

**THE GRAND JUNCTION RURAL FIRE PROTECTION DISTRICT
BY LAWS APPROVED APRIL 26, 2005**

Section 1. **Authority.**

The Grand Junction Rural Fire Protection District is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi-municipal corporation, that are specifically granted, or necessary or incidental to those powers specifically granted for carrying out the objectives and purposes of the District, pursuant to Colorado Revised Statute Title 32 (Appendix A).

Section 2. **Purpose.**

The purpose of this consolidated body of By Laws is to ensure an orderly and uniform administration of fire protection services in the Grand Junction Rural Fire Protection District, Mesa County, Colorado.

Section 3. **Policies of the Board.**

- a. It shall be the policy of the Grand Junction Rural Fire Protection District Board of Directors, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide fire protection and emergency medical services.
- b. The Board of Directors of the District hereby declares that these By Laws will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the residents of the District.

Section 4. **Scope**

These By Laws shall be considered as comprehensive regulations governing the operations and functions of the District and shall supersede all prior By Laws of the District.

Section 5. **Intent of Construction**

These By Laws shall be liberally construed to carry out the general purposes of the District. No omission or inclusion of material in these By-Laws shall be interpreted as a waiver from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board or the District by virtue of Colorado Law, or under any contract or agreement existing between the District and any other entity. Nothing contained in these By laws shall be interpreted to prejudice or affect the right of the District to secure the full benefit and protection of law pertaining to the governmental or proprietary affairs of the District.

Section 6. **Board of Directors.**

- a. All powers, privileges and duties vested in, or imposed upon, the Grand Junction Rural Fire Protection District (hereinafter referred to as "District") by law shall be exercised and performed by and through the Board (hereinafter referred to as "Board") of Directors (hereinafter referred to as "Directors"), whether set forth specifically or impliedly in these By Laws. The Board may delegate to officers, employees and agents of the District, any or all administrative and ministerial powers.
- b. Without restricting the general powers conferred by these By Laws, it is hereby expressly declared that the Board shall have the following powers and duties:
 - (1) To confer upon any appointed officer of 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 District.
 - (2) To determine and designate, except as otherwise provided by law or these By Laws, who shall be authorized to make purchases, negotiate leases, and sign receipts, endorsements, checks, releases and other documents.
 - (3) 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.
 - (4) To prepare financial reports, other than the statutory audit, covering each year's fiscal activities; and said reports, if requested by the general public, shall be submitted to the Board and made available for inspection by the public.

Section 7. **Office.**

This section is not at this time relevant to the District; however, if in the future this section is deemed necessary, applicable state statutes must be adhered to and cited.

Section 8. **Meetings.**

- a. **Open Meetings.** All meetings of the Board, other than executive sessions, shall be open to the public. The Board shall not take informal action on any matter outside of public meetings or during executive sessions. All meetings of a quorum or three or more members of the Board at which any public business is discussed or at which any formal action may be taken is deemed to be a public meeting and open to the public at all times; provided, however, this requirement does not apply to any chance meeting or social gathering at which discussion of public business is not the central purpose.
- b. **Regular Meetings.** Regular meetings of the Board shall be held a place, time and date as specified by the Board. Such regular meetings may be canceled, postponed, or continued by the Board as it deems appropriate.
- c. **Special Meetings.** Special meetings of the Board may be called upon 72 hours written notice and by informing the Board of the date, time, place and purpose of the meeting.

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- d. Notice of Meetings. Notice of the time and place designated for all regular meetings shall be posted in at least three public places within the limits of the special district, and, in addition, one such notice shall be posted in the office of the county clerk and recorder of Mesa County. The public places for posting such notice shall be designated annually at the first regular meeting of the Board in each calendar year. Such notices shall remain posted and shall be changed if the time or place of such regular meetings is changed. Special meetings 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 in this section at least seventy-two (72) hours prior to said meeting.
- e. Maintenance of Parties Requesting Notice. The secretary of the Board shall maintain a list of persons who, within the previous two years, have requested notification of all meetings or of meetings when certain specified policies will be discussed and shall provide reasonable advance notification of such meetings, provided, however, that unintentional failure to provide such advance notice will not nullify actions taken at an otherwise properly published meeting.
- f. Emergency Meetings. In the event of an emergency, that being a situation in which the public health, safety or welfare of those served by the District are in jeopardy and there is not sufficient time to post public notice for a special meeting, the available Directors shall take such action as is necessary and those participating in the emergency meeting shall constitute a quorum (Title 24-6-402 Annotation). The President can call an Emergency Meeting and any Director can request an Emergency Meeting to the President. At the next publicly held meeting, the minutes of the emergency meeting shall be presented as well as justification for holding the emergency meeting and the minutes shall be subject to all procedures and conditions as prescribed in Section 9 (e) of these By Laws.
- g. Executive Sessions. 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:
- (1) Calling the Executive Session. The topic for discussion at the Executive Session shall be announced in a motion. The matter to be discussed shall be described as much as possible without compromising the purpose of the Executive Session. The member making the motion to adjourn into the Executive Session shall announce the citation to the provisions of Title 24-6-402(4), paragraphs (a) - (h) which authorize the session. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into Executive Session.
 - (2) Conducting the Executive Session. No formal action shall take place in Executive session. No adoption of any proposed policy, position, resolution, rule or regulation may occur in Executive Session. The Board of the Executive Session shall designate a custodian of the minutes. The record of the actual contents of the discussion shall be limited to the reasons for which the Executive Session was called using the same manner and media as are used to keep records of Open/Public meetings. Whether handwritten notes or electronic recordings of

the Session are kept, written minutes of the Executive Session shall be created and copies given to all Directors prior to the next Board meeting. If the minutes refer to a report, that report should be appended to the minutes and made part of the permanent record. These minutes, corrected and noted in subsequent meeting minutes shall be approved by motion at a subsequent meeting. The minutes shall contain a signed statement by the President of the Executive Session that the minutes substantially reflect the substance of the discussion during the Executive Session. The corrected, approved minutes shall be signed by the President and Secretary with the District seal placed over the signatures. 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. If written minutes were utilized, the Board shall review, amend and approve Executive Session minutes. The minutes of the 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 unless so ordered by a judge.

h. 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 9. **Conduct of Business**

- a. Quorum. No business of the Board shall be transacted except at a regular or special meeting at which a quorum consisting of the majority of the Board (i.e., three [3] Directors) is present except as provided for in Section 8 (e). Directors unable to be present in person may attend and vote by telephone or by any other means of telecommunication so long as the director attending by telephone is able to hear and be heard throughout the meeting. Such attendance may be used to determine a quorum and directors attending by telephone or otherwise shall be entitled to receive compensation for the meeting so attended. However, no Director can use this method of attendance more than three (3) times per calendar year.
- b. Vote requirements. Any action of the Board shall require an affirmative majority of the Board present and voting.
- c. Order of business. The agenda may include, at a minimum, items of business determined by the President and such other matters as may come before the Board.

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- d. Motions and Resolutions. Each and every action of the Board necessary for the governing and management of the affairs of the District, for the execution of the powers vested in the District, and for carrying into effect the provisions of Article 1 of Title 32, shall be taken by the passage of motions or resolutions.
- e. Minutes and Minute Book. Within a reasonable time after each meeting, all resolutions, motions and other actions shall be kept for that purpose and shall be attested to by the Secretary for that meeting. The minutes shall include the time and date of the meeting, names of those Directors present, an account of the agenda items with the outcome of each item, a record of all votes taken and the time of adjournment. Reports (i.e., Treasurer's Report) that are presented during the course of a meeting shall be included as a part of the permanent record as an appendix to the minutes. Minutes shall be submitted within a reasonable time for any corrections necessary and approval of the Board by a motion. Corrections to previous minutes shall be noted in subsequent meeting minutes. Approval of previous meeting minutes shall be done by motion at a subsequent meeting. The approved minutes shall be signed by the President and Secretary presiding over the meeting in which the minutes have been approved. Minutes will be available for public review as soon as practicable following acceptance by motion of the Board. Minutes for Executive Sessions are described in Section 8 (f) of these By Laws.
- f. Open Records. The District is a public entity and is subject to the Colorado Open Records Act. The public has a legal right to inspect the District records. The following policy and procedure shall be used for such record reviews.
- (1) Requests for information must be in writing and specific as to the information desired.
 - (2) All requests for information must be directed to the Secretary of the District.
 - (3) Records may be inspected within three business days of making an advanced appointment with the Secretary.
 - (4) Within three days of a written request received by the Secretary, the records shall be made available for inspection. If due to exceptional circumstances the records are not readily available, the Secretary shall make reasonable efforts to make the records available within seven working days of the receipt of the written request. If the request would require extensive research and retrieval time and cannot be completed within the seven working days, the Secretary shall notify the requesting party and give a date when the records will be available for inspection.
 - (5) Records must be reviewed at a location determined by the Secretary.
 - (6) Records will be retrieved and refiled by the Secretary or an appointed designee.
 - (7) Records shall be removed from files or places of storage for photocopying only by the Secretary or an appointed designee.
 - (8) Photocopies of records will be provided by the District at a charge of \$1.00 per page for documents not exceeding 8.5 inches by 11 inches or for any documents that can be reproduced. Costs for other documents shall be based on the actual cost of reproduction plus an administrative fee of \$20.00 per hour. Copies of

- District records which are on CD's will be provided at a charge of \$5.00 per disk.
- (9) Information requests will not take priority over previously scheduled work activities of the District.
 - (10) The District may withhold records which contain privileged information or that are protected from disclosure by any statute or court ruling.
 - (11) District records shall be retained as recommended by the Colorado State Archivist and by consultation with the District's Legal counsel.

Section 10. **Directors, Officers and Personnel**

- a. **General Powers.** All powers, privileges, and duties vested in, or imposed by and through the Board, whether set forth specifically or implied in these By Laws, are vested in the Board. The Board shall manage, supervise and control all of the business and affairs of the District pursuant to Title 32 and specifically 32-1-1001 and 1002. The Board may delegate to officers, employees and agents any or all administrative and ministerial powers.
- b. **Director Qualifications and Terms.**
 - (1) Directors shall be qualified electors of District, and resident of the District. The term of each Director will be four years. Directors can serve a maximum of two four-year terms
 - (2) Three (3) Directors in seats 1, 3, and 5, shall be elected in one even-numbered year's election beginning in 2006; two (2) Directors in seats 2 and 4 shall be elected in another even-numbered year's election beginning in 2008. As of April, 2005, Directors Steve Grant, Vicki Felmlee and Harland Adams hold seats 1, 3, and 5; Directors Robert McCormick and Deborah Davis hold seats 2 and 4.
- c. **Elections of Directors.** Regular elections shall be held the Tuesday succeeding the first Monday of May in every even-numbered year, held for the purpose of electing members to the boards of special districts and for submission of other public questions, if any, according to Title 32-1-108(17).
- d. **Directors shall be elected to the Board in compliance with the following procedures and prescribed by the Elections Special District Manual/Title 1 (Appendix C) and Title 32-8-1.**
 - (1) Not less than 75 days or more than 90 days before a regular election, the designated election official shall provide notice by publication of a call for nominations for the election. The call shall state the office to be voted upon at the election, where a self-nomination and acceptance form may be obtained, the deadline for submitting the self-nomination and acceptance form to the designated election official, and information on obtaining an absentee ballot. Not less than 67 days before the date of the regular election, any person who desires to be a candidate for the office of a director shall file a self-nomination and acceptance form or letter signed by the candidate and by a registered elector as a

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- witness to the signature of the candidate. The form shall contain the information required by Title 32-1-804-3.
- (2) Not less than 120 days prior to the election, the Board shall establish one or more polling places in public places (if possible) within the District.
 - (3) If by 4:00 P.M. on the thirtieth (30th) day prior to the election there are not more candidates than offices to be filled, the Secretary shall certify that fact to the Board and the Board may cancel the election and declare the candidates elected in accordance with the provisions of Title 1-5-208 (Appendix C).
 - (4) If by the 63rd day prior to the election there are more candidates than offices to be filled, then the designated elections official shall proceed to conduct the election in accordance with the provisions of Title 1 of the Colorado Revised Statutes.
 - (5) At the direction of the Board, the election may be held by mail ballot or may coordinate polling places as permitted by statute.
- e. Vacancy on the Board. A Director's office shall be deemed to be vacant upon the occurrence of any of the events listed in Title 32-1-905(1). Notice of a Vacancy must be an Agenda Item on the next regularly-scheduled meeting. Notice of a Vacancy will be published in a general-readership publication(s) in the Legal Section as well as a Display Advertisement (Appendix D). Any vacancy occurring on the Board shall be filled by a majority vote of the remaining Board and the appointed Director shall serve until the next Regular Election when the vacancy may be filled by election for the remainder of the term or for a new term, as applicable. In the event the vacancy is not filled within sixty (6) days, the vacancy may be filled by the Mesa County Commissioners in accordance with Title 32-1-905(2). All appointments shall be evidenced by an entry in the minutes of the meeting and the Board shall cause a notice of the appointment to be delivered to the person so appointed. A duplicate of each notice of appointment together with the address of the new member shall be forwarded to the Division of Local Government
- f. Qualifications. Directors shall be Qualified Electors of the District. "Eligible elector" means a person who, at the designated time or event, is registered to vote pursuant to the "Uniform Election Code of 1992", articles 1 to 13 of title 1, C.R.S., and: who has been a resident of the special district or the area to be included in the special district for not less than thirty days; or who, or whose spouse, owns taxable real or personal property situated within the boundaries of the special district or the area to be included in the special district, whether said person resides within the special district or not. (Title 32-1-103)
- g. Terms of Directors. The term of each Director shall be a period of four (4) years with elections held in even-numbered years during Regular Elections. The elections shall be conducted in the manner prescribed by Title 32-8. Directors are limited to holding a maximum of three consecutive terms.
- h. Director's Performance of Duties. A Director of District shall perform duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner in which the Director reasonably believes

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 the Director's duties, the Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs (1), (2) and (3) of this subsection (h); but the Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely are:

- (1) One or more officers or employees of District whom the Director reasonably believes to be reliable and competent in the matters presented;
 - (2) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional or expert competence, and;
 - (3) A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the By-Laws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.
- i. Oath of Office and Bonds. Each Director shall sign an oath of office and, at the expense of the District, furnish a faithful performance surety bond in a sum of no less than \$1,000. Each Director, within 30 days after election to the Board and at the expense of the District, shall furnish a fidelity bond in an amount no less than \$1,000.00 and shall take and subscribe an oath of office in substantially the form displayed at the bottom of this page.
- j. Election and Duties of Officers. The Directors shall elect from its membership a President, a Vice-President, a Secretary and a Treasurer, who shall be the officers of

OATH OF OFFICE

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 _____ District, upon which I am about to enter.

Notary Signature

Subscribed and sworn to before me this _____ day of _____, 20____.

Person authorized to administer oaths (County Clerk and Recorder, Clerk of the Court, Notary Public, any other persons authorized to administer oaths or President of the Board of Directors).

the Board and of District. 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 regular biennial election of the 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 their successor or upon their reelection to that office.

- (1) President and Chairman. The President shall be the Chairman of the Board and preside at all meetings. As otherwise authorized by the Board, the President shall sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of District. The President at any time can appoint committees as requested or deemed necessary, said committees can be comprised of Directors and/or residents of the District.
- (2) Vice President. A Vice President serves as Chairman of the Board in the absence of the President. The Vice President shall also be responsible for keeping the by-laws current at the direction of the Board and to notify at least annually the Board of any changes necessitated by state statutes. The Vice President, at the Board's direction, may appoint a By Laws committee to aid in this task. The Vice President will also be responsible for assuring that each Director shall have the most up-to-date version of these By Laws and that a copy be available at all meetings.
- (3) Secretary. The Secretary is responsible for keeping the records of the District; may act, or shall select another to act as secretary at meetings of the Board, recording all votes; shall compose a record of the proceedings of the Board in a minute book kept for that purpose, which is the official record of the Board; and shall perform the duties incident to that office. The Secretary may have staff assistance in the maintaining of such records. The Secretary shall be custodian of the seal of District and shall have the power to affix such seal to and attest all contracts and instruments authorized to be executed by the Board.
- (4) Treasurer. The Treasurer shall be chairman of the Budget Committee and of 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 District, a corporate fidelity bond in an amount determined by the Board of not less than \$5,000, conditioned on the faithful performance of the duties of the Treasurer's office. The Treasurer shall be the fiscal officer of the Board, acting as Chairman of the Budget Committee and Audit Committee, if such committed is deemed necessary. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for the District in permanent records.
- (5) Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the By Laws of the District, or by special exigencies, which shall later be ratified by the Board.

k. Appointment and Duties of Others

- (1) Recording Secretary. The Board shall have the authority to appoint a recording

secretary who need not be a member of the Board, 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, nor shall the recording secretary be required to post a performance bond. The Board shall have the authority to appoint a recording secretary who need not be a member of the Board, and who shall be responsible for 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 be required to post a fidelity bond.

- (2) Professional Services Selection and Tenure. The selection of agents, employees, engineers, accountants, special consultants and attorneys of 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.
- (3) The Board may create other offices and may appoint such other Directors of the Board, or non-directors at the discretion of the Board, to fill those offices as it deems appropriate.

- l. Resignation and Removal. Directors may be removed from office by recall provisions prescribed by statute. Any Director may resign at any time by giving written notice to the president, and acceptance of such resignation shall not be necessary to make it effective unless the notice so provides.
- m. Attendance. Directors shall attend all regular and special meetings of the Board. If a Director fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for additional absences, then such member shall be removed from the Board; provided, however, that such additional absences shall be excused for temporary physical or mental illness or disability (Title 32-1-905).

Section 11. **Financial Administration**

- a. All Financial Administration shall follow Colorado Revised Statute Title 29 (Appendix E) and the Colorado State Financial Management Manual (Appendix F) as appropriate and as may be specifically mentioned in this Section.
- b. Fiscal Year. The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- c. Budget. On or before October 15 of each year, the Board shall direct the Treasurer, to prepare and submit to the Board a proposed budget for the ensuing fiscal year. The Board may also appoint a Budget Committee to aid in this task. Such proposed budget shall be accompanied by a statement which shall describe the important features of the

budget plan and by a general summary which includes the aggregate figures of the budget to show a balanced relationship between the total expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year. This shall also contrast the proposed figures with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures according to services, subjects, and funds. The anticipated income of the District shall be classified according to the nature of receipts. The Treasurer shall request and receive from the City of Grand Junction a complete list of properties that have been included/excluded within the District's boundaries, with the amount of the adjusted taxable income from those properties.

- d. Notice of Budget. Upon receipt of such proposed budget, the Board shall publish within ten business days 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 to it at any time prior to its final adoption. Notice shall be posted or published in substantial compliance with Title 29-1-106.
- 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 needs of District and the probable income 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 tax levy.
- f. Levy and Collection of Taxes. On or before December 15th of each year, unless an election for an increased operating levy is held, the Board shall certify to the Board of Commissioners for Mesa County, the mill levy established for the ensuing fiscal year. This to be done in a time and 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 or before January 30th of each year, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Colorado State Department of Local Affairs.
- h. Appropriating Resolution.
 - (1) At the time of adoption of the budget, 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 the previous paragraph 9 (f).
 - (2) The income of 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

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- meeting the expenditures authorized by the appropriation resolution.
- (3) 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 District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this 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 subsection and as permitted by Title 29-1-110 thru 112.
- j. **Supplemental Budget**
- (1) In cases of some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a majority vote of the entire membership of the Board. Such resolution shall set forth in full the facts concerning the contingency and shall be included in the minutes of that meeting.
- (2) If so enacted, a copy of the resolution authorizing additional expenditures 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. **Public Funds**
- (1) **Scope.** The District's main function is the receipt of tax funds and contract with a provider to provide emergency services for District residents. Each District Director needs to be involved in and shares responsibility for the District's financial operations.
- (2) **Reporting.** The Treasurer shall make a financial report at each regular Board meeting as to the District's receipts and incurred payables. Appropriate documentation shall be provided prior to Board actions.
- (3) **Authority.** All District financial transactions shall require Board review and approval at least monthly.
- (4) **Payments.** Two Directors' signatures shall be required for implementation of payments and fund transfers after the Board approval. The President, Treasurer and one other Director, as nominated by the President and approved by the Board annually, shall have signature authority for District funds of any amount. The President shall receive and review all invoices or billings prior to delivery to the Treasurer for payment. Invoices and billings shall be checked for accuracy prior to submittal to the Board for review and approval. The President shall be responsible for mailing/delivery of checks for payment of invoices and billings.
- (5) **Investments.** The Board may invest District funds as authorized by the Colorado

Revised Statutes. As these Statutes have restrictions as to the type of investments which are legal for special districts, Directors shall be advised by the Counsel for the District and the District's Auditor as to the legality of a proposed investment. The Board shall be guided by the principal that protection of District assets and public funds is paramount for any investments made by the District. Full disclosure shall be required as to the source proposed for District Investments. The District shall comply with the provisions of the Public Deposit Protection Act, Title 24-75-601, (Appendix G) as mandated by the Colorado Revised Statutes. This Act requires that deposits of public funds in banks or savings and loan associations may only be made in eligible public depositories as designated by State of Colorado. Prior to making the initial deposit, the Treasurer must: (a.) inform the depository that the District funds are subject to the PDPA and (b.) apply to the State for the assignment of an account number for all accounts established with the eligible public depository. It is a violation of Colorado Law for the Treasurer to violate the provisions of the PDPA.

- (6) Conflict of Interest. District Directors shall abstain from personal business activity that could conflict with District financial operations. Any potential conflict of interest shall be immediately disclosed to the Board and if determined to be of a material nature, the Director shall not participate in Board action regarding the item disclosed. This includes any investment activities which involve a Director and also the District and/or is pursuant to Section 13 of these By Laws.

l. Annual Audit.

- (1) The Board shall cause an annual audit to be made at the end of the fiscal year of all financial affairs of District through December 31st of such fiscal year. In all events, the audit report must be submitted to District within six months of the close of such fiscal year. Such 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 District during the subject fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and short form balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of violations of State law, pursuant to statutory requirements.
- (2) A copy of the audit report shall be maintained by District as a public record for a public inspection at all reasonable times.
- (3) The Treasurer shall forward a copy of the audit report to the State Auditor, or other appropriate state official, pursuant to statutory requirements, within thirty (30) days following completion of the audit.

- m. Malfeasance. In accordance with Title 29-1-115, any member of the governing body of any local government or any officer, employee, or agent of any spending agency who knowingly or willfully fails to perform any of the duties imposed upon him or who knowingly and willfully violates any of its provisions is guilty of malfeasance in office, and, upon conviction thereof, the court shall enter judgment that such officer so

convicted shall be removed from office. Any elector of the District may file an affidavit regarding suspected malfeasance with the district attorney, who shall investigate the allegations and prosecute the violation if sufficient cause is found. It is the duty of the court rendering any such judgment to cause immediate notice of such removal to be given to the proper officer of the District so that the vacancy thus caused may be filled.

Section 12. **Corporate Seal.**

The Seal of the District shall be a circle containing the name of the District and shall 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 13. **Disclosure of Conflict of Interest.**

Any Director's potential conflict of interest, or any of the District's contractors or vendors shall be immediately disclosed in accordance with Colorado law, particularly Title 32-1-902 (3) and Title 18-8-308 (Appendix H). Any member of the Board who has a substantial direct or indirect interest in any non-governmental entity participating in a transaction with the District shall disclose a "potential conflict of interest," and refrain from participating in the transaction. A disclosure of the potential conflict of interest shall be made by providing seventy-two (72) hours actual advance written notice to the Secretary of State and to the Board in accordance with Title 18-8-308. The Directors shall comply with the provisions of Title 32-1-902. If a Director owns undeveloped land which constitutes at least 25 percent of the territory of the District, the Director shall make appropriate disclosures in accordance with Title 32-1-902(4).

Section 14. **Compensation.**

Each Director may receive compensation as prescribed by statute. No Director shall receive compensation as an employee of District, except as may be provided by statute. Each director may receive as compensation for the Director's service an amount up to \$50.00 for each meeting attended but not in excess of \$1,200.00 for each calendar year, as approved by the Board of Directors. Payments shall be made quarterly; if a Director resigns or is dismissed, any payments owed to that Director shall be made at the next regular meeting following the resignation. No Director shall receive compensation as an employee of the District. Reimbursement of expenses actually incurred by a Director on behalf of the District or while engaged in District matters shall not be considered compensation.

Section 15. **Indemnification of Directors and Employees.**

Indemnification of Directors and Employees. The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, 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 provisions of this Section shall be subject to and, to the extent of any inconsistency therewith, shall be modified by the Governmental Immunity Act, Title 24-10-101, et seq. (Appendix I) and provisions of Malfeasance, Title 29-1-115.

Section 16. **Designation of Counsel**

The District reserves the right to designate the attorney appointed to defend any employee in any tort or professional liability action instituted pursuant to this Section.

Section 17. **Bidding and Contracting Procedures.**

- a. A copy of any (signed, dated) contract into which the District enters shall be appended to the minutes of the meeting most immediately following the date of the contract. The original signed and dated contract, with the Seal of the District affixed over the signature(s), shall be kept in a file specifically for "Original Contracts" with other District records at their designated site. Contracts are subject to Open Records laws as described in Section 9 (f).
- b. All contracts shall be reviewed by legal council prior to Board approval.

Section 18. **Application for Service**

- a. Inclusions. Fire protection service will be furnished to persons whose property is included in the District boundaries. A person owning land outside the boundaries of the District who desires service must include all of the land to be served. A formal request for inclusion within the District shall be made to the District by the Applicant, accompanied by a non-refundable minimum payment of \$2,500.00 for legal fees (or such additional amounts as determined by the Board) plus the cost of publication for the inclusion. Any additional costs which may occur shall be assessed to the Applicant and paid prior to approval from the Board. Inclusion shall be done in pursuant to Title 32-1-401.
- b. Providing Service Outside the District. No service shall ever be provided to property outside of the District except upon the written consent of the Board and on such terms as are approved by the Board.

Section 19. **Dissolution of the District**

The District may be dissolved under the provisions and requirements of Title 32-1-701 thru 710.

Section 20. **Modification of By Laws.**

These By Laws, with a majority vote of the Directors, may be altered, amended or repealed at any regular meeting or at any special meeting of the Board called for that purpose.

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**THE GRAND JUNCTION
RURAL FIRE PROTECTION DISTRICT**

BY LAWS APPROVED APRIL 26, 2005