

HIGHLANDS RANCH METROPOLITAN DISTRICT

Last Updated March 29, 2022

BYLAWS

Section 1. Authority

Highlands Ranch Metropolitan District (hereinafter referred to as "District") is a governmental subdivision of the State of Colorado and a body corporate with those powers of public or quasi-municipal corporations which are authorized in compliance with, C. R. S. Section 32-1-101 et seq.

Section 2. Purpose

It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

Section 3. Intent of the Board

It is the intent of the District Board of Directors, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide those services allowed by law. The Board of Directors has overall fiduciary responsibility for the operation of the District on behalf of the citizens of the District.

Section 4. Board of Directors

The Board of Directors of Highlands Ranch Metropolitan District shall be composed of seven members as prescribed by statute, and all powers, privileges and duties vested in, or imposed upon, the District by law shall be exercised and performed by and through the Board of Directors (hereinafter referred to as the "Board").

Section 5. Office

- a) **Business Office.** The principal business office of the District shall be at 62 Plaza Drive, Highlands Ranch, Colorado, unless 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.
- c) **Business Hours.** The regular business hours of the District shall be 8:00 am to 5:00pm, Monday through Friday.

Section 6. Board Meetings

- a) **Regular Meetings.** Regular meetings of the Board will normally be held at the business office on the last Tuesday of each month except for

December, which shall be determined on an annual basis by the Board. The meetings, including any variances to the above, shall be approved by the Board and posted as required by law. Meetings shall commence at 6:00 p.m., or as soon thereafter as possible. Changes to this schedule will be posted in accordance with the provisions of C.R.S. Section 32-1-903 and on the District's website. There will be two opportunities for public comment during each board meeting.

- b) **Study Session.** A regular study session of the Board will normally be held at the business office on the Wednesday before the Board meeting. These shall be considered regular meetings for the purposes of the Open Meeting Act C.R.S., Title 24, Article 6, Part 4, however no official action shall be taken at study sessions. The schedule for such meetings shall be adopted at the November or December meeting for the ensuing year. There will be two opportunities for public comment during each study session.
- c) **Workshops.** The Board may schedule workshops on specific topics at any time. Budget Workshops will be scheduled as needed in October or November of each year. Said workshops will be considered regular meetings for the purposes of the Open Meeting Act C.R.S. Title 24, Article 6, Part 4, however no official action shall be taken at the workshop. The public is usually not invited to speak at such workshops but may be allowed to at the discretion of the Chairperson.
- d) **Retreats.** The Board may, from time to time, conduct retreats. These meetings may be on-site or off-site and the length of the retreat may vary. Retreats will be conducted in accordance with all laws, including being open to the public, appropriately posted and have minutes taken. Retreats are envisioned to be conducted as follows:
 - 1) For emergency issues – as required
 - 2) For interim planning – on a periodic basis
 - 3) For long range planning and visioning – every other year. This retreat should be held at a location that allows the participants to devote adequate time to the retreat.
- e) **Public Meetings.** All meetings of the Board, other than executive sessions and social gatherings, shall be open to the public. Meetings include any and all sessions of the Board, at which a quorum of the Board or three (3) or more Directors are expected to be in attendance for discussion of District business, either in person, telephonically, or electronically.
- f) **Board Member Notice.** Subsection (a) above shall constitute formal notice of regular meetings to the Directors, and no other notice shall be required to be given to the Board. Notice of special meetings shall be provided to Directors by email, telephone, or United States Postal Service (USPS) not less than twenty-four (24) hours in advance. Notice delivered by USPS shall be deemed delivered at 5:00 p.m. on the third (3rd) day following the day on which it was deposited. Attendance by a

Director at a regular or special meeting shall be deemed a waiver by the Director of the notice requirements of this subsection (d).

- g) **Public Notice.** Public notice and an agenda for all meetings shall be posted not less than twenty-four (24) hours in advance as set forth in the Colorado Open Meetings Law. The District's webpage is designated for the posting of such notice pursuant to Section 24-6-401, C.R.S.
- h) **Special Meetings.** Special meetings of the Board may be called by any Board member or Officer of the District by informing the Directors of the date, time and place of the special meeting and the purpose for which it is called and by posting as required by law. Each Director shall be notified of said special meeting. The notice of the meeting shall include an agenda of the items to be discussed.
- i) **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. An affirmative vote of two-thirds (2/3) of the quorum present shall be required to go into Executive Session.
 - 2) **Conducting the Executive Session.** No formal action shall take place in an Executive Session. The discussion in Executive Sessions shall be limited to the topics 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 reasonably believes constitute attorney-client privileged communication. The attorney shall 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.
- j) **Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place thereof are announced at the meeting at which the continuance is taken, other than as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.
- k) **Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called, without notice if notice is not practicable, by the Chair, Vice Chair, or any two (2) Directors of the

Board in the event of a declared emergency that requires the immediate action of the Board in order to protect the public health, safety, welfare and property of the residents and visitors of the District. 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, welfare or property of the residents and visitors of the District may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting, although the validity and effectiveness of the emergency action during its effective time shall not be invalidated. A declared emergency for purposes of this subsection (k) is an emergency within the District that has been declared by county or municipal government, the State of Colorado, the United States government, of any department or agency thereof, or the Chair, Vice Chair, or any two (2) Directors of the Board.

- l) Email Meetings. Section 24-6-402, C.R.S., requires that certain e-mail correspondence between three (3) Directors (or, when two (2) Directors constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business, shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.
- m) Electronic Attendance at Meetings. Section 24-6-402(1)(b), C.R.S., defines a meeting as “Any kind of gathering to discuss public business, in person, by telephone, electronically, or by other means of communication.” Directors may attend meetings by telephone or other electronic means, so long as he or she is able to reasonably hear the comments from the audience and any comments and discussion among other Directors and staff, and is able to participate in the discussion.

Section 7. Committees

- a) Highlands Ranch Metro District Committees. The Board may from time to time appoint members to various committees which will review and recommend action on items related to the intent and charter of the committee.
- b) Approval by Committee. Except for specific approval rights delegated to the committees by the Board, the committees’ primary function will be to recommend to the Board the approval or denial of various matters and the recommendation of whether to place said matters on the Board agenda under either General Business or Consent.

- c) Committee Formation Criteria. There must be a need and a clear charter for the committee. The committee shall have clearly defined membership criteria. Non-standing committees may be formed to address a specific issue and shall have a beginning and a termination date.
- d) Audit Committee. Unless otherwise created by the Board pursuant to the provisions above, the entire Board shall serve as the Audit committee of the District and performsaid duties as prescribed by generally accepted accounting principals.

Section 8. Conduct of Business

- e) Quorum. All official business of the Board shall be transacted at a regular or special meeting at which a quorum of at least four of the Directors shall be present in person, by telephone or computer conference providing that each Director is able to communicate with each of the other Directors, except as provided in Section (b).
- f) Vote Requirements. Any action of the Board shall require the affirmative vote of amajority of the Directors present and voting, except that to convene an executive session of the Board, a two-thirds (2/3) affirmative vote is required.
- g) Action Following Emergency Poll. If time allows, emergency action may be taken following telephone or electronic polling of the Board members by the Secretary or other officer of the District provided that:
 - 1) The Secretary or other officer conducting the poll makes a reasonable attempt to contact all of the Board members; and
 - 2) At least four Board members approve the proposed action; and
 - 3) No Board member contacted objects to the proposed action.
 - 4) Ratification of the action shall be placed on the agenda for the next regular or special meeting.
- h) Electronic Signatures. In the event the signature(s) of one (1) or more Directors 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 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.
- i) Order of Business. The business of all regular meetings of the Board

shall include the following and be transacted, as far as practicable, in the following order:

- 1) Call to order
 - 2) Pledge of Allegiance
 - 3) Roll call of members
 - 4) Special Presentations by guest speakers
 - 5) Public Comments or Questions
 - 6) Reaffirmation of Disclosure
 - 7) Staff Presentations
 - 8) Discussion Items
 - 9) Approval of the minutes of the previous meeting(s)
 - 10) Receipt and file of Study Session / Committee meeting / Workshop / Retreat minutes, notes or reports
 - 11) Public Hearings
 - 12) Approval of Business Agenda
 - 13) Consent Business
 - 14) General Business
 - 15) Special Reports of Staff, Legal Counsel, Chairperson and/or Individual Directors
 - 16) Public Comments or Questions
 - 17) Adjournment
- j) Resolutions and Motions. Each and every action of the Board necessary for the governing and management of the affairs of the District, for the execution of the powers vested in the District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S. as amended, shall be taken by the passage of motions or resolutions.
- k) Minutes. Within a reasonable time after passage, all votes, 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 Recording Secretary. Such records shall be the official record of Board meetings. Minutes of regular meetings shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion of 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. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting.
- l) Public Conduct at Meetings – Public Comments. Comments by

members of the public shall be made only during the “Public Input” portion of the meeting and shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak shall be asked to fill out a form indicating name, address, and agenda item to be addressed. To provide for accuracy in the recording of meeting minutes, those members of the public wishing to make comments to the Board shall be required to either state their first and last name and address audibly or, in the event the meeting is being conducted virtually, to enter their first and last name and address into the appropriate section of the virtual meeting platform. Notice of this requirement shall be posted on each meeting agenda so as to ensure uniform and consistent application of this requirement. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws including, without limitation, Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will be an asset to the keeping of peace and the conducting of public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered during a public meeting.

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 and conducted in the manner prescribed by law.
- b) Oath of Office. Each member of the Board, before assuming the responsibilities of his/her office, shall take and subscribe an oath of office in the form prescribed by law.
- c) Faithful Performance Bonds. Each Director shall furnish, at the expense of the District, an individual, schedule or blanket surety bond or crime insurance in the sum of not less than one thousand dollars (\$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 or crime insurance in a sum of not less than five thousand dollars (\$5,000), conditioned upon the faithful performance of the duties of his/her office.

- d) Election of Officers. The Board of Directors shall elect from its membership a chairperson, vice chairperson and a treasurer who shall be the officers of the Board of Directors and of the District. The General Manager shall be the Secretary unless the Board decides otherwise. The officers shall be elected by a majority vote of the Directors. The election of the officers shall be scheduled at the first regular meeting of the Board following the regular election of the Directors. Each officer, so elected, shall serve at the pleasure of the Board or until their successors are duly elected and qualified.
- e) Vacancies. Any vacancy on the Board shall be filled by appointment by the remaining Directors as prescribed by statute. Any vacancy occurring in any offices shall be filled until the next regular District election.
- f) Chairperson. The Chairperson shall preside at all meetings and shall perform all duties incident to that office including setting the agendas for meetings of the Board.
- g) Vice Chairperson. The Vice Chairperson shall act as Chairperson of the Board in the absence of the Chairperson and shall perform all duties incident to that office as required by the Board.
- h) Treasurer. The Treasurer shall keep, or cause to be kept, permanent, strict and accurate accounts of all money received and disbursed by the District. The Treasurer shall cause to be filed with the Clerk of the Douglas County District 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 office.
- i) Secretary. The Secretary shall be responsible for the recording of all votes and the composing of a record of the proceedings of the Board in a minutes file kept for that purpose, which shall be the official record of the Board. The Secretary shall be the custodian of and have the power to attest all contracts and instruments authorized to be executed by the Board. The Secretary shall not be required to take an oath of office, nor shall a performance bond be required.
- j) The Secretary is authorized to accept and set for public hearing all petitions for inclusion of real property located and identified within the Highlands Ranch Development Plan.
- k) Additional Duties. The officers of the Board shall perform such other duties and functions and may from time to time be required by the Board, by the Bylaws or rules and regulations of the District.
- l) General Manager. The Board may appoint a General Manager to serve for such term and upon such conditions, including salary, as the Board may establish. The General Manager shall serve as Chief Executive Officer and 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, as set out in the Personnel Manual,

and the management of District's properties. The General Manager shall, according to established procedures, cause to be approved all vouchers, orders and checks for payment. The General Manager shall serve as Secretary of the District. Additionally, the General Manager or another individual designated by the Board shall serve as the designated election official for all elections held by the District.

- m) Director- Finance and Administration. The Board may authorize the appointment of a Director - Finance and Administration to serve as a regular District employee for such term and upon such conditions, including salary, as the Board may establish. The Director- Finance and Administration shall be the Chief Financial Officer ("CFO"), the designated Budget Officer. As such the CFO shall have general supervision over the financial administration of the District; managing compliance and relationships with rating agencies and other debt related requirements; and care and custody of all funds of the District in such banks and financial institutions as the Board may select. The Director- Finance and Administration shall keep regular books of account of all District transactions and shall obtain, at the District's expense, such bond or crime coverage insurance for the faithful performance of his duties as the Board may designate. The Director- Finance and Administration shall serve as an Assistant Secretary to the Board, and, in the absence of the General Manager, as acting General Manager. The Director - Finance and Administration reports to the General Manager.
- n) Director of Public Works. The Board may authorize the appointment of a Director of Public Works to serve as a regular District employee for such term and upon such conditions, including salary, as the Board may establish. The Director of Public Works shall have general supervision over the planning, engineering and construction of most projects of the District. He may also have responsibility for the maintenance of some facilities. The Director of Public Works reports to the General Manager.
- o) Director – Parks, Recreation and Open Space. The Board may authorize the appointment of a Director of Parks and Open Space to serve as a regular District employee for such term and upon such conditions including salary, as the Board may establish. The Director of Parks and Open Space shall lead the planning, development, and management of the District's Parks, Open Space, outdoor Recreation and Parkways programs and services. The Director – Parks and Open Space reports to the General Manager.
- p) Personnel Selection and Tenure. The selection of agents, employees, engineers, accountants, special consultants, and attorneys of the District 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 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.

- q) Director Compensation. Each Director may receive only the compensation prescribed by statute. Director will be paid for every Study Session and every regular or special Board meeting attended, subject to the following maximums.
 - 1) The maximum annual compensation (accrual basis) prescribed by statute.
 - 2) Payment for no more than two meetings per month.

Section 10. Financial Administration

The procedure for approving annual budgets shall comply with C.R.S. Section 29-1-101 *et seq.*, which is generally as follows:

- a) Fiscal Year. The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b) Budget. By the statutory deadline, the General Manager and Budget Officer shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. The budget shall be accompanied by a written budget message describing the important features of the budget and by a general summary which shall set forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.
- c) Notice of Budget. Upon receipt of such proposed budget, the Secretary or Budget Officer 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 its regularly scheduled December meeting; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption. Notice shall be published in substantial compliance with C.R.S. § 29-1-108, as amended.
- d) Budget Hearing. The budget hearing will be conducted during the regular board meeting in November of the year preceding the fiscal year.
- e) Adoption of Budget. On the day set for consideration of such proposed budget, usually during the board meeting in December, 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 adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance the budgeted expenditures.

- f) Levy and Collection of Taxes. At the time and in the manner required by law, the Board shall certify to the Board of County Commissioners the mill levy established for the ensuing fiscal year.
- g) Filing of Budget. The Secretary shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs as prescribed by law.
- h) Budget Resolutions.
 - 1) General - On or before December 15th, the Board shall enact the resolutions necessary to certify the mill levy and to appropriate funds at the total expenditure level for all funds other than the Capital Project Funds, Major Repair Fund, the Conservation Trust Fund and capital projects related to the Storm Water Management Fund. The appropriations made for all said funds shall not exceed the amounts fixed therefore in the budget and shall lapse at year end.
 - 2) Appropriations from the Capital Projects Fund, Major Repair Fund, Conservation Trust Fund, and for capital projects funded by the Storm Water Management Fund shall be made throughout the fiscal year on a project by project basis. Any appropriation for any particular project shall continue until expended or until any unexpended appropriation for that project is rescinded by the Board.
- i) Contingencies.
 - 1) In cases of emergency caused by a natural disaster, public enemy, or some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize expenditure of funds in excess of the budget by a resolution duly adopted by the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of that meeting.
 - 2) If so enacted, the Secretary shall cause a copy of the resolution to be filed with the Division of Local Government and shall publish the resolution as required by law.
- j) No Contract to Exceed Appropriation. No person including the Board shall have the 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 an appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation. Any contract, verbal or written, contrary to the terms of this sub-section, shall be void, and District funds shall not be expended in payment of such contracts.
- k) Annual Audit.
 - 1) The Treasurer shall cause, pursuant to statutory requirements, an annual audit to be made at the end of the fiscal year of all financial affairs of the District.
 - 2) The CFO is authorized to execute the engagement letter on behalf of the District consistent with the terms approved by the Board.
 - 3) A copy of the audit report shall be maintained in the District office as a public record for public inspection at all reasonable times.

- 4) The CFO shall forward a copy of the audit report to the State Auditor or other official, pursuant to statutory requirements, within thirty days following receipt of the audit.
- l) Bank / Investment Accounts.
 - 1) No District accounts which are to be used as bank savings deposit accounts (including checking accounts which earn interest or money market deposit accounts) or bank demand (non-interest bearing) accounts may be opened with financial institutions without approval consistent with intentions of the Board through the adoption of an appropriate resolution.
 - 2) Accounts may be established and maintained in order to facilitate the investment of District funds, which are in excess of immediate operating requirements and which said investments and delivery thereof are consistent with the Investment Policy and Procedures adopted by resolution of the Board.
- m) 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.

Section 12. Indemnification of Directors and Employees

The District shall defend, hold harmless and indemnify any Director or employee and shared employees against any claim or demand, whether groundless or otherwise, which lies in tort or could lie in tort as defined in the Colorado Governmental Immunity Act (Title 24, Article 10, C.R.S.) arising out of any alleged act of omission occurring during the performance of their duties and within the scope of their employment with the District. The District may compromise and settle any such claim or suit and/or pay the amount of any settlement or judgment rendered thereon.

Section 13. Public Records

All public records requests shall be directed to the Secretary of the District who shall respond to such requests after consultation with the attorneys for the District and in accordance with the Rules and Regulations of the District.

Section 14. Powers of the Board of Directors

Without restricting the general powers conferred by law, it is hereby expressly declared that the Board may:

- a) Determine and designate, except as otherwise provided by law, by the Rules and Regulations of the District or these Bylaws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases and other documents within the limits established by the Board.
- b) Create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the

performance of its functions and obligations.

- c) Prepare financial reports, other than the statutory audit, covering each year's fiscal activities; and said report, if requested, shall be submitted to the Board and made available for inspection by the public.
- d) Establish, alter, amend or repeal these Bylaws and the suggested standards of conduct as set out in Addenda A through I, which standards do not have the effect of Rules, Regulations or Bylaws.

Section 15. Modification of Bylaws

These Bylaws may be altered, amended, repealed or suspended at any regular or special meeting of the Board.

BYLAWS ADDENDA

ADDENDUM A

Board Member Activities and Goals

- a) Set vision
- b) Set policy
- c) Set priorities
- d) Decision-making
- e) Represent what is in the best interest of the constituents of the District
- f) Solicit and receive public input
- g) Identify problems
- h) Evaluate progress on goals
- i) Determine what, why, and where
- j) Oversee the General Manager

ADDENDUM B

Staff Roles and Responsibilities

- a) Identify needs and wants based on community and Board input on all sides of issues.
- b) Formulates recommendations and alternatives based on policy and direction set by the Board.
- c) Provide concise, accurate, information on all sides of issues.
- d) Take action - execute
 - 1) Manage budget
 - 2) Implement policy, capital and operational directives of Board
 - 3) Provide regular updates to Board.
- e) Inform public about the Metro District.
- f) Determine how to implement direction from Board.

ADDENDUM C

Board Chair/Board Member/Staff/Public Relationships

- a) With Other Board Members

- 1) Ensure 2-way communication between Chair and Directors.
- 2) Share information in a timely manner prior to decision-making.
- 3) When representing the Board, must represent the majority voice of the Board and should, include recognition of dissenting opinions.
- 4) The Chair sets the agenda for all meetings of the Board. A majority of the quorum of the Board can overrule the Chair and change the agenda for any meeting. Should another board member want something added to the agenda including guest presentations he/she should make that request to the Chair. If the chair does not agree, then the matter should be discussed at the next meeting of the Board and the majority will decide.

b) To Staff

Direction to the staff must be given to the General Manager or the Director of Finance and Administration if the General Manager is absent and will come from the Chair after discussion/vote of the Board of Directors. Should such direction be given by individual Board Members, including the Chair, without a vote, the General Manager shall refer the matter to the Chair or the Board as appropriate. All requests for information that would require more than one hour of staff time to prepare a response must be discussed, approved by the Board, and submitted by the Chair.

Requests from an individual Board member totaling more than three hours in any month must be approved by the Board. For all requests that exceed the criteria above, the General Manager shall refer the matter to the Chair or the Board as appropriate.

c) Public/Other Organization Interactions

On matters involving public interaction, the majority voice of the Board may be represented, by:

- 1) The Chair as designated by the Board
- 2) A Director designated by the Board or the Chair
- 3) A staff member designated by the Board, usually the General Manager, or Community Relations Manager.

Board Members who have not been authorized to represent the District as described above, must clearly identify that they are not representing the Board but rather themselves when requesting information from other organizations or individuals. They should specifically indicate that the request is not from the Board but from them as an individual unless authorized by the Board to make the request. An exception is when the Chair is executing his/her duty to set an agenda.

ADDENDUM D

Guidelines for Effective Interactions

- a) Read the materials before the meetings.

- b) Participate. Ask questions. All input is valid.
- c) Communicate with staff with questions, staff responds directly or at meetings or both. Don't wait. Surprise questions may not get a timely answer.
- d) Share thoughts respectfully. Be honest and candid.
- e) Attend public meetings to be aware, to listen, to promote input and to support those conducting the event and the event itself. Board members are there to get constituent input. Don't drive conclusion.
- f) Use General Manager to interface with staff.
- g) Seek first to understand all sides of an issue. For example, visit a site. Trust each other's motives in raising questions.
- h) Remember that you represent all the people in the district, not just those on your street or in your neighborhood.
- i) Do not forward email messages on District business unless you have obtained the permission of the author.
- j) Recognize and disclose conflicts of interest.
- k) Be respectful of others.
- l) Recognize need to educate new Board members.
- m) No defensiveness. Respect constructive criticism.
- n) Know your District and attend regular tours.
- o) Interaction with public at Board meetings - Board members and Board chairs show that you have heard by:
 - 1) Asking questions
 - 2) Repeating their position
 - 3) Thanking them
 - 4) Asking staff for follow-up, if necessary.

ADDENDUM E

Criteria for Excused Absences for Regular Board Meetings

- a) Excused – reasons acceptable to the Board include:
 - 1) Illness (self, family or dependant)
 - 2) Business travel
 - 3) Planned vacations

- 4) Death/bereavement
- 5) Act of god, car accident, etc.
- b) Procedure for directors
 - 6) Notify chair and General Manager before the Board meeting.
- c) Procedure for Chairs
 - 7) Chair should tell Vice-Chair and General Manager
 - 8) Chair announces/minutes recorded.
- d) Statute Outcomes
 - 9) Per state statute, 3 consecutive unexcused absences from regular Board meetings require removal from the Board.

ADDENDUM F

Responding to Constituents' Inquiries

- a) If the inquiry is addressed only to a Board member and that member believes the inquiry has not been directed to other Board members, respond if you are confident in your response. Provide copy or summary to Board chair and General Manager if deemed necessary.
- b) If you know the inquiry is addressed to multiple Board members, please forward it to the General Manager who will draft a response to be sent by the Chair after approval by other Board members. Board members may respond acknowledging receipt of the inquiry and to inform the constituent that an answer is forthcoming.
- c) If the inquiry is directed to staff, staff will respond. Staff will provide a copy for the Board if deemed important.
- d) If the inquiry is addressed to staff and Board members, staff will answer, unless staff is directed otherwise by Board members. Staff will provide follow-up to the Board on the outcome or resolution.
- e) Attempt to respond by the following day, even if response states further discussion, evaluation and/or research are necessary.

ADDENDUM G

Responding to Media Inquiries

- a) Have a direct up-to-date knowledge of the issue. If you don't, become informed or refer to the General Manager, the Community Relations Manager or another Board member.
- b) Present your opinion as your own. Don't speak for another Board member, your Board, or the District.

- c) Inquiries relating to a Board position should be referred to the General Manager, whose response should be based on Board minutes if minutes exist.

ADDENDUM H

Rules for Citizen Engagement at Board Meetings

In order to have orderly, efficient, civil and productive board meetings the following rules apply to all citizens that have a desire to address the Board:

- a) Citizen comments and questions will be heard up to two times at each board meeting. Public comments are accepted only during these two comment opportunities unless the Board specifically invites public comment at other times during the meeting.
- b) All citizen comments must be addressed to the Board. Directing comments and questions to staff or other members of the public is not permitted during Board meetings.
- c) Citizen comments are normally limited to three minutes. The Board Chair or a majority of Board members present may increase that limit.
- d) Citizens may be asked to use a microphone so that Board members and the audience can hear their comments.
- e) Citizens are asked not to repeat comments made by others, merely indicate their concurrence.
- f) If a citizen asks a question, the Board Chair will determine who will answer, when they will answer and the form of that answer.
- g) Clapping, cheering, booing and the like, which interferes with the conduct of the Board's meeting, will not be permitted at Board meetings.
- h) Failure to abide by the aforementioned rules of engagement is considered disruptive to the public process and will result in a warning to the violating citizen(s) by the Board Chair. If after that warning the citizen(s) continues to violate these rules they will be asked to leave the meeting. If the citizen does not leave the meeting when asked, the appropriate steps will be taken by the Board Chair to have them removed from the meeting.
- i) Comments by members of the public shall be made only during the "Public Input" portion of the meeting and shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board's discretion. Each member of the public wishing to speak shall be asked to fill out a form indicating name, address, and agenda item to be addressed. To provide for accuracy in the recording of meeting minutes, those members of the public wishing to make comments to the Board shall be required to either

state their first and last name and address audibly or, in the event the meeting is being conducted virtually, to enter their first and last name and address into the appropriate section of the virtual meeting platform. Notice of this requirement shall be posted on each meeting agenda so as to ensure uniform and consistent application of this requirement.

ADDENDUM I

Highlands Ranch Metro District Board of Directors Code of Ethics and Conduct

Directors shall support the Constitution of the United States of America, the Constitution of the State of Colorado, and the laws of the State of Colorado.

- a) Conflict of Interest. Conflict exists when a personal interest of a director or any known relative of a director may influence the actions of a director in their official capacity.
 - 1) Directors must disclose conflicts of interest to the Secretary of State and to the Metro District Board.
 - 2) Directors' actions are restricted when there is a conflict of interest.
- b) Prohibitions. State statutes list a number of prohibitions for a director as follows:
 - 1) Disclose or use confidential District information to further your personal financial interests.
 - 2) Accept gifts of substantial value (greater than \$65) which would tend to improperly influence discharge of duties.¹
 - 3) Engage in financial transactions with someone you supervise or inspect as a director.
 - 4) Perform an official act affecting a financial interest.
 - 5) Be interested in any contract, made in your official capacity, with which you are involved with the contracting party.
 - 6) Be a purchaser or vendor in your official capacity.
 - 7) If a conflict exists the director should disclose the conflict and abstain from any associated discussion and voting.
- c) Influence. Directors shall not use their position to direct the Metro District staff unless authorized by a majority of the board. Seeking information and offering ideas is fine.
- d) District Resources. Directors shall not use District property or services for personal gain.

¹ C.R.S. 24-18-104 (3)(b.5)