

Revised 11/17/2011

**Golden Gate Canyon Fire Protection District
Board of Directors**

By-Laws

Effective November, 2011

Section 1. Authority. The Golden Gate Canyon Fire Protection District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to Parts 1 and 2 of Article 1 of Title 32 of the Colorado Revised Statutes (“Special District Act”) to provide fire suppression, fire prevention, rescue, hazardous materials, ambulance and emergency medical services (collectively, “Emergency Services”), directly or through a third-party service provider.

Section 2. Provision of Emergency Services. In order to further the Special District Act’s stated purpose of promoting the health, safety, prosperity, security and general welfare of the District’s citizens and the people of the State of Colorado, the District shall provide Emergency Services to the citizens and property within its jurisdiction, individuals passing through its jurisdiction, and areas outside its jurisdiction for which it has assumed an obligation to provide such services through an Automatic or Mutual Aid Agreement, or otherwise, subject to, and consistent with, available revenues, personnel and apparatus/equipment.

Section 3. Board of Directors. All powers, privileges and duties vested in or imposed upon the District by law, including but not limited to the Special District Act, shall be exercised and performed by and through the District Board of Directors (“Board”), whether specifically stated, inferred or implied in these By-Laws. Through an affirmative majority vote of the Board, the Board may delegate to one or more Directors, standing committee, special committee, the Fire Chief, an Officer, a District member, an agent or a representative any or all administrative and ministerial powers and duties, and such other powers and duties, to the full extent authorized by law. Without restricting the general powers conferred by these By-Laws and the Special District Act, the District, through the affirmative majority vote of the Board, shall have the following authority and powers:

- a. To have perpetual existence;
- b. To have and use a corporate seal;
- c. To sue and be sued and to be a party to suits, actions, and proceedings on behalf of the District;
- d. (i) to enter into contracts and agreements affecting the affairs of the District, including contracts with the United States and any of its agencies or instrumentalities. Except in cases in which the District will receive aid from a governmental agency or purchase through the State purchasing program, a notice shall be published for bids on all construction contracts for work or materials, or both, involving an expense of \$60,000 or more of public moneys. The Board may, at its discretion, choose to obtain bids for work less than \$60,000. The Board may reject any and all bids, and if it appears that the District can perform the work or secure material directly or from another source for less than the lowest bid, the Board may proceed to do so;
- (ii) 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 a

notice has been published for bids and such member or owner submits the lowest responsible and responsive bid;

e. To borrow money and incur indebtedness and evidence the same by certificates, notes, or debentures, and to issue bonds, including revenue bonds, and to invest any moneys of the District in accordance with Part 6 of Article 75 of Title 24, C.R.S.;

f. To acquire, dispose of, and encumber real and personal property including, without limitation, rights and interests in property, leases, and easements necessary to the functions or the operation of the District; except that the Board shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the District's use in accordance with any governmental ordinance, regulation, or law;

g. To refund any bonded indebtedness as provided in Part 13 of Article 32, or Article 54 or 56 of Title 11, C.R.S.;

h. To manage, control and supervise all of the business and affairs of the District as defined in the Special District Act, directly or through the Fire Chief or other District members or third-party providers, as the Board deems appropriate in its sole discretion, including all construction, installation, operation, and maintenance of District improvements;

i. To appoint, hire, and retain agents, employees, volunteers, engineers, accountants, advisors, consultants and attorneys;

j. To furnish services and facilities without the boundaries of the District and to establish fees, rates, tolls, penalties, or charges for such services and facilities as allowed by law;

k. To accept or dispose of, on behalf of the District, title to real or personal property, and to accept gifts and conveyances made to the District upon such terms and conditions as the Board may approve;

l. To adopt, amend and enforce these By-Laws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying out on the business, objects, and affairs of the Board and the District;

m. To acquire, dispose of, or encumber fire stations, fire protection and firefighting equipment, and any interest therein, including leases and easements;

n. To have and exercise the power of eminent domain and dominant eminent domain and, in the manner provided by Article 1 of Title 38, C.R.S., to take any property necessary to the exercise of the powers granted, both within and without the District;

o. To undertake and operate as a part of the duties of the District an ambulance service, an emergency medical service, a rescue unit, a hazardous materials response unit and a diving and grappling service, including contracting or combining with other entities to provide such services as allowed by law;

p. To adopt, amend and enforce fire codes, as the Board deems necessary, but no such code shall apply within any municipality or the unincorporated portion of any county unless the governing body of the municipality or county, as the case may be, adopts a resolution stating that such code or specific portions thereof shall be applicable within the District's boundaries;

q. To fix and from time to time increase or decrease fees and charges within its jurisdiction as follows, and the Board may pledge such revenue for the payment of any indebtedness of the District:

- (i) Ambulance or emergency medical services; and,
- (ii) Requested or mandated inspections;
- (iii) Hazardous incident responses; and,
- (iv) Emergency Services provided outside the District's jurisdiction
- (v) Wildland fire response on county and state land to the extent

allowed by law.

r. To administer and maintain the volunteer firefighter's pension fund subject to the provisions of Parts 2 and 4 of Article 30.5 of Title 31, C.R.S. Recognizing that the FPPA Program was closed to any new members after March 31, 2011, the Board will manage the LOSAP consistent with the Board Resolution recognizing the LOSAP provisions. Indeed, the existence of and contribution to the LOSAP is at the sole discretion of the Board based upon its effectiveness and affordability in any given year.

s. To authorize the use of electronic records or signatures and adopt rules, standards, policies, and procedures for use of electronic records or signatures pursuant to article 71.3 of title 24, C.R.S.; and,

t. To have and exercise all rights and powers necessary, incidental or implied from the specific powers granted by the Special District Act or other laws, such specific powers shall not be considered as a limitation on any power necessary or appropriate to carry out the purposes and intent of the Special District Act.

Section 4. Individual Actions by Directors Not Authorized. Individual Board members have no power or authority to take any action or make any statement on behalf of the Board or the District, unless expressly delegated such power or authority by the affirmative vote of a majority of the Board. Individual Board members shall not give directions to the Fire Chief or other District employees except as specifically authorized by the affirmative majority vote of the Board. In order to foster an effective and efficient line of communication between Chief Staff and the Board, communications between the Board, or individual Board members, and Chief Staff or individual District members, shall be directed to the Fire Chief, unless otherwise determined by the affirmative majority vote of the Board.

Section 5. Individual Director's Fiduciary Duty to the District. By statute and under common-law, each Director serves as a fiduciary to the District, as defined below:

The holding of public office or employment is a public trust, created by the confidence which the electorate reposes 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. * * * 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.

C.R.S. §24-18-103(1) and (2).

This fiduciary obligation does not extend to each individual resident of the District, but rather to the District itself. As a fiduciary, a Director has the duty to, and shall, exercise the utmost good faith, business sense and good judgment on behalf of the District. Each Director shall place the interests of the District above his/her self-interests, and shall not take personal advantage of a situation to benefit himself/herself or prejudice the District.

Section 6. District Office. The principle office of the District shall be at 32360 Robinson Hill Rd., unless otherwise designated by the Board.

Section 7. Meetings.

a. Regular Meetings. Unless otherwise noticed and posted, regular meetings of the Board shall be held on the same day and time each month as agreed upon and stated in the 72 hour Resolution approved no later than the first meeting of January each year.

b. Special Meetings. Any Director may call a special meeting of the Board by informing the other Directors of the date, time and place of the special meeting, and the purpose for which it is called, and by posting notice of the special meeting in accordance with subparagraph c, below. A study session shall constitute a special meeting at which no Board action shall be taken unless specifically stated on the notice for the special meeting.

c. Notice of Meetings. Written notice of regular and special meetings, and study sessions, shall be posted in three-places within the District and at the Jefferson County Clerk and Recorder's office. Subparagraph a, above, shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board, other than the permanent posting. Written waivers of notice by Board members are not necessary. Notice of a special meeting or study session shall be posted at least seventy-two (72) hours before the meeting. If the Board intends to make a final determination on any of the following issues at a regular or special meeting, the notice shall specifically state that fact:

i. issue or refund general obligation indebtedness;

- ii. consolidation of the District;
- iii. dissolution of the District;
- iv. filing a plan for adjustment of debt under federal bankruptcy law;
- v. entering into a private contract with a Director; or
- vi. not making a scheduled bond payment.
- vii. Considerations of new regulations directly affecting District

residents

d. Meetings and Study Sessions Public. Except for executive sessions, all regular and special meetings, and all study sessions, shall be open to the public.

e. Requested Notice of Meetings. The District shall keep a list of all individuals requesting notice of meetings, and provide reasonable advance notice to those individuals. Once an individual has requested individualized notice, he/she shall be included on the list for two years. Inadvertent failure to provide notice to a listed person shall not invalidate the meeting or actions taken at the meeting.

Section 8. Conduct of Meetings.

a. Quorum. All official business of the Board shall be transacted at a regular or special meeting at which a quorum of three Directors shall be present, except as otherwise provided herein.

b. To the extent practicable, the Board shall follow the latest edition of *Robert's Rules of Order* as a procedural guide for conducting meetings, with the following amendments:

i. The reading of the text of minutes, financial statements, or proposed Resolutions into the record is not required; and

ii. The Chairperson may make a Motion, and may vote on any Motion.

iii. In the absence of the President at a meeting, the following officers shall serve as the Chairperson in descending order:

- a. Vice-President; or,
- b. Secretary.

c. Voting. Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, reasonable efforts shall be made to locate and notify all Directors, and then those Directors available at the time may undertake whatever action is considered necessary and may instruct District members to carry out said actions, which shall later be ratified by the Board. Voting by proxy is prohibited.

d. Telephonic Participation. A Director shall be deemed present during a meeting if he/she can be heard by all other Directors and the public attending the meeting, and they can hear him/her, via a telephone connection maintained during the entire proceeding.

e. Order of Business. The business of all regular meetings of the Board shall be transacted, to the extent practicable, in the following manner.

1. Call to Order
2. Roll Call
 - a. Motion to excuse/not excuse absent Board member(s), as appropriate.
3. Additions or Deletions to the Agenda
4. Public Comment
5. Approve Minutes of Last Meeting(s)
6. Special Presentations (if any)
7. Committee Reports
8. Old Business
9. New Business
11. Executive Session (If Necessary)
12. Adjournment

f. Motions and Resolutions. Official Board action may be taken through the adoption of a resolution or a motion duly made and passed by a majority vote of a quorum of the Board. Except where a resolution is specifically required by a statute, ordinance or other law, a Board motion has the same legal effect as a resolution.

g. Minutes Book. Within a reasonable time after passage, the minutes of regular and special board meetings, and study sessions, and copies of all resolutions adopted by the Board at the regular or special meetings, shall be prepared and approved by the Board, and placed in a book kept for that purpose and shall be attested to by the Recording Secretary. The minutes book shall be available for public inspection..

h. Executive Session. The Board may call an executive session 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. The public shall not be permitted in an executive session. In order to maintain the confidentiality of the executive session, only those individuals who are necessary for the topic(s) being discussed during the executive session shall be permitted to attend the executive session. Before going into an executive session, the Chairperson shall announce, and the minutes shall reflect, the specific citation(s) to the portion(s) of the open meetings law that allows the Board to meet in an executive session:

- i. C.R.S. § 24-6-402(4)(a), "Discuss the purchase, acquisition, lease, transfer or sale of any property interest";
- ii. C.R.S. § 24-6-402(4)(b), "Receive advice of Legal Counsel (specific legal question) ";

- iii. C.R.S. § 24-6-402(4)(c), "Discuss a matter required to be kept confidential by the following State or Federal law, rule or regulation: (must cite specific statute or rule) ";
- iv. C.R.S. § 24-6-402(4)(d), "Discuss specialized details of security arrangements or investigations";
- v. C.R.S. § 24-6-402(4)(e), "Determine the District's position on matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators";
- vi. C.R.S. §24-6-402(4)(f), "Discuss personnel matters":
 - a. Exception: If the employee who is the subject of the executive session has requested an open meeting (if the personnel matter involves more than one employee, all of the employees must request an open meeting);
 - b. Exception: Personnel matters do not include discussions concerning Board members;
 - c. Exception: Personnel matters do not include general personnel policies such as Rules and Regulations, SOP's, etc.
- vii. C.R.S. § 24-6-402(4)(g), "Consider documents protected by the mandatory nondisclosure provisions of the "Public Records Act"; and,
- viii. C.R.S. § 24-6-402(4), "Review, Approve or Amend the Minutes of an Executive Session."

No Board action shall be taken while in executive session. The discussion in an executive session shall be limited to the reason(s) for which the executive session was called. All discussions in executive session shall be held in strict confidence by every individual attending the executive session, and shall not be disclosed to any third person or entity without the affirmative majority vote of a majority of the Board members, or required by law.

Each executive session shall be electronically recorded, unless the District's legal counsel states on the record that an executive session, or a portion of the executive session, constitutes an attorney-client communication, in which case the portion of the executive session constituting an attorney-client communication shall not be recorded. The electronic recording of an executive session shall be destroyed on the 91st day after the executive session, unless an affirmative majority vote of the Board directs otherwise.

Section 9. Directors and Officers.

a. Director Qualifications and Terms. The Board shall be comprised of five Directors, who shall be eligible electors of the District. The term of each Director shall be determined by law through elections held in compliance with the Uniform Election Code of 1992, C.R.S. § 1-1-101, et seq. ("Election Code") and the Special District Act. Each Director

shall sign an oath of office and, at the District's expense, furnish a faithful performance surety bond in a sum of not less than \$1,000.00.

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

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

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

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

c. **Oath of Office.** Each Board member, before assuming the responsibilities of office but in no event more than 30 days after the date of the election, shall take and subscribe an oath of office including the following:

"I _____, will faithfully support the Constitution of the United States and the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of office of Director of the Golden Gate Fire Protection District, upon which I am about to enter."

The new Director shall sign the oath, which shall be subscribed and sworn to by a person authorized to administer oaths, including a Notary Public, President of the Board, County Clerk and Recorder, or Clerk of the Court. The oath shall be filed with the Division of Local Government and with the Clerk of the Jefferson County District Court.

d. **Meeting Attendance.** Directors shall attend Board meetings. A Director who fails to attend three consecutive regular meetings is automatically disqualified to serve as a Director, unless approval of the absence is entered in the minutes, or the absence is excused by temporary mental or physical disability or illness. Director absences shall be identified in the official meeting minutes, and shall state whether the absence was excused.

e. Election of Officers. The Board shall elect from its membership a President, a Vice-President, a Secretary, and a Treasurer, who shall be the officers of the Board. Ideally, the Treasurer will Co-Chair the Finance committee and the Secretary will be responsible for Board meeting minutes. The Board also may elect a Recording Secretary, who does not have to be a Director. The Board also may elect an Assistant Secretary. The officers shall be elected by an affirmative vote of a majority of the Directors eligible to vote at the election. The election of the officers shall be conducted: 1) biennially at the first regular meeting of the Board following the regular biennial election of the Directors held in May of even numbered years; or 2) upon the affirmative vote of a majority of the Board calling for an election of officers. Each elected officer shall serve two-year term, which term shall expire upon the election of the officer's successor or upon reelection to that office.

f. Vacancies. A vacancy in a Director position shall be filled by an affirmative vote of a majority of the remaining Directors in accordance with the Special District Act. The appointed individual must be an eligible elector, and shall serve until the next regular special district election, as established by the Special District Act. Time served to fill a vacancy does not count towards the 8 years term limit defined in (a) above.

g. Resignation and Removal. Directors may be removed from office only through the recall provisions set forth in the Election Code and the Special District Act. A Director may resign at any time by submitting a written notice of resignation to the President. The Board's acceptance of the resignation shall not be necessary to make it effective unless the notice so provides.

h. President/Chairperson. The President shall be the Chairperson of the Board and preside at all meetings. The President has no greater authority than any other Director, and, unless specifically authorized by an affirmative vote of a majority of the Board, has no authority to take action or make statements on behalf of the Board, or to direct Chief Staff or District members regarding District affairs. Except as otherwise specifically authorized by an affirmative vote of a majority of the Board, the President shall sign all contracts, deeds, notes, warrants and other instruments on behalf of the District that have been approved by an affirmative vote of a majority of the Board. The Board may authorize the Fire Chief to execute routine contracts for goods and services as necessary for the efficient provision of same.

i. Vice-President. The Vice President shall preside at any meeting at which the President/Chairperson cannot be present. The Vice-President has no greater authority than any other Director, and, unless specifically authorized by an affirmative vote of a majority of the Board, has no authority to take action or make statements on behalf of the Board, or to direct Chief Staff or District members regarding District affairs.

j. Secretary. The Secretary shall preside at any meeting at which the President and Vice-President cannot be present. The Secretary has no greater authority than any other Director, and, unless specifically authorized by an affirmative vote of a majority of the Board, has no authority to take action or make statements on behalf of the Board, or to direct Chief Staff or District members regarding District affairs. The Secretary shall be responsible for

the records of the District; may act as Secretary at meetings of the Board and record all votes; shall be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that often. The Secretary shall be the custodian of the District seal and shall have the power to affix such seal to and attest all contracts and instruments authorized to be executed by the Board. The Secretary shall be responsible for writing and circulating meeting minutes on a timely basis not to exceed three business days from such meeting.

k. Treasurer. The Treasurer has no greater authority than any other Director, and, unless specifically authorized by an affirmative vote of a majority of the Board, has no authority to take action or make statements on behalf of the Board, or to direct Chief Staff or District members regarding District affairs. The Treasurer shall be chairperson of the Budget Committee and the Audit Committee. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. The Treasurer shall file with the Clerk of the Court, at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$100,000.00, conditioned on the faithful performance of the duties of the Treasurer's office. The Treasurer shall Co-Chair the Finance Committee.

l. Assistant Secretary. If the Board chooses to elect an Assistant Secretary, the Assistant Secretary shall perform the duties of the Secretary when the Secretary is unavailable or unable to perform such duties. The Assistant Secretary has no greater authority than any other Director, and, unless specifically authorized by an affirmative vote of a majority of the Board, has no authority to take action or make statements on behalf of the Board, or to direct Chief Staff or District members regarding District affairs.

m. Recording Secretary. The Board shall have the authority to appoint a Recording Secretary who need not be a member of the Board of Directors, and who shall be responsible for recording all votes and composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be the official record of the Board. The Recording Secretary shall not be required to take an oath of office, and shall not be required to post a performance bond.

n. Personnel Selection and Tenure. The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based on political services or affiliations. Agents and employees shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

o. The Board may confer upon any appointed officer of the District the power to choose, remove or suspend employees, agents, or volunteers upon such terms and conditions as may seem fair and just and in the best interests of the District.

p. Additional Duties. The Board officers shall perform such other duties and functions as may from time to time be required of the Board, by these By-Laws, or by

the District's rules and regulations, or by special exigencies, which shall later be ratified by the Board.

Section 10. Financial Administration.

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

b. Finance Committee. There shall be a permanent committee, known as the Budget Committee, comprised of the Treasurer who shall serve as chairperson or co-chair person, the Fire Chief, and a Director appointed by the affirmative vote of the majority of the Board. The Finance Committee shall be responsible for preparation of the annual District budget, and such other matters as may be assigned by the affirmative majority vote of the Board from time to time.

c. Budget. On or about October 15th of each fiscal year, the Budget Committee shall prepare and submit to the Board a proposed budget for the following fiscal year. The proposed budget shall reflect any strategic plan adopted by the Board, be accompanied by a statement describing the important features of the budget plan and by a general summary setting forth the aggregate figures of the budget in such manner as to show the balance relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules and statements classifying the expenditures contained therein by services, subjects and funds. The District's anticipated income shall be classified according to the nature of receipts.

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

e. Adoption of Budget. On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the District's needs and the District's probable income. The Board shall then adopt a budget setting forth the expenditures to be made in the following fiscal year. The Board shall provide for sufficient revenues to finance budget expenditures with special consideration given to the proposed ad valorem tax levy.

f. Levy and Collection of Taxes. On or before December 15th of each fiscal year, unless an election for an increased operating levy is held, the Board shall certify to the Board of County Commissioners of Jefferson County the mill levy established for the following fiscal year, in order that, at the time and in the manner required by law for the levying of taxes,

the Commissioners shall levy such tax upon the assessed valuation of all taxable property within the District.

g. Filing of Budget. On before January 30th of each year, the Board shall cause a certified copy of the budget to be filed with the Division of Local Government in the Colorado State Department of Local Affairs.

h. Appropriating Resolution.

i. At the time of adoption of the budget, the Board shall enact a resolution making appropriations for the following fiscal year. The amounts appropriated thereunder shall not exceed the amount fixed therefore in the budget adopted pursuant to Section 10.e.

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

iii. The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.

i. No Contract to Exceed Appropriation. The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolutions, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this sub-section shall be void *ab initio*, and no District funds shall be expended in payment of such contracts, except as provided in the following sub-section.

i. Contingencies. In cases of emergency caused by a natural disaster, public enemy, or some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by two-thirds vote of the entire membership of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of that meeting.

j. If so enacted, a copy of the resolution authorizing additional expenditure shall be filed with the Division of Local Government in the Colorado State Department of Local Affairs and shall be published in compliance with statutory requirements

k. Payment of Contingencies. If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board, by special Resolution, shall transfer such available money to the fund from which the emergency expenditure is to be paid.

l Annual Audit.

i. At the time the annual expense budget reaches or exceeds the threshold of \$ 500,000 or at such time as a lien holder requires it, the Board shall cause an annual audit to be made at the end of the fiscal year of all financial affairs of the District through December 31st of that fiscal year. The audit report shall be submitted to the District within six months of the close of that fiscal year. The audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of the District during the subject fiscal year, or any previous year. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of violations of State or Federal law, pursuant to statutory requirements. Without an audit, the Board shall submit to the State for an “exemption of audit” each year for which it applies.

ii. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.

iii. The Treasurer shall cause to be forwarded a copy of the audit report to the State Auditor and other relevant State official(s), pursuant to statutory requirements.

Section 11. Elections. The Board shall govern the conduct of all special and regular elections, and shall render all interpretations and make all decisions as to controversies or other matters arising in the conduct of the elections. All elections shall be conducted in accordance with the Election Code and the Election Rules promulgated by the Colorado Secretary of State.

Each Director shall comply with the Fair Campaign Practices Act, C.R.S. §1-45-101, et seq. Specifically, a Director shall not use any District funds or resources to: a) make any contribution or contribution in kind to a campaign involving the nomination, retention or election of any person to public office; or b) urge electors to vote for or against any Statewide or local ballot issue or referred measure.

A Director may engage in the following limited actions:

a. A Director may respond to an unsolicited question regarding a candidate or ballot issue;

b. A Director may express a personal opinion on any issue regardless of whether his/her opinion was solicited. When expressing a personal opinion the Director shall make it clear that the opinion is a personal opinion, not the opinion of the District, and he or she must not

identify himself or herself in a way that would create confusion with respect to whether the opinion is personal or that of the District;

c. A Director may expend not more than fifty dollars (\$50.00) of public moneys in the form of letters, telephone calls, or other activities incidental to expressing his/her opinion on any candidate or ballot issue;

d. The District may expend public moneys to present a written factual summary of the arguments for and against any proposal of official concern before the electorate in the District's jurisdiction. The summary shall not contain conclusions or opinions in favor of or against any particular ballot issue, but shall simply and fairly summarize the issues for and against;

e. The Board may, by majority vote, pass a resolution or take a position of advocacy on any candidate, State-wide or local ballot issue, or referred measure, and the District may report the passage of such resolution through established, customary means, other than paid advertising; and,

f. A Director may expend personal funds, make contributions and use personal time to urge electors to vote for or against any candidate, Statewide or local ballot issue, or referred measure; however, such activity must be performed only during personal time and cannot be done on behalf of or through the District.

Section 12. Corporate Seal. The District seal shall be a circle containing the name of the District and shall be on all documents and in such manner as seals generally are used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and care.

Section 13. Disclosure of Conflict of Interest. Any Board member's potential conflict of interest shall be disclosed in accordance with Colorado law, particularly Article 18 of Title 24, C.R.S. and Sections 32-1-902(3) and 18-8-308, C.R.S.

Section 14. Compensation. Each Director may receive compensation as prescribed by the Special District Act. No Director shall receive compensation as a District employee, except as expressly provided by the Special District Act.

Section 15. Indemnification of Directors and Employees. The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elected or appointed, against any tort or liability, claim or demand, whether groundless or otherwise, arising out of any alleged act or omission occurring during the performance of duty, as more fully defined by an Indemnification Resolution. The District will not defend nor indemnify criminal acts or omissions of Directors. The provisions of this section shall be subject to and, to the extent of any inconsistency therewith, shall be modified by the Governmental Immunity Act, C.R.S.

Section 16. Modification of By-Laws. These By-Laws may be altered, amended or repealed by motion of any Director at any regular or special meeting of the Board called for that purpose. The modifications shall become effective upon the date that the motion to make such modifications is approved by the affirmative vote of the majority of the Board, unless the motion

states otherwise. Copies of the modifications shall be provided to each Director and the Fire Chief as soon as practical.

Section 17. Savings Clause. If any part of these By-Laws is held by judicial review to be invalid, every other part not specifically held to be invalid shall continue in full force and effect.

These By-Laws of the Golden Gate Canyon Fire Protection District Board of Directors are adopted this 17th day of November, 2011.

Director

Director

Director

Director

Director