

**LA VETA FIRE PROTECTION
DISTRICT**

DIRECTOR BY-LAWS

**ADOPTED
JULY 14, 2003**

Most current revision: August 8, 2005

LA VETA FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS' BY-LAWS

ADOPTED JULY 14, 2003

Section 1. Authority. The La Veta Fire Protection District (the "District") is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi-municipal corporation which are authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S., as amended (the "Act").

Section 2. Purpose. It is hereby declared that the By-Laws hereinafter set forth will serve a public purpose. The goal of the La Veta Fire Protection District is to provide the highest level of Life and Property Safety through the extension of Fire Prevention, Fire Suppression, Emergency Medical and Public Education Services consistent with the prudent utilization of public funds.

Section 3. Conflicts. In all cases of conflict between these By-laws and provisions of law governing the District, specifically including but not limited to the Act, the provisions of law shall govern and supersede these By-laws.

Section 4. Policies of the Board. It shall be the policy of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide facilities and services to the inhabitants and property owners within the District, as set forth in the Service Plan of the District dated October 7, 1986 and as amended from time to time. The Board shall:

- 1) Establish and state goals and policies;
- 2) Maintain financial control of the District;
- 3) Designate individuals to carry out its goals and policies;
- 4) Determine that its goals and policies are being carried out;
- 5) Take such corrective action as it deems appropriate;
- 6) Act through the District Fire Chief;
- 7) Operate the District pursuant to the laws, statutes, regulations and rules of appropriate federal, state and local governments.

Section 5. Board of Directors. All powers, privileges and duties vested in or imposed upon the District by law shall be exercised and performed by and through its Board of Directors (the "Board"), whether set forth specifically or implied in these By-laws. The Board may delegate to officers and employees of the District any or all administrative and ministerial powers.

Section 6. Business Office. The principal business office of the District shall be at 111 South Main, P.O. Box 44, La Veta, Colorado 81055, unless otherwise designated by the Board. The Board, by resolution, may relocate its business office as necessary to conduct the business of the District.

Section 7. Meetings.

- a. **Regular Meetings.** Regular meetings of the Board shall be held on the second Monday of each month at 7:00 P.M. at the principal business office, unless otherwise determined by the Board.
- b. **Public Meeting.** All meetings of the Board, other than executive sessions, shall be open to the public.
- c. **Notice of Meetings.** Section 7.a. 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 at the office of the County Clerk and Recorder and at three places within the District.
- d. **Special Meetings.** Special meetings of the Board may be held at the request of any Board Member upon seventy-two (72) hours' written notice, which shall be posted in three places within the District and at the office of the County Clerk and Recorder and which shall also be communicated to each Director by telephone, in writing, or by other reasonable methods.
- e. ***Emergency Meetings.** Notwithstanding any other provisions in this Section 7, emergency meetings may be called by the Chair or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the property owners and electors of the District, without notice if notice is not practicable. If possible, notice of such emergency meeting may be given to the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.
- f. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive Sessions may be called at regular or special meetings, and conducted according to the following guidelines:

* Emergency Meeting Provision adopted August 8, 2005

- (1) **Calling the Executive Session.** The topic for discussion in the Executive Session shall be announced in a motion, and the specific statute that authorizes the Executive Session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in Executive Session. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into Executive Session. See Page 3, 'Calling the Executive Session.' for instruction.

Calling the Executive Session:

An executive 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 Section 24-6-402(4), C.R.S.

Executive sessions should be noted on the meeting agenda whenever possible.

The Chairman of the Board must announce, and the minutes reflect, the specific citation to that portion of the Open Meetings Law that allows the Board to meet in executive session. For example, one might cite the following:

1. Section 24-6-402(4)(a), C.R.S., "the executive session concerned the purchase, acquisition, lease, transfer or sale of any property interest;"
2. Section 24-6-402(4)(b), C.R.S., "Conferences with an attorney for the District for the purpose of receiving legal advice on specific legal questions;"
3. Section 24-6-402(4)(c), C.R.S., "Matters required to be kept confidential by State or Federal law, rules or regulation." (Must cite the specific statute or rule.)
4. Section 24-6-402(4)(d), C.R.S., Specialized details of security arrangements or investigations;"
5. Section 24-6-402(4)(e), C.R.S., "Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators;"
6. Section 24-6-402(4)(f), C.R.S., "Personnel matters;"
 - a. Exception: If the employee who is the subject of the executive session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees must request an open meeting.
 - b. Exception: Under new law, personnel matters do not include discussion of members of the elected governing body, nor do they include discussion of general personnel policy.
7. Section 24-6-402(4)(g), C.R.S., "Consideration of any documents protected by the mandatory nondisclosure provisions of the "Public Records Act."

(2) Conducting the Executive Session. No formal action shall take place in an Executive Session. The discussion in Executive Sessions shall be limited to the reasons for which the Executive Session was called. A record of the actual contents of the discussion in the Executive Session, using the same manner and media as are used to record minutes of Open Meetings shall be used, and a record kept. If handwritten notes of the Session are kept, Minutes of the Executive Session shall be created and shall contain a signed statement by the Chairman of the Executive Session that the Minutes substantially reflect the substance of the discussion during the Executive Session. No record is necessary to be kept if, in the opinion of the District's attorney, who is present, all or a portion of the discussion constitutes attorney-client privileged communications. If Minutes are electronically recorded, the attorney shall state on the record that the discussion constituted attorney-client communication. If written Minutes are kept, then the attorney shall sign a statement to the same effect.

(3) After Executive Session. The record of any Executive Session shall be retained by the District for ninety (90) days and then destroyed or erased. If, during the 90 days, the record of the Executive Session is requested, a judge will privately listen to the tape or review the Minutes, and make a determination as to whether it was a proper Executive Session. Minutes or recordings of Executive Sessions shall not be released to the general public for review under any circumstances other than those described.

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

Section 8. Conduct of Business.

- a. Quorum. All official business of the Board shall be transacted at a regular or special meeting at which at least three of the Directors (quorum) shall be present, except as provided in Section 8.b.
- b. Vote Requirements. Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees and volunteers, such actions which shall later be ratified by the Board.
- c. Order of Business. The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order:
1. Call to order.
 2. Approval of the minutes of the previous meeting;
 3. Election matters and resolutions;
 4. Approval of Treasurer's report, payment of bills and appropriations;
 5. Public Comments and hearings;

- c. Election of Officers. The Board of Directors shall elect a president from its membership, a secretary who need not be from its membership, and a treasurer from its members, who shall be the officers of the Board of Directors and of the District. The Board may also elect a vice-president who shall act in the absence of the president. The officers shall be elected by a majority of the Directors voting at said election. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the election of Directors held in May of even numbered years. Each officer so elected shall serve for a term of two years, which term shall expire upon the election of his or her successor or upon his or her re-election to office.
- d. Board Vacancies. Any vacancy occurring in any office shall be filled for the unexpired term in the same manner as is provided for the election of full-term officers. Any vacancy on the Board shall be filled by appointment by the remaining Directors as prescribed by statute.
- e. President and Chairman. The president shall be the chairman of the Board and shall preside at all meetings. Except as otherwise authorized, the president shall sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.
- f. Secretary. The secretary shall cause the records of the District to be kept; shall cause a record to be kept of all votes; shall cause a record to be composed 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 office. The secretary shall be custodian of the seal of the District and shall have the power to affix, or cause to be affixed, such seal to and attest all contracts and instruments authorized to be executed by the Board. In the absence of the President, the secretary, if a member of the Board, will act as chair.
- g. Treasurer. 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 \$5,000.00, conditioned on the faithful performance of the duties of such office. The treasurer, or any other Director of the District shall sign all District checks exceeding two-hundred and fifty dollars (\$250.00). In the event that the president and the secretary are absent (or the secretary is not a member of the Board), the treasurer will act a chair.
- h. Recording Secretary. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, 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, nor shall he/she be required to post a performance bond.
- i. Additional Duties. The Directors shall perform such other duties and functions as may from time to time be required by the Board, by the By-laws or rules and regulations of the District, or by special emergencies, which shall later be ratified by the Board.

- j. 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.

Section 10. Financial Administration.

- a. Fiscal Year. The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b. Budget. Pursuant to C.R.S. as amended, the Fire Chief shall cause to be prepared and submitted to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the estimated corresponding figures for current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.
- c. Notice of Budget. Upon receipt of such proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the business office; that the Board will consider the adoption of the proposed budget on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption. Notice shall be published in substantial compliance with C.R.S., as amended.
- d. Adoption of Budget. On the day set for consideration of such proposed budget, the Board shall review the proposed budget and shall revise, alter, increase or decrease the items therein as it deems necessary in view of the needs of the District. The Board shall then adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budget expenditures with special consideration given to the proposed ad valorem mill levy.
- e. Levy and Collection of Taxes. On or before the date set by law during each year, the Board shall certify to the Board of County Commissioners of Huerfano County the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax based upon the assessed valuation of all taxable property within the District.
- f. Filing of Budget. The Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs, as provided by law.
- g. Appropriating Resolution.
- (1) At the budget meeting held before January 1st of the ensuing year, the Board shall enact a resolution making appropriations for the ensuing

- fiscal year. The amounts appropriated thereunder shall not exceed the amounts fixed therefore in the budget adopted pursuant to Section 10.d.
- (2) The income of the District, as estimated in the budget and as provided for in the mill 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.
 - (3) The Board may make an appropriation to and for a fund to be used in cases of emergency or other unforeseen contingencies.
- h. 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 the appropriating resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. The District shall budget and appropriate by fund and not by line item, unless otherwise determined by the Board. Any contract, verbal or written, contrary to the terms of this sub-section shall be void ad-initio, and no District funds shall be expended in payment of such contracts, except as provided in the following sub-section.
 - i. Contingencies and Unanticipated Revenues.
 - (1) In cases of emergency caused by natural disaster, public enemy, or some other contingency, or in case of the receipt of unanticipated revenues, 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 in the manner required by law.
 - (2) If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Department of Local Affairs and shall be published in compliance with statute requirements.
 - j. Payment of Contingencies.
 - (1) If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid.
 - (2) To the extent that transferable funds are insufficient to meet the emergency appropriation, in anticipation the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available as specified under C.R.S., as amended, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other approved method.
 - k. Annual Audit.
 - (1) The Board shall cause an annual audit to be made only in the years that a waiver has not been granted, or at their discretion.

Section 11. Corporate Seal. The seal of the District shall be a circle containing the name of the District and may be used 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 safe keeping and care.

Section 12. Conflict of Interest.

- a. **Disclosure of Conflict of Interest.** Any Director who is present at a meeting at which is discussed any matter in which he has a potential conflicting interest as defined by C.R.S., as amended, shall disclose such interest in the manner required by law. Such Director shall refrain from advocating for or against the matter and shall disqualify himself from voting on such matter.
- b. **Compensation.** Each Director may receive compensation as prescribed by statute.

Section 13. Indemnification of Directors and Employees. The District shall defend, hold harmless and indemnify any Director, officer, agent, employee or volunteer, whether elective or appointive, 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 may compromise and settle any such claim or suit and/or pay the amount of any settlement or judgment rendered thereon.

- a. For the purpose of Section 13 only, the following definitions shall apply:
 - (1) "Employee". The term "employee" means a Director, employee, volunteer or servant (hereinafter collectively referred to as "employee") of the District, whether or not compensated, elected or appointed. The term "employee" specifically excludes any person or organization contracting to perform services or acting for the District as an independent contractor.
 - (2) "Performance of Duty". The term "performance of duty" shall be interpreted as broadly as possible to include any situation in which a District employee could conceivably be deemed to be acting within the scope of his/her employment. It shall specifically extend to all employees who are providing service on a voluntary basis or otherwise to any private, corporate or government party other than the District, when doing so with the appropriate consent and authorization from the District. The term "performance of duty" shall not include any act or omission constituting deliberate and intentional tortious or criminal conduct, or malfeasance in office, or willful or wanton neglect of duty.
- b. The District reserves the right to designate the attorney appointed to defend any employee in any tort or liability action instituted pursuant to this Section 13.
- c. The District agrees to indemnify any employee up to, but not to exceed, the amount of \$140,000.00 for any injury to one person in any single occurrence with an aggregate limit of \$400,000.00 for any injury to two (2) or more persons in any single occurrence, or in the maximum amounts otherwise specified under the Colorado Governmental Immunity Act (Article 10 of Title 24, C.R.S., as amended). The District specifically reserves any defenses which are made available to the District or its employees by said Governmental Immunity Act.
- d. All claims to be paid pursuant to this Section 13 shall be paid by the District or its insurer. Any judgment or settlement of a claim against the District

shall be paid in accordance with the provisions of said Governmental Immunity Act.

- e. No defense or indemnification shall be provided by the District to any employee in any of the following circumstances:
 - (1) If the employee willingly and knowingly fails to notify the District, within a reasonable time, of any incident or occurrence which he/she might reasonably expect to result in a claim of tort or liability against the employee or the District;
 - (2) If any employee fails to notify the District of any notice of claim or summons and complaint served upon him/her commencing a suit for damages reimbursable pursuant to this Section 13, such notice shall be given to the District within fifteen (15) business days of its service upon the employee;
 - (3) If an employee fails to exercise reasonable efforts to notify the District of any claim which is informally asserted against him/her for damages reimbursable pursuant to this Section 13;
 - (4) If an employee refuses to cooperate with an investigation or defense of any lawsuit by the District or its insurer, or by any private attorney employed by the District to furnish the defense to said employee, or any private investigator hired by the District to investigate such tort or liability claim.
- f. If the District or the employee against whom a claim is reimbursable hereunder has any other valid insurance, bond or indemnification plan available covering the loss of damage alleged against him/her, such insurance, bond and other plan will be first applied to the payment of any claim. In such event, the obligation of the District to indemnify and hold harmless the employee shall exist only for liability incurred in excess of such other coverage.
- g. In the event of any payment made pursuant to this Section 13, the District shall be subrogated to all of the employee's rights of recovery therefore against any person or organization, and the employee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights of subrogation. The employee shall do nothing to prejudice such rights.
- h. No assignments of indemnification shall be permitted without the written consent of the District signed by the President, and no such assignment shall bind the District unless such written consent is given prior to assignment. If, however, the employee shall die, the benefits of this Section 13 shall be available to, and apply fully to, the employee's legal representative, but only while acting within the scope of his/her duties as such.

- i. Any defense and indemnification available to an employee under this Section 13 shall continue to be available after the termination of his/her employment, office or tenure if the act or omission causing such liability occurred during the course of his/her duties while an employee of the District. Such defense and indemnification shall not be available to a former employee, however, in the event that the tort or liability claim against him/her is asserted as a counter-claim or set-off in any suit brought by the employee, except to the extent that the liability of such employee may exceed the amount of his/her own claim or suit.
- j. The provisions of this Section 13 shall be subject to and, to the extent of any inconsistency therewith, shall be modified by the Governmental Immunity Act, 24-10-101, et seq., C.R.S.

Section 14. Bidding and Contracting Procedure. Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$25,000 or more as required by the Act. The District may pre-qualify bidders on an annual basis in such manner as will comply with law, and shall thereafter seek competitive bids from at least three such pre-qualified bidders without additional bid publication. 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 proceed to do so.

A notice or Invitation to Bid shall be published in a newspaper of general circulation within the District boundaries once per week for three consecutive weeks. The Notice will request sealed proposals for the construction to be done, or for the materials needed. The specifics of the contract will be stated, where and when the plans and specifications may be examined, and the time and place the sealed proposals will be opened and publicly read.

The Board retains the right, in its sole discretion, to reject any or all proposals; determine the proposal and subcontractors that will serve the best interests of the District; and determine the proposal and subcontractor which is most responsible to perform the work.

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

Payment and Performance Bonds are required for Contracts over \$50,000.; and are discretionary with the Board under that amount. (Sections 38-26-105 & 106, C.R.S.)

Retainage and securities in lieu of retainage shall be held by the District as required by law.

Section 15. Powers of the Board of Directors. Without restricting the general powers conferred by law, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To confer upon any appointed officer of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To determine and designate, except as otherwise provided by law or these by-laws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases and other documents.
- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.
- d. To prepare financial reports, other than the statutory audit, covering each year's fiscal activities; and said report, if requested, shall be submitted to the Board and made available for inspection by the public.
- e. To adopt such policies as the Board deems necessary, not in conflict with the law, which shall be kept in written form in a record maintained by the Fire District.

Section 16. Modifications of By-Laws. The by-laws may be altered, amended or repealed through the following process: The amendment or motion to repeal these By-laws will be read at a regular meeting or at any special meeting of the Board called for that purpose. The amendment to or motion to repeal these By-laws will not be voted on until the next regular meeting.

ADOPTED this 14th day of July, 2003 by the Board of Directors of the La Veta Fire Protection District.

Norma Arnold

Ronald Harding

Brenda Reed

Russ Matton

L. L. Skaggs