PAGOSA AREA WATER AND SANITATION DISTRICT BYLAWS

<u>Section 1.</u> **<u>Authority.</u>** Pagosa Area Water and Sanitation District ("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 specifically authorized by, and in compliance with, §32-1-101 *et seq.*, C.R.S. The District was created on March 25, 1977 by court order and is located in the County of Archuleta.

<u>Section 2.</u> **<u>Purpose.</u>** It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

<u>Section 3.</u> **<u>Policies of the Board.</u>** It shall be the policy of the Board of Directors ("Board") of the District, consistent with the availability of revenues, personnel, and equipment, to use its best efforts to provide the quality services as authorized under the District Service Plan or by law.

<u>Section 4.</u> **<u>Board of Directors.</u>** All powers, privileges, and duties vested in, or imposed upon, the District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these Bylaws. The Board may delegate to officers, employees, and agents of the District any or all administrative and ministerial powers.

Without restricting the general powers conferred by these Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

a. To confer upon any appointed officer or employee 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 Bylaws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases, and other documents. The Board may, on a limited basis and by resolution, give a District Manager or other appointed signatory the power to sign contracts and other official documents on behalf of the District.

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 or cause to be prepared financial reports, other than the statutory audit, covering each year's fiscal activities; and such reports shall be available for inspection by the public, as requested.

<u>Section 5.</u> **<u>Office.</u>**

a. <u>Business Office.</u> The principal business office of District shall be at 100 Lyn Avenue, Pagosa Springs, Colorado 81147, until otherwise designated by the Board.

b. Establishing Other Offices and Relocation. The Board, by resolution, may from time to time, designate, locate, and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

Section 6. Meetings.

a. Regular Meetings. Regular work sessions and regular meetings of the Board shall be conducted on the third Thursday of every month at 4:00 p.m. and 5:30 p.m. respectively; held at the District's business office, unless otherwise noticed and posted.

b. Meeting Public. All meetings of the Board, other than executive sessions, shall be open to the public.

c. Notice of Meetings.

   1. Section 6(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 public posting. Written waivers of notice by Board Members are not necessary.

   2. The Board shall adopt a resolution at the first meeting of every calendar year designating the public posting place of the 24-hour notice of meeting and agenda per the requirements of §24-6-402(2)(c), C.R.S.

   3. The Board shall cause to be posted a notice of each designated regular or special meeting in three (3) places within the District boundaries and at the Archuleta County Clerk and Recorder's office no less than seventy-two (72) hours prior to the time of the meeting.

   4. In addition to public posting of notices of meetings, the District shall keep a list of all persons requesting notice of meetings and provide reasonable advance notice to such persons. Once a person requests notice, such person shall remain on the notice list for at least two (2) years unless requested by such person to be removed from said list.

   5. Any one Board Member may request that an item be placed on the agenda for the next regular meeting.

d. Special Meetings. Special meetings of the Board may be called by any member of the Board upon seventy-two (72) hours written notice, which shall be posted in three (3) places within the District boundaries and at the Archuleta County Clerk and Recorder's office.

e. 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:

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 (i.e., majority) present shall be required to go into executive session.

2. Conducting the Executive Session. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. An electronic record (such as an audio tape) of the actual contents of the discussion in the executive session shall be kept. No electronic or other record is necessary to be kept for any portions of the discussion which the District's attorney is present either in person or telephonically and reasonably believes the subsequent discussion constitutes attorney-client privileged communication. The attorney shall so state on the electronic record when any portion of the executive session is not recorded as an attorney-client privileged communication or sign a statement to the same effect.

3. Records of Executive Sessions. The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed. Electronic recordings of the executive session, or transcripts or other reproduction of the same, shall not be released to the general public for review under any circumstances, except as required by law.

f. 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 of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

g. Emergency Meetings. Notwithstanding any other provisions in this Section 6, 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 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.

h. <u>E-mail Meetings.</u> Section 24-6-402(2)(d)(III), C.R.S., requires that certain e-mail between three (3) Directors that discusses pending resolutions or other District business shall be considered a public meeting subject to the requirement of the Colorado Open Meetings Law.

<u>Section 7.</u> <u>Conduct of Business.</u>

a. <u>Quorum.</u> All official business of the Board shall be transacted at a regular or special meeting at which a quorum (*i.e.*, majority) of the Directors shall be present in person or telephonically, except as provided in Section 7.b and Section 8.c.

b. <u>Vote Requirements.</u> 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, those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, agents, and contractors. Such actions shall later be ratified by the Board.

c. <u>Electronic Signatures.</u> In the event the signature(s) of one or more members of the Board or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or e-mail signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing District's consent or authorization to bind the District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

d. Order of Business. The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order after due consideration being given for the convenience of any public in attendance:

1. Reading and approval, or approval as submitted, of the minutes of the previous meeting;
2. Public Comment;
3. Hearings;
4. Reports of officers, committees, and professional consultants;
5. Unfinished business;
6. New business and special orders;
7. Financial considerations;
8. Executive session, as needed (may instead be scheduled at beginning of meeting); and
9. Adjournment.

e. Motions and Resolutions. Each and every action of the Board necessary for the governance and management of the affairs of the District, for the execution of the powers vested in District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S., shall be taken by the passage of motions or resolutions. Any motion raised for Board approval, at which all five Board Members are present and voting, that fails shall not be brought back to the Board for six months.

f. Minute Book. Within a reasonable time after passage, all resolutions, motions, and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose and shall be attested by the Board Secretary. Minutes of regular sessions shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion therefore by the Board. Executive sessions shall be electronically recorded on audio tape or other electronic media, and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions as described in Section 6.e of these Bylaws and shall not be open to the public except as required by law.

Section 8. Elections. Unless otherwise prohibited by laws of the State of Colorado, all District elections shall be conducted by the mail ballot procedure in place at the time of the election.

Section 9. Directors, Officers, and Personnel.

a. Director Qualifications and Terms. Directors shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions with elections held in even numbered years and conducted in the manner prescribed by Articles 1 through 13, Title 1, and Part 8, Article 1, Title 32, C.R.S. Each Director shall sign an oath of office.

b. Faithful Performance Bonds. Each Director shall file with the Clerk of the District Court and the Division of Local Government in the Colorado Department of Local Affairs, at the expense of the District, an individual schedule or blanket surety bond in the sum of not less than $1,000 each, conditioned on the faithful performance of the duties of his/her office. In addition, the Treasurer shall file with the Clerk of the District Court, at the expense of the District, a corporate fidelity bond in a sum of not less than $5,000, conditioned on the faithful performance of the duties of his/her office.

c. Director's Performance of Duties. A Director of the District shall perform all duties of 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 which the Director reasonably believes to be in the best interests 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 l, 2, and 3 of this subsection c. 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 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:

1. One (1) or more officers or employees of the 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 knowledge or expertise; and

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

d. Oath of Office. Each member of the Board, before assuming the responsibilities of his or her office, shall take and subscribe an oath of office in the form prescribed by law.

e. Election of Officers. The Board of Directors shall elect from its membership a Chair and President, Vice Chair and Vice President, Secretary, Treasurer, and Assistant Secretaries and/or Assistant Treasurers who shall be the officers of the Board of Directors and of the District. The Vice President and Assistant Secretaries and/or Assistant Treasurers shall have all powers of the offices of President, Secretary and/or Treasurer as applicable, in the absence of such officers. The officers shall be elected by a majority of the Directors voting at such election. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. 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 (2) years, which term shall expire upon the election of his or her successor or upon his or her reelection to that office.

f. Vacancies. Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next biennial election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.

g. Resignation and Removal. Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.

h. Chair and President. The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all contracts, deeds, notes, debentures, warrants, and other instruments on behalf of the District. The Chair may fully participate in deliberations and actions of the Board by making and seconding motions, providing opinions and voting on all matters. The Vice Chair shall chair any meeting in the absence of the Chair.

i. Vice President. The Vice President is authorized to perform the duties of the President, Secretary, or Treasurer in the absence of such officers. The Vice President is at all times authorized to sign all contracts, deeds, notes, debentures, warrants, checks, and other instruments on behalf of the District

j. Secretary. The Secretary shall perform all duties incident to that office. The Secretary shall have the authority to affix the official seal to and attest to all contracts and instruments authorized to be executed by the Board. The Office of Secretary may be combined with the Office of Treasurer by vote of the Board.

k. Treasurer. The Treasurer shall perform all duties incident to that office. The Treasurer may be chairman of the Budget Committee and of the Audit Committee. The Office of Treasurer may be combined with the Office of Secretary by vote of the Board.

l. In the event that dual signatures of District officers are required on any instrument, then two (2) different officers shall sign such instrument.

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 visual text format that may be transmitted electronically, 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.

n. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the Bylaws or rules and regulations of District, by law, or by special exigencies, which shall later be ratified by the Board.

o. Manager. The Board shall employ a District Manager to serve for such term and upon such conditions, including compensation, as the Board may establish. Such manager, administrator, or designee(s) shall have general supervision over the administration of the affairs, employees, and business of the District and shall be charged with the hiring and discharging of employees and the management of District properties. The Manager shall be the designated election official of the District, unless otherwise determined by the Board. The Manager shall specifically be responsible for the records of the District; may act as Recording Secretary at meetings of the Board and record all votes; and shall be responsible for composing a record of the proceedings of the Board in a visual text format that may be transmitted electronically, which shall be an official record of the Board. The Manager 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; and shall deposit or cause to be deposited the same in the name of the District in such banks or savings associations as the Board may select. The Manager or designee will approve all vouchers, orders and checks for payment, and shall keep or cause to be kept regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of his or her duties as the Board may designate. The Manager or designee shall provide annual safety training for all employees. The Manager shall keep or cause to be kept documentation of said training including, but not limited to, curriculum, attendance sheets with date(s) and time(s) of said safety training, and any and all receipts for payments for said safety training. The Manager shall also provide an annual review of the safety program to Board of Directors. The Manager's expenditure limit for non-emergency, non-budgeted Capital Improvement Projects is $30,000.00. The Board may delegate such additional powers and duties to the Manager as it deems appropriate.

p. The Board desires that either the District Manager possess the following engineering and accounting qualifications or the District Manager employ individuals with the following qualifications:

1. Engineer: 5+ years of experience, including a proven, technical abilities to plan, analyze and design water and wastewater facilities (distribution, collection and treatment). Must have knowledge of the Clean Water Act, Safe Drinking Water Act, Colorado rules and regulations related to water and wastewater treatment. Must have the ability to manage projects schedule and budget and research issues related to wastewater and water resources that impact production. Must have a Bachelor's of Science in Civil, Environmental or Mechanical Engineering from an accredited college/university and a Colorado Engineering license in good standing.

2. Comptroller: 5+ years of experience, including a proven, extensive record of leadership in managing finances, accounts payable, payroll and operational processes of governmental fund accounting. Comptroller must have a minimum of a Bachelor's degree in Accounting or Business/Finance from an accredited college/university and a Colorado Certified Public Accounting license/certification in good standing.

q. Personnel Selection and Tenure. The selection of the Manager, agents, engineers, accountants, 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, and they shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, 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 1st of each year and end on December 31st.

b. Budget Committee. There shall be a permanent Budget Committee composed of the Treasurer, at least two other members of the Board appointed by the President up to and including a committee of the whole, and the District Manager or designee, which shall be responsible for preparation of the annual budget of the District and such other matters as may be assigned to it by the President or the Board.

c. Budget. On or before October 15th of each year, the Budget Committee shall prepare and submit 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 budget plan and by a general summary wherein shall be set forth the aggregate features of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects, and funds. The anticipated income of the District shall be classified according to the nature of receipts.

d. Notice of Budget. Upon receipt of the 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 at a public hearing 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 law.

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 the District and the probable income of the District. The Board shall then adopt a budget, either immediately following the budget hearing or at a later date and time to be set by the Board, setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budgeted expenditures with special consideration given to the proposed *ad valorem* property tax levy.

f. Levy and Collection of Taxes. On or before December 15th of each year, unless an election for an increased operating tax levy is held, the Board shall certify to the Board of County Commissioners of the county or counties in which the District is located 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 upon the assessed valuation of all taxable property within 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 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 adopted budget.

2. 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.

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 the 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 Section shall be void *ab initio*, and no District funds shall be expended in payment of such contracts.

j. Contingencies.

1. In cases of emergency caused by a natural disaster, public enemy, or other contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a two-thirds (2/3) vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such 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 Department of Local Affairs and shall be published in compliance with statutory requirements.

k. 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, 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 provided by law, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other lawful and approved method.

l. Annual Audit.

1. The Board shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year. In all events, the audit report must be submitted to the Board within six (6) months of the close of such fiscal year or as otherwise allowed by law. 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 fiscal 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 any violation of Colorado law pursuant to statutory requirements.

2. There shall be a permanent Audit Committee composed of the Treasurer, a minimum of one member of the Board appointed by the President, and the District Manager or designee. The Audit Committee shall be responsible for the appointment, compensation, selection (to be approved by the Board), retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services for the District. The Audit Committee may delegate its authority to qualified members of staff to engage such independent accountants and assist with preparation and oversight of the auditing process. The Audit Committee may, as necessary and to the extent of its ability, provide independent review and oversight of the District's financial reporting processes, internal controls, and independent auditors. All accountants thus engaged shall report directly to the Audit Committee.

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

4. A copy of the audit report shall be forwarded to the State Auditor or other appropriate State official pursuant to statutory requirements.

m. Revenue Bonds or Loans. The Board shall not issue any new revenue bonds or acquire loans without a public vote and the approval of a majority of the rate payers who participated in the vote. Bonds or loans necessary to meet state mandates will not be subject to this provision.

Section 11. 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 keep, or cause to be kept, the seal and shall be responsible for its safe keeping and care.

Section 12. Disclosure of Conflict of Interest. A potential conflict of interest of any Director 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 13. Compensation. Each Director shall receive the compensation authorized by the Board, not to exceed that authorized by state law. No Director shall receive compensation as an employee of the District, except as may be provided by statute.

Section 14. 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, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as further set forth in an indemnification resolution.

Section 15. Bidding and Contracting Procedures. A notice shall be published for sealed bids on all construction contracts for work or material, or both, involving an expense of $60,000 or more of District funds. The Board 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 in accordance with law. Notwithstanding the foregoing, the District may award an integrated project delivery (i.e., "design/build") contract upon (i) the determination of the Board that integrated project delivery represents a timely or cost-effective alternative to the "design/bid/build" process of bidding and constructing a project; (ii) publication of a request for qualification and/or request for proposals; and (iii) compliance with Part 18 of Article 1, Title 32, C.R.S. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with by bidding entities and the District. The District Manager or designee shall be present at all sealed bid openings. In recognition of "best value" attributable to knowledge and/or experience with local conditions, the District and its systems, or other unique aspects of the contract in question, the Board will give preference those entities that can best demonstrate these qualities. Preference will also be given to those bidding entities that can demonstrate the most expedient response time for questions and or issues regarding a project.

Section 16. Records Management. The District shall comply with, and adopt and maintain policies as necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records law, and various consumer privacy legislation. The District Manager is hereby designated as the Official Custodian of Records pursuant to the Open Records Act. In the event there is any question as to whether the District is permitted to comply with an Open Records Act request, the Custodian of Records shall forward such request to the District's legal counsel. Pursuant to §24-72-205, C.R.S., copies of records shall be furnished to whomever requests same at a cost of $.25 per standard page or the actual cost of compiling and providing copies, including, but not limited to actual staff time and actual duplicating costs.

Section 17. **Modification of Bylaws**. These Bylaws may be altered, amended, or repealed at any regular or special meeting of the Board called for that purpose at which all Board Members are present in person or telephonically to become effective immediately or at a subsequent date.

Section 18. **Severability.** If any part or provision of these Bylaws is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of these Bylaws, it being the Board's intention that the various provisions hereof are severable.

REVISED AND RE-ADOPTED this 19th day of April, 2018, by the Board of Directors of Pagosa Area Water and Sanitation District.