

**DURANGO FIRE PROTECTION DISTRICT**  
**Policies Governing the Directors of DFPD**

**Subject: Protocol for Adoption and Amendment of Director Policies**  
**Policy No.: 1**

I. OBJECTIVE

To establish the protocol for the adoption and amendment of policies by the Board of Directors ("Board") of the Durango Fire Protection District ("DFPD").

II. POLICY

- A. Within the confines of applicable laws, the Board may adopt and amend such policies it determines to be beneficial to the effective functioning of DFPD and its Board.
- B. The Board may, in its discretion, delegate drafting of policies and amendments to DFPD's Fire Chief, legal counsel and/or other appropriate consultant.
- C. The Board may adopt policies and amendments by majority vote of the Board following the Board's review at a duly noticed meeting of the Board.
- D. The Board intends to review all of its Director policies not less than once every two years.
- E. All policies of the Board are created by the Board to support best Board practices; in no instance shall a Board policy be intended or construed as creating a contractual right or recourse on the part of any DFPD employee.

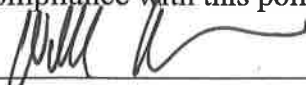
III. APPLICABILITY

In the event there is a conflict between any applicable law/regulation or the provisions of any lender agreement, either of the foregoing will control over the policy. Although the Board intends to follow its policies, the Board may make exceptions to its policies, without formal amendment thereto, upon majority vote of the Board to waive the policy in a given circumstance.

IV. RESPONSIBILITY

The Board shall be responsible for compliance with this policy.

April 22, 2014

  
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Secretary

**DURANGO FIRE PROTECTION DISTRICT  
Policies Governing the Directors of DFPD**

**Subject: Functions of the Board of Directors  
Policy No.: 2**

**I. OBJECTIVE**

To describe the major functions and responsibilities of the Board of Directors of DFPD.

**II. POLICY**

A. To maintain a legal entity, the Board will respect the formalities of a special district by performing the following:

1. Comply with all applicable federal, state, and local laws and regulations.
2. Establish and comply with Board policies.
3. If Bylaws are ever adopted, comply with such Bylaws and regularly review and update.
4. Hold well planned and effectively conducted Board meetings monthly, or more often if required. The preliminary agenda for such meetings will be developed by the Fire Chief of DFPD generally after consultation with the Chair of the Board, and the agenda will be distributed in advance of the Board meeting with appropriate supporting information.
5. Ensure that accurate minutes of the Board are prepared, approved and maintained. Minutes of the Board meetings will be taken by a person agreeable to the Board and the Fire Chief to serve as liaison and coordinator to the Board who will prepare a draft for review by the Board.
6. Develop, individually and collectively, Board knowledge of DFPD's business as well as Director duties and obligations.
7. Regularly review and make recommendations to the Board regarding the Board's policies.
8. Fill vacancies of the Board consistent with the law and Board policies.
9. Provide oversight and direction as described in Section B of this Director Policy No. 2.

B. To provide oversight and strategic direction to DFPD as set forth below.

1. Interview candidates, select and employ a competent leader (the Fire Chief). Provide a high-level of direction and advice to the Fire Chief while refraining from involvement in operational matters that are within the scope and authority of the Fire Chief. Facilitate Board review of the performance of the Fire Chief on at least an annual basis.
2. Delegate to the Fire Chief the powers and duties described in Policy No. 4 (Delegation of Authority from the Board of Directors to the Fire Chief); additional powers and duties may be delegated by resolution or motion of the Board.
3. Establish, with support from the Fire Chief, a vision and strategic plan for DFPD.
4. Consider and approve the goals and objectives of DFPD as developed and recommended by the Fire Chief in consultation with the Board.
5. Provide financial oversight through the review and adoption of an annual budget, a capital expenditure plan, and a strategic plan.
6. Consider and approve financial policies and financial plans appropriate to maintain sound financial management of DFPD.
7. Consider and approve employee policies applying to all personnel, including the Fire Chief.
8. Consider and approve policies regarding personnel benefits.
9. Consider and approve loans, real estate transactions, and/or any matters that require (pursuant to any law, approved plan, policy, or resolution) Board approval.
10. Review periodic reports from the Fire Chief to ensure conformity to the Board's approved goals, objectives, policies, and plans. These reports should be of sufficient scope to enable the Board to:
  - a. Prevent unauthorized action;
  - b. Predict trends and forecast results;
  - c. Determine where remedial or corrective action may be required; and
  - d. Measure performance and results against plans, policies, goals and objectives.
11. Approve depositories/banks for funds and designate those authorized to sign on behalf of DFPD.
12. The Fire Chief will review with the Board the insurance coverage for DFPD including, without limitation, insurance/bond coverage for the Directors.

13. Select and engage legal counsel following consultation and agreement of the Fire Chief.
14. Select and engage independent financial auditors based on a recommendation of the Budget Committee.
15. Review with the auditor the annual financial audit and the management discussion and analysis letter ("MD&A") and ensure that any necessary action is taken. The auditor is to provide the audit and DFPD staff is to provide the MD&A directly to the Board prior to the Board meeting when the audit is presented.
16. Review any independent management audit (if such an audit is undertaken) and ensure the Board approved recommendations are carried out by receiving and reviewing regular progress reports from the Fire Chief.

### III. RESPONSIBILITY

The Board shall be responsible for ensuring compliance with this policy.

April 22, 2014

  
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Secretary

**DURANGO FIRE PROTECTION DISTRICT**  
**Policies Governing the Directors of DFPD**

**Subject: Director Conduct**  
**Policy No.: 3**

I. OBJECTIVE

To establish standards of conduct for Directors of DFPD and clarify Director duties owed to DFPD.

II. POLICY

A. Conduct of a Fiduciary. Each Director is a fiduciary of DFPD and as such shall, at all times with respect to DFPD, act:

1. in good faith;
2. with the same care as a reasonable prudent person would act in a similar position under similar circumstances;
3. in a manner the Director reasonably believes to be in the best interest of DFPD; and
4. in a manner that disregards the Director's personal interests in favor of actions in the best interest of DFPD.

B. Fiduciary Duties. Each Director owes the following fiduciary duties to DFPD as summarized below.

1. Duty of Loyalty. The duty of loyalty includes, but is not limited to, the following: (a) the Director will put the best interests of DFPD above the personal/other interests of the Director and/or the personal/other interests of others as consistent with applicable laws; and (b) the Director will disclose to DFPD information he/she knows that is materially relevant to the business of DFPD.
2. Duty of Due Care. The duty of due care includes, but is not limited to, the following: (a) the Director shall be keep himself/herself reasonably informed with respect to DFPD matters upon which he/she may be called upon to act; (b) the Director shall prepare for, attend and participate in meetings of the Board and committees to which he/she is appointed; (c) the Director shall diligently discharge Board work in good faith as would a reasonably prudent person in conducting his/her own affairs; and (d) in discharging the Duty of Due Care, the Director may reasonably rely on information, opinions, reports or statements of DFPD's advisors (a Director has not met this duty if he/she has knowledge of DFPD matters that would make such reliance unreasonable or unwarranted).
3. Duties Regarding Conflicting Interest Transactions. A Director will not participate in, authorize, approve or ratify a "Conflicting Interest Transaction" unless: (a) the Director's vote is necessary to obtain a quorum or otherwise

enable the Board to act; and (b) the Director discloses all material facts of the Director's interest as required by C.R.S. § 32-1-902(b), C.R.S. § 24-18-110 and criminal code C.R.S. § 18-8-308; and (c) the Director refrains from attempting to influence the decisions of the other Directors voting on the matter. A "Conflicting Interest Transaction" includes, without limitation, a transaction proposed or pending before the Board in which a Director has a personal or private interest (including through a related family member or entity in which the Director holds an interest).

4. Prohibited Transactions. Directors shall not participate in prohibited transactions including, without limitation, the following: (a) engage in a substantial financial transaction for the Director's private business purposes with a person whom the Director inspects or supervises in the course of the Director's official duties; (b) perform an official act directly and substantially affecting the economic benefit of a business in which the Director either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent; (c) accept goods or services for the Director's own personal benefit offered by a person who is at the same time providing goods or services to DFPD for compensation, unless the totality of the transaction is deemed legitimate per C.R.S. § 24-18-109(2)(c); (d) accept gifts made directly or to an immediate family member related to or resulting from the Director's position on the Board if such gift is in excess of the statutory cap applicable to a county official (in 2014 such amount was \$53); or (e) contracts prohibited by C.R.S. § 24-18-201.

C. Compliance with Laws. All Directors shall comply with the letter, intent and spirit of all applicable federal, state, and local laws and regulations.

D. Candor, Honesty and Integrity. In carrying out the Director responsibilities, each Director shall be candid with the Board, shall be honest and forthright in his/her communications, and shall act with integrity that reflects positively on DFPD. No Director shall accept a gift, benefit, enticement or an unlawful payment from any other person/entity in exchange for action by the Director. Any acceptance by a Director of a gift or benefit must immediately (delaying not more than two weeks) be disclosed by the Director to the entire Board. No Director will misuse any DFPD asset.

E. Communication.

1. No director shall have verbal or written communications in violation of the Colorado Open Meetings laws.
2. With respect to all matters and discussions that are not subject to Open Records disclosure (including without limitation, privileged attorney-client communication, personnel matters, HIPAA protected information, or other matter deemed confidential by law) each Director shall hold such matters and discussions strictly confidential.

F. Behavior at DFPD Meetings. At all Board meetings, committee meetings, meetings with staff, or other places/events of DFPD business, each Director shall:

1. Be in compliance with the Open Meetings laws. Specifically, *three or more* directors shall not communicate (in person, by phone or by email) to address DFPD business unless: (a) such meeting is duly noticed; or (b) such meeting/communications are to address ministerial tasks (such as to schedule a meeting time) or to receive (but not respond to) a communication such as a board packet.
2. Speak and act in a courteous and professional manner.
3. Be respectful of the time of others, including other Directors, staff and public participants, and not engage in excessive commentary on a matter.
4. Not raise issues at Board meetings that have not been noticed or officially added to at the Board meeting, with approval by the Board and added to the agenda;
5. Consider making a request for an executive session before discussion about matters where confidential discussion is permissible and prudent;
6. Unless in a DFPD Board or committee meeting, not impose upon the Fire Chief unless such communications are part of work contemplated by a Board or a committee or are obligations of the Chair of the Board; and
7. Unless in a DFPD Board or committee meeting, not impose upon and/or have communications directly with staff unless: (a) such communications are part of a pre-approved work contemplated by a Board or a committee or are obligations of the Chair of the Board; and (b) the Fire Chief has approved such direct communication with a staff member.

### III. RESPONSIBILITY

Each Director shall be responsible for compliance with this policy.

April 22, 2014

  
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Secretary

**DURANGO FIRE PROTECTION DISTRICT**  
**Policies Governing the Directors of DFPD**

**Subject: Board Communications**  
**Policy No.: 11**

**I. OBJECTIVES**

To provide protocols regarding confidential matters and regarding any communication by any Director about DFPD matters.

**II. POLICY**

A. With respect to all matters and discussions that are not subject to Open Records disclosure (including without limitation, privileged attorney-client communications, personnel matters, HIPPA protected information, or other matter confidential by law) each Director shall hold such matters and discussions strictly confidential.

Nothing herein contained is intended to supersede the disclosure of information required by law or compelled by court order.

B. All communications between the Board and the media shall be made by the Chair of the Board. Any Director, other than the Chair, who is contacted by the media shall decline comment and shall refer the matter to the Chair. Unless the Board approves a specific resolution to the contrary, in the absence of the Chair, only the Vice-Chair shall be authorized to make such communications.

C. When a Director is identified as a DFPD Director in a community setting the Director shall use good judgment in answering questions concerning DFPD and assure that it is understood that a Director cannot disclose confidential information or speak on behalf of the entire Board (unless authorized to do so). If appropriate, the matter will be referred to DFPD staff.

**III. RESPONSIBILITY**

Each Director shall be responsible to strictly comply with this Policy.

April 22, 2014

  
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Secretary



**DURANGO FIRE PROTECTION DISTRICT**  
**Policies Governing the Directors of DFPD**

**Subject: Services of Consultants**

**Policy No.: 12**

**I. OBJECTIVES**

- A. To establish the policy governing the selection, engagement and use of consultants.
- B. To define the relationships existing between consultants, the Board and the Fire Chief.

**II. POLICY**

**A. Engagement and Use of Consultants**

- 1. To best manage DFPD, the Board and/or the Fire Chief may utilize consultants for advice.
- 2. The Fire Chief will provide for the estimated cost of using consulting services in preparing DFPD's estimated annual operating budget.

**B. Selection of Consultants**

- 1. The Board shall select the auditor and may consider advice of the Audit and Finance Committee in making its selection.
- 2. The Board will work with the Fire Chief with respect to selection of consultants who both advise the Board and the Fire Chief with respect to DFPD matters.

**C. Relationships**

- 1. DFPD's general outside legal counsel represents the entity, DFPD, and as such advises the Board and also advises the Fire Chief on operational matters.
- 2. The auditor will conduct the audit on behalf of the DFPD Board and will report directly to the DFPD Board.
- 3. Any other consultant will report to DFPD's Fire Chief unless the Board requests otherwise.

**III. RESPONSIBILITY**

- A. The Fire Chief shall be responsible to the Board for recommendations to provide for inclusions of consultant appearance and reports on the agenda for Board meetings.

The Fire Chief shall have a further responsibility to furnish advice to the Board on selection and use of consultants; this responsibility includes adequate provision in the annual operating budget. The Board shall be responsible for ensuring compliance with this policy.

April 22, 2014



Secretary