

EXHIBIT A
BYLAWS OF THE BOARD OF DIRECTORS
BERKELEY WATER AND SANITATION DISTRICT
(Adopted September 12, 2018
Amended May 18, 2023)

I. AUTHORITY; PURPOSE; OFFICES

Section 1. Authority. The Berkeley Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers that were given to pre-1965 special districts or are specifically authorized by, or necessary, incidental to, or implied from, the Colorado Special District Act, §§ 32-1-101, *et seq.*, C.R.S. or other statutory authorization. The District was created by court order on February 9, 1961, and is located in the Counties of Adams and Jefferson, State of Colorado.

Section 2. Purpose. It is hereby declared that these Bylaws will serve a public purpose, to provide the Board of Directors of the District (“Board”) with a consistent set of operating procedures.

Section 3. Policies of the Board. It shall be the policy of the Board, consistent with the availability of revenues, personnel or consultants, and equipment, to use its best efforts to provide the quality services as authorized by law.

Section 4. Changes in the Law. In the event that any statute referenced herein is amended, or new statutes are adopted, the amended or new statute shall govern over the provisions stated herein, in the event of a conflict.

Section 5. Office.

a. Business Office. The principal business office of District shall be:

4455 West 58th Avenue, Suite A
Arvada, CO 80002
Telephone (303) 477-1914
berkeleywater@gmail.com
<http://berkeleywatersanitation.com/>

b. Establishing Other Offices and Relocation. The Board may from time to time by motion and without amending these Bylaws designate, locate or relocate its business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

II. BOARD OF DIRECTORS

Section 6. Powers of the 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 Bylaws unless delegated by the Board.

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 a District Manager the power to choose, remove or suspend agents or employees upon such terms and conditions as may seem fair, just and in the best interests of the District and consistent with any contractual obligations of the District.
- b. To determine and designate, except as otherwise provided by law or these Bylaws, who shall be authorized to make purchases and sign receipts, endorsements, checks, releases and other documents. The Board may give the District Manager or other appointed signatory the power to sign specific contracts and other official documents on behalf of 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.

Section 7. Meetings.

- a. Regular Meetings. Regular meetings of the Board shall be conducted on the second Wednesday of each month at 6:00 p.m. at the District's office at 4455 West 58th Avenue, Suite A, Arvada, CO 80002, unless otherwise posted.
- b. Meetings are Public. All meetings of a quorum of the Board, at which the adoption of any proposed policy, position, resolution, rule, regulation or other formal action occurs or could occur, other than executive sessions, shall be open to the public, and the Board shall comply with Section 24-6-401, *et seq.*, C.R.S.
- c. Notice of Meetings. Section 7.a. above shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board other than the 24-hour agenda notice as required by law, which shall be provided on the District's public website. In the event that the District is unable to post a notice online in exigent or emergency circumstances, such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, agenda notice shall be posted at the designated public place within the boundaries of the District specified in the annual posting place resolution. Written waivers of notice by Board members are not necessary.

- d. Special Meetings. A special meeting is any meeting of the Board other than a regular meeting or an emergency meeting, including a) a change in the time or place of a regular meeting; b) an additional meeting held after a cancelled or postponed regular meeting; or c) a meeting in addition to the regular meetings. Pursuant to Section 32-1-903(2), C.R.S., special meetings of the Board may be called by any one member of the Board by informing the other Board members of the date, time and place of such special meeting, and the purpose for which it is called, and upon 24 hour-agenda notice posted in compliance with the Board's annual posting place resolution. A special meeting may be held only if there is a quorum of Board members in attendance (in person, virtually or via telephone). In the event of an emergency, an emergency meeting may be called on shorter notice, as provided in Section 7.h below.
- e. No Informal Action by Board members. All official business of the Board shall be conducted at regular or special meetings.
- f. Executive Sessions. 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 statutory citation 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 or more of the quorum present shall be required to go into executive session.
 - (2) Conducting the Executive Session. No adoption of any policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. Discussion in executive session shall be limited to the reasons for which the executive session was called. Except for attorney-client privileged discussions, an electronic record of the actual contents of the discussion in the executive session shall be made. Permitted purposes for an executive session include:
 - i. Section 24-6-402(4)(a), C.R.S., concerning the purchase, acquisition, lease, transfer or sale of any property interest, whether real, personal, or other.
 - ii. Section 24-6-402(4)(b), C.R.S., conference with an attorney for the District for the purposes of receiving legal advice on specific legal questions.
 - iii. Section 24-6-402(4)(c), C.R.S., matters required to be kept confidential by federal or state law or rules and regulations.

The basis for asserting confidentiality must be cited and announced.

- iv. Section 24-6-402(4)(d), C.R.S., specialized details of security arrangements or investigations.
- v. Section 24-6-402(4)(e), C.R.S., determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.
- vi. Section 24-6-402(4)(f), C.R.S., personnel matters:

EXCEPTION: The employee who is the subject of the executive session must be notified of the executive session and the general topic of discussion in advance of the executive session and may request the discussion occur in an open meeting. If the personnel matter involves more than one employee, all of the employees must agree on an open meeting before it will be open. Personnel matters do not include discussion of members of the Board, nor do they include discussion of general personnel policy.

- vii. Section 24-6-402(4)(g), C.R.S., consideration of any documents protected by the mandatory non-disclosure provisions of the Colorado Open Records Act, Section 24-72-201, *et seq.*, C.R.S.

(3) Records of Executive Sessions. The electronic record of any executive session shall be retained for ninety 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 except as required by law.

- g. Continuance of Meetings. When a regular or special meeting is continued to another time and place for any reason, notice need not be given of the continued meeting. However, 24-hour agenda notice is required in compliance with the annual posting place resolution. At the continued meeting, any business may be transacted that could have been transacted at the original meeting.
- h. Emergency Meetings. In the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare, or the property owners and electors of the District, the Board may meet without notice, if notice is not possible. 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 the next properly noticed meeting of the Board. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, it shall be deemed rescinded as of the date of such subsequent meeting.

- i. Meetings Conducted By Telephone Conference or Other Electronic Means. To the extent that the conditions warrant conducting a regular or special meeting by electronic means, the Board may do so as long as the meeting is properly noticed and the public is permitted to attend the meeting. A Board member may attend and participate by electronic means in a regular or special meeting that is held in person if a majority of the Board deems such participation to be appropriate, provided the Board member can effectively listen, speak, and participate.

Section 8. Conduct of Business.

- a. Quorum. All official business of the Board shall be transacted at a properly noticed meeting at which a quorum of the Board is present, whether in-person, by telephone, or by other electronic means. A quorum is usually three Board members but may be fewer if there is a vacancy on the Board. A quorum must always more than one-half (1/2) of the number of Board members currently serving on the Board.
- b. Vote Requirements. Except as allowed in Section 7(h) for emergencies, any action of the Board requires the affirmative vote of a majority of the Board members present, except for entering an executive session, which requires a two-thirds vote.
- c. Order of Business. The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order, but no action shall be invalid or set aside because it was taken in a different order:
 - (1) Call to order
 - (2) Approval of agenda
 - (3) Comments from the public
 - (4) New Business
 - (5) Approval, or approval as revised, of the minutes of the previous meeting
 - (6) Accounts past due and Treasurer's report
 - (7) Approval of cash disbursements
 - (8) Legal report

- (9) Engineering report
 - (10) Metro Wastewater update
 - (11) Manager's Report
 - (12) Maintenance Report
 - (13) Executive session, as needed
 - (14) Adjournment.
- d. Motions and Resolutions. Formal action of the Board shall be done by the passage of motions or resolutions.
- e. Minutes. Within a reasonable time after passage, all resolutions and minutes of Board meetings shall be attested by the Secretary and stored as required by law. Minutes of regular or special meetings shall be available for public review as soon as practicable, following acceptance of the minutes by adoption of a motion therefore by the Board.
- f. Rules of Order. Meetings may be conducted using Roberts Rules of Order as a guide; however, no Board action shall be set aside for failure to comply with Roberts Rules of Order.
- g. Agenda Setting. The District Manager together with the Board Chair determine the agenda for Board meetings. If a member of the public would like to request that an item be placed on the agenda, they may do so in writing to the District Manager along with written materials related to the agenda item at least one week prior to the scheduled meeting. The District Manager, in consultation with the Board Chair, will determine in their discretion whether to place such item on the agenda.
- h. Statement of Decorum. The Board Chair or another Board member will read the following Statement of Decorum at the beginning of the public comment session at any meeting where members of the public are invited to speak.

In order for the business of the Board to be conducted in the most effective and expeditious manner, it is necessary that all persons present maintain a demeanor of civility toward the Board, staff, and each other. Shouting, speaking out of order, or the use of offensive gestures are not acceptable.

The Board Chair has the authority to interrupt, warn, or terminate a participant's statement when the statement is too lengthy, abusive, obscene, or irrelevant. You may be asked to leave the meeting if you are not observing reasonable decorum.

If needed, the Board may request the assistance of law enforcement when a person's conduct violates this policy and interferes with the orderly progress of the meeting. The Board may call a recess when the lack of public decorum so interferes with the orderly conduct of the meeting as to warrant a recess to restore order.

- i. Public Comments. When permitted, public comments are limited to three (3) minutes per speaker. Public comment time limitations will be noted on the agenda. Members of the public may comment on items (other than items listed on the agenda for a public hearing, which should be addressed during the public hearing), during the public comment session of regular meetings, in accordance with the statement of decorum. Speakers are encouraged not to repeat comments that have already been made. The Board typically will not take action on a new item raised during public comment session at the meeting where it is raised. If a speaker exceeds three (3) minutes, the Chair may ask the speaker to stop speaking and may move on with the agenda. A citizen who continues speaking after a request to stop may be considered out of order and may be muted in an electronic or telephonic meeting, asked to leave the meeting, or removed from the meeting in accordance with section 8(h) above.

Section 9. Board Member Qualifications and Terms.

- a. Board Member Qualifications. Board members must be eligible electors of the District, as defined in Section 32-1-103(5), C.R.S., *i.e.*, a registered voter of the State of Colorado who:
 - (1) Resides within the boundaries of the District;
 - (2) Owns (or whose spouse or civil union partner owns) taxable real or personal property within the District; or
 - (3) Has a contract to purchase such taxable property with the District, which obligates them to pay taxes.
- b. Term. The term of each Board member is determined by relevant statutory provisions, with elections held in May of even-numbered years through 2022, then May of 2023, and odd-numbered years thereafter. Elections are conducted in the manner prescribed by Article 13.5, Title 1 and Part 8, Article 1, Title 32, C.R.S., as amended, or other relevant law. Each Board member shall take an oath of office to faithfully perform the duties of office as required by law and support the constitution of the United States, the Colorado constitution and the laws made pursuant thereto, in accordance with Section 32-1-901(1), C.R.S., as amended.
- c. Faithful Performance Bond. Each Board member shall furnish, at the expense of the District, an individual, schedule or blanket surety bond or

crime insurance policy in the sum of not less than \$1,000 each, conditioned on the faithful performance of the Board member's duties. 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 Board member's duties.

- d. Board Member's Performance of Duties. A Board member shall perform all duties of a Board member, including duties as a member of any committee of the Board upon which the member may serve, in good faith, in a manner that the Board member reasonably believes to be in the best interests of the District, and with such care as an ordinarily-prudent person in a like position would use under similar circumstances.
- e. Absences. In the event a Board member is absent from a meeting, the Board may excuse the absence by motion and shall enter upon its minutes if an absence is excused. If a Board member fails to attend three consecutive regular meetings of the Board without such absences being excused, the office shall be deemed vacant pursuant to law and such additional absence(s) will be excused for temporary mental or physical disability or illness.
- f. Vacancies. Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Board, as prescribed by law, with the appointee to serve until the next regular election, as prescribed by law. The appointed individual must meet the statutorily prescribed qualifications for Board member and take the oath of office and shall serve until the next regular election.
- g. Discipline of Board members. The Board of Directors has an inherent right to discipline its own members for actions, behavior and conduct that the Board determines to be inappropriate. The Board of Directors further acknowledge the need to establish a disciplinary system that affords an accused member a fair hearing and due process. Discipline of the Board by the Board may include, without limitation and by majority vote, public censure, removal from committee and leadership positions for a specific time period, and a public request that the member resign from public office. Board members acting in their individual capacity may support or request another member's recall.
- h. Resignation and Removal. A Board member may be removed from office only by recall as prescribed by law. A Board member's office will be deemed vacant as set forth in Section 32-1-905(1), C.R.S., upon a finding that a Board member ceases to be qualified for office, fails to attend three or more consecutive regular meetings (without such absences being excused by the Board), or is convicted of a felony. A Board member may resign at any time by giving written notice to the Board.

Section 10. Officers.

- a. Election of Officers. The Board of Directors elects from its membership a Chair, Vice-Chair, Secretary, and Treasurer who shall be the officers of the Board of Directors and of the District. The Vice-Chair shall have all powers of the Chair in the absence of the Chair. The officers shall be elected annually by the Board in May, following the regular election, if any. Each officer will serve until a replacement officer has been elected or until the officer is no longer a member of the Board of Directors of the District.
- b. Chair. The Board Chair is president of the District and is authorized to sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District. The Chair is authorized to vote on official actions of the Board.
- c. Vice-Chair. In absence of the Chair, the Vice-Chair shall preside at all meetings. The Vice-Chair is vice-president of the Board and, in the absence of the Chair, is authorized to sign all contracts, deeds, notes, debentures, warrants, checks and other instruments on behalf of the District.
- d. 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; and shall perform all duties incident to that office. The Secretary shall be 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.
- e. Treasurer. The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of District in permanent records.
- f. Recording Secretary. The District Manager will serve as recording secretary, who shall be responsible for recording all votes and composing a record of the proceedings for the Board in the minutes 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.
- g. Metro Representative. The Board shall appoint a Board member to serve as the official representative to Metropolitan Wastewater Reclamation District.
- h. 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.

Section 11. Confidentiality. Board members, employees and contractors are prohibited from distributing (or disclosing the information contained in) confidential documents or discussions provided to or accessible to them, whether in executive session or in a confidential setting or otherwise. The District has adopted a Public Records Policy, and individuals desiring to obtain public records from the District are required to submit a written request to the District for such documents. In the event of a question as to whether information is confidential, the District's legal counsel shall be consulted. In the event of improper disclosure of confidential information, the Board may take any actions permitted by law.

Section 12. Conflict of Interest; Disclosure. A potential conflict of interest of any Board member shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902 and 18-8-308, C.R.S. Board members shall act in the interests of the District as a whole and shall protect the interests of the District when entering into a transaction, contract or arrangement. Any transaction, contract or arrangement that may benefit a private interest of a Board member, manager or employee, or that may have the appearance of doing so, shall be disclosed. As appropriate, the Board member shall recuse themselves from discussion, consideration, or voting on matters involving a conflict of interest. No Board member may use their position with the District, or confidential information obtained within the scope of serving the District, to achieve a financial benefit for themselves or for a third person, including another nonprofit or charitable organization. This policy is in addition to applicable laws governing conflicts of interest.

Section 13. Compensation. Each Board member shall receive the maximum compensation authorized by law, Section 32-1-902(3)(a), C.R.S., as amended, unless otherwise determined by the Board. No Board member shall receive compensation as an employee of the District, except as may be provided by law.

Section 14. Indemnification of Board Members and Employees. The District shall defend, hold harmless and indemnify any director, officer, or employee, whether elected or appointed, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the scope of engagement, unless the individual has acted primarily for personal benefit or other improper benefit, 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, Section 24-10-101, *et seq.*, C.R.S.

III. MANAGEMENT, ADMINISTRATION AND FINANCIAL MANAGEMENT

Section 15. District Manager. The District Manager answers directly to the Board of Directors and professionally manages the administrative and operational functions of the District, including day to day oversight of other District employees. The District Manager may be hired or contracted with by the Board to serve for such term and upon such conditions as the Board may establish. The Manager shall have the care and custody of the general funds of the District and shall deposit or cause to be deposited the same in the name of District in such banks or savings associations as the Board may select. The Manager 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 the duties of Manager as the Board may designate. The Manager shall have general supervision over the administration of the affairs, employees, agents and business of the District, and shall be charged with engaging and discharging of employees and agents and the management of District property. The District Manager makes hiring and firing decisions according to the personnel policies and procedures adopted by the Board. The Board may delegate such other powers and duties to the Manager as it deems appropriate.

Section 16. Board Non-Interference with Administrative Matters. Aside from selecting consultants, discussed below, the Board generally defers personnel decisions to the District Manager who makes hiring, firing and employee discipline decisions according to the personnel policies and procedures adopted by the Board. The Board deals with the administrative service through the District Manager. The Board does not dictate hiring or firing decisions or interfere with the work of employees under the District Manager. If the Board of Directors receives a complaint about a particular employee, the Board will refer the matter to the District Manager who will investigate the allegations and, if appropriate, initiate an investigation of the employee by an outside consultant. Nothing herein changes the *at will* nature of the employment. Any employee may be terminated with or without cause, a statement of reasons, or a hearing, just as any employee may resign at any time, for any reason.

Section 17. Contractor Selection and Tenure. The Board shall select agents, engineers, accountants, attorneys and other professional consultants to serve the District based upon relative qualifications and capabilities of the applicants and shall without regard to political service or affiliations. Consultants hold their positions with the District at the pleasure of the Board. Contracts for professional services of engineers, accountants, operators, special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

Section 18. 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. District Finances and Budget Preparation. The Treasurer and the Manager shall be responsible for preparation of financial reports to be distributed to the Board at each meeting, the annual budget of the District and such other matters as may be assigned to it by the Board. At regular Board meetings, the Board will review for approval of payment of all District expenses. Any withdrawals or transfers from District bank accounts must be approved by two other Board members and reported to the Board at the next regular Board meeting. The District shall comply with the Local Government Budget Law of Colorado, Section 29-1-101, *et seq.*, C.R.S.
- c. Budget. On or before October 15 of each year, the Manager or Treasurer shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement describing the important features of the budget plan and by a general summary wherein the aggregate features of the budget shall be set forth 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 the law.
- e. Adoption of Budget. On the day set for consideration of such proposed budget, the Board shall hold a public hearing and 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 during 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.
- f. Levy and Collection of Taxes. On or before December 15 of each year, the Board shall certify to the Boards of County Commissioners of Adams and Jefferson Counties 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 the District.
- g. Filing of Budget. On or before January 30 of each year, the Board shall cause a certified copy of the budget and budget message 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 therefor in the adopted budget.
 - (2) The income of the District, as estimated in the budget, 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 that would exceed the amount appropriated to such fund in the appropriation resolution, including any legally-authorized amendment thereto, or 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, except as follows:

- (1) In cases of emergency or circumstances that could not reasonably have been foreseen at the time of the adoption of the budget, the amount of appropriated funds may be revised, supplemented, transferred, or adjusted by adoption following a public hearing of a resolution amending the budget. For supplemental budgets and appropriations, the resolution shall set forth in full the source and amount of the revenue being appropriated, the purpose for which the revenues are being budgeted and appropriated, and the fund or spending agency that will be making the the supplemental expenditure.
- (2) The notice provisions and requirements for adopting the budget, as set forth at Section 29-1-109, C.R.S., shall apply and be followed. The resolution amending the budget must be filed with Division of Local Government in the Colorado Department of Local Affairs.

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 any lawful and approved method.

k. Endorsement of Checks. All physical checks of the District shall be endorsed with the signature of two Board Members, unless the Board passes a resolution delegating the signing power to District personnel or contractors. The Board may give, by an authorizing vote, the standing

permission to make some payments by electronic means hereby authorizes electronic payments for amounts due to the IRS. Each electronic payment, like physical check payments, must be authorized by the Board as part of the approval of expenditures action. Use of purchasing cards by District employees is regulated by a separate credit card policy that is approved by the Board.

1. 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 months of the close of such fiscal year, or as otherwise provided by law. Such audit shall be conducted in accordance with generally accepted audit standards by a registered or certified public account, 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 violations of Colorado law pursuant to statutory requirements.
- (2) The Manager shall be responsible for oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing any other independent audit, review or attest services for the District. The Auditor, Treasurer and Manager may, as necessary and to the extent of their ability, provide independent review and oversight of the District's financial reporting processes, internal controls and independent auditors.
- (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.
- (5) Notwithstanding the foregoing audit requirement, the Board may file for an application from exemption from audit if the statutory criteria are met; unless the District is required to perform an audit in accordance with a financial agreement.
- (6) The Board shall consider changing auditors at least every three years.

Section 19. 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 20. Bidding and Contracting Procedures. District bidding, construction and procurement is regulated by a separate policy approved by the Board, which policy complies with statutory requirements. The policy addresses the District's receipt and use of grants, cooperative purchases with government entities, and integrated project delivery (*i.e.*, “design/build”) contracts.

Section 21. Records Management. The District shall comply with, adopt and maintain policies as necessary for compliance with applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives policies, if adopted by the District, and various consumer privacy legislation. The District’s Manager, or their designee, is 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 fulfill an Open Records Act request, the Custodian of Records shall forward such request to the District’s legal counsel.

IV. MISCELLANEOUS

Section 22. Modification of Bylaws. These Bylaws may be altered, amended or repealed by resolution at any regular or special meeting of the Board to become effective immediately or at a subsequent date.

Section 23. 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.

Section 24. Legal Effect. No failure to strictly comply with all the terms of these Bylaws will invalidate any action by the Board, or provide a basis for a legal remedy against the Board.

ADOPTED this 18th day of May, 2023, by the Board of Directors of Berkeley Water and Sanitation District.

Risa Hayes, Chair

ATTEST:

Philip Cipri, Secretary