

**PAINT BRUSH HILLS METROPOLITAN DISTRICT**  
**BY-LAWS**

Adopted by the Board of Directors: July 16, 2020

## **PAINT BRUSH HILLS METROPOLITAN DISTRICT BY-LAWS**

**SECTION 1. Authority.** Paint Brush Hills Metropolitan 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, Section 32-1-101 et seq., C.R.S. The District was created by court order in 1986 of the El Paso County District Court and is located in the County of El Paso.

**SECTION 2. Purpose.** It is hereby declared that the By-Laws hereinafter set forth will serve a public purpose.

**SECTION 3. Policies of the Board.** 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 sanitary sewer, water facilities, storm sewer and drainage, streets, street lights, traffic signals, bridges, mosquito control, safety protection and park and recreation, as authorized under the District's 1986 Service Plan, as modified in 2005, or by law.

**SECTION 4. 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 the Board, 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.

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:

- 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 such reports, if requested, shall be submitted to the Board and made available for inspection by the public.

### **SECTION 5. Office.**

- a. **Business Office.** The principal business office of the District shall be at 9985 Towner Avenue Falcon, CO 80831, Colorado, 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 meetings of the Board shall be held on the third Thursday of each month at 7:00 p.m. at the business office, unless otherwise noticed and posted.

- b. Meeting Public.** All meetings of the Board, other than executive sessions duly called pursuant to Colorado open meetings law, shall be open to the public.
- c. Notice of Meetings.** The meeting date schedule shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board, other than the permanent posting. Written waivers of notice by Board members are not necessary.
- d. Special Meetings.** Special meetings of the Board may be called by any one member of the Board upon twenty-four (24) hours written notice, which shall be posted in accordance with the Colorado Open Meetings Law, Section 24-6-402, C.R.S.
- e. No Informal Action by Directors.** All official business of the Board shall be conducted at regular or special meetings.
- f. Executive Sessions.** All matters concerning personnel, litigation and real estate acquisitions will be addressed in executive session of the Board, unless otherwise provided. By a two-thirds (2/3) majority vote, the Board may enter an executive session in strict compliance with the provisions of Section 24-6-402(4), C.R.S. All executive sessions must be electronically recorded, (See also 7(e) below) with the exception of executive sessions called for the purposes of receiving legal advice when the attorney provides a written certification in lieu of the electronic recording.
- 1. Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion and the specific statutory subsection of 24-6-402, C.R.S., that authorizes the executive session, shall be cited. The Board may convene an executive session only during a regular or special meeting and only for the purposes, as established by law: 1) purchase, lease or sale of any real, personal, or other property interest; 2) conferences with an attorney for the District for the purpose of receiving advice on specific legal questions; 3) matters required to be kept confidential by federal or state laws; 4) specified details of investigations; 5) determination of positions subject to negotiation strategy and instructing negotiators; 6) personnel matters, except the employee who is the subject of the session must be offered an opportunity for an open meeting or, if the matter involves more than one employee, all such employees must be offered an opportunity for an open meeting; in either instance, if the employee or employees desire public discussion, their choice must be respected; and 7) consideration of any documents protected by mandatory non-disclosure provisions of the "Open Records Act." 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. The Minutes of the meeting shall reflect when the Board convenes the executive session, the specific purpose thereof, and when the regular meeting is reconvened.
  - 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. A record of the actual contents of the discussion in the executive session shall be created by use of an electronic recording device. No record is to be kept for any portions of the discussion which the District's attorney reasonably believes constitute "Attorney-Client" privileged communication. If minutes of the executive session are electronically recorded, the attorney shall state on the record when any portion of the executive session is not recorded as an "Attorney-

Client” privileged communication. The attorney shall sign a statement in the Minutes to the same effect when any portion is not recorded as an “Attorney-Client” privileged communication.

3. **After Executive Session.** Upon leaving executive session, which shall be accomplished by motion, second and vote, the President, or presiding officer, shall announce the session ended and shall affirm for the record that no decisions were made and no votes taken during the session. The recording of any executive session shall be retained by the District as required by law and then destroyed or erased. Recordings of the executive session shall not be released to the general public for review under any circumstances, except as required by law or a Court with appropriate jurisdiction. Such recordings must be stored for ninety (90) days before being destroyed.

**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 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.

**h. Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called by the President 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 meetings 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 an emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.

## **SECTION 7. Conduct of Business.**

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

**b. Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. No Director shall be entitled to abstain from voting except when disqualified by potential conflict of interest. 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, agents and contractors. Such actions shall later be ratified by the Board.

**c. Electronic Signatures.** 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 By-laws 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:

1. Administrative Matters
  - 1.1. Pledge of Allegiance
  - 1.2. Disclosure of Potential Conflicts of Interest
  - 1.3. Roll Call
  - 1.4. Approval of Agenda
  - 1.5. Public Comments (limited to 3 minutes per person and taken in order as listed on the sign-in sheet.)
  - 1.6. Approval of minutes of the previous meeting.
2. Consent Agenda. These items are considered to be routine and will be approved and/or ratified by one motion. There will be no separate discussion of these items unless a Board member so requests, in which event, the item will be removed from the Consent Agenda and considered in the regular Agenda.
  - 2.1. Reports of officers, committees and professional consultants.
  - 2.2. Action Items/ prior Board Meeting Minutes/ Payment of Claims.
  - 2.3. Accept Action Items.
  - 2.4. Approve/ratify the payment of claims for the month end period.
  - 2.5. Review and Discuss resolutions, reports, rules or other business.
3. Public Hearings, as needed.
4. Engineering Matters.
5. New business and special orders.
6. Legal Matters.
7. Subdistrict A matters.
8. Executive session, as needed; and
9. Adjournment.

**e. Motions and Resolutions.** Each and every action of the Board necessary for the governance and management of the affairs of 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.

**f. Minute Book.** Within a reasonable time after passage, all resolutions, motions and minutes of Board meetings shall be recorded in a book kept for that purpose and shall be attested by the 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 electronically recording or reproduction of the same

shall be kept separate from minutes of regular sessions as described in Section 6(f) of these By-laws and shall not be open to the public except as required by law.

**g. Policies, Procedures and Rules of Conduct Manual.** The Board may adopt a Conduct Manual setting forth policies, procedures and rules of conduct of the Board. In the event of any conflict between terms of such Manual and either of these By-Laws or State law, these By-Laws or the State law shall control.

## **SECTION 8. Directors, Officers and Personnel.**

**a. Director Qualifications and Terms.** Directors shall be eligible electors of the District and as defined by statute, either a resident, a property owner, or spouse or civil union partner of a property owner on the date of self-nomination or appointment. The term of each Director and time of elections shall be determined by relevant statutory provisions, and all elections conducted in the manner prescribed by Articles 1 through 13.5, Title 1, C.R.S. and all laws supplemental and amendatory thereof.

**b. Oath of Office.** Each member of the Board, before assuming the responsibilities of his office, shall take and subscribe an oath of office in the form prescribed by law within thirty (30) days of being elected or appointed.

**c. Faithful Performance Bonds.** Each Director shall furnish, 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 furnish, 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.

**d. 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 1, 2 and 3 of this subsection d. 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 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 By-Laws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

**e. Election of Officers.** The Board of Directors shall elect from its membership a President, Vice President, Secretary, Treasurer, and one Assistant Secretary and/or Assistant Treasurer who shall be the officers of the Board of Directors and of the District.

1. The President shall be the President of the Board, and shall preside at all meetings. In the absence of the President, the Vice President shall preside at

all meetings.

2. The Assistant Secretary and/or Assistant Treasurer shall have all powers of the offices of Secretary and/or Treasurer as applicable, in the absence of such officers.
  3. 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 in accordance with Article 13.5, Title 1, C.R.S. Each officer so appointed 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.
- 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. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election.
- g. **Absences, Resignation, and Removal.** All absences of Directors from regular meetings shall be noted in the Minutes of such meetings, and such absences shall be noted as "excused" or "unexcused" in the Minutes. Excused absences for a Director shall be those absences from attendance at a regular Board meeting when a Director shall provide actual or telephone notice of and the reason for such absence to the Board President or other Board member no later than 6:00 p.m., on the day of such meeting.
1. In the case of an absence for which no notice was provided, a Director may request an "excused absence" for reasons of illness, disability or circumstances beyond the control of the Director by asking the Board for such excused absence, to be approved by vote of the Board. A Board position will shall be deemed vacant following there (3) consecutive, "unexcused" absences from regular Board meetings.
  2. 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.
  3. Directors may be removed from office only by recall as prescribed by statute.
- h. **President.** The President shall preside at all meetings. The President of the Board of Directors 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 President has the responsibility to delegate these responsibilities to any of the other Board members or staff.
- i. **Vice President.** In the absence of the President the Vice President shall preside at all meetings. The Vice President shall have the authority to make all management or administrative decisions regarding District matters. The Vice President is also authorized to sign all contracts, deeds, notes, debentures, warrants, checks, and other instruments on behalf of the District.
- j. **Secretary.** The Secretary shall be responsible for the records of the District; may act as Secretary at meetings of the Board and record all votes; shall be responsible for composing a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to that office. The Secretary shall be the Designated Election Official (DEO) of the District, unless otherwise determined by the Board, and the custodian of the seal of District. The Secretary shall have the authority to affix such

seal to and attest all contracts and instruments authorized to be executed by the Board.

- k. **Treasurer.** The Treasurer shall be authorized to invest all surplus funds or other available funds of the District in permitted investments authorized by law or as specified by the Board. 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 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, conditioned on the faithful performance of the duties of the Treasurer's office.
- l. **Vice Presidents and Assistant Secretary and/or Treasurer.** The Vice President and Assistant Secretary and/or Treasurer shall have all powers of the offices of Secretary and/or Treasurer, as applicable, in the absence of such officers. The Vice President and Assistant Secretary and/or Treasurer are also authorized to sign all contracts, deeds, notes, debentures, warrants, checks, and other instruments on behalf of the District. In the event that dual signatures of District officers are required on any instrument, then two 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 will be responsible for recording all votes and composing a record of the proceedings of the Board in the minute book. 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 By-Laws or rules and regulations of District, by law, or by special exigencies, which shall later be ratified by the Board.
- o. **Manager or Administrator.** The Board may appoint a manager or contract with an administrator to serve for such term and upon such conditions, including compensation, as the Board may establish. Such manager or administrator 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. Such manager or administrator shall have the care and custody of the general funds of the District and shall deposit the same in the name of District in such banks or savings associations as the Board' may select. Such manager or administrator will approve all vouchers, orders and checks for payment, and shall keep regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of its duties as the Board may designate.
- p. **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.

"Employment at will" shall remain the official policy of the Board with respect to all employees hired, unless the Board approves an express written employment



contract.

- q. **Consultant Selection.** The selection of consultants and independent contractors 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. Contracts for professional services may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

#### **SECTION 9. 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 Committee.** There shall be a permanent Budget Committee composed of the Treasurer, a member of the Board appointed by the President, and the administrator, 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 setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance expenditures in the budget with special consideration given to the proposed 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 El Paso 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 will 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 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 adopted budget. The appropriated amount shall be the maximum amount of funds permitted to be expended in the applicable fiscal year, unless a budget amendment is authorized pursuant to the Local Government Budget Law, § 29-1-101, *et seq.*, C.R.S.
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 this Section shall be void *ab initio*, and no District funds shall be expended in payment of such contracts, except as follows:

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 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 State Department of Local Affairs and shall be published in compliance with statutory 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, 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.

**k. Annual Audit.**

1. Provided the District is not exempt from audit under State law, 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 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 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 State law pursuant to statutory requirements.

2. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.
3. A copy of the audit report shall be forwarded to the Colorado State Auditor or other appropriate State official pursuant to statutory requirements.

- I. **Checks.** Each check issued on behalf of the District in excess of \$5,000 shall be specifically approved by the Board and signed by two authorized signers.

**SECTION 10. 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 11. Disclosure of Conflict of Interest.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.

- a. **Compensation.** If the Board consents to and budgets for board compensation, each Director may receive the maximum compensation per meeting attended, as authorized by statute per meeting attended, unless otherwise determined by the Board. Directors shall not receive any other compensation as an employee of the District except as may be provided by state statute.
- b. **Disclosure of Conflict of Interest.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3) and 18-8-308, C.R.S.

**SECTION 12. Board Members as Employees.** No Board member shall be employed by the metro district.

**SECTION 13. 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 more fully defined by law or by an indemnification resolution. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, Sections 24-10-101, *et seq.*, C.R.S.

**SECTION 14. Bidding and Contracting Procedures.** 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 \$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. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

- a. A Notice or Invitation to Bid shall be prepared and published in accordance with statutory directive.

b. The Board retains the right, at its sole discretion, to reject any or all proposals, to determine the proposal and subcontractors that will serve the best interests of the District, and to determine the proposal and sub-contractor that are most responsible to perform the work.

1. Bids shall be accompanied by an acceptable bidder's bond, or a certified check payable to District, in an amount equal to 5% of the bid. If, within the time designated in the Notice of Award, the contract is not executed and, if required, a Payment and Performance Bond and Certificates of Insurance are not provided, District shall keep the bid bond as liquidated damages, and assess such other damages as District may determine.
2. A Payment and Performance Bond shall be required for contracts over \$50,000, and are discretionary with the Board under that amount.
3. For all contracts over \$150,000, five (5) percent of all pay estimates shall be withheld during the construction until the work has been fully performed.

c. As an alternative to hiring an architect or engineer to design a project, if the Board makes a determination that an integrated projected delivery ("IDP") contract would represent a timely or cost-effective alternative for a public project, the Board may:

1. Pre-qualify contracting entities by publishing a notice of a "request for qualifications" (RFQ) that may include: a description of project; general budget considerations; specific criteria; evidence of competency/experience and capabilities, evidence of all required registrations/credentials to provide the services; and the criteria for prequalification. If an RFQ is published, then the Board must select and prepare a short list of entities that it considers to be most qualified.
2. A request for proposals (RFP) shall then be sent to those on the short list, or, if no RFQ has been done, then the RFP shall be published/advertised. The RFP may contain: procedures to be followed for submitting proposals; criteria for evaluation of proposals; procedures for making the award; required performance standards; description of the drawings, specs, or other submittals to be provided; relevant budget considerations; proposed schedule; and the stipend, if any, that will be paid to those on the short list who are not selected if an RFQ is utilized.
3. Prequalification is not required, but if an RFQ is published, then the Board must select and prepare a short list of entities that it considers to be most qualified. The Board may then select the proposal that is in the best interests of the District.
4. Other than the public bid requirement (which the IDP replaces if utilized), all other construction laws are applicable to a district construction project (e.g., performance bonds, notice of final settlement, etc.).

**SECTION 15. Non-Discrimination Policy.** The District prohibits harassment against anyone (including any employee, personnel, or District official) based on the individual's race, color, gender, national origin, religion, disability, age, marital status, military service or veteran status, or based on those aspects of an individual's relatives, friends, or associates.

**SECTION 16. Modification of Bylaws.** These Bylaws may be altered, amended or repealed by a two-thirds (2/3) majority vote of the Board at any regular or special meeting of the Board to become effective immediately or at a subsequent date.

**SECTION 17. 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.

ADOPTED this July 16, 2020, by the Board of Directors of Paint Brush Hills Metropolitan District.

Rebecca E. Foralls

President

Melissa Burt  
vice president

Russell W. Lawrence

TREASURER

Cheryl Oj  
SECRETARY

Paul Ford  
ASSIST. SECRETARY