

**ROUND MOUNTAIN WATER AND SANITATION DISTRICT
RESOLUTION NUMBER 2018-23**

A RESOLUTION ADOPTING A CONFLICT OF INTEREST POLICY

WHEREAS, it has been determined that the district's existing Conflict of Interest Policy needs updating; and

WHEREAS, the district's attorney has provided the attached Conflict of Interest Policy which the Board believes better serves the interest of the public.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROUND MOUNTAIN WATER AND SANITATION DISTRICT, COLORADO:

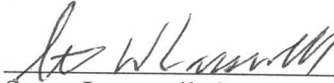
1. That the attached Conflict of Interest Policy is hereby adopted by the Board in replacement of the existing policy.
2. The District Manager is directed to update the district's By-Laws by replacing the existing policy in its entirety with the attached policy.
3. The District Manager may make such editorial actions to insert the policy as long as such actions do not change the meaning of the adopted policy.

ADOPTED, this 6th day of December, A. D. 2018.



Peggy Quint, Chair

ATTEST:



Steve Lasswell, Secretary



ROUND MOUNTAIN WATER & SANITATION DISTRICT

CONFLICT OF INTEREST POLICY

The Board of Directors of Round Mountain Water & Sanitation District (“District”) recognize that as Directors of a Colorado special district, they are individually subject to the Colorado Code of Ethics for local government officials, C.R.S. § 24-18-101 *et seq.*, and Colorado law governing local government official’s acts related to contracts, C.R.S. § 24-18-201 *et seq.* This policy is meant to outline the Directors’ obligations under those statutes and guide the Directors in addressing conflicts of interest.

Section 1. Definitions

1. “Be interested in” does not include holding a minority interest in a corporation.
2. “Contract” does not include:
 - a. Contracts awarded to the lowest responsible bidder based on competitive bidding procedures;
 - b. Merchandise sold to the highest bidder at public auctions;
 - c. Investments or deposits in financial institutions which are in the business of loaning or receiving moneys;
 - d. A contract with an interested party if, because of geographic restrictions, the District could not otherwise reasonably afford itself of the subject of the contract. It shall be presumed that the District could not otherwise reasonably afford itself of the subject of a contract if the additional cost to the District is greater than ten percent of a contract with an interested party or if the contract is for services that must be performed within a limited time period and no other contractor can provide those services within that time period.
 - e. A contract with respect to which a Director has disclosed a personal interest and has not voted thereon or with respect to which any Director has voted thereon in accordance with C.R.S. § 24-18-109(3)(b). Any such disclosure shall be made to the other Directors and to the secretary of state.

3. “Financial interest” means a substantial interest held by an individual which is:
 - a. An ownership interest in a business;
 - b. A creditor interest in an insolvent business;
 - c. An employment or a prospective employment for which negotiations have begun;
 - d. An ownership interest in real or personal property;
 - e. A loan or any other debtor interest; or
 - f. A directorship or officership in a business.
4. “Official act” or “official action” means any vote, decision, recommendation, approval, disapproval, or other action, including inaction, which involves the use of discretionary authority.

Section 2. Conflicts of Interest Requiring Disclosure

1. Acquiring or holding any interest in any business or undertaking which a Director has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the District and over which a Director has substantial authority.
2. Performing of an official act directly and substantially affecting a business or other undertaking to its economic detriment when a Director has a substantial financial interest in competing firm or undertaking.
3. Performing an official act directly and substantially affecting to its economic benefit a business or other undertaking in which a Director either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
4. Assisting or enabling of members of a Director’s immediate family in obtaining employment, a gift or substantial value, or an economic benefit tantamount to a gift of substantial value from a person whom a Director is in a position to reward with official action or has rewarded with official action in the past.

Section 3. Prohibited Acts

1. Accepting goods or services for a Director's own personal benefit offered by a person who is at the same time providing goods or services to the District, under a contract or other means by which the person receives payment or other compensation from the District, unless the totality of the circumstances attendant to the acceptance of the goods or services indicates that the transaction is legitimate, the terms are fair to both parties, the transaction is supported by full and adequate consideration, and the Director does not receive any substantial benefit resulting from the Director's official or governmental status that is unavailable to members of the public generally.
2. Engaging in a substantial financial transaction for his private business purposes with a person whom a Director inspects or supervises in the course of the Director's official duties.
3. Being interested in any contract made by the Director in his or her official capacity or by any body, agency, or board of which the Director is a member.

Section 4. Process for Disclosure

1. A Director who has a private interest in any matter proposed or pending before the District's Board of Directors shall disclose such interest, including the nature of such interest, to the other Directors on the record at a public meeting.
2. After disclosure, the Director shall not vote thereon and shall refrain from attempting to influence the decisions of the other Directors in voting on the matter. To ensure that there is no attempt to influence the decision, the disclosing Director should recuse himself or herself, not comment on the matter and should leave the room where the meeting is being conducted and the matter is being discussed. The Director may reenter the room and participate in the Board meeting after the conclusion of the vote on the matter in which he or she has a private interest and has recuse himself or herself.
3. A Director may vote on a matter in which he or she has a private interest if the following conditions are met:
 - i. The Director's participation is necessary to obtain a quorum or otherwise enable the Board of Directors to act; and
 - ii. The Director has disclosed the nature of the interest in conformity with C.R.S. § 24-18-110 and this policy.