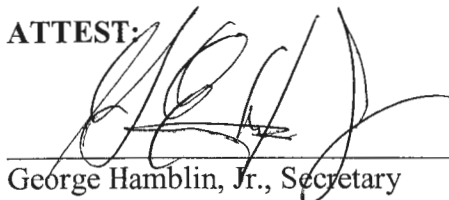
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO that for tax year 2013 (budget year 2014) there is hereby certified a zero (0) mill property tax levy upon all property located within Southwest Metropolitan Water and Sanitation District.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 22nd DAY OF NOVEMBER, 2013.



Anthony Dursey, President

ATTEST:



George Hamblin, Jr., Secretary

RESOLUTION NO. 2014-1-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE
REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE SOUTHWEST
METROPOLITAN WATER AND SANITATION DISTRICT AND DESIGNATING THE
LOCATION FOR POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE
WITH THE OPEN MEETINGS LAW AND SPECIAL DISTRICT ACT**

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors (“Board”) of the Southwest Metropolitan Water and Sanitation District (“District”) is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson, Colorado notice of the time, place and location of the District’s regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT OF
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO AS FOLLOWS:**

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2014 on the dates and at the times set forth on Exhibit A attached hereto at the District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123, or at such other location as may from time to time be designated by the Board.

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose

for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. The District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 is hereby designated as the location for posting notice of District Board of Directors meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2014 shall be posted in the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

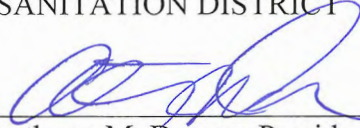
- (a) The District office, 8739 West Coal Mine Avenue, Littleton, Colorado 80123; and
- (b) Lilly Gulch Recreation Center located at 6147 S. Holland Wy., Littleton, CO 80123; and
- (c) Ridge Recreation Center located at 6613 S. Ward St., Littleton, CO 80127.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

APPROVED AND ADOPTED on the 24th day of January, 2014.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:


Anthony M. Dursey, President

Attest:

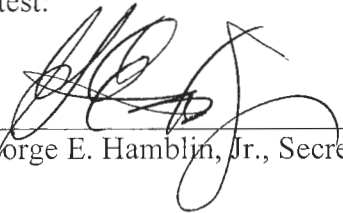

George E. Hamblin, Jr., Secretary

EXHIBIT A

2014

Scheduled Meetings of the Boards of Directors of Platte Canyon and Southwest Metropolitan Water and Sanitation Districts

Friday	January 24, 2014	8:30 a.m.
Friday	February 28, 2014	8:30 a.m.
Friday	March 28, 2014	8:30 a.m.
Friday	April 25, 2014	8:30 a.m.
Friday	May 23, 2014	8:30 a.m.
Friday	June 27, 2014	8:30 a.m.
Friday	July 25, 2014	8:30 a.m.
Friday	August 22, 2014	8:30 a.m.
Friday	September 26, 2014	8:30 a.m.
Friday	October 24, 2014	8:30 a.m.
Friday	November 21, 2014	8:30 a.m.
Friday	December 19, 2014	8:30 a.m.

RESOLUTION NO. 2014-1-2

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION CALLING FOR THE DISTRICT'S
MAY 6, 2014 REGULAR BOARD OF DIRECTORS ELECTION TO BE
CONDUCTED AS A POLLING PLACE ELECTION AND APPOINTING A
DESIGNATED ELECTION OFFICIAL**

WHEREAS, the terms of office of Directors Kenneth D. Bradford, Anthony M. Dursey, and George E. Hamblin, Jr. shall expire after their successors are elected at the regular special district election to be held on May 6, 2014 ("Election") and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 or any amendments thereto ("Code"), the Election must be conducted to elect three Directors to serve for a term of four (4) years.

NOW, THEREFORE, be it resolved by the Board of Directors of the Southwest Metropolitan Water and Sanitation District in the Counties of Arapahoe, Douglas and Jefferson, State of Colorado that:

Section 1. The regular election of the eligible electors of District shall be held on May 6, 2014, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Act, the Code, and other applicable laws. At that time, three Directors will be elected to each serve a four-year term of office.

Section 2. There shall be one election precinct for the convenience of the eligible electors of the District, the boundaries of which shall be identical to the boundaries of the District, and there shall be one polling place at the following location(s):

Southwest Metropolitan Water and
Sanitation District Office
8739 West Coal Mine Avenue
Littleton, Colorado 80123

located in the County of Jefferson, State of Colorado. The polling place located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 shall also be the polling place for disabled electors and for eligible electors not residing within the District. If the

Designated Election Official deems it to be more expedient for the convenience of the eligible electors of the District (who are also eligible electors in other special districts with overlapping boundaries which are conducting elections on the Election day), the Election may be held jointly with such special districts in accordance with coordinated election procedures as set forth in an agreement between all participating special districts. In such event, the election precincts and polling places shall be as set forth in such agreement. The Designated Election Official is authorized to execute such agreement on behalf of the District, which agreement shall include provisions for the allocation of responsibilities for the conduct and reasonable sharing of costs of the coordinated Election.

Section 3. The Board of Directors hereby designates Patrick J. Fitzgerald, the District's Manager, 8739 W. Coal Mine Avenue, Littleton, Colorado 80123, telephone number (303) 979-2333, Ext. 104, as the Designated Election Official for the District, and he is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, the Code, or other applicable laws. The Election shall be conducted in accordance with the Act, the Code, and other applicable laws. Among other matters, the Designated Election Official shall publish the Call for Nominations, appoint Election Judges as necessary, appoint the Canvass Board, arrange for the required Notices of Election (either by mail or publication), and printing of ballots, and direct that all other appropriate actions be accomplished.

Section 4. Applications for absentee ballots may be filed with the Designated Election Official at the District office, located at 8739 W. Coal Mine Avenue, Littleton, Colorado 80123, no later than the close of business on the Friday immediately preceding the election (Friday, May 2, 2014).

Section 5. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no later than the close of business on Friday, February 28, 2014.

Section 6. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 4, 2014, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than March 3, 2014, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

Section 7. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

Section 8. Any and all actions previously taken by the Designated Election Official or the Secretary of the Board of Directors or any other persons acting on their behalf pursuant to the Act, the Code or other applicable laws, are hereby ratified and confirmed.

Section 9. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

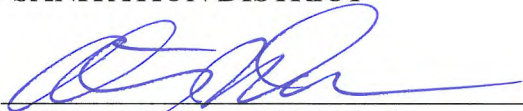
Section 10. Any and all actions previously taken with the respect to the District's 2014 regular Election by the Designated Election Official, or the Secretary of the Board of Directors, or any other person acting on behalf of the District pursuant to the Act, the Code, or other applicable laws are hereby ratified and confirmed.

Section 11. The provisions of this Resolution shall take effect immediately.

ADOPTED AND APPROVED this 24th day of January, 2014.

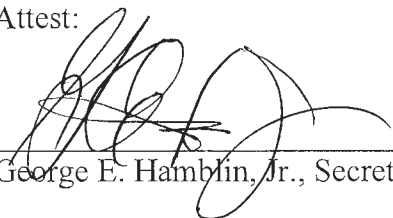
SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:



Anthony M. Dursey, President

Attest:



George E. Hamblin, Jr., Secretary

RESOLUTION 2014-1-3

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT ARAPAHOE, JEFFERSON AND DOUGLAS COUNTIES, COLORADO

A RESOLUTION ADOPTING A CONTRACTOR LICENSE REGULATION

WHEREAS, the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") has the power and authority pursuant to Section 32-1-1001(1)(m), C.R.S., to adopt rules and regulations not in conflict with the Constitution and the laws of this state for conducting the business, objects and affairs of the Board and of the District; and

WHEREAS, the Board has determined that it is appropriate and necessary to license contractors working on the District's sanitary sewer lines in the vicinity of the point where the service line connects to the District's facilities and desires to adopt regulation implementing a license requirement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, Arapahoe, Jefferson and Douglas Counties, Colorado as follows:

Section 1. License Required. No person, including, but not limited to, any plumber, drain layer or other person or entity shall, without first obtaining a license to do so from the District, connect or disconnect any sewer service line from or to the District's public sewer system or otherwise perform any repairs, replacement or other work ("Work") of any kind on any sewer service line if such Work is at the point of connection to or within five feet of the point of connection to the District's public sewer system.

Section 2. Application for License. Applications for licenses under this rule and regulation shall be filed at the District office on forms provided by the District.

Section 3. Requirements for Issuance of License. No license shall be issued to any person until such person has fully satisfied the District of the adequacy of the applicant's experience in sewer construction and financial stability. An applicant shall file with the District:

- a. A Corporate Surety Bond in the amount of not less than \$10,000 in favor of the District for the faithful performance and observance of this rule and regulation and for the protection of the District in the event the contractor causes injury or damage to any District facility,

including but not limited to any tap on a District's sanitary sewer main.

- b. A Certificate of Insurance showing that the applicant has public liability insurance in an amount and kind satisfactory to the District but not less than \$350,000 per person and \$1,000,000 per occurrence for general liability coverage; and
- c. A Certificate of Compliance with the Worker's Compensation Act of Colorado.
- d. The applicant shall also pay such license fee, as from time to time shall be prescribed by the Board.

Section 4. Issuance of License. Licenses shall be issued by the District's manager.

Section 5. Revocation or Suspension of License. Any license may be revoked in its entirety, or suspended for such period of time as may be determined proper by the Board for any violation of this rule and regulation. If a license is revoked the contractor may also be precluded from applying for a new license for such period of time as the Board shall determine appropriate, but not to exceed three years. In the event of an alleged violation of this rule and regulation, written charges specifying the nature and extent of the violation or violations shall be filed with the licensee; the manager shall set a time for a Board hearing thereon, and shall give notice by certified mail, with return receipt requested, directed to the licensee at the address given on the sewer license application, at least ten days prior to the time of such hearing. At such hearing, the licensee shall be entitled to appear in person and/or by attorney, and a full hearing shall be held. The action of the Board shall be final.

Section 6. Licensee Not to Allow Others to Use. No licensee shall allow his or her license to be used, directly or indirectly, by any person to obtain a permit or to perform any work within the District. In the event of any violation of this Section, such person may be assessed a penalty of not more than \$500, and/or may be prohibited from performing any work within the District for a period not to exceed five years.

Section 7. Time Limit of License. No license shall be valid for a period of more than twelve consecutive months, but a licensee who has faithfully performed work within the District and has fully complied with this rule and regulation may renew its license upon payment of the applicable annual renewal fee, but without having to submit a new license application form.

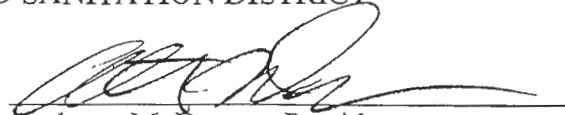
Section 8. Failure to Obtain License. Any plumber, drain layer or other person or entity that performs work on a sewer service line at the point of connection to

the District's main, or which is within five feet thereof, without first obtaining a license from the District may be prohibited by the District from working on any service lines within the District for a period of up to three years after notice and hearing. The hearing shall be held in accordance with the provisions set forth in Section 5 above.


ADOPTED this 28th day of February, 2014.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:


Anthony M. Dursey, President

Attest:


George E. Hamblin, Jr., Secretary

RESOLUTION 2014-10-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT ARAPAHOE, DOUGLAS, AND JEFFERSON COUNTIES, COLORADO

A RESOLUTION CHANGING THE METHODOLOGY USED BY THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT FOR CALCULATING THE SINGLE FAMILY EQUIVALENCY OF NON- RESIDENTIAL WASTEWATER SERVICE CONNECTIONS

WHEREAS, the Board of Directors (“Board”) of the Southwest Metropolitan Water and Sanitation District (“District”) has the power and authority pursuant to § 32-1-10014 (1)(m), C.R.S. to adopt rules and regulations not in conflict with the Constitution and the laws of this State for carrying on the business, objectives and affairs of the Board and of the District; and

WHEREAS, pursuant to said authority, the Board on July 25, 2011 adopted Resolution No. 2011-8-1 establishing a methodology for calculating the single family equivalency of non-residential wastewater service connections; and

WHEREAS, the established methodology was based on the Metro Wastewater Reclamation District (Metro) methodology for calculating the equivalency of non-residential wastewater usage to residential wastewater usage; and

WHEREAS, based on a comprehensive analysis of its sewer connection charge methodology, Metro has amended its single-family residential equivalency table for other than single-family wastewater connections effective January 1, 2015.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT AS FOLLOWS:

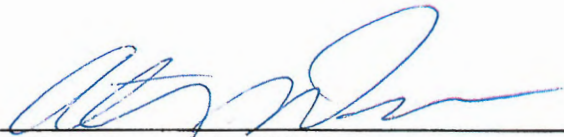
Section 1. Revised Methodology. Effective January 1, 2015, the Southwest Metropolitan Water and Sanitation District Non-Residential Wastewater Service Equivalency Table used to determine the equivalency of non-residential wastewater service connections to the District’s wastewater collection system, is amended as set forth in Exhibit A attached hereto and incorporated herein by this reference. Said Exhibit A shall replace and supersede in its entirety Exhibit A as attached to Resolution 2011-8-1.

Section 2. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining

provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

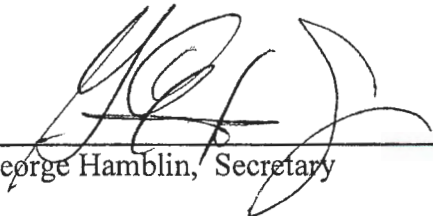
Section 3. Acts, Orders and Prior Resolutions. All acts, orders and resolutions, or parts thereof of the Board or District staff which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict. Except as modified by this Resolution, Resolution 2011-8-1 in hereby reaffirmed and shall remain in full force and effect.

ADOPTED ON THIS 24th DAY OF OCTOBER, 2014 BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, ARAPAHOE, DOUGLAS, AND JEFFERSON COUNTIES, COLORADO.



Anthony Dursey, President

ATTEST:



George Hamblin, Secretary

EXHIBIT A

NON-RESIDENTIAL WASTEWATER SERVICE EQUIVALENCY TABLE

<u>Water Service Tap Size, Inches</u>	<u>Number of SFE's</u>
$\frac{3}{4}$	2
1	4.8
1½	11
2	20
3	43
4	86
6 or larger	For water service taps 6 inches or larger the number of single family equivalents shall be determined based upon the volumetric formula set forth in the Metro Rules and Regulations

RESOLUTION 2014-10-2

**SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO**

**A RESOLUTION ESTABLISHING A WATER AND SANITARY SEWER
SERVICE FEE FOR THE SOUTHWEST METROPOLITAN WATER AND
SANITATION DISTRICT**

WHEREAS, the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") has the power to adopt rates, fees, tolls and charges pursuant to Section 32-1-1001(1)(j)(I), C.R.S., and to fix and from time to time increase rates, fees, tolls, charges, and penalties for the services, programs or facilities furnished by the District; and

WHEREAS, the District operates a potable water distribution and wastewater collection system (hereinafter "Systems") that were constructed in the late 1960's and early 1970's; and

WHEREAS, in recent years the District has been depleting its reserve fund to fund the District's ongoing operation and maintenance expenses; and

WHEREAS, in April of 2013 the Board considered implementation of a service fee to stabilize the District's reserve fund at \$19,000,000, the amount determined to be appropriate and adequate to safely accommodate the District's future operating and capital financial requirements; and

WHEREAS, after extensive discussion, the Board decided to postpone implementation any fee, pending further outreach to the community to explain and solicit comments on the District's deteriorating financial condition and the need for a supplemental source of revenue; and

WHEREAS, the District receives no property tax revenue and does not certify a property tax mill levy; and

WHEREAS, all notices required by law of the District's intent to adopt a water and sewer service fee were appropriately given; and

WHEREAS, after further consideration of this matter at a public hearing, and after considering the District's 20 year financial plan the Board has decided to implement a water and sewer service fee; and

WHEREAS, it is in the interest of the public health, safety, and welfare of the District and of the District's inhabitants that the District collect adequate revenues to pay ongoing operation and maintenance costs, and to stabilize the District's reserve funds required to replace the Systems on a timely basis; and

WHEREAS, the Board desires to set forth by resolution the District's decision to adopt a water and sewer service fee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District that:

Section 1. Effective Date. Effective as of October 1, 2014, or as soon thereafter as is reasonably practical to enable the District to put into place the collection arrangement with Denver Water as hereinafter described, a water and sewer service fee of \$1.00 per single family residential equivalent tap shall be imposed upon all District customers.

Section 2. Collection. The District's water and sewer service fee shall be collected pursuant to Intergovernmental Agreement with the Denver Board of Water Commissioners on the water bill sent to all District customers by Denver Water.

Section 3. Duration. The water and sewer service fee as hereby adopted shall remain in effect until further action by the Board.

Section 4. Public Health and Safety. The Board hereby determines and finds that the adoption of this Resolution is necessary for and promotes the public health, welfare, and safety of the District's inhabitants.

Section 5. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

Section 6. Acts, Orders and Prior Resolutions. All acts, orders and resolutions, or parts thereof of the Board or of the District which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

Section 7. Ability to Delayed Implementation of the Fee. The District's manager is hereby authorized to delay implementation of the water and sewer service fee established hereby, if for any reason Denver Water is not in a position to collect said fee on the District's behalf as of October 1, 2014.

Section 8. Interpretation. The Board reserves the right to interpret and change or rescind this Resolution and, in addition, reserves the right to determine the meaning,

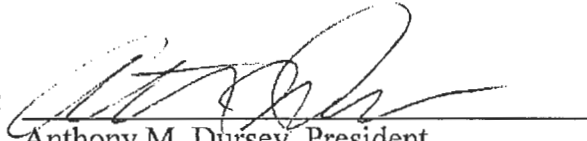
purpose and effective of this Resolution based upon generally accepted practices and rules of interpretation.

Section 9. Effective Date of this Resolution. This Resolution shall be effective as of the 22nd day of August 2014.

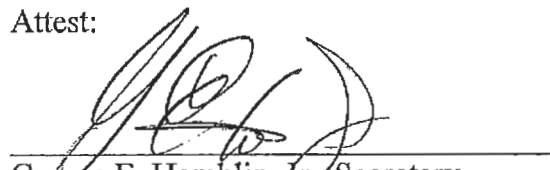
The foregoing Resolution was adopted on the 22nd day of August, 2014 by the Board of Directors of the Southwest Metropolitan Water and Sanitation District and is executed this 24th day of October, 2014.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:


Anthony M. Dursey, President

Attest:


George E. Hamblin, Jr., Secretary

RESOLUTION 2014-11-1

A RESOLUTION TO ADOPT A BUDGET FOR SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, DOUGLAS, AND ARAPAHOE COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2015 AND ENDING ON DECEMBER 31, 2015.

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has appointed Patrick Fitzgerald, District Manager, to prepare and submit a proposed budget to said governing body at the proper time, and;

WHEREAS, a proposed budget reflecting anticipated revenue and expenses for Southwest Metropolitan Water and Sanitation District, Jefferson, Arapahoe and Douglas Counties, Colorado, for the calendar year beginning January 1, 2015, and ending December 31, 2015, was presented to the Board of Directors on or before October 15, 2014, for its consideration, and;

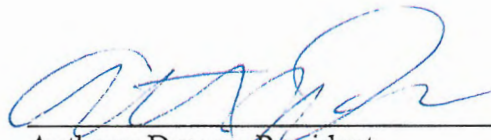
WHEREAS, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Southwest Metropolitan Water and Sanitation District; and further, the proposed budget has been available for inspection at the District's office located at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

WHEREAS, a copy of the proposed budget for Southwest Metropolitan Water and Sanitation District for calendar year 2015 is attached hereto and made a part hereof, and;

WHEREAS, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

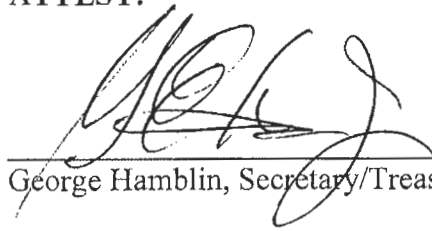
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Southwest Metropolitan Water and Sanitation District for the calendar year beginning January 1, 2015, and ending December 31, 2015.

**ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT THIS 21st DAY OF NOVEMBER, 2014.**



Anthony Dursey, President

ATTEST:



George Hamblin, Secretary/Treasurer

RESOLUTION 2014-11-2

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY
IN THE AMOUNTS AND FOR THE PURPOSES
AS SET FORTH BELOW FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
FOR THE 2015 BUDGET YEAR**

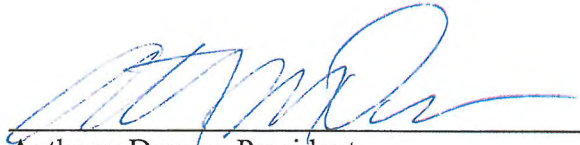
WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for the District for the budget year 2015 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

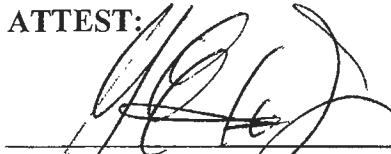
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below for the operations and expenditures of the Southwest Metropolitan Water and Sanitation District,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES, COLORADO that THREE MILLION NINE HUNDRED THIRTY-EIGHT THOUSAND TWO HUNDRED ELEVEN AND NO/100 DOLLARS (\$3,938,211) is hereby appropriated for expenditure during calendar year 2015:

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 21ST DAY OF NOVEMBER, 2014.



Anthony Dursey, President

ATTEST: 

George Hamblin, Jr., Secretary/Treasurer

RESOLUTION 2014-11-3

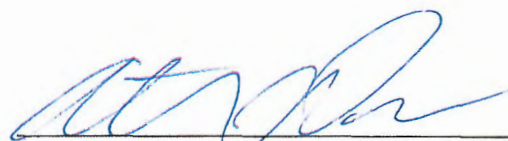
A RESOLUTION CERTIFYING A ZERO MILL PROPERTY TAX LEVY FOR TAX YEAR 2014 FOR THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for 2015 in accordance with the Colorado Local Government Budget Law, and;

WHEREAS, the approved budget for 2015 provides for sufficient revenue without certification of a property tax mill levy upon taxable property within the Southwest Metropolitan Water and Sanitation District,

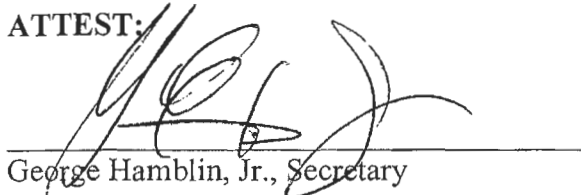
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO that for tax year 2014 (budget year 2015) there is hereby certified a zero (0) mill property tax levy upon all property located within Southwest Metropolitan Water and Sanitation District.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 21ST DAY OF NOVEMBER, 2014.



Anthony Dursey, President

ATTEST:


George Hamblin, Jr., Secretary

RESOLUTION 2014-11-4
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

A RESOLUTION AMENDING THE ADOPTED BUDGET FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT FOR
CALENDAR YEAR 2014

WHEREAS, the Board of Directors of the Southwest Metropolitan Water and Sanitation District adopted a budget and appropriated funds for expenditure during calendar year 2014 as follows:

General Fund:

Operation, Maintenance, and Capital Expenditures	<u>\$3,887,778</u>
Total Expenditures	\$3,887,778

WHEREAS, during calendar year 2014 the necessity arose requiring the expenditure of an additional \$1,400,000 in capital expenses for sanitary sewer replacement and rehabilitation purposes from the General Fund; and

WHEREAS, the necessity for such additional expenditure could not have been reasonably foreseen at the time of the adoption of the 2014 Budget; and

WHEREAS, funds are available for such additional expenditure from un-appropriated surpluses in the General Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, Arapahoe, Douglas and Jefferson Counties, Colorado:

Section 1. The Southwest Metropolitan Water and Sanitation District's 2014 budget is hereby amended to increase total General Fund expenditures by \$1,400,000 from \$3,887,778 to \$5,287,778.

Section 2. The \$1,400,000 in additional expenditures was for the A-Line Capital Improvement Project, which originally was budgeted in 2014 for \$200,000 and for which the District will end up spending \$1,600,000 in calendar year 2014.

Section 3. The line item for the A-Line Capital Improvement Project in the District's 2014 Budget is hereby amended to reflect said increased expenditure.

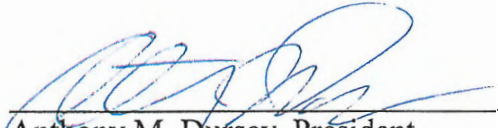
Section 4. The total amount appropriated for 2014 is hereby amended to be \$5,287,778.

BE IT FURTHER RESOLVED that such fund is hereby appropriated from unappropriated General Fund revenues of the District to the General Fund for the purposes stated.

Adopted this 21st day of November, 2014.

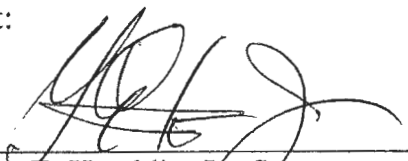
SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:



Anthony M. Dursey, President

Attest:



George E. Hamblin, Jr., Secretary

RESOLUTION NO. 2015-1-1

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO

A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT AND DESIGNATING THE LOCATION FOR POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE WITH THE OPEN MEETINGS LAW AND SPECIAL DISTRICT ACT

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors ("Board") of the Southwest Metropolitan Water and Sanitation District ("District") is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson, Colorado notice of the time, place and location of the District's regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT OF ARAPAHOE, DOUGLAS AND JEFFERSON COUNTIES, COLORADO AS FOLLOWS:

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2015 on the dates and at the times set forth on Exhibit A attached hereto at the District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123, or at such other location as may from time to time be designated by the Board.

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose

for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. The District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123 is hereby designated as the location for posting notice of District Board of Directors meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2015 shall be posted in the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

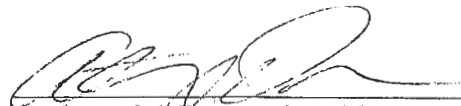
- (a) The District office, 8739 West Coal Mine Avenue, Littleton, Colorado 80123; and
- (b) Lilly Gulch Recreation Center located at 6147 S. Holland Wy., Littleton, CO 80123; and
- (c) Ridge Recreation Center located at 6613 S. Ward St., Littleton, CO 80127.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

APPROVED AND ADOPTED on the 23rd day of January, 2015.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:


Anthony M. Bursey, President

Attest:


George E. Hamblin, Jr., Secretary

EXHIBIT A

2015

Scheduled Meetings of the Boards of Directors of Platte Canyon and Southwest Metropolitan Water and Sanitation Districts

Friday	January 23, 2015	8:30 a.m.
Friday	February 27, 2015	8:30 a.m.
Friday	March 27, 2015	8:30 a.m.
Friday	April 24, 2015	8:30 a.m.
Friday	May 22, 2015	8:30 a.m.
Friday	June 26, 2015	8:30 a.m.
Friday	July 24, 2015	8:30 a.m.
Friday	August 28, 2015	8:30 a.m.
Friday	September 25, 2015	8:30 a.m.
Friday	October 23, 2015	8:30 a.m.
Friday	November 20, 2015	8:30 a.m.
Friday	December 18, 2015	8:30 a.m.

RESOLUTION 2015-11-1

A RESOLUTION TO ADOPT A BUDGET FOR SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, DOUGLAS, AND ARAPAHOE COUNTIES, COLORADO FOR THE CALENDAR YEAR BEGINNING ON JANUARY 1, 2016 AND ENDING ON DECEMBER 31, 2016.

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has appointed Patrick Fitzgerald, District Manager, to prepare and submit a proposed budget to said governing body at the proper time, and;

WHEREAS, a proposed budget reflecting anticipated revenue and expenses for Southwest Metropolitan Water and Sanitation District, Jefferson, Arapahoe and Douglas Counties, Colorado, for the calendar year beginning January 1, 2016, and ending December 31, 2016, was presented to the Board of Directors on or before October 15, 2015, for its consideration, and;

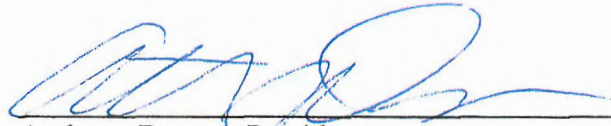
WHEREAS, notice of submittal of the proposed budget to the Board of Directors and notice of the date and time of a public hearing to consider adoption of the proposed budget has been published in newspapers of general circulation within Southwest Metropolitan Water and Sanitation District; and further, the proposed budget has been available for inspection at the District's office located at 8739 W. Coal Mine Avenue, Littleton, Colorado, and interested electors of the District have been given the opportunity to file or register objections to the proposed budget, and;

WHEREAS, a copy of the proposed budget for Southwest Metropolitan Water and Sanitation District for calendar year 2016 is attached hereto and made a part hereof, and;

WHEREAS, said budget lists all proposed expenditures for administration, operations, maintenance, and capital projects and expenditures, all anticipated revenues, estimated or actual beginning and ending fund balances, and a budget message describing the important features of the proposed budget;

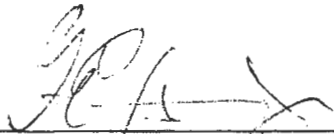
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT that the budget as submitted, amended, and affixed hereto is hereby approved and adopted as the official budget of the Southwest Metropolitan Water and Sanitation District for the calendar year beginning January 1, 2016, and ending December 31, 2016.

**ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT THIS 20th DAY OF NOVEMBER, 2015.**



Anthony Dursey, President

ATTEST:



Georgé Hamblin, Secretary/Treasurer

RESOLUTION 2015-11-2

**A RESOLUTION TO APPROPRIATE SUMS OF MONEY
IN THE AMOUNTS AND FOR THE PURPOSES
AS SET FORTH BELOW FOR THE
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT
FOR THE 2016 BUDGET YEAR**

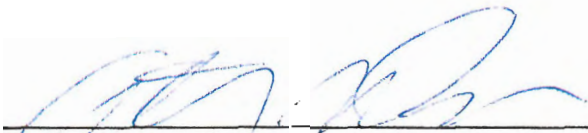
WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for the District for the budget year 2016 and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below for the operations and expenditures of the Southwest Metropolitan Water and Sanitation District,

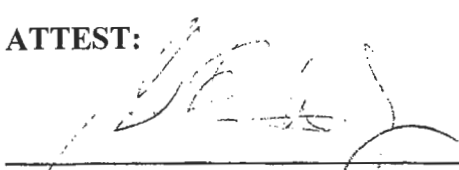
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE, AND DOUGLAS COUNTIES, COLORADO that TWO MILLION NINE HUNDRED THIRTY-FOUR THOUSAND EIGHT HUNDRED SEVENTY TWO AND NO/100 DOLLARS (\$2,934,872) is hereby appropriated for expenditure during calendar year 2015:

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 20th DAY OF NOVEMBER, 2015.



Anthony Dursey, President

ATTEST:



George Hamblin, Jr., Secretary/Treasurer

RESOLUTION 2015-11-3

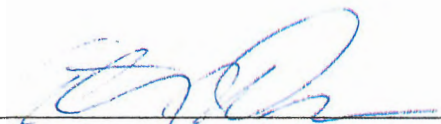
A RESOLUTION CERTIFYING A ZERO MILL PROPERTY TAX LEVY FOR TAX YEAR 2015 FOR THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

WHEREAS, the Board of Directors of Southwest Metropolitan Water and Sanitation District has approved and adopted the annual budget for 2016 in accordance with the Colorado Local Government Budget Law, and;

WHEREAS, the approved budget for 2016 provides for sufficient revenue without certification of a property tax mill levy upon taxable property within the Southwest Metropolitan Water and Sanitation District,

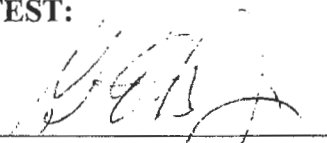
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, JEFFERSON, ARAPAHOE AND DOUGLAS COUNTIES, COLORADO that for tax year 2015 (budget year 2016) there is hereby certified a zero (0) mill property tax levy upon all property located within Southwest Metropolitan Water and Sanitation District.

ADOPTED BY THE BOARD OF DIRECTORS OF SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT THIS 20th DAY OF NOVEMBER, 2015.



Anthony Dursey, President

ATTEST:



George Hamblin, Jr., Secretary

RESOLUTION NO. 2016-1-2

PLATTE CANYON WATER AND SANITATION DISTRICT

ARAPAHOE AND JEFFERSON COUNTIES, COLORADO

**A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE
REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE PLATTE
CANYON WATER AND SANITATION DISTRICT AND DESIGNATING THE
LOCATION FOR POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE
WITH THE OPEN MEETINGS LAW AND SPECIAL DISTRICT ACT**

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors (“Board”) of the Platte Canyon Water and Sanitation District (“District”) is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the Clerk and Recorder of the Counties of Arapahoe and Jefferson, Colorado notice of the time, place and location of the District’s regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PLATTE CANYON WATER AND SANITATION DISTRICT OF ARAPAHOE AND JEFFERSON COUNTIES, COLORADO AS FOLLOWS:

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2016 on the dates and at the times set forth on Exhibit A attached hereto at the District office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123, or at such other location as may from time to time be designated by the Board.

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose

for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. The Platte Canyon Water and Sanitation District Columbine Pump Station, located at 7677 W. Ken Caryl Avenue, Littleton, Colorado 80123 is hereby designated as the location for posting notice of District Board of Directors meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

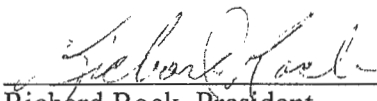
Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2016 shall be posted in the Clerk and Recorder of the Counties of Arapahoe, Douglas, and Jefferson pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

- (a) Platte Canyon Water and Sanitation District Columbine Pump Station, located at 7677 W. Ken Caryl Avenue, Littleton, Colorado 80123; and
- (b) Columbine Knolls Recreation District Swimming Pool located at 6191 W. Plymouth Dr., Littleton, CO 80128; and
- (c) Normandy Pool and Tennis Club located at 5380 W. Coal Mine Ave., Littleton, CO 80160.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

APPROVED AND ADOPTED on the 22nd day of January, 2016.

PLATTE CANYON WATER AND
SANITATION DISTRICT

By: 
Richard Rock, President

Attest:

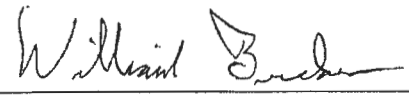

William Buckner, Secretary

EXHIBIT A

2016

Scheduled Meetings of the Boards of Directors of Platte Canyon and Southwest Metropolitan Water and Sanitation Districts

Friday	January 22, 2016	8:30 a.m.
Friday	February 26, 2016	8:30 a.m.
Friday	March 25, 2016	8:30 a.m.
Friday	April 22, 2016	8:30 a.m.
Friday	May 27, 2016	8:30 a.m.
Friday	June 24, 2016	8:30 a.m.
Friday	July 22, 2016	8:30 a.m.
Friday	August 26, 2016	8:30 a.m.
Friday	September 23, 2016	8:30 a.m.
Friday	October 28, 2016	8:30 a.m.
Friday	November 18, 2016	8:30 a.m.
Friday	December 16, 2016	8:30 a.m.

REGULATIONS

RESOLUTION 2014-1-3

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT ARAPAHOE, JEFFERSON AND DOUGLAS COUNTIES, COLORADO

A RESOLUTION ADOPTING A CONTRACTOR LICENSE REGULATION

WHEREAS, the Board of Directors (“Board”) of the Southwest Metropolitan Water and Sanitation District (“District”) has the power and authority pursuant to Section 32-1-1001(1)(m), C.R.S., to adopt rules and regulations not in conflict with the Constitution and the laws of this state for conducting the business, objects and affairs of the Board and of the District; and

WHEREAS, the Board has determined that it is appropriate and necessary to license contractors working on the District’s sanitary sewer lines in the vicinity of the point where the service line connects to the District’s facilities and desires to adopt regulation implementing a license requirement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Southwest Metropolitan Water and Sanitation District, Arapahoe, Jefferson and Douglas Counties, Colorado as follows:

Section 1. License Required. No person, including, but not limited to, any plumber, drain layer or other person or entity shall, without first obtaining a license to do so from the District, connect or disconnect any sewer service line from or to the District’s public sewer system or otherwise perform any repairs, replacement or other work (“Work”) of any kind on any sewer service line if such Work is at the point of connection to or within five feet of the point of connection to the District’s public sewer system.

Section 2. Application for License. Applications for licenses under this rule and regulation shall be filed at the District office on forms provided by the District.

Section 3. Requirements for Issuance of License. No license shall be issued to any person until such person has fully satisfied the District of the adequacy of the applicant’s experience in sewer construction and financial stability. An applicant shall file with the District:

- a. A Corporate Surety Bond in the amount of not less than \$10,000 in favor of the District for the faithful performance and observance of this rule and regulation and for the protection of the District in the event the contractor causes injury or damage to any District facility,

including but not limited to any tap on a District's sanitary sewer main.

- b. A Certificate of Insurance showing that the applicant has public liability insurance in an amount and kind satisfactory to the District but not less than \$350,000 per person and \$1,000,000 per occurrence for general liability coverage; and
- c. A Certificate of Compliance with the Worker's Compensation Act of Colorado.
- d. The applicant shall also pay such license fee, as from time to time shall be prescribed by the Board.

Section 4. Issuance of License. Licenses shall be issued by the District's manager.

Section 5. Revocation or Suspension of License. Any license may be revoked in its entirety, or suspended for such period of time as may be determined proper by the Board for any violation of this rule and regulation. If a license is revoked the contractor may also be precluded from applying for a new license for such period of time as the Board shall determine appropriate, but not to exceed three years. In the event of an alleged violation of this rule and regulation, written charges specifying the nature and extent of the violation or violations shall be filed with the licensee; the manager shall set a time for a Board hearing thereon, and shall give notice by certified mail, with return receipt requested, directed to the licensee at the address given on the sewer license application, at least ten days prior to the time of such hearing. At such hearing, the licensee shall be entitled to appear in person and/or by attorney, and a full hearing shall be held. The action of the Board shall be final.

Section 6. Licensee Not to Allow Others to Use. No licensee shall allow his or her license to be used, directly or indirectly, by any person to obtain a permit or to perform any work within the District. In the event of any violation of this Section, such person may be assessed a penalty of not more than \$500, and/or may be prohibited from performing any work within the District for a period not to exceed five years.

Section 7. Time Limit of License. No license shall be valid for a period of more than twelve consecutive months, but a licensee who has faithfully performed work within the District and has fully complied with this rule and regulation may renew its license upon payment of the applicable annual renewal fee, but without having to submit a new license application form.

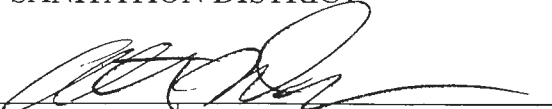
Section 8. Failure to Obtain License. Any plumber, drain layer or other person or entity that performs work on a sewer service line at the point of connection to

the District's main, or which is within five feet thereof, without first obtaining a license from the District may be prohibited by the District from working on any service lines within the District for a period of up to three years after notice and hearing. The hearing shall be held in accordance with the provisions set forth in Section 5 above.

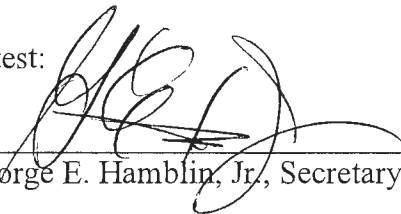
ADOPTED this 28th day of February, 2014.

SOUTHWEST METROPOLITAN WATER
AND SANITATION DISTRICT

By:


Anthony M. Dursey, President

Attest:


George E. Hamblin, Jr., Secretary