

**AMENDED AND RESTATED
BYLAWS
OF
WOODMEN HILLS METROPOLITAN DISTRICT**

Section 1. Authority. The Woodmen Hills Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado organized and operating pursuant to Article 1 of Title 32 of the Colorado Revised Statutes (the “**Act**”), possession all of the powers of a metropolitan district under the Act, except for fire protection powers. The authority of the District to adopt bylaws is expressly conferred by the Act.

Section 2. Purpose. The Board of Directors of the District (the “**Board**”) expressly finds and determines that adoption of these Bylaws is necessary for the health, safety, prosperity, security and general welfare of the property owners and residents of the District and will ensure an orderly and uniform administration of the District’s affairs.

Section 3. Policies of the Board. It shall be the policy of the Board, consistent with the availability of revenues, personnel and equipment, to furnish water, wastewater drainage (including mosquito control), parks, recreation and other services as further described in the Amended and Restated Service Plan for Woodmen Hills Metropolitan District dated 1997, as amended by that 1997 amendment and 2000 Modification, and as may further be amended from time to time (collectively, the “**Service Plan**”) or as allowed by statute throughout the District and to each contracting district (defined as a district that receives water or wastewater services from the District) in accordance with the provisions of the District’s rules and regulations adopted by the Board on July 27, 2023, as may be amended from time to time (the “**Rules and Regulations**”) and any intergovernmental agreements.

Section 4. Board of Directors. All powers, privileges and duties vested in or imposed upon the District by law shall be exercised through the Board, whether set forth specifically or implicitly in these Bylaws and/or the Rules and Regulations. The Board may delegate to its officers, the Enterprise Directors (as the term is defined in the Rules and Regulations, as may be amended from time to time) and other employees and representatives of the District any and/or all managerial, ministerial or enforcement powers.

It is hereby expressly declared that the Board shall have the following powers and duties:

- A. To confer upon the Enterprise Directors and the District’s Director of Finance and Administration the power to choose, remove or suspend employees or agents upon such terms and conditions as are in the best interests of the District.
- B. To determine and designate, except as otherwise provided by law or these Bylaws, who shall be authorized to make purchases, negotiates leases, and sign receipts, endorsements, checks, releases and other documents pursuant to the terms contained within the District’s procurement policy dated May 25, 2023, as may be amended from time to time (the “**Procurement Policy**”).

- 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 caused to be prepared, regular financial reports, other than the statutory audit or audit exemption application, covering the District's fiscal activities, which reports shall be submitted to the Board.

Section 5. Office. The principal business office of the District is the address that is listed on the District's official website at www.woodmenhills.org (the "**Website**").

Section 6. Meetings and Conduct of Business.

- A. *Open Meetings.* All meetings of the Board, except for those portions held in executive session, shall be open to the public.
- B. *Disclosure of Conflicts of Interest.* Potential conflicts of interest of any Director shall be disclosed in accordance with the law of the State of Colorado (the "**State**"), particularly Article 18 of Title 24, Colorado Revised Statutes and Sections 32-1-902(3) and 18-8-308, Colorado Revised Statutes.
- C. *Regular Meetings.* Regular meetings of the Board shall be held on such dates, times and at such location(s) (physical location and/or video/teleconferencing) as identified in the District's annual administrative resolution, which shall be posted on the Website. Notice of regular meetings shall be posted on the Website at least twenty-four (24) hours prior to the meeting or as otherwise required by the Act.
- D. *Special Meetings.* The Board may call a special meeting (defined as a meeting held at a different time, date or location than listed in the current year's annual administrative resolution OR a meeting in addition to those listed in the current year's annual administrative resolution) by posting notice on the Website at least twenty-four (24) hours prior to the meeting or as otherwise required by the Act.
- E. *Executive Sessions.* The Board may convene in executive session pursuant to Section 24-6-402, Colorado Revised Statutes. Executive sessions, except for those deemed to be attorney-client privileged, shall be recorded in electronic format and retained in a separate, confidential electronic file for ninety (90) days and then destroyed pursuant to State law.
- F. *Action by the Board.* Official business of the Board shall be conducted at regular or special meetings at which a quorum (as defined by State law) of the Directors shall be present either in person or through video/teleconferencing. Any action shall require the affirmative vote of a majority of the Directors present at the meeting except for emergency situations (as determined in the sole discretion of the Board) which arise that impacts the health and/or safety of the District's residents or customers. If such emergency arises, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees, consultants, vendors, agents and such action shall be ratified at the next regularly scheduled meeting.
- G. *Motions and Resolutions.* Actions of the Board necessary for the governing and management of the affairs of the District shall be taken by the passage of motions and/or adoption of resolutions.

- H. *Order of Business.* The business of all regular and special meetings of the Board shall be transacted, as far as practicable, in the following order:
- a. Administrative matters (calling meeting to order, approval of agenda, excusal of absences)
 - b. Executive sessions;
 - c. Approval of the minutes;
 - d. Hearings;
 - e. Repots of officers, committees and consultants;
 - f. Approvals of bills and appropriations;
 - g. Unfinished business;
 - h. New business and special orders; and
 - i. Adjourned
- I. *Minutes.* Within a reasonable time after passage, with such reasonableness determined in the sole discretion of the Board, all adopted/approved resolutions, motions and minutes of regular and special meetings shall be posted to the Website.

Section 7. Directors and Officers.

- A. *Director Qualifications.* To qualify as a Director, an individual must be a registered voter of the State and be a resident within the boundaries of the District OR the owner (or spouse or civil unitor partner of the owner) of taxable real or personal property located within the boundaries of the District OR be a person contractually obligated to purchase taxable property and is obligated to pay taxes on the property prior to such closing.
- B. *Terms of Office.* Directors shall hold terms of office pursuant to the Act and Articles 1 through 13 of Title 1, Colorado Revised Statutes.
- C. *Oath or Affirmation.* Each Director, within thirty (30) days after an election or an appointment, shall take an oath of office or an affirmation of faithful performance in the form prescribed by State law and, at the expense of the District, furnish a faithful performance bond in a sum of no less than one thousand dollars (\$1,000). In addition, the Treasurer shall furnish, at the District's expense, a corporate fidelity bond in a sum of not less than five thousand dollars (\$5,000), conditional upon the faithful performance of the duties of his/her office.
- D. *Election of Officers.* The Board shall elect, from its membership, a Chair and President, a Vice President, a Secretary and a Treasurer, who shall be the officers of the Board and of the District. The duties of each officer include, but are not necessarily limited to, the following:
- a. *President/Chairman.* The President shall be the Chairman of the Board and preside at all regular and special meetings.
 - b. *Vice President.* In the absence of the Chair, the Vice President shall preside at all regular and special meetings. The Vice President shall have the authority to make all management or administrative decisions regarding District matters.
 - c. *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 reviewing the minutes of regular and special meetings.

- d. *Treasurer.* The Treasurer shall be the chairman of the budget committee. The Treasurer shall keep or cause to be kept accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records.
- e. *Recording Secretary.* The Board shall have the authority to appoint a recording secretary, who need not be a member of the Board and who shall be responsible for recording all votes and composing a record of the proceedings of the Board in visual text format that may be transmitted electronically and 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.
- E. *Additional Duties of Officers:* The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, the Bylaws, the Rules and Regulations, or by special exigencies, which shall later be ratified by the Board.
- F. *Director's Performance of Duties – Fiduciary Obligations.* A Director shall perform all duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith and in a manner in which the Director reasonably believes to be in the best interest of the District. In performing such duties, the Director shall be entitled to rely on information, opinions, reports and statements, including financial statements and other financial data, prepared and/or presented by:
 - a. Officers and employees of the District whom the Director believes to be reliable and competent in the matters presented;
 - b. Attorneys, accountants, engineers and other consultants as to the matters in which the Director believes to be within such individual's professional or expert competence; and
 - c. Committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of these Bylaws, as to matters within its designated authority, which committee the Director believes to merit confidence.
- G. *Conflicts of Interest:* Directors shall disclose any potential conflict of interest in accordance with State law.
- H. *Compensation:* Each Director may receive compensation for their services as Directors, subject to the limitations set forth by State law.
- I. *Defense and Indemnification of Directors.* The District shall defend and indemnify Directors against liability for acts or omissions occurring during the performance of their governmental duties where such acts or omissions were made in good faith and in a manner a reasonable person would have believed to be in the best interests of the District as further defined in the District's Resolution Providing for the Defense and Indemnification of Directors and Employees of the District dated May 25, 2023, as may be amended from time to time.
- J. *Resignations.* Any Director may resign at any time by giving written notice to the Board. Acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.
- K. *Vacancies.* Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors at a regular or special meeting and as prescribed by the Act. The appointed elector must meet the *Director Qualifications* contained herein.
- L. *Recall of Directors.* Any Director who has held office for at least six (6) months may be subject to recall, pursuant to the Act.

Section 8. Enterprise Directors.

- A. *Management – Enterprise Directors.* The Board may appoint Enterprise Directors to serve for such terms and upon such conditions, including salary, as the Board may establish. According to the District’s management organization policies, the District’s business affairs are organized into three separate enterprises as recognized by State law – (i) a Water Enterprise; (ii) a Wastewater Enterprise; and (iii) a Parks and Recreation Enterprise – as well as a Department of Administration. Each Enterprise Director shall: (i) manage all operations, employees and business affairs of the associated enterprise or department under his/her management, including such systems and facilities associated with each such enterprise; (ii) be charged with the hiring and discharging of employees and the management of the facilities associated with such enterprise or department; (iii) approve all vouchers and purchaser orders related to their respective enterprises or department; (iv) manage the business affairs of the District as a team; and (v) enforce the Rules and Regulations. The Board may adopt a position description for each Enterprise Director to fully describe each’s positions responsibilities, powers and limitations.
- B. *Delegation of Management – Enterprise Directors.* The Enterprise Directors may delegate any management, ministerial or enforcement responsibility denoted herein, unless otherwise expressly prohibited by the Board.
- C. *Management of Funds.* The District’s Director of Finance shall have the care and custody of all funds of the District and shall deposit the same in the name of the District in such banks or other institutions as the Board may Direct. The District’s Director of Finance shall also: (i) manage administrative operations, employees and business affairs of the District on a day-to-day basis; (ii) keep regular books of account of all District transactions; (iii) obtain, at the District’s expenses, such bond for the faithful performance of duties as the Board may designate.
- D. *District Policies:* Enterprise Directors will follow the policies and procedures adopted by the Board.
- E. *Communications:* Enterprise Directors shall maintain open communication with individual Directors and with the Board as a whole.
- F. *Bests Interests of the District:* Enterprise Directors, and their respective enterprises/departments shall keep the best interests of the District in mind when making decisions about District matters.

Section 9: Consultants. The selection of consultants including, but not limited to, engineers, accountants, auditors and attorneys, shall be made by the Board and such consultants shall serve at the will of the Board.

Section 10: Financial Administration.

- A. *Fiscal Year:* The fiscal year of the District shall commence on January 1 of each year and end on December 31st.
- B. *Budget Committee:* There shall be a permanent committee, known as the “**Budget Committee**”, composed of the District’s Treasurer, a member of the Board appointed by the Board, the Enterprise Directors and the District’s Director of Finance, which shall be

responsible for the preparation of the annual budget of the District, and such other matters as may be assigned to it by the President of 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 that shall describe the important features of the budget plan and by a general summary wherein shall be set for 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. The proposed budget shall be supported by explanatory schedules and/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 Hearing*: The Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the District's office; that the Board will consider the adoption of the proposed budget on a certain date, time and at a certain location; that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to final adoption. Notice shall be posted or published in compliance with State 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 items as it deems necessary in view of the needs and probable income of the District. On or before December 31st of each year, the Board shall adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide sufficient revenues to finance budget expenditures. At the time of adoption of the budget, the Board shall enact a resolution making appropriations for the ensuing fiscal year.
- F. *Appropriation – Budget*: The amounts appropriated thereunder shall not exceed the amounts fixed for that purpose in the budget, as adopted. The income of the District 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. Upon the receipt of revenues which have been appropriated for expenditure, the Enterprise Directors may authorize expenditures for work, materials, equipment and labor and/or services in accordance with the Procurement Policy, such to (i) the limitations set forth in all line categories of the budget; or (ii) if a line category would be exceeded, subject to the Board's review and approval. The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.
- G. *Prohibition on Exceeding Appropriations*: The Board shall have no authority to enter into any contracts, or otherwise bind or obligate the District, to any liability for payment of money for any purpose for which provision is not made in an appropriation resolution, including any legally authorized amendments thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms hereof shall be void ab initio and no District funds shall be expended in payment of such contracts, except as authorized by a duly adopted budget amendment. Such budget amendment shall be adopted and filed in the same manner as the budget, as described herein and pursuant to State law.

- H. *Payment of Contingencies:* 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. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (i) the issuance of tax anticipation warrants, to the extent provided by State law; (ii) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue; or (iii) any other lawful and approved means.
- I. *Filing of Budget:* On or before January 30th of each year, the Board shall cause a certified copy of such budget to be filed pursuant to State law.
- J. *Audit:* The Board shall cause an annual audit to be made of the fiscal year of all financial affairs of the District through December 31st of such fiscal year. The audit report shall be submitted to the Board by June 30th. 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 the District during that 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 State law, pursuant to statutory requirements. The audit shall be revised by the Budget Committee before submittal to the Board. A copy of the audit report shall be maintained by the District as a public record and shall be filed pursuant to State law.
- K. *Audit Exemption:* Notwithstanding the foregoing audit requirements, the Board may file an application for exemption from audit, if the statutory criteria are met.
- L. *Auditor Contract Review:* The Board shall review the Auditor contract at least once every three years.

Section 10: Corporate Seal. The seal of the District shall be a circle containing the name of the District. The District's Director of Finance or the District's legal counsel shall have custody of the seal.

Section 11: Public Bidding and Contracting Procedures. Except in cases in which the District will receive aid from a government agency, a one-time notice shall be published in a paper of local circulation for bids on all construction contracts for work or material or both that involve an expense in excess then current statutory limit. The Board may reject any and all bids, and, if it appears that the District can perform the work or secure materials for less than the lowest bid, it may proceed to do so in accordance with State law. The Board also retains the right, in its sole discretion, to reject any or all proposals and to select the proposal and contractor who can best before the work and will serve the best interests of the District. The District shall follow all State law requirements regarding bonds.

Section 12: Records Management. The District shall adopt, maintain and comply with applicable records retention, destruction and disclosure requirements as further described in the District's public records request policy dated March 23, 2023, as may be amended from time to time (the "**Public Records Request Policy**").

Section 13: Code of Conduct. The Directors and Enterprise Directors shall at all times act in a professional manner; maintain professional boundaries with their employees, other

Enterprise Directors and Directors and exert leadership to the staff within their enterprise/department.

Section 14: Amendment of Bylaws. The bylaws may be altered, amended, or repealed or additions made in accordance to the procedure outlined in Section 35-70-109 of the Colorado Soil Conservation Act.

ADOPTED this 27th day of July, 2023, by the Board of Directors of the Woodmen Hills Metropolitan District.

Woodmen Hills Metropolitan District

Officer of the District

ATTEST:
