

**ANNUAL RESOLUTION OF
THE BOARD OF DIRECTORS OF THE
WOODMOOR WATER AND SANITATION DISTRICT NO. 1
RESOLUTION NO. 12-01**

At a regular meeting of the Board of Directors of the Woodmoor Water and Sanitation District No. 1, El Paso County, Colorado, held at 1:00 P.M., on Thursday, January 8, 2012, at 1845 Woodmoor Drive, Monument, Colorado 80132, at which a quorum was present, the following resolution was adopted:

WHEREAS, the Woodmoor Water and Sanitation District No. 1 (the "District") was organized as a special district pursuant to an Order of the District Court in and for the County of El Paso, Colorado, dated August 5, 1964 and is located within El Paso County; and

WHEREAS, the Board of Directors of the District (collectively referred to as the "Board" or individually as "Director(s)") has a duty to perform certain obligations in order to assure the efficient operation of the District; and

WHEREAS, § 32-1-306, C.R.S., requires the District, on or before January 1, to file a current, accurate map of its boundaries with the County Clerk and Recorder, County Assessor and the Division of Local Government (the "Division") each year; and

WHEREAS, § 32-1-104(2), C.R.S., requires that the District, on or before January 15, notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder in each county in which the District is located, the governing body of any municipalities in which the District is located and the Division of the name of the Chairman of the Board, the contact person, the telephone number and business address of the District; and

WHEREAS, § 32-1-809, C.R.S., requires that the Board provide notice containing certain information about the District, to the eligible electors of the District, each year; and

WHEREAS, the Local Government Budget Law of Colorado, §§ 29-1-101 *et seq.*, C.R.S., requires the Board to hold a public hearing on proposed budgets and amendments thereto to adopt budgets and to file copies of the budgets and amendments thereto; and

WHEREAS, § 29-1-205, C.R.S., requires the District to file on or before February 1, of each year, an informational listing of all contracts in effect with other political subdivisions; and

WHEREAS, in accordance with the Public Securities Information Reporting Act, §§ 11-58-101 *et seq.*, C.R.S., issuers of nonrated public securities shall make public within sixty (60) days following the end of each of such issuer's fiscal year, an annual information report or reports with respect to any of such issuer's nonrated public securities which are outstanding as of the end of each such fiscal year; and

WHEREAS, in accordance with § 29-1-604(1), C.R.S., if expenditures and revenues of the District are not in excess of \$100,000, the District may file an exemption from audit with the

State Auditor; or in accordance with § 29-1-604(2), C.R.S., if expenditures and revenues of the District are at least \$100,000, but not more than \$500,000, the District may, with the approval of the State Auditor, file an exemption from audit with the State Auditor; or in accordance with § 29-1-603, C.R.S., the governing body of the District shall cause to be made an annual audit of the financial statements for each fiscal year; and

WHEREAS, the Unclaimed Property Act, §§ 38-13-101 *et seq.*, C.R.S., requires that governmental subdivisions, if applicable, file an annual report listing unclaimed property with the State Treasurer; and

WHEREAS, pursuant to § 32-1-103(15), C.R.S., the legal notices of the District must be published in one newspaper of general circulation in the District, and if there is not one such newspaper of general circulation, then in one newspaper in each county in which the District is located; and

WHEREAS, § 24-6-402(2)(c), C.R.S., specifies the duty of the Board to designate a posting place for notices of meetings which are not otherwise posted under Title 32, C.R.S., as regular or special meetings; and

WHEREAS, § 32-1-903(2), C.R.S., requires that notice of the time and place designated for all regular meetings shall be posted in at least three (3) public places within the boundaries of the District and one (1) such notice shall be posted in the office of the County Clerk and Recorder in each county in which the District is located; and

WHEREAS, § 32-1-903(1), C.R.S., requires that the Board shall meet regularly at a time and place to be designated by the Board that is within the boundaries of the District or within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries, unless the proposed change of location for meetings appears on a Board agenda and a resolution is adopted stating the reason for meeting in the desired location; and

WHEREAS, pursuant to § 32-1-904, C.R.S., the office of the District shall be at some fixed place to be determined by the Board; and

WHEREAS, pursuant to § 32-1-901(1) C.R.S., each Director, within thirty (30) days after his or her election or appointment to fill a vacancy, must take an oath of office which must be filed with the Clerk of the Court and with the Division; and

WHEREAS, pursuant to § 32-1-902(1), C.R.S., the Board shall elect one of its members as chairman of the Board and president of the District, one of its members as a treasurer of the Board and a secretary who may be a member of the Board, or the secretary and treasurer may be one individual, which in such case is a member of the Board; and

WHEREAS, the Directors may receive compensation for their services subject to the limitations imposed by § 32-1-902(3)(a), C.R.S.; and

WHEREAS, Directors are governed by § 32-1-902(3)(b), C.R.S., in effect since 1981, which requires any Director to disqualify himself or herself from voting on an issue in which he or she has a conflict of interest, unless the Director has properly disclosed such conflict in compliance with law; and

WHEREAS, Directors are governed by § 32-1-902(4), C.R.S., which requires any Director who owns undeveloped land which constitutes at least twenty percent (20%) of the territory included in the District to properly disclose such fact in compliance with law; and

WHEREAS, elections may be held pursuant to the “Special District Act”, Parts 1-18 of Article 1 of Title 32, C.R.S. and the “Uniform Election Code of 1992”, Articles 1 to 13 of Title 1, C.R.S. for the purpose of: 1) electing members of the Board; 2) presenting certain ballot issues to the eligible electors of the District as required by Article X, Section 20 of the Colorado Constitution; and 3) presenting certain ballot questions to the eligible electors of the District; and

WHEREAS, § 1-5-102, C.R.S., specifies that the Board shall designate polling places for nonpartisan elections, other than coordinated elections, no later than twenty-five (25) days prior to an election; and, in accordance with § 1-5-102.5, C.R.S., no later than ninety (90) days prior to a coordinated election, the County Clerk and Recorder, in consultation with the other designated election officials of each political subdivision, shall assure one (1) polling place be designated; and

WHEREAS, § 1-1-111(2), C.R.S., provides that all powers and authority granted to the governing body of a political subdivision may be exercised by a “Designated Election Official” designated by the Board; and

WHEREAS, §§ 1-11-103(3), 32-1-104(1), and 32-1-1101.5(1), C.R.S., require the District to notify the Division of the results of any elections held by the District, including business address, telephone number and the contact person; and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality; and

WHEREAS, §§ 32-1-1604 and 32-1-1101.5(1), C.R.S., require the Board to issue notice of general obligation indebtedness to the Board of County Commissioners and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing indebtedness; and

WHEREAS, in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S., the Board of County Commissioners may require the District to file an application for the quinquennial finding of reasonable diligence; and

WHEREAS, in accordance with §§ 32-1-207(3)(c) and 32-1-207(3)(d), C.R.S., the Board of County Commissioners or the governing body of a municipality in which a district is wholly or partially located may require a district to file a special district annual report; and

WHEREAS, in accordance with the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S., the Board is given authority to obtain insurance; and

WHEREAS, the Colorado Open Meeting Law at § 24-6-402(2)(d.5)(II)(A), C.R.S., specifies that discussions that occur in an executive session of a local public body shall be electronically recorded; and

WHEREAS, pursuant to § 24-6-402(2)(d.5)(II)(E), C.R.S., such electronic recording of executive sessions shall be retained for at least ninety (90) days after the date of the executive session.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WOODMOOR WATER AND SANITATION DISTRICT NO. 1 AS FOLLOWS:

1. The Board directs the District's engineer to prepare an accurate map as specified by the Division as required by statute and directs legal counsel to file such map with the County Clerk and Recorder, the County Assessor and the Division.
2. The Board directs legal counsel to notify the Board of County Commissioners, Assessor, Treasurer, Clerk and Recorder in each county in which the District is located, the governing body of the municipality in which the District is located and the Division of the name of the Chairman of the Board, the contact person, telephone number and business address of the District.
3. The Board directs management to: (1) provide notice, containing certain information about the District, to the eligible electors of the District, in the manner set forth in § 32-1-809, C.R.S.; and (2) file a copy of the notice with the County Clerk and Recorder's Office and with the Division. The Board further directs that a copy of the notice shall be made available for public inspection at the principal business office of the District.
4. The Board directs management to submit a proposed budget to the Board by October 15, to schedule a public hearing on the proposed budget, to prepare a final budget, budget resolutions, including certification of mill levies, amendments to the budget if necessary, to certify the mill levies on or before December 15 and directs legal counsel to file the approved budgets and amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado.
5. The Board directs legal counsel to prepare and file an informational listing of all contracts in effect with other political subdivisions with the Division on or before February 1.
6. The Board directs management to prepare and file the annual public securities report for nonrated public securities issued by the District with the Department of Local Affairs on or before March 1.

7. The Board directs that either an audit exemption application be filed with the State Auditor by March 31 or an audit of the financial statements be prepared and submitted to the Board before June 30. Further, the Board directs that the Audit be filed with the State Auditor by July 31.
8. The Board designates the Tri-Lakes Tribune or the Gazette as a newspaper of general circulation within the boundaries of the District or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in accordance with applicable statutes in the Tri-Lakes Tribune or in the Gazette.
9. The Board designates 1845 Woodmoor Drive, Monument, Colorado, as the posting place for notices of meetings which were not otherwise posted under Title 32, C.R.S.
10. In addition the Board determines that regular and special meeting notices shall be posted in three (3) places within the boundaries of the District and one such notice shall be posted in the office of the County Clerk and Recorder in each county in which the District is located.
11. The Board determines to hold regular meetings the second Thursday of every month, at 1:00 P.M. at 1845 Woodmoor Drive, Monument, Colorado 80132.
12. The District has elected officers and hereby reaffirms the following officers for the District:

President/Chairman: Barrie A. Town
Treasurer: James W. Wyss
Secretary: James W. Taylor
13. The Board directs that each director shall receive compensation for services as Directors in accordance with §§ 32-1-902(3)(a)(I) & (II), C.R.S.
14. Nicolle Brewer, of the law firm, Norton, Smith, & Keane, P.C., is hereby appointed as the "Designated Election Official" of the Board for any elections to be held during 2012 and any subsequent year. The Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including, but not limited to, appointing election judges, appointing a canvass board and cancellation, of the election, if applicable.
15. The Board deems it expedient for the convenience of the electors that it shall establish a polling place for all regular and special elections of the District. There shall be one (1) polling place for the elections. This polling place shall be used for any regular or special elections to be held in 2012, and in each fiscal year thereafter until such polling place is changed by duly adopted resolution of the

Board. Such polling place shall be located at the Woodmoor Water and Sanitation District headquarters, in Monument, Colorado. All voters for the District shall vote at the designated polling place. Handicapped and nonresident voters shall vote at the same polling place.

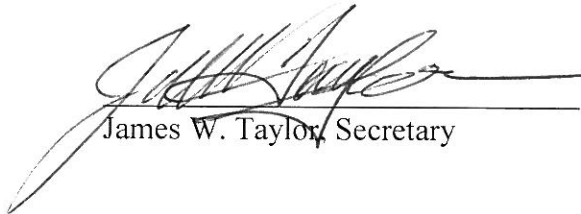
16. In accordance with §§ 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S., the District directs legal counsel and the Designated Election Official to notify the Division of the results of any elections held by the District, including business address, telephone number and the contact person and to certify results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality.
17. In accordance with §§ 32-1-1604 and 1101.5(1), C.R.S., the Board directs legal counsel to issue notice of indebtedness to the Board of County Commissioners and to record such notice with the County Clerk and Recorder in each county in which the District is located within thirty (30) days of incurring or authorizing of any general obligation indebtedness.
18. The Board directs legal counsel to prepare and file with the Board of County Commissioners, if requested, the quinquennial finding of reasonable diligence in accordance with §§ 32-1-1101.5(1.5) and (2), C.R.S.
19. The Board directs legal counsel to prepare and file, if requested, the special district annual report, in accordance with §§ 32-1-207(3)(c) and 32-1-207(3)(d), C.R.S.
20. The Board directs the District Manager to retain all electronic recordings of executive sessions for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs legal counsel to systematically delete all recordings of executive sessions made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.

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CERTIFICATION

I, James W. Taylor, Secretary of the Board of the Woodmoor Water and Sanitation District No. 1, do hereby certify that the annexed and foregoing Resolution is a true copy from the records of the proceedings of the Board of said District, on file with Norton, Smith, & Keane, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, at the County of El Paso, Colorado, this 12th day of January, 2012.

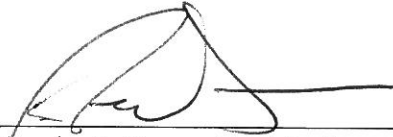


James W. Taylor, Secretary

Whereupon, a motion was made and seconded, and upon a majority vote this Annual Resolution was approved by the Board.

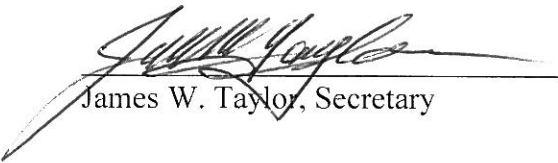
ADOPTED AND APPROVED THIS 12TH DAY OF JANUARY, 2012.

WOODMOOR WATER AND SANITATION DISTRICT NO. 1



Barrie A. Town, President

ATTEST:



James W. Taylor, Secretary