

USPWCD POLICIES & PROCEDURES DOCUMENT



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Introduction

The Upper South Platte Water Conservancy District (USPWCD) was formed 17 October 1955 under the Colorado Water Conservancy Act of 1937 and Colorado Revised Statutes 1953, Chapter 149, Article 6. The District utilizes a cash accrual accounting method in budgeting processes.

Goal

The current Board of Directors established certain prime objectives to sustain and improve the quality of life for the citizens of the District by effective use of the water resources in the District and to provide an adequate water supply for the residents of the District.

Objectives

- Retain the water rights within the District for the use of the citizens.
- To the degree possible maintain local control over the allocation of the water rights within the district. We will vigorously defend the remaining water supplies within the boundaries of the District.
- Promote intergovernmental agreements to defend against underground or other surface water storage reservoirs, or any conjunctive use concepts with the support of other applicable entities, agencies and groups.
- Establish a management program that will insure equitable distribution of water resources within the district.
- Procure surface water rights and storage rights at a reasonable cost when available.
- Cooperate with our sister agencies to bring to fruition a district wide plan of augmentation to provide necessary water supplies for the citizens within the District.

Accomplishment

We filed in the Colorado Water Court at the end of 2002 for a permanent District wide plan of augmentation (Case No. 2002CW389). The District Court, Water Division 1, State of Colorado approved the decree in April of 2008. Our partner in this action is the Center of Colorado Water Conservancy District (CCWCD). We have formalized our existing Joint Venture. In October 2006 we jointly agreed to consolidate our fiscal and physical resources, and created a Water Authority, named the Head Waters Authority of the South Platte (HASP), to provide augmentation water to our respective constituents. Contributions of funds, towards HASP projects, will be made, as required, by both districts.

Ongoing Activities

- As originally planned in 1994, the USPWCD Board of Directors will continue to search for water projects as the lead or supporting agency that will enhance the quality of life for the citizens of the District.

- In consultation and coordination with other entities, closely collaborate with the Coalition for the Upper South Platte (CUSP) in areas of water quality, public education and watershed protection. Involve both public and private initiatives to improve water basin wide water quality.
- Expand community knowledge of the District and the importance of water resources as a tool, for positive economic growth within the District.
- Explore other alternatives and vehicles to generate the necessary monetary resources to accomplish our overall goals.

Adoption and Amendment of Policies and Procedures

The policies, procedures and rules contained in this document may be amended, repealed or altered, in whole or in part, based upon a majority vote of the board of directors of the district.

The president of the board shall request a review by the board, of the District's policies and procedures document once per calendar year, preferably at the first meeting of the board for each calendar year. At this meeting the secretary shall present to the board any requests for reviews or changes, from board members.

New policies, procedures and rules may be adopted by a majority vote of the board, as long as those policies, procedures and rules do not conflict with the governing laws of Colorado.

All changes to the policies, procedures and rules of the district shall be discussed by the board of directors, a motion to make the change will be required, and a majority of a quorum of the board must vote in favor of the change before such a change can be adopted.

Meetings Policies and Procedure

1. Board Meetings

- a. All regular and special meetings of the District's board of directors or any committee thereof, shall be open to attendance by all members of the public.
- b. All members of the public, so desiring, shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings: except that, for regular and special meetings of the board, members of the public who are not board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the board.
- c. Regular Meetings: The Board of Directors shall meet at the times and places it shall select.
- d. Special Meetings: A special meeting of the Board of Directors may be called by, or at the request of, the President or Secretary.
- e. Notices of any special meetings of the Board of Directors shall be given at least six days prior, thereto, by written notice delivered personally or sent by mail or electronic mail to each Director. Any Director may waive notice of any meeting.
- f. Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting.

2. Selection Procedures (for Board of Directors)

- a. Directors shall be appointed in compliance with CRS 37-45-114, which describes in detail the processes involved in appointing, replacing and advertising the director positions.

Handling Board Member Conflicts of Interest

This section addresses conflicts of interest when a board member would benefit financially from any contract, decision, or other action taken by the board.

1. If any contract, decision, or other action taken by or on behalf of the Board of Directors or any person who is a parent, grandparent, spouse, child or sibling of a member of the board or a parent or a spouse of any of those persons, that member of the board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.
2. Any contract entered into in violation of this section is void and unenforceable, unless one or more of the following conditions are met:
 - a. Disclosures are made to the board and the board authorizes, approves, or ratifies the conflicting interest transaction; or
 - b. The conflicting interest transaction is fair to the District.
3. This section shall not be construed to invalidate any provision of the Agreement to form USPWCD, or other governing document, or Colorado law, that more strictly defines conflicts of interest, or contains further limits on the participation of executive board members who may have conflicts of interest.

Examination, Inspection and Copying of Records

1. The District shall make the following information available to the public upon reasonable notice:
 - a. the date on which its fiscal year commences;
 - b. its operating budget for the current fiscal year;
 - c. its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
 - d. the results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
 - e. a list of all district insurance policies, including, but not limited to, property, general liability, District director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed.
 - f. the minutes of the executive board meetings for the fiscal year immediately preceding the current annual disclosure; and
 - g. the district's responsible governance policies
2. It is the intent of this section to allow the widest possible latitude in methods and means of disclosure, while making the information readily available at no cost to the public at their convenience. Disclosure shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via publication in the newspaper; the maintenance of a literature table, or binder, at the District's principal place of business. The cost of such

distribution shall be accounted for as provided for by Colorado Open Records Act.

Reserve Fund and Investment Policy

USPWCD may keep certain amounts in reserve for various purposes such as planned improvements, water rights acquisition, equipment repair/replacement and other such uses. Some of the amounts required may be substantial. The Board of Directors is charged with the fiscal responsibility for insuring that these funds are available when they are needed. Therefore they must, from time to time, assess what savings options are available. These funds must be placed in savings instruments and/or checking accounts that are insured. The type of accounts that should be considered includes:

- Checking accounts (operating capital)
- Certificates of Deposit
- Money Market accounts
- Regular Savings accounts

The Board of Directors must review the Treasurer's report at each regular board meeting and determine the balances in each account. When amounts in the checking account exceed the amounts required for regular operations, the Treasurer should be instructed to determine where the most favorable rate can be obtained. This information should be presented to the board and the monies in excess of the operating needs should be transferred, with Board approval. In no case should District funds be used for personal loans, speculative investments or in other ways that might put them at risk.

The Treasurer shall have the authority to open accounts, or to transfer funds between District accounts of various types. It requires the signature of one board member to withdraw amounts up to \$9,999, two board members to withdraw amounts in excess of \$10,000. The Treasurer shall be responsible for arranging the signing of necessary signature cards as soon as practical after opening an account.

A safe deposit box, or other secure storage space, shall be rented or acquired by the District for the storage of certificates of deposits, deeds and similar documents. There must be two keys kept in a secure place by the secretary and president of the District Board. Two board members must have access to the safety deposit box.

Reimbursement Policies

Persons making purchases or traveling for the benefit of the District are entitled to reimbursement of their expenses. Whenever possible, persons making purchases on behalf of the District should arrange with the bookkeeper in advance so that a check can be prepared for presentation to the vendor/provider of goods or services. This practice will minimize the bookwork involved in a transaction.

To be reimbursed the person must fill out a reimbursement request form, which may be obtained from the bookkeeper, and attach receipts (except mileage).

When the reimbursement is for the use of the individual's vehicle, the requestor shall be reimbursed at the then current allowable rate, set by the IRS, for business mileage.

The reimbursement form must be signed by one board member other than the requestor.

Accounting

Generally Accepted Accounting Principals for Government entities should be followed. All financial transactions must be accounted for and periodic reports (quarterly) must be prepared and presented to the board of directors as part of the treasurer's report. In the interest of saving time, it is recommended that the financial reports be made available to board members at least one week prior to the board meeting where the treasurer's report will be reviewed and approved.

Contract Administration

All contracts to purchase goods or services shall be administered by the Board of Directors.

Guidelines:

Since USPWCD is a public entity, the board has a responsibility to insure that the money we spend on behalf of the citizens is spent wisely and that good value is received for those expenditures. These guidelines are an attempt to help this and future boards make sure that the District gets its monies worth when contracting with third parties for goods and services.

Materiality:

It is not practical, nor is it efficient; to utilize a formal bid/quote process for small purchases. However, if the value of an item or service exceeds \$10,000 it becomes not only practical, but also necessary to bid/quote to insure the integrity of the process and to be able to demonstrate to the taxpayers the integrity of the system. The board of directors (BOD) should review the threshold amount periodically, and adjust it, if inflation or other current conditions warrant a change.

The BOD, shall be responsible for the preparation and distribution of all requests for price quotations.