

BYLAWS and RULES (§ 32-7-113 (1) (n))
OF
OURAY COUNTY REGIONAL SERVICE AUTHORITY
Approved on June 17, 2025

PREAMBLE

The Regional Service Authority (RSA) of Ouray County, Colorado was established to provide a healthcare facility and contract with appropriate healthcare providers to maintain healthcare in Ouray County. The basis of these Bylaws and Rules is the authority granted by Ouray County voters in the 2000 general election Ballot Questions 5A through 5E passed on November 7, 2000, for the creation of Ouray County Regional Service Authority (RSA) and with a maximum ad valorem mill levy of 1 mill each year for 10 years and election of the initial 5 Board of Directors; 2010 general election Ballot Question passed on November 2, 2010, to reduce the maximum ad valorem mill levy to 0.25 each year for 10 years; and 2020 general election Ballot Question 6A to increase the maximum ad valorem mill levy to 0.375 each year for 10 years. The statute and regulations for the RSA are at the Colorado Revised Statutes Article 7. Regional Service Authorities (§§ 32-7-101 — 32-7-146) grants the authority and regulations for the RSA. The Board Member Manual of the Special District Association of Colorado provides guidance when the statute is silent. A ballot initiative for the ad valorem mill levy is placed in front of the voters every 10 years and an election of the 5 board members happens every two years dependent on what district the board member represents.

ARTICLE I
RSA's MISSION

Section 1. Mission. In a continuing effort to ensure healthcare services remain available in Ouray County, the Ouray County Regional Service Authority's (RSA) mission is to provide residents and visitors of Ouray County a suitable equipped healthcare facility to be staffed by contract with appropriate healthcare providers, as approved by voters and dually filed in the Ouray County Clerk and Records Office as shown on the 2000 Election Abstract.

The RSA aims to accomplish its mission as follows:

- (a) Acknowledge that a healthcare facility as stated in the year 2000 General Election Ballot Question 5B refers to a single healthcare facility.
- (b) Acknowledge that a Healthcare Facility includes its building and infrastructure.

(c) Acknowledge RSA's responsibility to adequately equip and maintain a Healthcare Facility.

(d) The RSA may contract for appropriate healthcare providers via open bid or proposal, in response to specific statements of need or work.

(e) The RSA may contract with professional healthcare organizations/associations on a periodic basis to evaluate the adequacy of the RSA's healthcare facility, equipment and healthcare providers.

(f) The RSA will develop a plan or plans of sustainability for the continuation of healthcare services within Ouray County.

ARTICLE II PLACE OF BUSINESS

Section 1. Known Place of Business. The known place of the RSA owned building for healthcare is at 295 Sherman St, Ridgway, CO 81432. The mailing address is Ouray County Regional Service Authority, P.O. Box 1262, Ridgway, CO 81432.

ARTICLE III GENERAL RULES

Section 1. Qualification of Directors of the Board: The Board shall consist of one Member from each of the five precincts of Ouray County who is a registered voter of that district. Candidates for the Board shall submit either their own application, or one is submitted for them from a valid registered Ouray County voter. Respective districts are the same as the precincts of Ouray County.

Section 2. Voting. Each registered voter of Ouray County is able to vote for each Member per Colorado State statute. Within the Board, each Member shall have one vote. A quorum for Directors voting is a majority of the Board (or, 3). If there is not more than one valid candidate for the district, a public election is not required and the candidate is deemed 'elected'.

Section 3. Cost of elections. (4) All necessary expenses of the general election of the RSA and other proceedings conducted pursuant to said election shall be paid by Ouray County. When the board calls a special election after formation of the RSA to be held at a time other than the general election, all necessary expenses for the election shall be paid by the service authority.

Section 4. Meetings. The Board of Directors will meet either in person or remotely as frequently as required to accomplish Board business. The location of the in-person meeting shall be in Ouray County. All RSA meetings are public, unless a closed meeting is required. Only personnel issues will be considered at closed to the public sessions.

Section 5. Agendas. Agendas for Board meetings will be published on the RSA website seven (7) days before the meeting except for a special meeting for the removal of a director which is ten (10) days before the meeting.

ARTICLE IV DIRECTORS

Section 1. Powers of Directors. The business and affairs of the RSA shall be managed by its Board of Directors. The duties shall include the following:

- (a) Review, evaluate and establish policies, both short term and long term, of the RSA;
- (b) Oversee implementation of such policies in the performance of the RSA through monitoring by the whole of the Board against the criteria in those policies.
- (c) Determine the employment status of the administrative assistant or other employee(s): including hiring, terminating employment, and annually reviewing the performance and salary.
- (d) Oversee the election of President, Vice-President and Secretary of the Board of Directors from among those elected;
- (e) Create such committees and subcommittees as it may deem advisable;
- (f) Receive all reports of the committees (if any) of the Board of Directors and officers and take appropriate action thereon;
- (g) HIPAA (Health Information Portability and Accountability Act) training is not required of Board members, as they are not exposed to patient information. The Board of Directors will work with the healthcare provider to make sure any contractors in the building are in compliance with HIPAA protections through the business associate agreement of the healthcare provider(s).
- (h) Perform such other duties as prescribed in these Bylaws and as may be permitted by law and/or required of the RSA.

Section 2. Election of Directors (§32-7-110). Per Colorado state statute, the term of each member of the Board of Directors shall be four years. All Board of Directors shall reside in and be elected by the eligible electors of the respective districts which are the same as the precincts of Ouray County. All Board of Directors are elected on the first Tuesday after the first Monday of November. District 1, 3 and 5 board members are elected in the election for the U. S. President and those of district 2 and 4 board members are elected in the election for the State of Colorado Governor. The Board of Directors shall oversee the election of directors whose terms are due to expire.

Section 3. Term of Office. The directors shall serve from January 1 until 31 December for four years. The newly elected Board members will be sworn in at the December meeting scheduled within 30 days after the general election, so that they will be getting functioning at the January meeting. The term limits are for 2 consecutive terms.

Section 4. Resignation. Any director of the RSA may resign at any time, by giving written notice thereof to the RSA. Such resignation shall take effect at the time

specified therein and, unless otherwise specified with respect thereto, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies (§ 32-7-110 (3)). For any vacancy occurring in the Board of Directors by reason of death, resignation, or removal, the Board of Directors has power, by appointment, to fill all vacancies on the Board of Directors, and the person so appointed shall hold office until the next general election and until a successor is qualified and elected. Any person so appointed shall reside in the district in which the vacancy occurred. If the term of the member creating the vacancy extends beyond the next general election, the appointment shall be for the unexpired term.

Section 6 Removal. A director may be removed, with or without cause, at a meeting called expressly for that purpose, by a vote of two-thirds (4 of the 5) of the directors entitled to vote. The Board of Directors shall take such action whenever in its judgment the best interests of the RSA will be served thereby. The notice of the meeting to remove a director must state that the purpose of the meeting, or one of the purposes of the meeting, is removal of a director, and must be given not less than ten (10) days prior to the meeting and so noted in the published notice.

Section 7 Recall. (§32-7-110-8). Any board member may be recalled from office pursuant to the provisions and subject to the conditions of part 1 of article 12 of title 1, C.R.S.

Section 8. Compensation and Expenses. (§32-7-110-5). Directors shall serve as such without compensation. Expenses incurred in connection with the performance of their official duties may be reimbursed to directors subject to the reimbursement policy of the Board of Directors. A director shall be precluded from serving the RSA in any other capacity or from receiving compensation for such services. The Board of Directors may provide by resolution for the compensation of its members in the amount of fifty dollars for each day a member is necessarily engaged in the business of the authority, in addition to the reasonable and necessary expenses incurred by each member while so engaged. The compensation of a member shall not be increased nor diminished during his term of office.

Section 9. Resolution. (§32-7-110-7). In addition to any acts of the Board of Directors specifically required to be accomplished by resolution, any action adopting or revising a budget, appropriating funds, establishing the administrative organization and structure, or promulgating regulations enforceable by fine or penalty shall be passed by resolution. Resolutions promulgating regulations enforceable by fine or penalty shall be published one time prior to final passage and within fourteen days after passage; publication after final passage may be by reference. At least six days shall elapse between introduction and final passage of a resolution. Such resolution shall not take effect and be enforced until the expiration of thirty days after final passage except resolutions calling for special elections or those necessary to the immediate preservation of the public health or safety, which shall contain the reasons making the same necessary

in a separate section. The excepted resolutions shall take effect in five days, if passed by an affirmative vote of three-fourths (4) of the members of the board. All other actions of the Board of Directors may be accomplished by motion.

Section 10. Newly Elected Directors. Newly elected directors must sign the oath of office 30 days after the general election. The oath of office documents have to be filed with the Ouray County Clerk and Recorder and the Department of Local Affairs.

ARTICLE V PLANNING (§32-7-114)

Section 1. Duties related to planning powers. To provide for comprehensive planning to promote the orderly and efficient development of the physical, social, and economic elements of the service authority and to encourage and assist local governments within the boundaries of the service authority to plan for the future, the Board of Directors shall prepare and adopt, after such public hearings as it deems necessary, a comprehensive development guide for the service authority area, consisting of a compilation of policy statements, goals, standards, programs, maps, and those future developments that will have an impact on the entire area, including but not limited to such matters as land use, parks and open space land needs, transportation facilities, public hospitals and health facilities, libraries, schools, other public buildings, domestic water collection, treatment, and distribution, housing and the delivery and distribution of social services to residents of the service authority. The latest Strategic Plan is a draft dated April 1, 2016.

ARTICLE VI LEVY AND COLLECTION OF TAXES (§§32-7-118 and 32-7-119)

Section 1. Mill levy. (§32-7-119). Each ten years, the mill levy for the ad valorem tax is submitted to the Ouray County voters for approval or disapproval. In the 2020 general election in Ballot Question 6A Ouray County voters approved the increase of the maximum ad valorem mill levy to 0.375 each year for 10 years.

Section 2. Revenue generated by ad valorem tax. (§32-7-118). For future year budget purposes, in the middle of December, the RSA receives from Ouray County the estimate of the ad valorem tax to be collected for the future year. Each month in the future year, the RSA receives the revenue of the actual ad valorem tax collected.

ARTICLE VII COMMITTEES

Section 1. Committees. The Board of Directors, by resolutions adopted by a majority of the full Board, may appoint such committee or committees as it shall deem advisable and with such rights, powers, and authority as it shall prescribe except as otherwise provided by law. Each such committee shall consist of one or more directors.

Section 2. Tenure. Each member of a committee shall be appointed for one year or until the completion of the project for which it was formed, whichever comes first.

Section 3. Duties and Responsibilities. The duties and responsibilities of committees will be designated by the Board of Directors. The Board will appoint a committee chair and members for a set period of time or until the completion of the project, whichever comes first, and will charge the committees with appropriate authority and responsibility. All actions taken by Committees shall be reported to the Board of Directors for their information and approval as appropriate.

Section 4. Committee Changes. The Board of Directors, with or without cause, may dissolve any committee or remove any member or chair thereof at any time. The Board of Directors shall also have the power to fill vacancies in any committee.

ARTICLE VIII OFFICERS (§32-7-110-5)

Section 1. Number. The officers of the RSA shall be a Board President, a Vice President and a Secretary.

Section 2. Election and Term of Office. The President, Vice-President and Secretary, of the Board shall be elected annually at the first Board meeting in January of every year by a vote of the Board of Directors. All elected officers shall have no term limit except for President. The President is limited to a single two-year term with the option of an additional one-year under circumstances deemed to be "exceptional" by the Board of Directors. Each officer shall take office immediately following his or her election and shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his or her earlier death, resignation, or removal.

Section 3. Board President. The Board President shall chair all meetings of the Board of Directors and shall perform all duties incident to the office of Board President, and shall perform all of the duties as, from time to time, may be assigned to him or her by the Board of Directors.

Section 4. Vice President. In the absence of the President or in the event of his or her death, inability, or refusal to act, the Vice President shall perform the duties and exercise the powers of the President and when so acting, shall have all the powers of,

and be subject to all the restrictions upon, the President. The Vice President shall have such powers and perform such duties as, from time to time, may be assigned to him or her by the President or the Board of Directors.

Section 5. Secretary. The Secretary or designee shall (a) keep that portion of the minutes of all meetings and proceedings of the Board of Directors that are not kept by employee of the RSA, (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, and (c) perform such duties as, from time to time, may be assigned to him or her by the Board President or Board of Directors.

ARTICLE IX PROPERTY AND EQUIPMENT (§ 32-7-113 (1) (h) and (i))

Section 1. Property. The RSA owns the healthcare facility at 295 Sherman Street. The RSA purchased it for \$826,507 on November 28, 2001. Until September 9, 2011, RSA had a mortgage on the property. The property is leased to the healthcare provider under a lease for a set period of time. RSA is responsible for all maintenance and repairs of the building. RSA does not owe property taxes on the property.

Section 2. Equipment. The RSA owns all the equipment in the healthcare facility at 295 Sherman Street. The equipment is leased to the healthcare provider under a lease for a set period of time. RSA is responsible for the purchase of new equipment, the maintenance of the equipment, and disposal of the equipment. The RSA performs an annual inventory of the equipment.

ARTICLE X ADMINISTRATION OF THE RSA ((§ 32-7-110 (4) and § 32-7-113 (1) (j))

Section 1. Chief Administrator. The RSA Board of Directors has appointed an administrative assistant (chief administrator) who is part-time and a paid employee with benefits. The administrative assistant is generally responsible for the overall administrative operations necessary to achieve the RSA's mission. These include: orienting and serving the board; handling day-to-day fiscal functions; coordinating with healthcare practice lessee to ensure RSA building and equipment are maintained; timely reporting to State and County as required; maintaining budgetary and inventory controls; ensuring Colorado Open Records Act compliance; and handling special projects for the Board of Directors.

ARTICLE XI

FINANCIAL STATEMENTS, BUDGET, and BANK STATEMENTS

Section 1. Fiscal and budget year. (§ 32-7-110 (11)). The fiscal and budget year for the RSA is from January 1 through December 31 of each year..

Section 2. Financial Statements. The RSA financial statements are prepared by the using QuickBooks based on an accrual basis of accounting. The administrator presents to the Board of Directors at the monthly meeting, a Statement of Financial Position, a Statement of Activity, and comparison between the final budget and actual.

Section 3. Budget. The preliminary budget is prepared by the administrator, there is public hearing of the preliminary budget, the final budget is approved by the Board, and the final budget is filed with the Department of Local Affairs.

Section 4. Bank statements. All RSA Board members have access to the bank statements of the RSA.

Section 5. Exemption of Audit. The RSA has developed a procedure dated March 16, 2017, for Exemption from Audit. The Exemption for Audit paperwork is filed with the Office of the Colorado State Auditor, Local Government Audit Division.

ARTICLE XII

CONTRACTS, LOANS, and CHECKS (§ 32-7-113 (1) (c) (d) and (j))

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the RSA, and such authority may be general or confined to specific instances. The major contract for the RSA is with the healthcare provider for the building; and property, and equipment managed by the RSA. The healthcare provider pays for all utilities: telephones, internet connectivity, electricity, gas, water, trash, and sewer. Other contracts involve the maintenance of the building, i.e. HVAC, lawn care and irrigation system, etc.

Section 2. Loans. Any loan for or from the RSA or in its name must be the result of a resolution of the Board of Directors. Such authority may be general or confined to specific instances; provided, however, no loans shall be made by the RSA to its directors or officers.

Section 3. Checks. The administrative assistant is to list each invoice due on their monthly report and after approval by the Board of Directors, the administrative assistant is given the authority to pay online when online bill pay is available without charge to the RSA.

ARTICLE XIII

AFFILIATED TRANSACTIONS and INTERESTED DIRECTORS

Section 1. Affiliated Transactions. No contract or other transaction between the RSA and Interested Persons (as hereinafter defined), including the sale, lease or exchange of property to or from Interested Persons, the lending or borrowing of monies to or from Interested Persons by the RSA or the payment of compensation by the RSA for services provided by Interested Persons, shall be void or voidable because of the relationship or interest between the RSA and the Interested Persons or because any Interested Person is present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such transaction or because his, her or their votes are counted for such purpose if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of any Interested Person(s); or

(b) The contract or transaction is fair and reasonable to the RSA at the time the contract or transaction is authorized, approved or ratified in the light of circumstances known to those entitled to vote thereon at that time.

Section 2. Interested Parties. As used herein, the term "Interested Persons" shall mean any member, director, or officer of the RSA, or any RSA, firm, association or other entity in which one or more of the RSA's members, directors, or officers are directors, officers or members or are financially interested.

Section 3. Loans to Directors and Employees. Notwithstanding anything herein to the contrary, the RSA shall not lend money to or use its credit to assist its directors or employees.

ARTICLE XIV

INSURANCE

Section 1. Insurance. The RSA will purchase (upon resolution duly adopted by the Board of Directors) and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the RSA, or is or was serving at the request of the RSA as a director, officer, employee, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his status as such, whether or not the RSA would have the power to indemnify him against such liability. The Board of Directors passed RESOLUTION NO. 2017-06, Joining Special District Association dated October 12, 2017, which approved the RSA to a contract to cooperate with other Colorado Special Districts

by participating in a self-insurance pool for property and liability coverages entitled “Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool” through the Special District Association. The insurance coverage is for General Liability, Property, Crime, Non-Owned Auto Liability, Hired Auto Physical Damage, Equipment Breakdown, No-Fault Water Intrusion & Sewer Backup, and Public Officials.

ARTICLE XV MEETING RULES

Section 1. Rules of Order. The adopted version of Roberts Rules of Order will apply to all meetings of the RSA. If no version is formally adopted, the most recent version of the rules will apply.

Section 2. Open Meetings/Colorado Sunshine Law. The RSA was formed pursuant to C.R.S. § 32-7-101 - § 32-7-146. Under C.R.S. § 32-7-103(15), a “Service Authority” is defined as “a body corporate and political subdivision of the state formed pursuant to the provisions of section 17 of article XIV of the constitution of the state of Colorado for the purpose of providing certain functions, services, and facilities in the manner and within the limitations provided in this article.” Also, pursuant to section 17(4)(a) of article XIV of the constitution of the state of Colorado: “A service authority shall be a body corporate and a political subdivision of the state.”

Pursuant to C.R.S. § 24-6-402(1)(a)I, “local public bodies” includes any “political subdivisions of the state”, such as the RSA, and under Colorado’s Open Meetings Law, “local public bodies” are required to abide by the public meetings requirements thereunder. Therefore, the RSA hereby adopts the following procedures consistent with Open Meetings Law:

- a. **Compliance with Colorado Open Meetings Law.** All meetings of the Board shall be held in compliance with the Colorado Sunshine Law (C.R.S. § 24-6-401 et seq.), including all requirements related to notice, openness to the public, executive sessions, and minutes.
- b. **Meetings Open to the Public.** All meetings at which public business is discussed or formal action may be taken shall be open to the public, except as specifically permitted by the Colorado Sunshine Law. A meeting is defined as any gathering of a quorum or more of the members of the Board at which public business is discussed, as provided in C.R.S. § 24-6-402.
- c. **Notice of Meetings.** Notice of all regular and special meetings shall be posted no less than twenty-four (24) hours in advance in a designated public location and, if available, on the entity’s official website, in accordance with C.R.S. § 24-6-402(2)(c). The notice shall include the date, time, location, and agenda (to the extent known) of the meeting.
- d. **Executive Sessions.** Executive sessions may be held only for matters authorized under C.R.S. § 24-6-402(4), including but not limited to legal advice, personnel

matters, and negotiations. Prior to convening in executive session, the topic to be discussed and the statutory citation authorizing the session shall be announced in open meeting. No formal action shall be taken during executive session.

- e. **Minutes and Recordkeeping.** Minutes shall be taken and promptly recorded for all public meetings. Executive sessions shall be electronically recorded in accordance with C.R.S. § 24-6-402(2)(d.5), except where exempted by statute. All records of meetings, including recordings and minutes, shall be retained and made available for public inspection as required by law.

ARTICLE XVI AMENDMENT OF ARTICLES OF RSA BYLAWS AND RULES

Section 1. Amendments. The Board of Directors may alter, amend, or repeal the Bylaws to include or omit any provision which could be lawfully included or omitted. Proper notice of any such amendments to the Bylaws along with the proposed amendments must be sent to the Directors a minimum of thirty days prior to any such meeting. Such action requires a vote of two-thirds (4 of 5) of all duly qualified Directors voting in support of the amendment.

ARTICLE XVII DISSOLUTION (§32-7-144)

Section 1. Dissolution. Except as otherwise provided in this article, a service authority may be dissolved in a manner pursuant, as nearly as practicable, to the provisions of part 7 of article 1 of this title. Dissolution may be initiated by a petition signed by at least five percent of the eligible electors of the service authority or by a resolution passed by at least three-fourths (5) of the members of the Board of Directors. No dissolution shall be effected unless approved by a majority of the eligible electors of the service authority voting thereon and unless satisfactory arrangements have been made for the continuation of any services essential for the health, welfare, and safety of residents of the dissolved service authority.